

## City of Kenmore

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City of Kenmore - 18120 68th Avenue NE - PO Box 82607, Kenmore WA 98028 - Phone: 425-398-8900 - Fax: 425-481-3236

City of Kenmore  
**City Council Regular Meeting Agenda**  
**7:00 p.m., Monday, October 10, 2011**  
**REVISED 10/7/2011**  
Kenmore City Hall  
18120 68th Ave. NE, Kenmore, WA 98028

AGENDA ITEMS ARE SUBJECT TO CHANGE up to and including the time of the meeting; items may be added or dropped. Please call the City Clerk if you have any questions or to confirm the agenda items prior to the meeting at (425) 398-8900, or stop by City Hall at 18120 68th Avenue NE, Kenmore. The agendas are also available on our website at: [www.kenmorewa.gov](http://www.kenmorewa.gov). Our public meetings are accessible to all members of the public. If you require special accommodations, please call the City Clerk at least three (3) days prior to the meeting.

**I. CALL TO ORDER REGULAR MEETING**

**II. ROLL CALL**

**III. FLAG SALUTE**

**IV. AGENDA APPROVAL**

**V. CONSENT AGENDA**

- A. Minutes of the September 12, 2011 Regular Council Meeting and September 19, 2011 Regular Council Meeting.
- B. Claim Nos. 24581 - 24675 in the Amount of \$592,040.15 for the Period Ending September 28, 2011.
- C. Accept August 2011 Financial Reports for the City of Kenmore - Joanne Gregory, Finance Director
- D. Authorize the City Manager to Execute a Local Agency Agreement, Contract No. 11-C965, for SR 522 Phase 1, Stage 2 Project Property Acquisition with the Washington Department of Transportation (WSDOT) in the Amount of \$2,890,174 - Ron Loewen, City Engineer

**V. CONSENT AGENDA**

- E. Authorize the City Manager to Execute an Amendment 'C' to the Existing Conservation Futures Interlocal Cooperation Agreement, Contract No. 04-C363, with King County for the Receipt of Conservation Futures Tax (CFT) Funds Associated with the Acquisition of 18546 73rd Avenue NE - Ron Loewen, City Engineer

**VI. CITIZEN COMMENTS**

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. PRESENTATION**

- A. Economic Benefits of Bastyr University - Dr. Daniel Church, President, and Greg Goode, Chief of Staff, Bastyr University
- B. Initial Discussion of Proposed Use of LakePointe Site for SR 520 Project Support - Fred Stouder, City Manager

**VIII. COUNCILMEMBER COMMENTS/REPORTS**

**IX. ADJOURNMENT**

**Upcoming Meetings:**

October 17, 2011 7:00 p.m. Regular Council Meeting  
October 24, 2011 7:00 p.m. Regular Council Meeting

DRAFT

City of Kenmore  
City Council Regular Meeting  
Minutes  
September 12, 2011

**CALL TO ORDER** – Deputy Mayor Milton Curtis called the meeting to order at 7:00 p.m.

**Councilmembers present:** Deputy Mayor Milton Curtis and Councilmembers Bob Hensel, John Hendrickson, Laurie Sperry, and Allan Van Ness

**Councilmembers excused:** Mayor David Baker and Councilmember Glenn Rogers

**Staff present:** Fred Stouder, City Manager; Joanne Gregory, Finance Director; Ron Loewen, City Engineer; Jennifer Gordon, Public Works Operations Manager; Cliff Sether, Police Chief; Rod Kaseguma, City Attorney; and Lynn Suskin, City Clerk

**FLAG SALUTE**

Deputy Mayor Milton Curtis led the flag salute.

**AGENDA APPROVAL**

**Deputy Mayor Milton Curtis moved to pull Item VII A. from the agenda and approve the agenda as amended. Councilmember Bob Hensel seconded the motion. Council unanimously approved the agenda as amended.**

**CONSENT AGENDA**

**Councilmember Laurie Sperry moved to approve the Minutes of the July 11, 2011 Regular Council Meeting; Approval of Claim Nos. 24432 - 24492 in the Amount of \$516,467.90 for the Period Ending August 25, 2011; and Accept July 2011 Financial Reports for the City of Kenmore. Councilmember Bob Hensel seconded the motion. The motion passed unanimously.**

**CITIZEN COMMENTS**

Dave Crawford, 7534 NE 175th St., Kenmore, was present to provide comments on the Brightwater Open House, Swamp Creek homes being purchased; and his concerns relating to the flooding in Swamp Creek.

Cindy Creager, 19210 Kenlake Pl. NE, Kenmore, was present to state her concerns relating to playground equipment and a picnic shelter being proposed for the Northshore Summit Park.

City of Kenmore - Regular Council Meeting Minutes  
September 12, 2011

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Barbara Fuentes, 19306 Kenlake Pl. NE, Kenmore, was present to state her concerns relating to playground equipment and a picnic shelter being proposed for the Northshore Summit Park.

Gale Forkner, 19222 Kenlake Pl. NE, Kenmore, was present to state her concerns relating to playground equipment and a picnic shelter being proposed for the Northshore Summit Park.

Steve Dailey, 19216 Kenlake Pl. NE, Kenmore, was present to state his concerns relating to playground equipment and a picnic shelter being proposed for the Northshore Summit Park.

Russ & Cathy Roe, 19101 62<sup>nd</sup> Ave. NE, Kenmore, were present to state their concerns relating to playground equipment and a picnic shelter being proposed for the Northshore Summit Park.

Rick & Debora Verlinda, 19017 62<sup>nd</sup> Ave. NE, Kenmore, were present to state their concerns relating to playground equipment and a picnic shelter being proposed for the Northshore Summit Park.

Virginia Allison, 19118 Kenlake Pl. NE, Kenmore, was present to state her concerns relating to playground equipment and a picnic shelter being proposed for the Northshore Summit Park.

Kyle Tate, 19112 Kenlake Pl. NE, Kenmore, was present to state her concerns relating to playground equipment and a picnic shelter being proposed for the Northshore Summit Park.

Kent Sturgis, 18821 64<sup>th</sup> Ave. NE, Kenmore, was present to state his concerns relating to pedestrian safety in front of the new library.

David Mason, 20305 60<sup>th</sup> Ave. NE, Kenmore, was present to state his concerns relating to vegetation/view obstruction when he pulls out by the new library.

## **PROCLAMATIONS**

**Recovery Month September 2011** – Deputy Mayor Milton Curtis read the proclamation proclaiming that the month of September is National Recovery Month: Prevention Works, Treatment is Effective, People Recover.

The Council unanimously approved the proclamation.

**Safe Routes to School** – Deputy Mayor Milton Curtis read the proclamation into the record supporting the Safe Routes to School Program.

The Council unanimously approved the proclamation.

## **PUBLIC HEARING**

**Public Hearing to Receive Public Testimony Related to Considering Adoption of an Ordinance Authorizing the Commencement of Legal Proceedings to Acquire, by Condemnation, Fee Simple Title and Other Property Rights in Certain Properties Located at 18018 and 18021 61st Avenue NE and 6113 NE 182nd Street, Kenmore, Washington** - Ron Loewen, City Engineer, was present to give a brief staff report. He was also available to answer any questions.

Deputy Mayor Milton Curtis opened the public hearing to receive citizen input at 7:54 p.m.

The following citizen spoke:

Dave Crawford, 7534 NE 175th St., Kenmore

As there was no further testimony, Deputy Mayor Milton Curtis closed the public hearing at 7:57 p.m.

## **BUSINESS AGENDA**

**Adopt Ordinance No. 11-0324 Authorizing the Acquisition, by Negotiation or Condemnation, of Real Property Interests Necessary for the 61st Avenue NE and NE 181st Street Traffic Signal** - Ron Loewen, City Engineer, was present to give a brief staff report. He was also available to answer any questions.

**Councilmember Laurie Sperry moved to Adopt Ordinance No. 11-0324 Authorizing the Acquisition, by Negotiation or Condemnation, of Real Property Interests Necessary for the 61st Avenue NE and NE 181st Street Traffic Signal. Councilmember Allan Van Ness seconded the motion. The motion passed unanimously.**

**Authorize the City Manager to Execute Interlocal Agreement No.11-C958 with Washington State Parks for Saint Edward State Park Perpetual Easement for Ingress, Egress and Traffic Light Signal, and Temporary Construction Easement (#E687000CIT1)** - Ron Loewen, City Engineer, was present to give a brief staff report. He was also available to answer any questions.

**Councilmember Laurie Sperry moved to Authorize the City Manager to Execute Interlocal Agreement No.11-C958 with Washington State Parks for Saint Edward State Park Perpetual Easement for Ingress, Egress and Traffic Light Signal, and Temporary Construction Easement (#E687000CIT1). Councilmember Bob Hensel seconded the motion. The motion passed unanimously.**

**COUNCILMEMBER COMMENTS/REPORTS**

Councilmember John Hendrickson announced that the 61-page financial document he received at the last meeting did not answer his questions. He requested that staff be directed to answer the questions he had at the last meeting in writing.

Deputy Mayor Milton Curtis informed Councilmember John Hendrickson that staff would not be responding in writing, as they have already provided answers/addressed all of his questions.

Councilmember Laurie Sperry provided an update on the Kenmore Library Advisory Board meeting and noted that two members, whose terms are expiring at the end of this year, have decided that they do not want to serve another term. She stated that the library will be writing a letter outlining some of their concerns relating to pedestrian safety.

**ADJOURNMENT**

Deputy Mayor Milton Curtis adjourned the regular meeting at 8:30 p.m.

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Deputy Mayor Milton Curtis

ATTEST:

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Lynn Suskin, City Clerk

DRAFT

City of Kenmore  
City Council Regular Meeting  
Minutes  
September 19, 2011

**CALL TO ORDER** - Mayor David Baker called the meeting to order at 7:00 p.m.

**Councilmembers present:** Mayor David Baker, Deputy Mayor Milton Curtis, Councilmembers Bob Hensel, John Hendrickson, Laurie Sperry, and Glenn Rogers.

**Councilmembers excused:** Councilmember Allan Van Ness

**Staff present:** Fred Stouder, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance Director; Debbie Bent, Director of Community Development; Jennifer Gordon, Public Works Operations Manager; Cliff Sether, Police Chief; Rod Kaseguma, City Attorney; and Lynn Suskin, City Clerk

**FLAG SALUTE**

Mayor David Baker led the flag salute.

**AGENDA APPROVAL**

**Councilmember Glenn Rogers moved to approve the agenda as submitted. Deputy Mayor Milton Curtis seconded the motion. The motion passed unanimously.**

**CONSENT AGENDA**

**Councilmember Laurie Sperry moved to approve the consent agenda as submitted. Councilmember Bob Hensel seconded the motion to approve the Minutes of the June 28, 2011 Special Council Meeting/Workshop; July 18, 2011 Regular Council Meeting and July 25, 2011 Regular Council Meeting; and Authorize the City Manager to Execute Contract No. 11-C959 with King County, the 2012-2014 Regional Affordable Housing Program Interlocal Agreement for the Use of Local Low Income Housing Funds in King County. The motion passed unanimously.**

**CITIZEN COMMENTS**

Brent Smith, 16316 Inglewood Place NE, Kenmore, was present to state that he supports the proposed playground equipment and picnic shelter being constructed/installed at the Northshore Summit Park.

Lisa & Al Stankowiak, 19011 62<sup>nd</sup> Ave. NE., Kenmore, were present to state their concerns regarding the proposed playground equipment and picnic shelter being constructed/installed for the Northshore Summit Park.

Russ and Cathy Roe, 19101 62<sup>nd</sup> Ave. NE., Kenmore, were present to state their concerns regarding the proposed playground equipment and picnic shelter being constructed/installed for the Northshore Summit Park.

Ruth Roetcisoender, 6130 NE 197<sup>th</sup> Kenmore, was present to state that she supports the proposed playground equipment and picnic shelter being constructed/installed at the Northshore Summit Park.

Stacey Denuski, 6513 NE 191<sup>st</sup> St., Kenmore, was present to state that she supports the proposed playground equipment and picnic shelter being constructed/installed at the Northshore Summit Park.

Gail Forkner, 19222 Kenlake Pl. NE., Kenmore, was present to state her concerns regarding the proposed playground equipment and picnic shelter being constructed/installed for the Northshore Summit Park.

Virginia Allison, 19118 Kenlake Pl. NE., Kenmore, was present to state her concerns regarding the proposed playground equipment and picnic shelter being constructed/installed for the Northshore Summit Park.

Debra Srebnik, 18521 63<sup>rd</sup> Ave. NE., Kenmore, was present to state her concerns regarding the proposed playground equipment and picnic shelter being constructed/installed for the Northshore Summit Park.

Bryon Angvall, 6306 NE 192<sup>nd</sup> Ct. ., Kenmore, was present to state his concerns regarding the proposed playground equipment and picnic shelter being constructed/installed for the Northshore Summit Park.

Cindy Creager, 19210 Kenlake Pl. NE., Kenmore, was present to state her concerns regarding the proposed playground equipment and picnic shelter being constructed/installed for the Northshore Summit Park.

Joanne Barenberg, 6252 NE 184<sup>th</sup> St., Kenmore, was present to state her concerns regarding the proposed playground equipment and picnic shelter being constructed/installed for the Northshore Summit Park.

Mayor David Baker summarized the citizen comments.

## **BUSINESS AGENDA**

**Authorize the City Manager to Execute Agreement No. 11-C960 with SiteLines to Provide and Install Play Equipment at Northshore Summit Park in the Amount of \$57,876.62** - Ron Loewen, City Engineer, Jennifer Gordon, Public Works Operations Manager, and Fred Stouder, City Manager, were all present to discuss and answer questions.

Discussion followed.

**Deputy Mayor Milton Curtis moved to table, for two weeks, the consideration of Contract No. 11-C960 with SiteLines to Provide and Install Play Equipment at Northshore Summit Park in the Amount of \$57,876.62. Mayor David Baker seconded the motion. The motion passed unanimously.**

#### **COUNCILMEMBER COMMENTS/REPORTS**

Councilmember John Hendrickson stated that more meetings need to be held and a public hearing should be scheduled in order to receive more citizen input relating to the proposed installation of playground equipment and a picnic shelter at the Northshore Summit Park.

Councilmember Bob Hensel stated that he appreciates staff putting together the background on the proposed improvements at Northshore Summit Park so quickly.

Councilmember Laurie Sperry stated that she had a scheduling conflict with the start time of the proposed Special Council Meeting on September 27<sup>th</sup>.

Mayor David Baker reviewed and distributed an article from the Washington Post in which it lists the post offices that are scheduled for closing. He noted that Kenmore is not on the list. He reviewed that the City has received approval to install business signage for businesses such as: Bastyr University and Kenmore Air. He stated that he has been attending meetings and there is an upcoming public hearing scheduled relating to Copper Lantern being refinanced and being turned into rental units. He announced that Kenmore had received a certificate from the National League of Cities recognizing that Kenmore had received a wellness award which decreases the amount the City has to pay for employee health benefits.

#### **ADJOURNMENT**

Mayor David Baker adjourned the regular meeting at 8:05 p.m.

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Mayor David Baker

ATTEST:

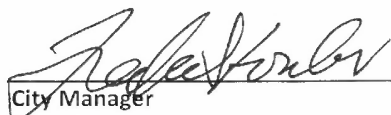
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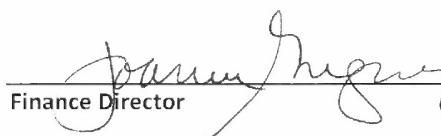
Lynn Suskin, City Clerk

# 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 24581- 24675 which total \$592,040.15 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.

 9/29/2011  
City Manager Date

 9-29-11  
Finance Director Date

| Check | Name                                | Description                           | Net amount  |
|-------|-------------------------------------|---------------------------------------|-------------|
| 24581 | INSLEE, BEST, DOEZIE & RYDER, P.S.  | Downtown Redevelopment July, 2011     | \$ 1,009.50 |
| 24582 | ALCALDE & FAY                       | 8/15-9/15/11 Government Consulting    | 18.23       |
| 24583 | KING COUNTY ARCHIVES                | Northshore Plan Update Copies         | 82.90       |
| 24584 | PETTY CASH CUSTODIAN                | Petty Cash Reimbursement              | 411.76      |
| 24585 | KELLY PRINTING & GRAPHICS           | Business cards, envelopes             | 793.88      |
| 24586 | DIGITAL REPROGRAPHICS SERVICES INC. | Copies                                | 38.77       |
| 24587 | NATIONWIDE FINANCIAL 401a           | Payroll Entry                         | 10,054.96   |
| 24588 | NATIONWIDE RETIREMENT SOLUTIONS 457 | Payroll Entry                         | 1,570.00    |
| 24589 | ICMA RETIREMENT TRUST 457 - 304745  | Payroll Entry                         | 2,219.22    |
| 24590 | DRS 457                             | Payroll Entry                         | 1,706.66    |
| 24591 | AFLAC                               | Payroll Entry                         | 742.87      |
| 24592 | CITY OF KENMORE FS                  | Payroll Entry                         | 176.96      |
| 24593 | BANK OF AMERICA 941                 | Payroll Entry                         | 10,762.28   |
| 24594 | WA GUARANTEED EDUCATION TUITION     | Payroll Entry                         | 415.00      |
| 24595 | DEPARTMENT OF RETIREMENT SYSTEMS    | Payroll Entry                         | 8,539.18    |
| 24596 | DEPARTMENT OF LABOR AND INDUSTRIES  | Payroll Entry                         | 1,179.31    |
| 24597 | UNITED WAY OF KING COUNTY           | Payroll Entry                         | 92.00       |
| 24598 | NATIONAL LIFE OF VERMONT            | Payroll Entry                         | 328.34      |
| 24599 | AMERICAN GENERAL                    | Payroll Entry                         | 451.77      |
| 24600 | STATE OF FLORIDA DISBURSEMENT UNIT  | Payroll Entry                         | 275.00      |
| 24601 | WA STATE DEPT OF RETIREMENT SYS     | Payroll Entry                         | 154.70      |
| 24602 | AWC EMPLOYEE BENEFITS               | Payroll Entry                         | 32,562.00   |
| 24603 | PEOPLES STORAGE                     | Storage Rent 10/1-10/31/11            | 177.00      |
| 24604 | BANNER BANK CS                      | Supplies, Training Exp, Battery       | 248.60      |
| 24605 | NORTHSHORE UTILITY DIST             | Room Rental Fees                      | 2,098.71    |
| 24606 | BANNER BANK LD                      | Meals & Supplies, BBQ & Events        | 336.06      |
| 24607 | BANNER BANK NO                      | Meals, Supplies, Registration         | 212.42      |
| 24608 | BANNER BANK KENMORE                 | Computer, Monitors, Registration      | 1,955.08    |
| 24609 | MR. T'S TROPHIES                    | Award Plaque                          | 152.76      |
| 24610 | BANNER BANK JGORDON                 | Tools, Equip., Supplies, Insurance    | 1,017.71    |
| 24611 | BRAVO ENVIRONMENTAL SERVICE         | Drainage Services                     | 3,935.00    |
| 24612 | CASCADE PEST CONTROL                | Parks Maintenance Contracts September | 142.35      |
| 24613 | CITY OF BELLEVUE                    | ARCH Contributions Qtr4/ 2011         | 8,963.62    |

VB. Claim Nos. 24581 - 24675 in the Amount of \$592,040.15 for the Period Ending September 28, 2011.

|                                           |                                           |           |
|-------------------------------------------|-------------------------------------------|-----------|
| 24614 COASTWIDE LABORATORIES              | Facility Maintenance Supplies             | 125.16    |
| 24615 CONSOLIDATED PRESS                  | Open House Postcards                      | 660.02    |
| 24616 CROWN PRODUCTS LLC                  | Parks Materials                           | 551.35    |
| 24617 ALLIED WASTE SERVICES #172          | August Solid Waste Services               | 714.69    |
| 24618 FERGUSON ENTERPRISES INC            | Materials for Drainage & Repairs          | 1,833.55  |
| 24619 FRUHLING SAND & TOPSOIL             | Dump Fees                                 | 15.50     |
| 24620 CALPORTLAND COMPANY                 | Materials for Repairs                     | 1,015.54  |
| 24621 H.W. LOCHNER, INC.                  | Consulting 7/23-8/19/11 SR522             | 32,815.08 |
| 24622 JET CITY PRINTING                   | Brochures                                 | 43.80     |
| 24623 KING COUNTY DISTRICT COURT          | 2010 District Court Services              | 35,497.00 |
| 24624 VOID                                |                                           |           |
| 24625 KING COUNTY PUBLIC DEFENSE          | August, 2011 Indigent Screening           | 949.09    |
| 24626 KING COUNTY                         | OT Charges Police Department              | 1,472.65  |
| 24627 KING COUNTY SHERIFF                 | Concert in Park OT July, 2011             | 293.62    |
| 24628 KING COUNTY SHERIFF                 | OT Kenmore School District                | 788.76    |
| 24629 LIGHTHOUSE CONSULTING INC           | July & August Network, Server, IT Svc     | 9,393.52  |
| 24630 NEXTEL COMMUNICATIONS               | 7/25-8/24/11 Cell Phones                  | 829.72    |
| 24631 NORTSHORE FIRE DEPT                 | Fire Marshall Plan Review - August        | 360.00    |
| 24632 NORTSHORE UTILITY DIST              | Aug., 2011 Fleet Maint./ Water Bills      | 6,389.46  |
| 24633 OAKSTONE WELLNESS                   | Employee Wellness Web Subscription        | 128.07    |
| 24634 OLYMPIC ENVIRONMENTAL RESOURCES INC | Business Recycling Event 9/14/11          | 5,408.75  |
| 24635 PACIFIC NW TITLE CO OF WA, INC      | 61st & 181st Signal Project               | 76.00     |
| 24636 PUGET SOUND ENERGY                  | Electricity Bills 9/15/11                 | 2,620.27  |
| 24637 PUGET SOUND REGIONAL COUNCIL        | Annual Membership Dues                    | 7,390.00  |
| 24638 CEMEX                               | Materials for Repairs                     | 1,238.57  |
| 24639 SEATTLE TIMES                       | Classified Ads Placed Aug. 2011           | 1,235.31  |
| 24640 STAPLES ADVANTAGE                   | Toner Cartridges                          | 195.92    |
| 24641 STATE AUDITOR'S OFFICE              | 08/11 Audit Services for 2010             | 5,009.90  |
| 24642 STEWART BEALL MACNICHOLS            | August, 2011 Public Defender Services     | 7,600.00  |
| 24643 TOTAL LANDSCAPE CORP                | Sept 2011 Parks, City Hall, SR522 Maint.  | 6,404.21  |
| 24644 COLUMBIA RIDGE LANDFILL             | Dump Fees/ Container Rental               | 1,656.37  |
| 24645 AURORA RENTS                        | 180th & 57th Drainage Material            | 423.22    |
| 24646 MOBILE ELECTRICAL DISTRIBUTORS INC  | 6700 Bldg Light Repair @ Post Office      | 23.17     |
| 24647 KING COUNTY RECORDER'S OFFICE       | Release of Lien - K.C. Recording Fee      | 62.00     |
| 24648 MAIL FINANCE                        | Postage Machine Lease                     | 250.76    |
| 24649 RANDALL, BRIAN                      | WFOA Conference Exp. Reimbursement        | 296.37    |
| 24650 TELESYSTEMS WEST                    | New Phone & Installation Ext. 6194        | 328.50    |
| 24651 HDR                                 | 6/26-8/31/11 Eng Svc 61st PI Slide Repair | 8,487.57  |
| 24652 STRIPE RITE, INC.                   | SR522 Phase I Stage I Construction        | 1,215.45  |
| 24653 QUALITY BUSINESS SYSTEMS            | 8/3/11-9/3/11 Copier Usage                | 108.66    |
| 24654 BIS                                 | Website Hosting - September, 2011         | 275.00    |
| 24655 A+ CONFERENCING                     | Conference Calls Services - September     | 36.84     |
| 24656 HICKS, KATHLEEN                     | Reimbursement of Printing Expenses        | 97.64     |
| 24657 SHATTUCK, NANCY                     | DV Victim Advocacy 8/31/11                | 800.00    |
| 24658 ALCALDE & FAY                       | Govt. Affairs Consulting                  | 5,014.82  |
| 24659 AMERICAN ASSOC OF CODE ENFORCEMENT  | Annual Dues                               | 75.00     |
| 24660 COMCAST                             | Sept. 2011 City Hall Internet             | 109.90    |
| 24661 JRW ENTERPRISES                     | Facility Repairs                          | 413.36    |
| 24662 INTEGRA TELECOM                     | SEPT 2011 City Hall Phone Svc             | 739.36    |
| 24663 FRONTIER                            | 6700 Bldg Alarm Panel - Sept.             | 109.96    |
| 24664 AM TEST, INC                        | IDDE Samples Tested                       | 295.00    |

VB. Claim Nos. 24581 - 24675 in the Amount of \$592,040.15 for the Period Ending September 28, 2011.

|                                         |                                           |                      |
|-----------------------------------------|-------------------------------------------|----------------------|
| 24665 PAWS                              | August, 2011 Animal Shelter Services      | 1,440.00             |
| 24666 DOWL HKM                          | 61st Pl NE Slide Repair Consulting        | 870.00               |
| 24667 MATRIX CONSULTING GROUP           | Aug. 2011 Consulting Services             | 2,021.00             |
| 24668 SNOHOMISH COUNTY SHERIFF'S OFFICE | August, 2011 Inmate Medical Billing       | 128.99               |
| 24669 STEPHENS, MARY                    | Aug. 2011 Public Defender Services        | 1,250.00             |
| 24670 OFFICE CLEANING CREW              | Sept. 2011 Janitorial Service             | 1,920.00             |
| 24671 SPECIAL ASPHALT PRODUCTS          | Crack Sealing 8/15-8/29/11                | 2,737.50             |
| 24672 HULQUIST HOMES                    | Release Hawthorne Glen ROW Agreement      | 7,500.00             |
| 24673 IRIS WINDOW COVERINGS NW, INC.    | Blinds for City Hall                      | 1,382.81             |
| 24674 DIAMOND TRAFFIC PRODUCTS          | Traffic Count Program                     | 190.36               |
| 24675 KING COUNTY FINANCE               | August Streets Contracts, Adult Detention | 327,900.43           |
|                                         |                                           | <u>\$ 592,040.15</u> |

#### PRIOR VENDOR ACTIVITY

#### Previous YTD

|                                    |            |
|------------------------------------|------------|
| 3CMA                               | \$ 375.00  |
| A+ CONFERENCING                    | 166.95     |
| AA PARTY RENTALS                   | 3,070.92   |
| ABBOTT, CARRIE                     | 250.00     |
| ACTION ENTERTAINMENT               | 1,090.00   |
| ACTIVE SHOOTER TRAINING LLC        | 815.90     |
| ADT SECURITY SERVICES              | 1,092.76   |
| ADVANCE TESTING & SERVICE INC      | 459.00     |
| AFLAC                              | 8,116.86   |
| ALCALDE & FAY                      | 55,469.96  |
| ALLIANCE OF PEOPLE W/ DISABILITIES | 386.25     |
| ALLIED WASTE SERVICES #172         | 7,135.62   |
| ALPHA COURIER SERVICES             | 33.60      |
| AM TEST, INC                       | 1,100.00   |
| AMERICAN GENERAL                   | 3,740.43   |
| AMERICAN PLANNING ASSOCIATION      | 1,501.00   |
| AMERICAN PUBLIC WORKS ASSOCIATION  | 503.42     |
| AMERICAN REPROGRAPHICS COMPANY     | 127.43     |
| AMERICAN SOCIETY OF COMPOSERS      | 305.00     |
| AMES2BFIT                          | 50.00      |
| ANDERSON, LAURI                    | 27.94      |
| ANDONIADIS INC                     | 1,302.44   |
| APPLIED PROFESSIONAL SERVICES INC  | 1,536.93   |
| ARGENS                             | 15.88      |
| ARTS OF KENMORE                    | 500.00     |
| ASP, ANGELA                        | 210.00     |
| ASSOCIATION OF WA CITIES           | 13,970.00  |
| AT WORK                            | 1,855.25   |
| AURORA RENTS                       | 2,094.82   |
| AWC EMPLOYEE BENEFITS              | 301,286.79 |
| BABB, MICHELLE                     | 186.92     |
| BADGLEY'S LANDSCAPE LLC            | 2,190.00   |
| BAKER, DAVID                       | 2,503.20   |
| BANK OF AMERICA 941                | 238,105.38 |

VB. Claim Nos. 24581 - 24675 in the Amount of \$592,040.15 for the Period Ending September 28, 2011.

|                                    |         |            |
|------------------------------------|---------|------------|
| BANNER BANK                        | BH      | 463.61     |
| BANNER BANK                        | CS      | 5,232.11   |
| BANNER BANK                        | DB      | 930.49     |
| BANNER BANK                        | JG      | 7,370.57   |
| BANNER BANK                        | JGORDON | 8,551.95   |
| BANNER BANK                        | KENMORE | 27,117.06  |
| BANNER BANK                        | LB      | 1,855.30   |
| BANNER BANK                        | LD      | 5,685.74   |
| BANNER BANK                        | NO      | 5,036.73   |
| BARCLAY DEAN ARCHITECTUAL PRODUCTS |         | 711.75     |
| BASTYR UNIVERSITY                  |         | 220,783.70 |
| BAYLES, GREGORY                    |         | 50.00      |
| BEEGEE TOLPA                       |         | 700.00     |
| BEKINS NORTHWEST                   |         | 303.45     |
| BENNETT, STUART                    |         | 29.36      |
| BIG BUBBA DOG LLC                  |         | 1,500.00   |
| BIS                                |         | 3,885.00   |
| BLACKBAUD                          |         | 4,956.23   |
| BLUE WAVE CONSTRUCTION, INC        |         | 24,671.83  |
| BODINE CONSTRUCTION SERVICES, INC  |         | 383.25     |
| BOTHELL SKI & BIKE                 |         | 120.44     |
| BOWHEAD ENVIRONMENTAL & SAFETY     |         | 414.59     |
| BRABEC, MARY                       |         | 3,500.00   |
| BRADY, DAVID                       |         | 84.00      |
| BRAVO ENVIRONMENTAL SERVICE        |         | 118,553.07 |
| BULGER SAFE & LOCK, INC.           |         | 98.55      |
| C. ANDERSON & CO.                  |         | 1,209.98   |
| CALIBRE HOMES, INC                 |         | 7,500.00   |
| CALPORTLAND COMPANY                |         | 3,725.44   |
| CANOPIES BY FRED                   |         | 647.15     |
| CARLSON, THOMAS G.                 |         | 1,193.31   |
| CASCADE PEST CONTROL               |         | 1,527.56   |
| CATHOLIC COMMUNITY SERVICES        |         | 4,512.75   |
| CEMEX                              |         | 5,842.68   |
| CENTER FOR HUMAN SERVICES          |         | 24,040.00  |
| CHAMPION COURIER                   |         | 78.25      |
| CHILDERS, MARK                     |         | 1,069.96   |
| CITY OF BELLEVUE                   |         | 419,868.03 |
| CITY OF CLYDE HILL                 |         | 583.00     |
| CITY OF KENMORE FS                 |         | 3,611.07   |
| CITY OF LAKE FOREST PARK           |         | 605,538.57 |
| CITY OF RENTON                     |         | 980.00     |
| CITY OF SHORELINE                  |         | 993.76     |
| CLARITY SIGNS                      |         | 2,602.28   |
| CLUB NORTHWEST                     |         | 30.00      |
| CLYDE/WEST                         |         | 1,215.87   |
| COASTAL WEAR PRODUCTS INC          |         | 2,701.02   |
| COASTWIDE LABORATORIES             |         | 5,318.73   |
| CODE 4 PUBLIC SAFETY EDUCATION     |         | 198.00     |
| CODE PUBLISHING COMPANY            |         | 547.50     |
| COFFMAN, JON                       |         | 183.00     |

VB. Claim Nos. 24581 - 24675 in the Amount of \$592,040.15 for the Period Ending September 28, 2011.

|                                     |            |
|-------------------------------------|------------|
| COLUMBIA BANK                       | 11,099.56  |
| COLUMBIA FORD                       | 26,352.28  |
| COLUMBIA RIDGE LANDFILL             | 15,963.04  |
| COMCAST                             | 1,099.00   |
| COMMERCIAL SOUND, INC.              | 1,444.26   |
| CONSEJO COUNSELING & REF            | 2,125.00   |
| CONSOLIDATED PRESS                  | 4,383.06   |
| CONTECH STORMWATER SOLUTIONS, INC   | 15,444.98  |
| CORNERSTONE ROOFING                 | 98.50      |
| COSTCO RETAIL SERVICES              | 27.62      |
| COX PRINTING & SIGNS                | 399.68     |
| CPSWQ                               | 100.00     |
| CROWN PRODUCTS                      | 1,491.50   |
| CSAT, LLC                           | 1,600.00   |
| CURRY, ROSS                         | 183.00     |
| CUSTER SPORTSMEN'S CLUB, INC        | 150.00     |
| DAILY JOURNAL OF COMMERCE           | 821.80     |
| DANSOUND INC                        | 6,487.89   |
| DAS MANUFACTURING, INC.             | 10,413.75  |
| DBM CONTRACTORS, INC                | 215,717.62 |
| DELL MARKETING L.P.                 | 4,275.06   |
| DEPARTMENT OF ECOLOGY               | 5,082.52   |
| DEPARTMENT OF LABOR AND INDUSTRIES  | 28,106.81  |
| DEPARTMENT OF LICENSING             | 10.00      |
| DEPARTMENT OF RETIREMENT SYSTEMS    | 156,507.06 |
| DEVRIES, DENIS                      | 159.95     |
| DIGITAL REPROGRAPHICS SERVICES INC. | 1,553.02   |
| DISSTON, GALEN                      | 1,500.00   |
| DOWL HKM                            | 11,725.00  |
| DRS 457                             | 33,174.70  |
| DUNN LUMBER COMPANY                 | 1,759.14   |
| DURRANT, JEFF                       | 879.25     |
| EARTHCORPS                          | 15,204.18  |
| EAST JORDAN IRON WORKS              | 1,152.48   |
| EDGE CONCRETE CONSTRUCTION, LLC     | 1,250.00   |
| EFFICIENCY INC                      | 949.37     |
| EMERGENCY FEEDING PROGRAM           | 3,125.00   |
| EMERGENCY SERVICE COORDINATING AGCY | 56,137.00  |
| EMPLOYMENT SECURITY DEPT            | 1,602.62   |
| ENTERTAINMENT FIREWORKS INC         | 12,025.00  |
| ENVIRONMENTAL SYSTEMS RESEARCH INST | 2,554.01   |
| ESA ADOLFSON                        | 11,624.89  |
| EVANS, C. WILLIAM                   | 5,247.00   |
| EVERGREEN PRINT SOLUTIONS           | 655.54     |
| EVERGREEN SAFETY COUNCIL            | 175.00     |
| EVER-MARK, LLC                      | 1,320.33   |
| EXTREME PROMOTIONS                  | 522.00     |
| FAZZARI MARKETING                   | 1,689.29   |
| FEARON, CLINTON                     | 2,000.00   |
| FEASEL, ROBERT                      | 665.00     |
| FEDEX OFFICE                        | 26.61      |

VB. Claim Nos. 24581 - 24675 in the Amount of \$592,040.15 for the Period Ending September 28, 2011.

|                                    |            |
|------------------------------------|------------|
| FERGUSON ENTERPRISES INC           | 17,035.62  |
| FIRE PROTECTION, INC               | 3,506.16   |
| FRONTIER                           | 60,735.35  |
| FRUHLING SAND & TOPSOIL            | 2,112.81   |
| FULL MAINTENANCE GARDENING         | 3,807.50   |
| GEOENGINEERS INC                   | 40,372.05  |
| GIBBONS & RIELY, PLLC              | 750.00     |
| GORDON DERR                        | 4,266.00   |
| GORDON THOMAS HONEYWELL            | 33,973.06  |
| GOVERNMENT FINANCE OFFICERS ASSOC  | 190.00     |
| GRAHAM CONTRACTING LTD.            | 443,599.44 |
| GRAINGER                           | 6,478.57   |
| GRAY & OSBORNE, INC                | 4,304.27   |
| GREGORY, JOANNE                    | 1,021.66   |
| GREYSTONE COMMERCIAL SERVICE LP    | 174.79     |
| GRIESEL, LEONARD                   | 5,849.50   |
| H.W. LOCHNER, INC.                 | 216,457.20 |
| HAMMOND COLLIER WADE LIVINGSTONE   | 1,050.00   |
| HANSON CONSULTING SERVICES         | 1,269.00   |
| HARRIS COMPUTER SYSTEMS            | 6,317.06   |
| HARRIS, LESLIE                     | 864.67     |
| HDR                                | 190,460.18 |
| HEARTLAND                          | 22,920.97  |
| HEATERMEALS                        | 1,193.21   |
| HESSLER, ANDREW                    | 1,800.00   |
| HERO HOUSE                         | 1,161.25   |
| HOME DEPOT                         | 893.20     |
| HONEY BUCKET                       | 1,020.40   |
| HOPELINK                           | 42,804.00  |
| HOPKINS, CRAIG                     | 364.16     |
| HORIZON DISTRIBUTORS INC           | 680.48     |
| ICMA RETIREMENT TRUST 457 - 304745 | 45,853.62  |
| iCOMPASS TECHNOLOGIES, INC.        | 16,600.00  |
| INDEPENDENT STATIONERS             | 5,730.38   |
| INFRASOURCE CONTRACTING LLC        | 29.36      |
| INGLEWOOD GOLF COURSE              | 2,475.00   |
| INSLEE, BEST, DOEZIE & RYDER, P.S. | 230,803.51 |
| INSTITUTE FOR FAMILY DEVELOPMENT   | 6,938.00   |
| INSTRUMENTATION NORTHWEST INC.     | 1,560.58   |
| INTEGRA TELECOM                    | 7,454.48   |
| INTERNATIONAL CITY/CNTY MGMT ASSOC | 2,154.43   |
| INTERNATIONAL INST OF MUNI CLERKS  | 560.00     |
| iWORQ SYSTEMS                      | 4,800.00   |
| J&K ASSOCIATES                     | 10,789.04  |
| J. MURPHEY CONSTRUCTION            | 42.67      |
| JBS INSTRUMENTS                    | 3,360.75   |
| JET CITY PRINTING                  | 4,346.57   |
| JOHN E. REID & ASSOCIATES          | 580.00     |
| JONES & STOKES                     | 129.31     |
| JURASSIC PARLIAMENT                | 2,202.60   |
| KCDA PURCHASING COOP               | 9,328.55   |

VB. Claim Nos. 24581 - 24675 in the Amount of \$592,040.15 for the Period Ending September 28, 2011.

|                                     |              |
|-------------------------------------|--------------|
| KEEP POSTED INC                     | 173.00       |
| KELLY PRINTING & GRAPHICS           | 5,362.23     |
| KELLY THOMAS, INC.                  | 11,587.29    |
| KENMORE ELEMENTARY PTA              | 5,666.67     |
| KENMORE HERITAGE SOCIETY            | 25.00        |
| KENYON DISEND, PLLC                 | 14,104.37    |
| KEY EQUIPMENT FINANCE               | 2,697.00     |
| KING COUNTY                         | 200.00       |
| KING COUNTY W.L.R.D.                | 274,487.30   |
| KING COUNTY ANIMAL SVCS             | 4,835.00     |
| KING COUNTY DEPT OF CONST PROP SVCS | 1,503.57     |
| KING COUNTY FINANCE                 | 657,610.61   |
| KING COUNTY FIRE DISTRICT           | 850.00       |
| KING COUNTY LIBRARY SYS             | 33,440.00    |
| KING COUNTY PARKS                   | 5,339.21     |
| KING COUNTY PUBLIC DEFENSE          | 7,644.91     |
| KING COUNTY RADIO COMM SERVICES     | 9,463.52     |
| KING COUNTY RECORDER'S OFFICE       | 408.00       |
| KING COUNTY SHERIFF                 | 2,293,687.01 |
| KING COUNTY TREASURY                | 38,465.70    |
| KONICA MINOLTA BUSINESS SOLUTIONS   | 7,876.41     |
| KUKER-RANKEN INC                    | 536.98       |
| KUSTOM SIGNALS, INC.                | 500.33       |
| LACHAPELLE, NATALIE                 | 300.00       |
| LEE, MYUNG                          | 2,252.00     |
| LIGHTHOUSE CONSULTING INC           | 21,641.30    |
| LOEWEN, RON                         | 76.00        |
| LONGFELLOW, JONATHAN                | 420.00       |
| LORBIECKI, GLENN                    | 50.00        |
| LYONS, KEN                          | 6,687.40     |
| MAACO                               | 368.96       |
| MAAS, NORMAN                        | 2,520.00     |
| MAIL FINANCE                        | 2,520.14     |
| MATRIX CONSULTING GROUP             | 36,106.00    |
| McKEE & SCHALKA                     | 5,500.00     |
| MIDMOUNTAIN CONTRACTORS, INC        | 82,850.60    |
| MILNE ELECTRIC, INC                 | 24,991.83    |
| MINZGHOR, NICHOLAS                  | 1,411.92     |
| MOBILE ELECTRICAL DISTRIBUTORS INC  | 12.13        |
| MR. T'S TROPHIES                    | 983.38       |
| NAMI EASTSIDE                       | 400.00       |
| NATIONAL ALLIANCE ON MENTAL ILLNESS | 1,481.50     |
| NATIONAL ASSOC OF PARLIAMENTARIANS  | 85.00        |
| NATIONAL BARRICADE CO               | 2,943.91     |
| NATIONAL LEAGUE OF CITIES           | 5,439.00     |
| NATIONAL LIFE OF VERMONT            | 3,505.45     |
| NATIONWIDE FINANCIAL 401a           | 199,880.50   |
| NATIONWIDE RETIREMENT SOLUTIONS 457 | 24,220.00    |
| NEBC                                | 195.00       |
| NetVersant                          | 9,959.70     |
| NEXTEL COMMUNICATIONS               | 8,132.64     |

VB. Claim Nos. 24581 - 24675 in the Amount of \$592,040.15 for the Period Ending September 28, 2011.

|                                     |            |
|-------------------------------------|------------|
| NEXXPOST                            | 287.31     |
| NORTH CREST DEVELOPMENT CORP.       | 1,794.00   |
| NORTHSHORE FIRE DEPT                | 7,682.60   |
| NORTHSHORE PAVING INC               | 537.90     |
| NORTHSHORE SENIOR CENTER            | 12,250.00  |
| NORTHSHORE UTILITY DIST             | 83,767.17  |
| NORTHSHORE YOUTH & FAMILY SERVICES  | 25,000.00  |
| OAC SERVICES, INC                   | 44,469.71  |
| OFFICE CLEANING CREW                | 5,942.85   |
| OFFICE DEPOT                        | 917.01     |
| OFFICE TEAM                         | 12,813.71  |
| OLYMPIC ENVIRONMENTAL RESOURCES     | 22,219.19  |
| OM WORKSPACE                        | 5,418.58   |
| OSTROM DRUGS                        | 557.40     |
| OTAK                                | 143,293.12 |
| OUSLEY, NANCY                       | 1,179.63   |
| PACE ENGINEERS, INC.                | 3,057.50   |
| PACIFIC NW TITLE CO OF WA, INC      | 1,095.00   |
| PACIFIC TOPSOILS                    | 8,470.94   |
| PASSPORT TRAVEL AND TOURS           | 5,130.80   |
| PAWS                                | 6,665.00   |
| PENDLETON CONSULTING LLC            | 10,044.47  |
| PEOPLES STORAGE                     | 1,714.00   |
| PERKINS COIE                        | 9,428.59   |
| PETTY CASH CUSTODIAN                | 1,155.07   |
| PHOTOTAINMENT                       | 876.00     |
| PHSI PURE WATER FINANCE             | 1,207.56   |
| PLATT                               | 506.41     |
| PRIME PACIFIC BANK                  | 60.00      |
| PRO-VAC                             | 15,817.98  |
| PRSA                                | 277.00     |
| PRUDENTIAL                          | 1,119.39   |
| PUGET SOUND BUSINESS JOURNAL        | 94.00      |
| PUGET SOUND CLEAN AIR AGENCY        | 10,989.00  |
| PUGET SOUND ENERGY                  | 681,269.82 |
| PUGET SOUND FINANCE OFFICERS ASSOC  | 50.00      |
| PUGET SOUND REFRIGERATION           | 2,207.52   |
| PURDY, MICHAEL E.                   | 150.00     |
| PURE WATER TECH OF PUGET SOUND      | 136.88     |
| QUALITY BUSINESS SYSTEMS            | 15,113.11  |
| RICHARD & SHARON ARKLEY LIVING TRUS | 2,300.00   |
| RODGERS, MICHAEL                    | 184.00     |
| ROGERS, GLENN                       | 2,512.74   |
| RON KASPRISIN AIA                   | 902.29     |
| ROUNDY, CASSANDRA                   | 50.00      |
| S & S UPHOLSTERY                    | 2,135.25   |
| SAFRIN, PATTY                       | 979.57     |
| SARAH ROBERTS                       | 92,100.00  |
| SCHINDLER ELEVATOR CORPORATION      | 1,243.37   |
| SCHLOTZHAUER FIRM PS                | 13,080.00  |
| SEATTLE TIMES                       | 4,464.67   |

VB. Claim Nos. 24581 - 24675 in the Amount of \$592,040.15 for the Period Ending September 28, 2011.

|                                    |           |
|------------------------------------|-----------|
| SECRETARY OF STATE                 | 55.00     |
| SEES TREES AND EXCAVATION INC      | 3,131.70  |
| SEMAIHM00 RESORT                   | 520.56    |
| SERVICE ELECTRIC                   | 869.08    |
| SHARAM FAMILY                      | 19,444.40 |
| SHATTUCK, NANCY                    | 7,200.00  |
| SHORELINE PUBLIC SCHOOLS           | 450.00    |
| SHRED-IT                           | 544.50    |
| SMITH, JARRETT                     | 50.35     |
| SNOHOMISH COUNTY                   | 78,742.06 |
| SNOHOMISH COUNTY SHERIFF'S OFFICE  | 42,145.40 |
| SOUND LAW CENTER                   | 12,131.00 |
| SOUND PUBLISHING, INC.             | 4,539.30  |
| SPECIAL ASPHALT PRODUCTS           | 3,258.59  |
| SPERRY, LAURIE                     | 250.00    |
| STAPLES ADVANTAGE                  | 7,077.27  |
| STAR NORTHWEST, INC                | 56,941.47 |
| STARLIGHT CHILDRENS FOUNDATION     | 190.00    |
| STATE AUDITOR'S OFFICE             | 14,081.54 |
| STATE OF FLORIDA DISBURSEMENT UNIT | 825.00    |
| STEPHENS, MARY                     | 7,500.00  |
| STEWART BEALL MACNICHOLS           | 30,700.00 |
| STOUDER, FRED                      | 1,359.01  |
| SUBURBAN CITIES ASSOC              | 11,829.87 |
| SUNBELT                            | 4,361.00  |
| SUSKIN, LYNN                       | 804.10    |
| SUSSMAN/PREJZA & CO, INC           | 50,788.59 |
| TACOMA SCREW PRODUCTS, INC.        | 159.70    |
| TELESYSTEMS WEST                   | 585.83    |
| THE KIPLINGER TAX LETTER           | 89.00     |
| THE PIN CENTER                     | 920.00    |
| THE WILDERS                        | 2,000.00  |
| TIGER CONSTRUCTION & EXCAVATION    | 5,950.00  |
| TIMEMARK INCORPORATED              | 106.76    |
| TITAN OUTDOOR, LLC                 | 862.00    |
| TOTAL LANDSCAPE CORP               | 68,006.00 |
| TOWN & COUNTRY FENCE, INC          | 427.05    |
| TOWNE CENTRE HARDWARE              | 788.32    |
| TRAFFIC COUNT CONSULTANTS, INC     | 5,250.00  |
| TRAN, SHAUN & DINH LIEU            | 415.80    |
| T-TRAN LANDSCAPING & CONCRETE      | 8,760.00  |
| ULI/SEATTLE DISTRICT CNCL          | 45.00     |
| UNITED STATES POSTMASTER           | 1,548.44  |
| UNITED WAY OF KING COUNTY          | 1,127.00  |
| UNIVERSAL FIELD SERVICES           | 18,640.24 |
| UNIVERSITY OF WASHINGTON           | 1,210.00  |
| URBAN LAND INSTITUTE               | 225.00    |
| US POSTAL SERVICE (HASLER)         | 4,450.82  |
| VAN NESS, ALLAN                    | 2,707.62  |
| VAUGHAN, KENT                      | 76.00     |
| W.S.S.R.O.A.                       | 450.00    |

VB. Claim Nos. 24581 - 24675 in the Amount of \$592,040.15 for the Period Ending September 28, 2011.

|                                     |                  |
|-------------------------------------|------------------|
| WA ASSOC FOR FLOODPLAIN MANAGEMENT  | 100.00           |
| WA ASSOC OF CODE ENFORCEMENT        | 40.00            |
| WA CITIES INSURANCE AUTHORITY       | 124,502.00       |
| WA FINANCE OFFICERS ASSOCIATION     | 450.00           |
| WA GUARANTEED EDUCATION TUITION     | 4,150.00         |
| WA RECREATION & PARK ASSOCIATION    | 129.00           |
| WA STATE DEPARTMENT OF AGRICULTURE  | 33.00            |
| WA STATE DEPT OF LABOR & INDUSTRIES | 120.20           |
| WA STATE DEPT OF TRANSPORTATION     | 5,472.01         |
| WA STATE PARKS & RECREATION         | 2,700.00         |
| WARDS NATURAL SCIENCE               | 1,237.95         |
| WARNER, LOUIS                       | 1.02             |
| WASHINGTON CITY/COUNTY MGMT ASSOC   | 160.00           |
| WASHINGTON ENERGY SERVICES          | 120.70           |
| WASHINGTON MILITARY DEPARTMENT      | 5,009.34         |
| WASHINGTON MUNICIPAL CLERKS ASSOC   | 75.00            |
| WASHINGTON STATE DEPT OF INFO SERV  | 14,276.91        |
| WASHINGTON STATE DEPT OF REVENUE    | 5,003.62         |
| WASHINGTON STATE OFFICE CASH MGMT   | 769.50           |
| WASHINGTON TREE SERVICE INC         | 2,847.00         |
| WEINSTEIN AU                        | 22,005.11        |
| WELLS FARGO BANK                    | 803.43           |
| WELLS FARGO FINANCIAL               | 4,435.70         |
| WONDERLAND DEVELOPMENT              | 11,415.00        |
| YAKIMA COUNTY DEPT. OF CORRECTIONS  | 59,400.05        |
| YAMASATO, JON                       | 1,750.00         |
| YAZDIDOOST, KAMRAN                  | 4,305.60         |
| ZESBAUGH, INC.                      | 423.77           |
| ZONAR SYSTEMS                       | 525.33           |
| ZORNES, GARY                        | 230.00           |
| ZUMAR                               | 456.90           |
|                                     | <hr/>            |
|                                     | \$ 10,185,169.21 |

| CITY OF KENMORE, WASHINGTON                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                          |                                   |                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| AGENDA BILL SUMMARY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                          |                                   |                                                                                                                          |
| AGENDA TITLE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                          |                                   | MEETING DATE                                                                                                             |
| Accept August 2011 Financial Reports for the City of Kenmore, Washington                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                          |                                   | October 10, 2011                                                                                                         |
| DEPARTMENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | DIRECTOR                 | CONTACT PERSON                    | PHONE                                                                                                                    |
| Finance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Joanne Gregory           | Joanne Gregory                    | 425-398-8900                                                                                                             |
| COST OF PROPOSAL: N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                          | ACCOUNT NUMBER: Various           |                                                                                                                          |
| AMOUNT BUDGETED:<br>2011-2012 Adopted City Budget \$37,128,075                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                          | NAME AND FUND #:<br>All Funds     |                                                                                                                          |
| ATTACHMENT(S) TO AGENDA PACKET ITEM:<br>1. August 2011 Financial Reports for the City of Kenmore, Washington                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                          |                                   |                                                                                                                          |
| <b>SUMMARY STATEMENT:</b><br><p>The August monthly financial report is submitted for Council review and adoption. This provides the opportunity for the City Council and the community to receive information on the City of Kenmore's year to date revenues and expenditures in comparison to the City's 2011-2012 adopted biennial budget. It also provides an early opportunity to identify any potential variances or fluctuations from the adopted budget.</p> <p>August is the eighth month (33.3%) of the current biennium. Sales tax and real estate excise tax (REET) revenues remain low, especially when compared to already low results in 2009 and 2010. Development revenues overall, including impact fees, and gas taxes are not showing any improvement; property tax collections are on target.</p> <p>On the national level, the unemployment rate remained at 9.1% in August; the same as July. The Dow Jones closed in August at 11,613, another decrease from 12,143 reported in July.</p> |                          |                                   |                                                                                                                          |
| <b>CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION:</b><br><p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                          |                                   |                                                                                                                          |
| <b>RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION:</b><br><p>Accept August 2011 Financial Report for the City of Kenmore, Washington</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                          |                                   |                                                                                                                          |
| <b>REVIEWED BY FINANCE DIRECTOR:</b><br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                          | <b>REVIEWED BY CITY ATTORNEY:</b> | <b>APPROVED BY CITY MANAGER:</b><br> |
| <b>TODAY'S DATE:</b><br>September 29, 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>REVISION DATE(S):</b> |                                   | <b>FILE NAME &amp; PATH (HYPERLINK)</b>                                                                                  |

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## The City of Kenmore

PO Box 82607  
KENMORE, WASHINGTON 98028

### MEMORANDUM]

TO: Frederick C. Stouder, City Manager  
FROM: Joanne Gregory, Finance Director  
DATE: September 19, 2011  
RE: August 2011 Financial Reports for the City of Kenmore, Washington

**August 2011** 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
- 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
- SR 522 Phase I Revenue and Expenditure History
- SR 522 Phase II Revenue and Expenditure History

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

### GENERAL FUND

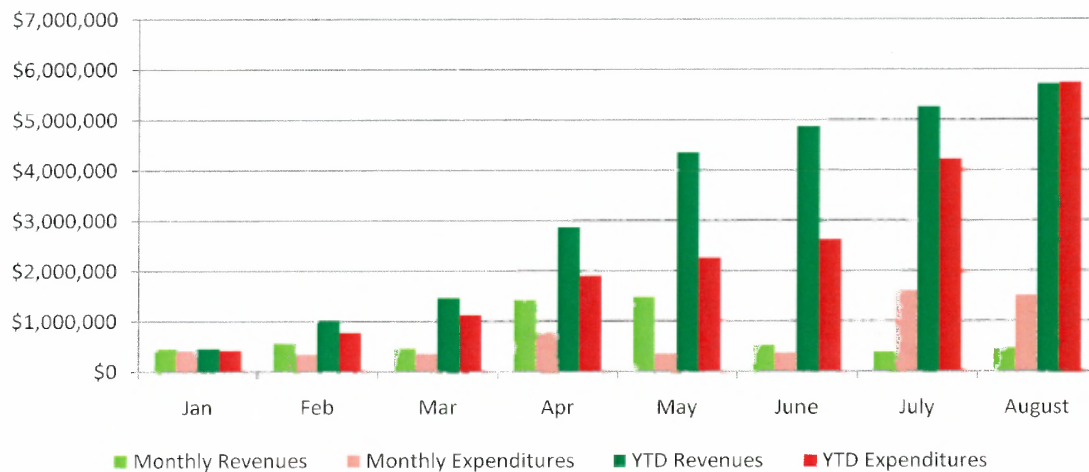
The first section of the monthly financial report is a review of the General Fund. This fund accounts for operational activities and includes all financial resources except those required or elected to be accounted for in another fund. Revenues include various taxes, per capita distributions from the State, fines and forfeitures, permits and licenses, and fees for service.

In the context of the biennial budget, August is the eighth month (33.3%) of the 2011-2012 biennial budget period.

For the month of August, expenditures exceeded revenues in the General Fund by **\$1,052,807**.

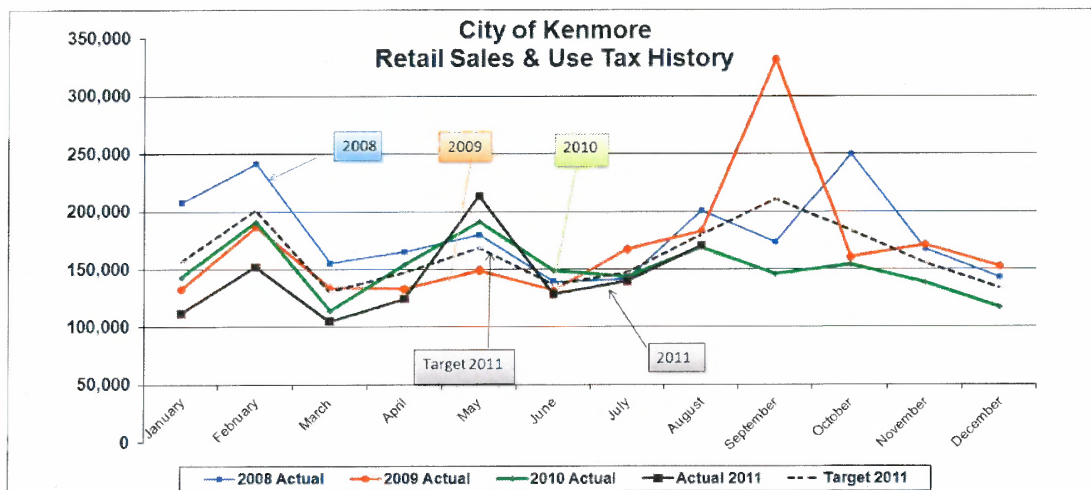
The following chart illustrates the monthly revenue and expenditure activity in the General Fund through August, 2011.

City of Kenmore, Washington  
Monthly Financial Report  
August 2011



Total **revenues** for the month were **\$455,764**. Year to date the revenues are \$5,712,774 which is 30.3% of the biennial budgeted revenues of \$18,833,596. Primary sources of revenue for the month included retail sales and use taxes in the amount of \$170,292 and utility taxes in the amount of \$148,038 which included some receipts that were due for the month of July. Note that year to date franchise fees are unusually high because two of the 2010 quarterly payments (total of \$121,674) were remitted to the City in early 2011.

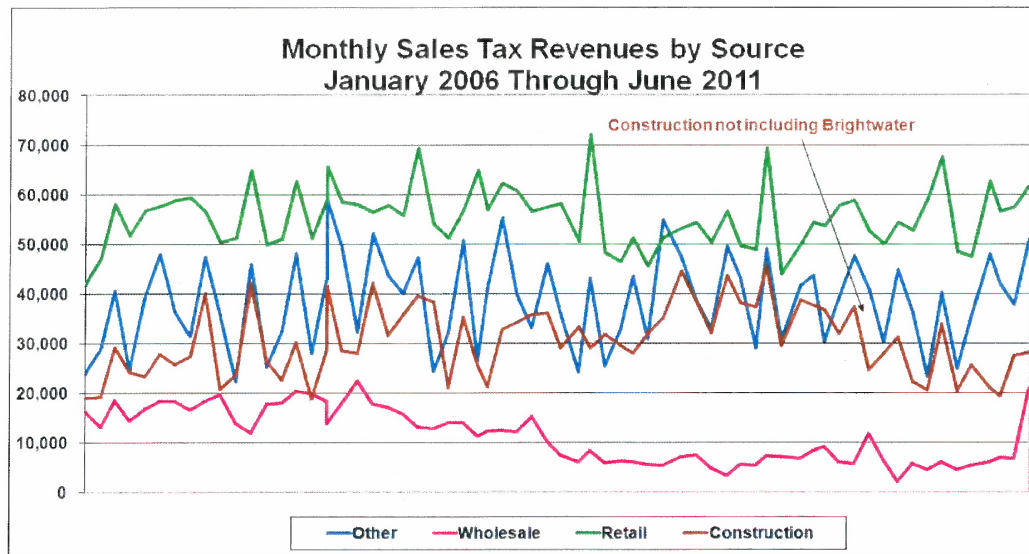
A summary of sales tax revenues received in August is attached. These receipts are based on June sales activity and have been tracking lower each month than the previous three years. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted Target 2011 line is a monthly average of actual receipts by month during 2008, 2009, and 2010. The solid black line represents 2011 actual receipts.



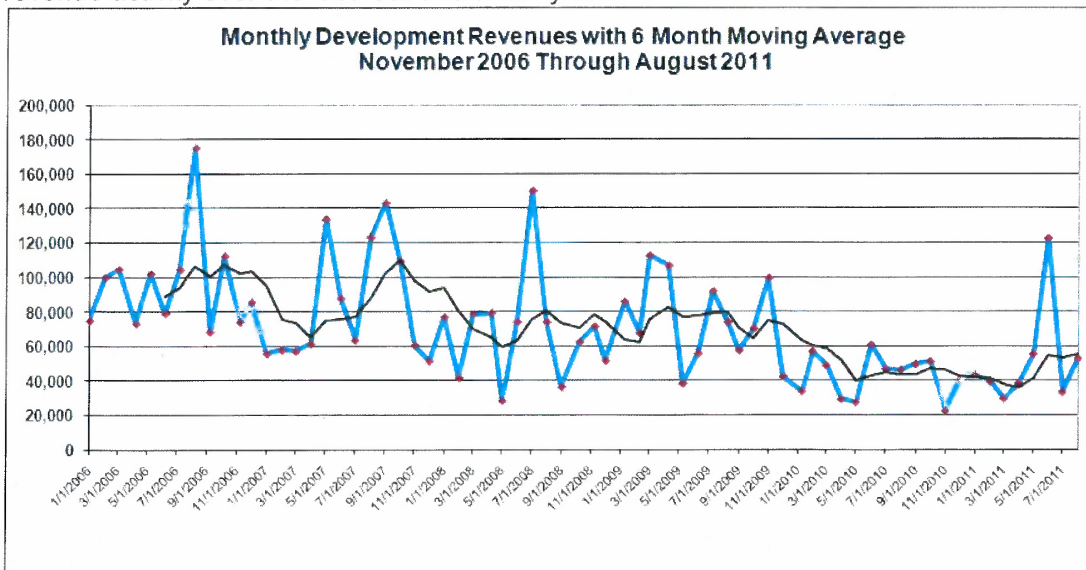
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City of Kenmore, Washington  
Monthly Financial Report  
August 2011

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 2006 through June 2011. Construction sales taxes are shown without the benefit of the Brightwater construction project and are declining. This category previously had the benefit of the city hall, Bastyr dorms, fire station and library construction projects which have been completed. Other segments have not yet experienced significant, prolonged downturns; however wholesale and manufacturing receipts have definitely fallen off.



Development revenues are also declining noticeably. The following chart illustrates the revenue activity over the last four and a half years.



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**August 2011 expenditures** were **\$1,508,571**. Year to date expenditures are \$5,730,432 which is 29.8% of the biennial budget expenditures of \$19,256,668. During this month, the June and July 2011 invoices for the police services contract were paid which accounted for \$450,243 of the monthly total. Also the annual budgeted transfer of \$600,000 to the City Street Fund was recorded. Other expenditures included payments of \$57,958 for Human Services contracts.

The General Fund 2011-2012 budgeted beginning fund balance is \$4,941,884. This is a substantial reserve and represents 53% of the budgeted 2011 expenditures. The City's Financial Policy 3) Contingent Accounts prescribes that the minimum General Fund balance reserve should be \$1,876,990 for 2011. The City Council will provide policy direction regarding the additional reserve of \$3,064,894.

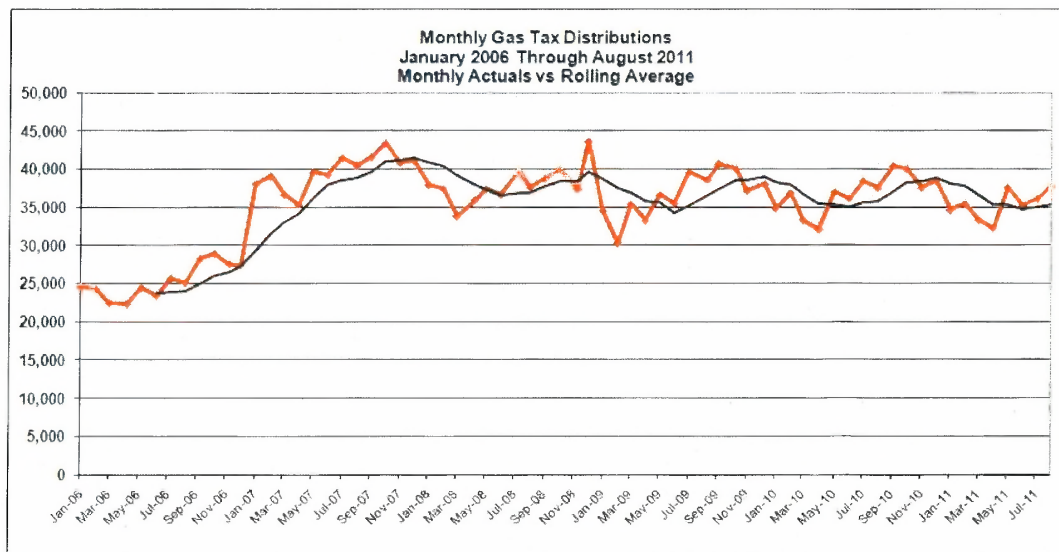
### OTHER FUNDS

The August cash activity for all funds is presented on the attached All Funds Cash Summary. Total City cash and investments, at the end of August, totaled \$16,549,444. The Other Funds Monthly Activity graphs compare biennium to date revenues and expenditures to the 2011-2012 biennial budget.

Other than the following, there were no significant transactions or unusual activities noted during the month of August. Total other fund (non General Fund) revenues were \$1,050,009 and total other fund (non-General Fund) expenditures were \$1,067,467.

In the **Street Fund** revenue from gas tax distributions was \$37,703.

The following chart shows recent gas tax receipts through August, 2011. The price of gas seems to have stabilized although revenues are not expected to rise due to economizing by the public and increased use of fuel efficient vehicles.



City of Kenmore, Washington  
Monthly Financial Report  
August 2011

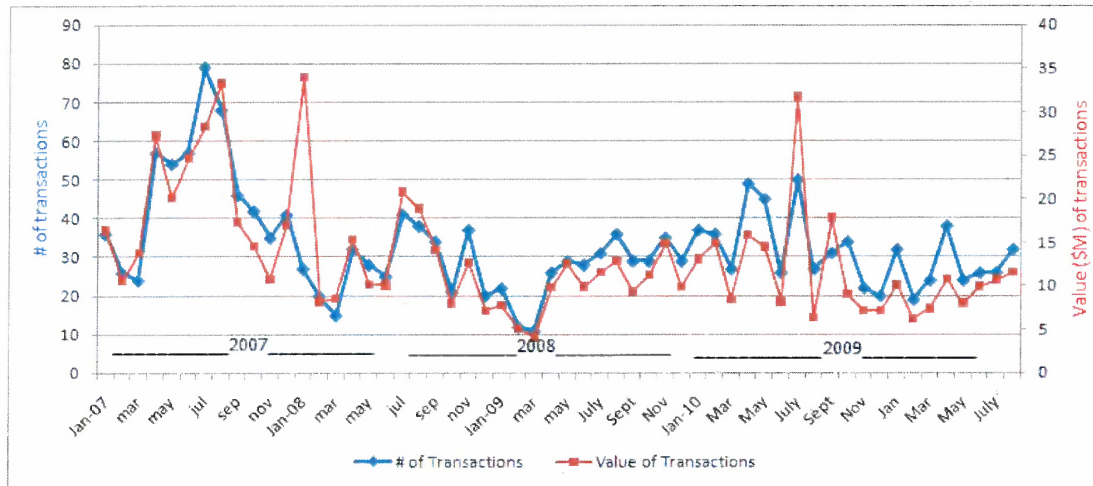
In the **Arterial Street Fund**, \$136,028 was expended on SR 522 Phase I and Phase II; \$299,801 was spent on various other transportation projects including the slide repair on 61<sup>st</sup> Place NE. A budgeted transfer from the Transportation Impact Fee Fund in the amount of \$267,532 was recorded this month.

In the **Street Fund**, the budgeted transfer of \$600,000 for 2011 was recorded as revenue from the General Fund.

**Park impact fees** of \$9,730 were received and **transportation impact fees** of \$32,345 were received in August. The only expenditure was the \$267,532 budgeted transfer to the Arterial Street Fund for SR522 Phase I.

The **Municipal Capital Fund** received \$57,471 of real estate excise taxes (REET) in August from sales activity that occurred in July. 32 transactions were reported this month.

The attached Real Estate Excise Tax Report shows the monthly activity since 2007. Below is a chart that shows both the number of real estate transactions and the value of those transactions for the years 2007, 2008, 2009, 2010, 2011. It is evident that there are a stable number of monthly transactions but not at the peak level experienced in 2007.



### SUMMARY

This concludes the financial report for the City of Kenmore as of **August 31, 2011**. Thank you for taking the time to review the materials. I appreciate your feedback and encourage you to contact the City Manager if you have any questions prior to the City Council meeting.

City of Kenmore, Washington  
General Fund Summary Report  
August 31, 2011



|                                         | CURRENT PERIOD 2011-2012 |                      |                |                              | PRIOR PERIOD 2009-2010 |                      |                              |
|-----------------------------------------|--------------------------|----------------------|----------------|------------------------------|------------------------|----------------------|------------------------------|
|                                         | MONTH<br>August          | YEAR TO DATE<br>2011 | % of<br>BUDGET | BIENNIUM BUDGET<br>2011-2012 | CURRENT<br>August-2010 | YEAR TO DATE<br>2010 | BIENNIUM BUDGET<br>2009-2010 |
| <b>REVENUES</b>                         |                          |                      |                |                              |                        |                      |                              |
| Beginning Fund Balance                  |                          |                      |                | 4,941,884                    |                        |                      | 3,683,966                    |
| Property Taxes                          | 22,267                   | 2,221,494            | 26.9%          | 8,254,387                    | 37,088                 | 2,163,109            | 7,870,521                    |
| Sales and Use Taxes                     | 208,062                  | 1,420,527            | 32.7%          | 4,339,202                    | 204,660                | 1,515,165            | 4,486,179                    |
| Utility Taxes                           | 148,038                  | 1,006,409            | 33.5%          | 3,002,082                    | 99,529                 | 1,000,622            | 3,001,932                    |
| Other Taxes                             | 6,207                    | 21,411               | 20.6%          | 104,104                      | 5,475                  | 22,015               | 145,900                      |
| Development Fees & Permits              | 52,736                   | 414,990              | 28.8%          | 1,439,095                    | 46,303                 | 349,964              | 1,803,313                    |
| Franchise Fees                          | 7,256                    | 330,421              | 61.3%          | 538,588                      | 6,892                  | 190,068              | 466,900                      |
| Intergovernmental and Grants            | 0                        | 229,826              | 30.2%          | 761,476                      | 0                      | 283,804              | 760,841                      |
| Investment Interest                     | 10,714                   | 53,365               | 95.3%          | 56,000                       | 4,109                  | -2,288               | 180,000                      |
| Fines and Forfeitures                   | 19                       | 664                  | 0.0%           | 0                            | -73,876                | -13,622              | 0                            |
| Transfers and Other Revenues            | 465                      | 13,667               | 4.0%           | 338,662                      | 66                     | 145,125              | 235,220                      |
| Total Revenues                          | 455,764                  | 5,712,774            | 30.3%          | 18,833,596                   | 330,247                | 5,653,963            | 18,950,806                   |
| <hr/>                                   |                          |                      |                |                              |                        |                      |                              |
| Total Revenues & Beginning Fund Balance |                          |                      |                | 23,775,480                   |                        |                      | 22,634,772                   |

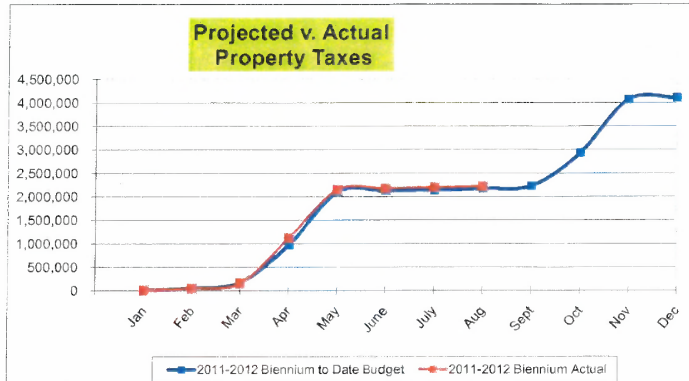
|                                            | CURRENT PERIOD 2011-2012 |                      |                |                              | PRIOR PERIOD 2009-2010 |                      |                              |
|--------------------------------------------|--------------------------|----------------------|----------------|------------------------------|------------------------|----------------------|------------------------------|
|                                            | MONTH<br>August          | YEAR TO DATE<br>2011 | % of<br>BUDGET | BIENNIUM BUDGET<br>2011-2012 | CURRENT<br>August-2010 | YEAR TO DATE<br>2010 | BIENNIUM BUDGET<br>2009-2010 |
| <b>EXPENDITURES</b>                        |                          |                      |                |                              |                        |                      |                              |
| <u>Cost Center</u>                         |                          |                      |                |                              |                        |                      |                              |
| City Council                               | 13,154                   | 75,252               | 34.6%          | 217,644                      | 9,629                  | 99,576               | 184,307                      |
| City Manager                               | 103,277                  | 607,849              | 36.1%          | 1,684,600                    | 122,064                | 601,443              | 1,576,240                    |
| City Clerk                                 | 18,873                   | 161,332              | 30.1%          | 536,261                      | 18,210                 | 162,101              | 503,323                      |
| Finance                                    | 19,499                   | 172,965              | 27.1%          | 639,213                      | 19,574                 | 171,330              | 484,516                      |
| Legal                                      | 21,678                   | 185,238              | 45.0%          | 412,000                      | 14,937                 | 169,980              | 415,000                      |
| Non-Departmental                           | 78,503                   | 488,378              | 31.9%          | 1,532,818                    | 116,400                | 658,201              | 1,774,827                    |
| Interfund Transfers                        | 600,000                  | 600,000              | 37.0%          | 1,623,013                    | 0                      | 0                    | 3,296,095                    |
| Public Safety                              | 499,641                  | 1,982,156            | 25.9%          | 7,664,363                    | 472,033                | 2,179,764            | 6,969,090                    |
| Engineering                                | 40,098                   | 317,607              | 29.5%          | 1,074,935                    | 54,917                 | 291,662              | 1,197,788                    |
| Planning & Community Dev                   | 25,237                   | 215,483              | 28.8%          | 747,632                      | 126,904                | 947,644              | 3,358,755                    |
| Land Dev & Permitting                      | 41,223                   | 359,625              | 22.9%          | 1,571,147                    |                        | 0                    | 0                            |
| Parks & Facility Maintenance               | 47,388                   | 564,547              | 36.4%          | 1,553,042                    | 56,941                 | 390,374              | 1,001,942                    |
| Total Expenditures                         | 1,508,571                | 5,730,432            | 29.8%          | 19,256,668                   | 1,011,609              | 5,672,074            | 20,761,883                   |
| Ending Fund Balance                        |                          |                      |                | 4,518,812                    |                        |                      | 1,872,888                    |
| <hr/>                                      |                          |                      |                |                              |                        |                      |                              |
| Total Expenditures and Ending Fund Balance |                          |                      |                | 23,775,480                   |                        |                      | 22,634,771                   |

**City of Kenmore, Washington  
General Fund Revenue Graphs  
August 31, 2011**

**PROPERTY TAXES**

|      | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|------|-----------------------------------------|---------------------------------|
| Jan  | 10,862                                  | 10,090                          |
| Feb  | 53,674                                  | 48,396                          |
| Mar  | 176,078                                 | 158,944                         |
| Apr  | 977,365                                 | 1,129,979                       |
| May  | 2,104,307                               | 2,146,453                       |
| June | 2,126,886                               | 2,176,581                       |
| July | 2,141,268                               | 2,199,227                       |
| Aug  | 2,178,622                               | 2,221,494                       |
| Sept | 2,234,210                               |                                 |
| Oct  | 2,939,254                               |                                 |
| Nov  | 4,071,083                               |                                 |
| Dec  | 4,106,660                               |                                 |
| 2011 | 4,106,660                               |                                 |

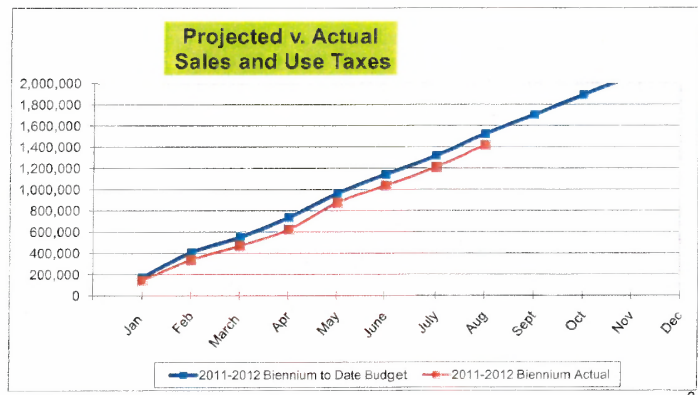
Year To Date  
Actual v. Projected 101.97%



**SALES, USE, CRIM JUSTICE TAXES**

|       | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|-------|-----------------------------------------|---------------------------------|
| Jan   | 174,792                                 | 143,734                         |
| Feb   | 408,586                                 | 337,267                         |
| March | 552,562                                 | 470,750                         |
| Apr   | 738,057                                 | 624,068                         |
| May   | 964,931                                 | 877,898                         |
| June  | 1,145,610                               | 1,039,289                       |
| July  | 1,320,155                               | 1,212,465                       |
| Aug   | 1,526,322                               | 1,420,527                       |
| Sept  | 1,706,765                               |                                 |
| Oct   | 1,894,218                               |                                 |
| Nov   | 2,069,709                               |                                 |
| Dec   | 2,219,601                               |                                 |
| 2011  | 2,219,601                               |                                 |

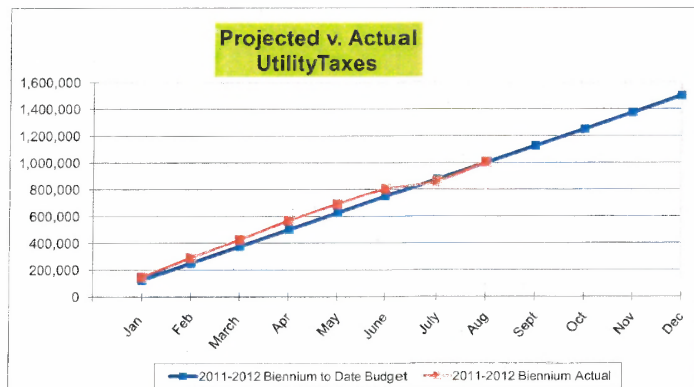
Year To Date  
Actual v. Projected 93%



**UTILITY TAXES**

|       | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|-------|-----------------------------------------|---------------------------------|
| Jan   | 125,087                                 | 145,824                         |
| Feb   | 250,173                                 | 289,238                         |
| March | 375,260                                 | 425,114                         |
| Apr   | 500,347                                 | 567,667                         |
| May   | 625,433                                 | 690,623                         |
| June  | 750,520                                 | 803,249                         |
| July  | 875,607                                 | 858,371                         |
| Aug   | 1,000,693                               | 1,006,409                       |
| Sept  | 1,125,780                               |                                 |
| Oct   | 1,250,867                               |                                 |
| Nov   | 1,375,953                               |                                 |
| Dec   | 1,501,040                               |                                 |
| 2011  | 1,501,040                               |                                 |

Year To Date  
Actual v. Projected 101%



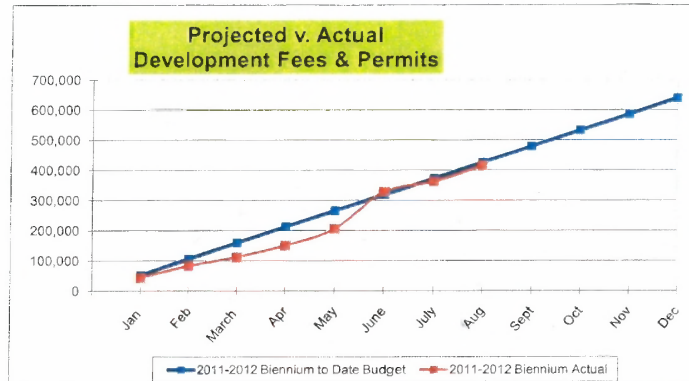
**City of Kenmore, Washington  
General Fund Revenue Graphs  
August 31, 2011**

**DEVELOPMENT FEES & PERMITS**

|       | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|-------|-----------------------------------------|---------------------------------|
| Jan   | 53,274                                  | 43,730                          |
| Feb   | 106,549                                 | 83,138                          |
| March | 159,823                                 | 112,539                         |
| Apr   | 213,097                                 | 151,023                         |
| May   | 266,372                                 | 206,368                         |
| June  | 319,646                                 | 328,915                         |
| July  | 372,920                                 | 362,254                         |
| Aug   | 426,195                                 | 414,990                         |
| Sept  | 479,469                                 |                                 |
| Oct   | 532,743                                 |                                 |
| Nov   | 586,018                                 |                                 |
| Dec   | 639,292                                 |                                 |
| 2011  | 639,292                                 |                                 |

Year To Date  
Actual v. Projected

97%

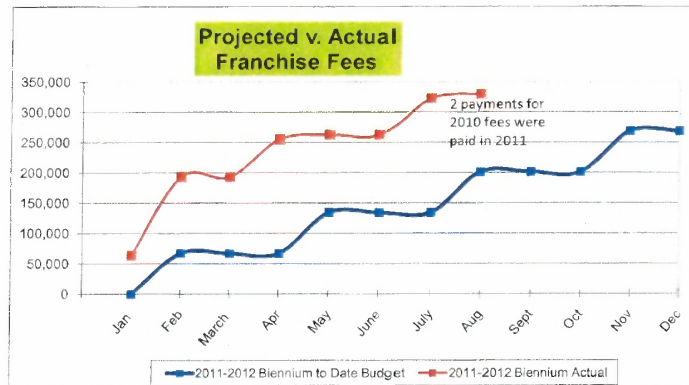


**FRANCHISE FEES**

|       | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|-------|-----------------------------------------|---------------------------------|
| Jan   | 0                                       | 64,328                          |
| Feb   | 67,324                                  | 193,553                         |
| March | 67,324                                  | 193,553                         |
| Apr   | 67,324                                  | 255,526                         |
| May   | 134,647                                 | 263,275                         |
| June  | 134,647                                 | 263,275                         |
| July  | 134,647                                 | 323,165                         |
| Aug   | 201,971                                 | 330,421                         |
| Sept  | 201,971                                 |                                 |
| Oct   | 201,971                                 |                                 |
| Nov   | 269,294                                 |                                 |
| Dec   | 269,294                                 |                                 |
| 2011  | 269,294                                 |                                 |

Year To Date  
Actual v. Projected

164%

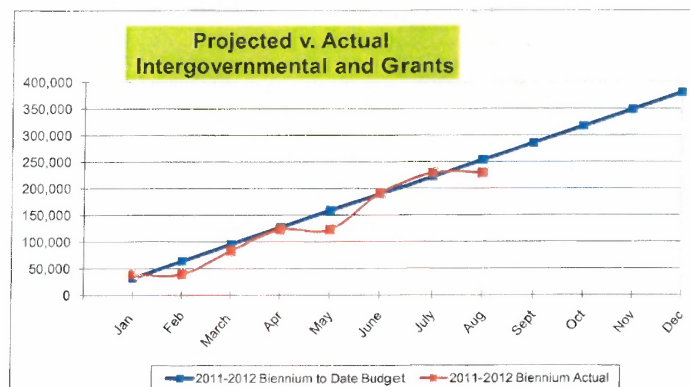


**INTERGOVERNMENTAL & GRANTS**

|       | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|-------|-----------------------------------------|---------------------------------|
| Jan   | 31,728                                  | 39,034                          |
| Feb   | 63,456                                  | 39,034                          |
| March | 95,185                                  | 83,130                          |
| Apr   | 126,913                                 | 122,950                         |
| May   | 158,641                                 | 122,950                         |
| June  | 190,369                                 | 191,908                         |
| July  | 222,097                                 | 229,826                         |
| Aug   | 253,825                                 | 229,826                         |
| Sept  | 285,554                                 |                                 |
| Oct   | 317,282                                 |                                 |
| Nov   | 349,010                                 |                                 |
| Dec   | 380,738                                 |                                 |
| 2011  | 380,738                                 |                                 |

Year To Date  
Actual v. Projected

91%

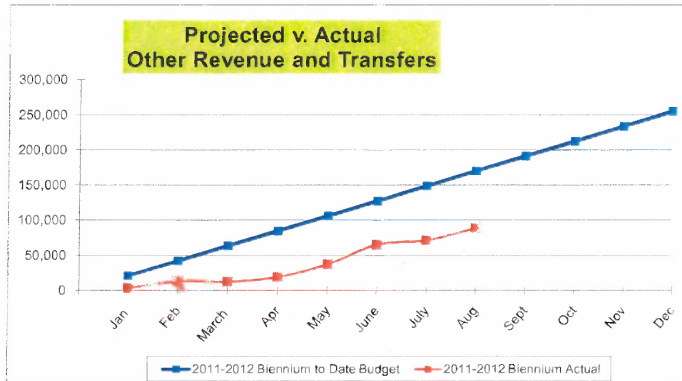


**City of Kenmore, Washington  
General Fund Revenue Graphs  
August 31, 2011**

**OTHER REVENUES AND TRANSFERS**

|       | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|-------|-----------------------------------------|---------------------------------|
| Jan   | 21,279                                  | 3,527                           |
| Feb   | 42,558                                  | 12,958                          |
| March | 63,836                                  | 12,742                          |
| Apr   | 85,115                                  | 19,440                          |
| May   | 106,394                                 | 37,647                          |
| June  | 127,673                                 | 65,709                          |
| July  | 148,951                                 | 71,702                          |
| Aug   | 170,230                                 | 89,107                          |
| Sept  | 191,509                                 |                                 |
| Oct   | 212,788                                 |                                 |
| Nov   | 234,066                                 |                                 |
| Dec   | 255,345                                 |                                 |
| 2011  | 255,345                                 |                                 |

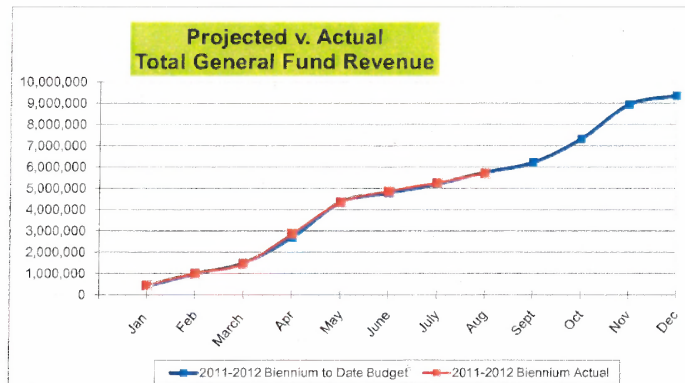
Year To Date  
Actual v. Projected 52%



**TOTAL GENERAL FUND REVENUE**

|       | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|-------|-----------------------------------------|---------------------------------|
| Jan   | 417,023                                 | 450,267                         |
| Feb   | 992,321                                 | 1,003,584                       |
| March | 1,492,068                               | 1,456,772                       |
| Apr   | 2,708,218                               | 2,870,653                       |
| May   | 4,360,726                               | 4,347,214                       |
| June  | 4,797,351                               | 4,868,926                       |
| July  | 5,215,646                               | 5,257,010                       |
| Aug   | 5,757,859                               | 5,712,774                       |
| Sept  | 6,225,257                               |                                 |
| Oct   | 7,349,123                               |                                 |
| Nov   | 8,955,134                               |                                 |
| Dec   | 9,371,971                               |                                 |
| 2011  | 9,371,971                               |                                 |

Year To Date  
Actual v. Projected 99.22%

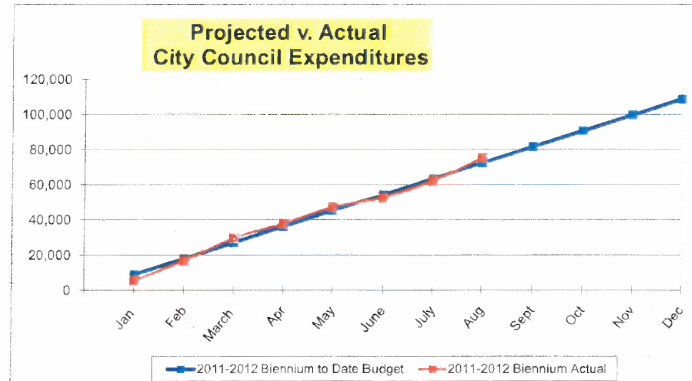


**City of Kenmore, Washington  
General Fund Expenditure Graphs  
August 31, 2011**

**CITY COUNCIL**

|       | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|-------|-----------------------------------------|---------------------------------|
| Jan   | 9,066                                   | 5,667                           |
| Feb   | 18,133                                  | 16,802                          |
| March | 27,199                                  | 29,707                          |
| Apr   | 36,266                                  | 37,836                          |
| May   | 45,332                                  | 47,279                          |
| June  | 54,399                                  | 52,709                          |
| July  | 63,465                                  | 62,098                          |
| Aug   | 72,531                                  | 75,252                          |
| Sept  | 81,598                                  |                                 |
| Oct   | 90,664                                  |                                 |
| Nov   | 99,731                                  |                                 |
| Dec   | 108,797                                 |                                 |
| 2011  | 108,797                                 |                                 |

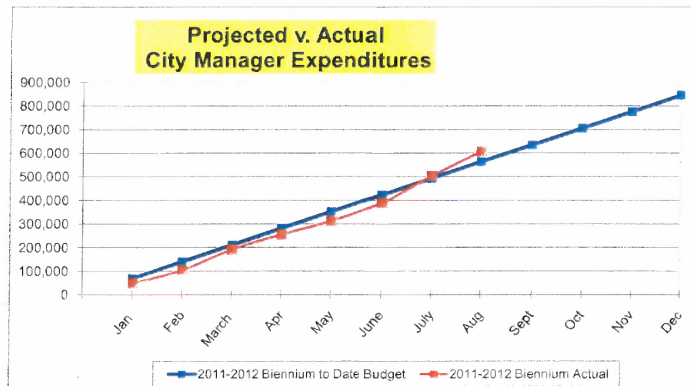
Year To Date  
Actual v. Projected 104%



**CITY MANAGER**

|       | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|-------|-----------------------------------------|---------------------------------|
| Jan   | 70,645                                  | 50,407                          |
| Feb   | 141,289                                 | 105,614                         |
| March | 211,934                                 | 193,272                         |
| Apr   | 282,578                                 | 255,744                         |
| May   | 353,223                                 | 313,496                         |
| June  | 423,867                                 | 389,432                         |
| July  | 494,512                                 | 504,572                         |
| Aug   | 565,156                                 | 607,849                         |
| Sept  | 635,801                                 |                                 |
| Oct   | 706,445                                 |                                 |
| Nov   | 777,090                                 |                                 |
| Dec   | 847,734                                 |                                 |
| 2011  | 847,734                                 |                                 |

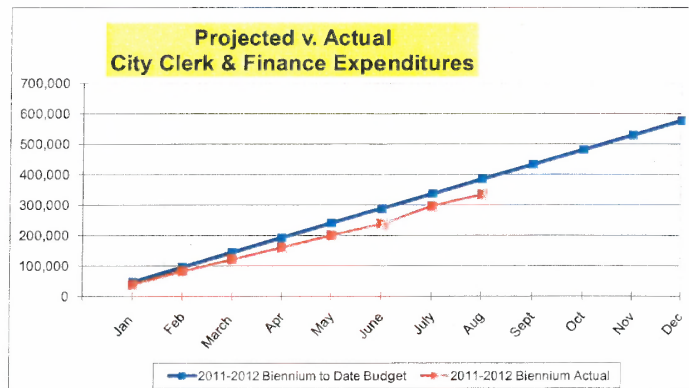
Year To Date  
Actual v. Projected 108%



**CITY CLERK & FINANCE**

|       | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|-------|-----------------------------------------|---------------------------------|
| Jan   | 48,098                                  | 38,133                          |
| Feb   | 96,197                                  | 82,263                          |
| March | 144,295                                 | 121,368                         |
| Apr   | 192,394                                 | 160,428                         |
| May   | 240,492                                 | 200,582                         |
| June  | 288,591                                 | 239,473                         |
| July  | 336,689                                 | 295,925                         |
| Aug   | 384,787                                 | 334,297                         |
| Sept  | 432,886                                 |                                 |
| Oct   | 480,984                                 |                                 |
| Nov   | 529,083                                 |                                 |
| Dec   | 577,181                                 |                                 |
| 2011  | 577,181                                 |                                 |

Year To Date  
Actual v. Projected 87%

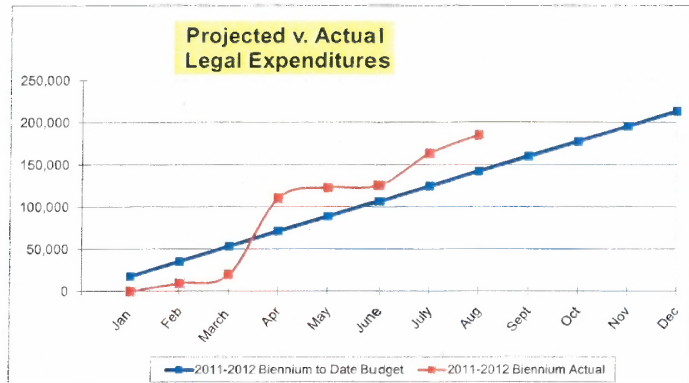


**City of Kenmore, Washington  
General Fund Expenditure Graphs  
August 31, 2011**

**LEGAL**

|       | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|-------|-----------------------------------------|---------------------------------|
| Jan   | 17,792                                  | 0                               |
| Feb   | 35,583                                  | 9,472                           |
| March | 53,375                                  | 19,947                          |
| Apr   | 71,167                                  | 110,349                         |
| May   | 88,958                                  | 122,937                         |
| June  | 106,750                                 | 125,740                         |
| July  | 124,542                                 | 163,560                         |
| Aug   | 142,333                                 | 185,238                         |
| Sept  | 160,125                                 |                                 |
| Oct   | 177,917                                 |                                 |
| Nov   | 195,708                                 |                                 |
| Dec   | 213,500                                 |                                 |
| 2011  | 213,500                                 |                                 |

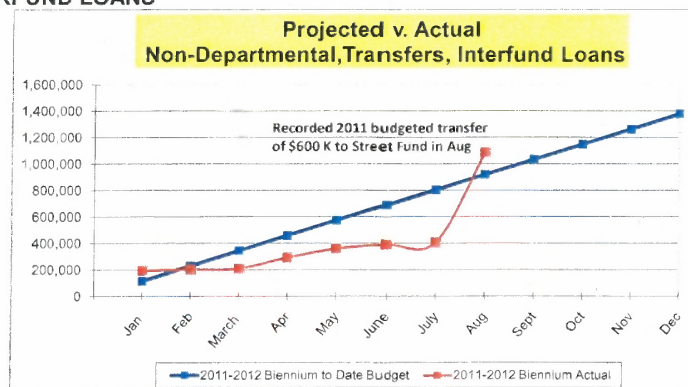
Year To Date  
Actual v. Projected 130%



**NON-DEPARTMENTAL, TRANSFERS, INTERFUND LOANS**

|       | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|-------|-----------------------------------------|---------------------------------|
| Jan   | 115,185                                 | 194,427                         |
| Feb   | 230,369                                 | 203,114                         |
| March | 345,554                                 | 211,943                         |
| Apr   | 460,738                                 | 293,277                         |
| May   | 575,923                                 | 361,357                         |
| June  | 691,107                                 | 392,134                         |
| July  | 806,292                                 | 409,875                         |
| Aug   | 921,476                                 | 1,088,378                       |
| Sept  | 1,036,661                               |                                 |
| Oct   | 1,151,845                               |                                 |
| Nov   | 1,267,030                               |                                 |
| Dec   | 1,382,214                               |                                 |
| 2011  | 1,382,214                               |                                 |

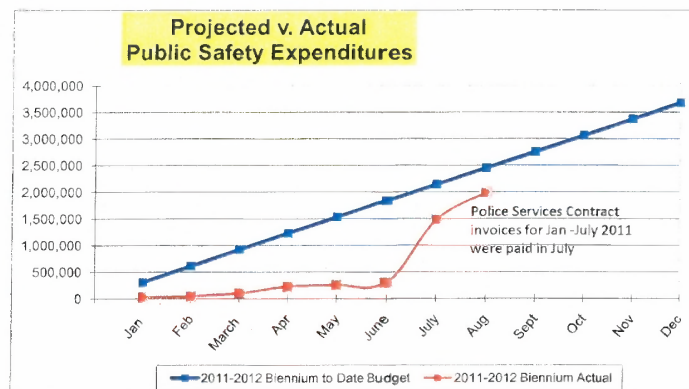
Year To Date  
Actual v. Projected 118%



**PUBLIC SAFETY**

|       | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|-------|-----------------------------------------|---------------------------------|
| Jan   | 306,742                                 | 30,467                          |
| Feb   | 613,484                                 | 45,647                          |
| March | 920,227                                 | 101,426                         |
| Apr   | 1,226,969                               | 225,914                         |
| May   | 1,533,711                               | 253,770                         |
| June  | 1,840,453                               | 303,077                         |
| July  | 2,147,195                               | 1,482,515                       |
| Aug   | 2,453,937                               | 1,982,156                       |
| Sept  | 2,760,680                               |                                 |
| Oct   | 3,067,422                               |                                 |
| Nov   | 3,374,164                               |                                 |
| Dec   | 3,680,906                               |                                 |
| 2011  | 3,680,906                               |                                 |

Year To Date  
Actual v. Projected 81%

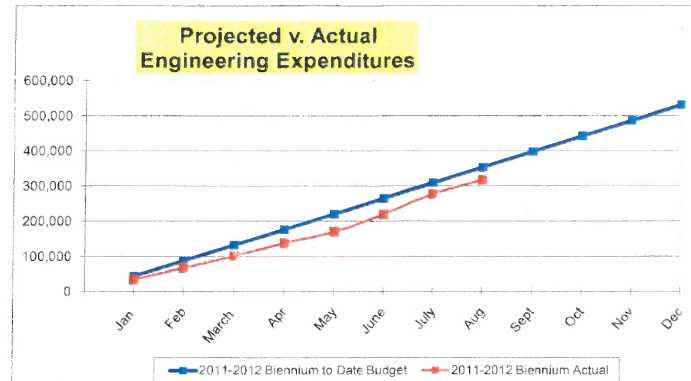


**City of Kenmore, Washington  
General Fund Expenditure Graphs  
August 31, 2011**

**ENGINEERING**

|       | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|-------|-----------------------------------------|---------------------------------|
| Jan   | 44,213                                  | 33,890                          |
| Feb   | 88,426                                  | 67,607                          |
| March | 132,639                                 | 101,292                         |
| Apr   | 176,852                                 | 137,709                         |
| May   | 221,065                                 | 170,320                         |
| June  | 265,278                                 | 219,589                         |
| July  | 309,490                                 | 277,509                         |
| Aug   | 353,703                                 | 317,607                         |
| Sept  | 397,916                                 |                                 |
| Oct   | 442,129                                 |                                 |
| Nov   | 486,342                                 |                                 |
| Dec   | 530,555                                 |                                 |
| 2011  | 530,555                                 |                                 |

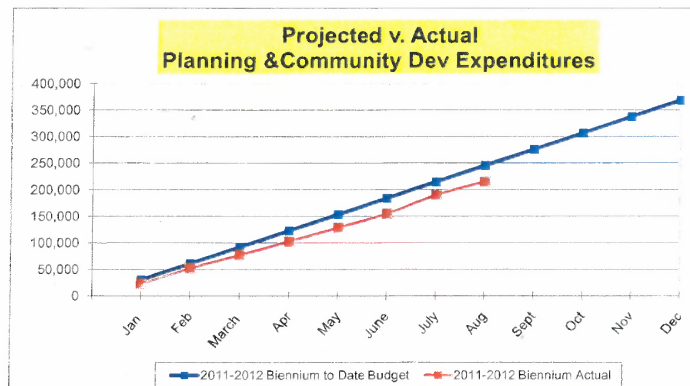
Year To Date  
Actual v. Projected 90%



**PLANNING & COMMUNITY DEV**

|       | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|-------|-----------------------------------------|---------------------------------|
| Jan   | 30,740                                  | 23,392                          |
| Feb   | 61,480                                  | 52,442                          |
| March | 92,220                                  | 77,462                          |
| Apr   | 122,959                                 | 102,864                         |
| May   | 153,699                                 | 128,864                         |
| June  | 184,439                                 | 155,152                         |
| July  | 215,179                                 | 190,246                         |
| Aug   | 245,919                                 | 215,483                         |
| Sept  | 276,659                                 |                                 |
| Oct   | 307,398                                 |                                 |
| Nov   | 338,138                                 |                                 |
| Dec   | 368,878                                 |                                 |
| 2011  | 368,878                                 |                                 |

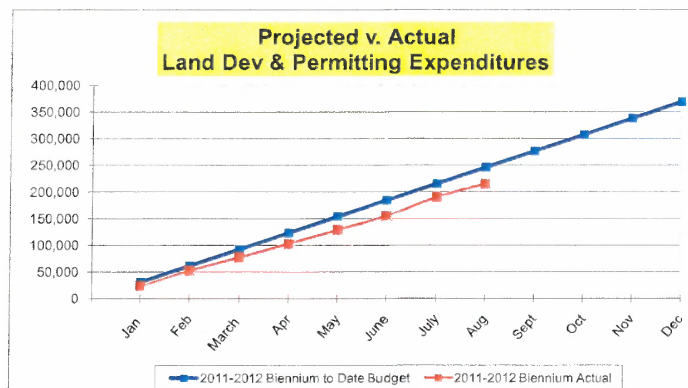
Year To Date  
Actual v. Projected 88%



**LAND DEV & PERMITTING**

|       | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|-------|-----------------------------------------|---------------------------------|
| Jan   | 64,315                                  | 39,962                          |
| Feb   | 128,630                                 | 81,679                          |
| March | 192,946                                 | 122,785                         |
| Apr   | 257,261                                 | 163,379                         |
| May   | 321,576                                 | 203,960                         |
| June  | 385,891                                 | 260,010                         |
| July  | 450,206                                 | 318,402                         |
| Aug   | 514,521                                 | 359,625                         |
| Sept  | 578,837                                 |                                 |
| Oct   | 643,152                                 |                                 |
| Nov   | 707,467                                 |                                 |
| Dec   | 771,782                                 |                                 |
| 2011  | 771,782                                 |                                 |

Year To Date  
Actual v. Projected 70%



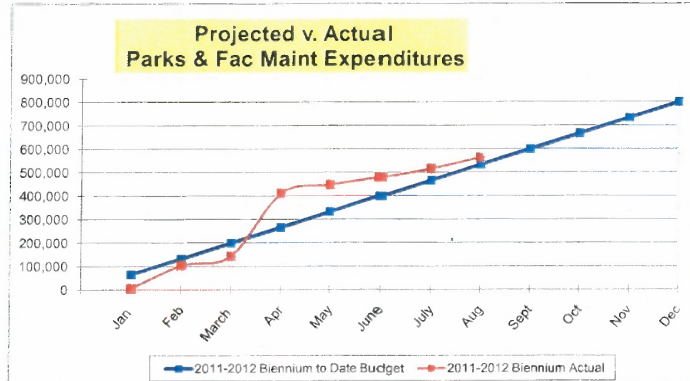
City of Kenmore, Washington  
General Fund Expenditure Graphs  
August 31, 2011

**PARKS & FACILITY MAINT**

|       | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|-------|-----------------------------------------|---------------------------------|
| Jan   | 66,665                                  | 6,230                           |
| Feb   | 133,329                                 | 103,546                         |
| March | 199,994                                 | 144,923                         |
| Apr   | 266,659                                 | 411,504                         |
| May   | 333,323                                 | 448,660                         |
| June  | 399,988                                 | 479,517                         |
| July  | 466,653                                 | 517,159                         |
| Aug   | 533,317                                 | 564,547                         |
| Sept  | 599,982                                 |                                 |
| Oct   | 666,647                                 |                                 |
| Nov   | 733,311                                 |                                 |
| Dec   | 799,976                                 |                                 |
| 2011  | 799,976                                 |                                 |

Year To Date  
Actual v. Projected

106%

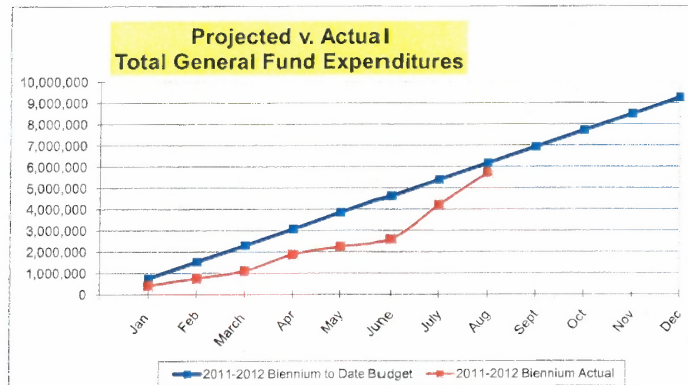


**TOTAL GENERAL FUND EXPENDITURES**

|       | 2011-2012<br>Biennium to Date<br>Budget | 2011-2012<br>Biennium<br>Actual |
|-------|-----------------------------------------|---------------------------------|
| Jan   | 773,460                                 | 422,575                         |
| Feb   | 1,546,921                               | 768,186                         |
| March | 2,320,381                               | 1,124,125                       |
| Apr   | 3,093,841                               | 1,899,004                       |
| May   | 3,867,301                               | 2,251,225                       |
| June  | 4,640,762                               | 2,616,833                       |
| July  | 5,414,222                               | 4,221,861                       |
| Aug   | 6,187,682                               | 5,730,432                       |
| Sept  | 6,961,142                               |                                 |
| Oct   | 7,734,603                               |                                 |
| Nov   | 8,508,063                               |                                 |
| Dec   | 9,281,523                               |                                 |
| 2011  | 9,281,523                               |                                 |

Year To Date  
Actual v. Projected

93%



City of Kenmore, Washington  
All Funds Cash Summary  
August 31, 2011



|                                       | 2009-2010         |                   | 2011-2012        |
|---------------------------------------|-------------------|-------------------|------------------|
|                                       | BIENNIUM          | BUDGET            | BIENNIUM TO DATE |
| <b>GENERAL FUND</b>                   |                   |                   |                  |
| Beginning Cash                        | 2,748,258         | 4,941,884         | 4,941,884        |
| Interfund Loan Repayment              | 6,850,000         | 0                 | 0                |
| <b>Revenues</b>                       | <b>18,944,234</b> | <b>18,833,595</b> | <b>5,712,774</b> |
| Total Sources                         | 28,542,492        | 23,775,479        | 10,654,658       |
| Interfund Loans                       | 5,350,000         | 0                 | 0                |
| <b>Expenditures</b>                   | <b>18,262,703</b> | <b>19,256,668</b> | <b>5,730,432</b> |
| Ending Cash                           | 4,929,789         | 4,518,811         | 4,924,226        |
| Total Uses                            | 28,542,492        | 23,775,479        | 10,654,658       |
| <b>STREET FUND</b>                    |                   |                   |                  |
| Beginning Cash                        | 228,568           | 2,040,582         | 2,040,582        |
| Interfund Loan                        | 3,550,000         | 0                 | 0                |
| <b>Revenues</b>                       | <b>8,568,320</b>  | <b>2,347,724</b>  | <b>877,865</b>   |
| Total Sources                         | 12,346,888        | 4,388,306         | 2,918,447        |
| Interfund Loan Repaid                 | 6,150,000         | 0                 | 0                |
| <b>Expenditures</b>                   | <b>4,156,306</b>  | <b>3,113,790</b>  | <b>582,201</b>   |
| Ending Cash                           | 2,040,582         | 1,274,516         | 2,336,246        |
| Total Uses                            | 12,346,888        | 4,388,306         | 2,918,447        |
| <b>ARTERIAL STREET FUND</b>           |                   |                   |                  |
| Beginning Cash                        | 1,432,272         | 1,209,197         | 1,209,197        |
| Interfund Loan                        | 8,300,000         | 0                 | 0                |
| <b>Revenues</b>                       | <b>23,393,136</b> | <b>5,556,577</b>  | <b>276,910</b>   |
| Total Sources                         | 33,125,408        | 6,765,774         | 1,486,107        |
| Interfund Loan Repaid                 | 10,500,000        | 0                 | 0                |
| <b>Expenditures</b>                   | <b>21,416,211</b> | <b>5,282,641</b>  | <b>1,328,032</b> |
| Ending Cash                           | 1,209,197         | 1,483,133         | 158,075          |
| Total Uses                            | 33,125,408        | 6,765,774         | 1,486,107        |
| <b>PUBLIC ART FUND</b>                |                   |                   |                  |
| Beginning Cash                        | 67,378            | 68,244            | 68,244           |
| <b>Revenues</b>                       | <b>130,857</b>    | <b>3,979</b>      | <b>0</b>         |
| Total Sources                         | 198,235           | 72,223            | 68,244           |
| <b>Expenditures</b>                   | <b>129,991</b>    | <b>1,000</b>      | <b>500</b>       |
| Ending Cash                           | 68,244            | 71,223            | 67,744           |
| Total Uses                            | 198,235           | 72,223            | 68,244           |
| <b>PARK IMPACT FEE FUND</b>           |                   |                   |                  |
| Beginning Cash                        | 976,339           | 1,354,455         | 1,354,455        |
| <b>Revenues</b>                       | <b>396,799</b>    | <b>440,942</b>    | <b>55,714</b>    |
| Total Sources                         | 1,373,138         | 1,795,397         | 1,410,169        |
| <b>Expenditures</b>                   | <b>18,683</b>     | <b>700,000</b>    | <b>0</b>         |
| Ending Cash                           | 1,354,455         | 1,095,397         | 1,410,169        |
| Total Uses                            | 1,373,138         | 1,795,397         | 1,410,169        |
| <b>TRANSPORTATION IMPACT FEE FUND</b> |                   |                   |                  |
| Beginning Cash                        | 146,087           | 545,655           | 545,655          |
| <b>Revenues</b>                       | <b>1,280,266</b>  | <b>943,962</b>    | <b>32,345</b>    |
| Total Sources                         | 1,426,353         | 1,489,617         | 730,869          |
| <b>Expenditures</b>                   | <b>880,698</b>    | <b>1,367,532</b>  | <b>267,532</b>   |
| Ending Cash                           | 545,655           | 122,085           | 463,337          |
| Total Uses                            | 1,426,353         | 1,489,617         | 730,869          |
| <b>SWAMP CREEK BASIN FUND</b>         |                   |                   |                  |
| Beginning Cash                        | 0                 | 1,762,640         | 1,762,640        |
| <b>Revenues</b>                       | <b>1,762,640</b>  | <b>35,619</b>     | <b>0</b>         |
| Total Sources                         | 1,762,640         | 1,798,259         | 1,762,640        |
| <b>Expenditures</b>                   | <b>0</b>          | <b>0</b>          | <b>0</b>         |
| Ending Cash                           | 1,762,640         | 1,798,259         | 1,762,640        |
| Total Uses                            | 1,762,640         | 1,798,259         | 1,762,640        |

I:\Admin & Finance\Monthly Reports\2011\Aug\All Funds

City of Kenmore, Washington  
All Funds Cash Summary  
August 31, 2011



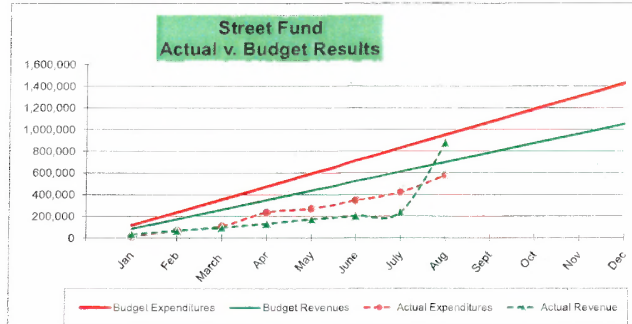
|                                              | 2009-2010         |                   | 2011-2012        |
|----------------------------------------------|-------------------|-------------------|------------------|
|                                              | BIENNIUM          | BUDGET            | BIENNIUM TO DATE |
| <b>MUNICIPAL CAPITAL RESERVE FUND</b>        |                   |                   |                  |
| Beginning Cash                               | 2,402,043         | 1,866,318         | 1,866,318        |
| Interfund Loan Repayment                     | 8,800,000         | 0                 | 0                |
| <b>Revenues</b>                              | <b>1,493,254</b>  | <b>2,038,341</b>  | <b>382,538</b>   |
| Total Sources                                | 12,695,297        | 3,904,659         | 2,248,856        |
| Interfund Loan                               | 5,500,000         | 0                 | 0                |
| <b>Expenditures</b>                          | <b>5,328,980</b>  | <b>3,346,018</b>  | <b>179</b>       |
| Ending Cash                                  | 1,866,318         | 558,641           | 2,248,677        |
| Total Uses                                   | 12,695,297        | 3,904,659         | 2,248,856        |
| <b>CAPITAL PROJECTS FUND</b>                 |                   |                   |                  |
| Beginning Cash                               | 12,016,588        | 60,725            | 60,725           |
| <b>Revenues</b>                              | <b>4,693,262</b>  | <b>191,078</b>    | <b>64,041</b>    |
| Total Sources                                | 16,709,850        | 251,803           | 124,766          |
| <b>Expenditures</b>                          | <b>16,636,626</b> | <b>190,820</b>    | <b>382,421</b>   |
| Ending Cash                                  | 73,223            | 60,983            | (257,655)        |
| Total Uses                                   | 16,709,850        | 251,803           | 124,766          |
| <b>SURFACE WATER MANAGEMENT FUND</b>         |                   |                   |                  |
| Beginning Cash                               | 3,865,039         | 1,590,280         | 1,590,280        |
| <b>Revenues</b>                              | <b>2,824,196</b>  | <b>3,128,748</b>  | <b>864,767</b>   |
| Total Sources                                | 6,689,235         | 4,719,028         | 2,455,047        |
| <b>Expenditures</b>                          | <b>5,098,954</b>  | <b>3,726,109</b>  | <b>1,116,748</b> |
| Ending Cash                                  | 1,590,280         | 992,919           | 1,338,299        |
| Total Uses                                   | 6,689,235         | 4,719,028         | 2,455,047        |
| <b>STRATEGIC RESERVE FUND</b>                |                   |                   |                  |
| Beginning Cash                               | 1,057,632         | 1,264,464         | 1,264,464        |
| Interfund Loan Repayment                     | 1,000,000         | 0                 | 0                |
| <b>Revenues</b>                              | <b>206,832</b>    | <b>0</b>          | <b>0</b>         |
| Total Sources                                | 2,264,464         | 1,264,464         | 1,264,464        |
| Interfund Loans                              | 1,000,000         | 0                 | 0                |
| <b>Expenditures</b>                          | <b>0</b>          | <b>0</b>          | <b>0</b>         |
| Ending Cash                                  | 1,264,464         | 1,264,464         | 1,264,464        |
| Total Uses                                   | 2,264,464         | 1,264,464         | 1,264,464        |
| <b>EQUIPMENT REPLACEMENT FUND</b>            |                   |                   |                  |
| Beginning Cash                               | 510,358           | 524,310           | 524,310          |
| <b>Revenues</b>                              | <b>111,198</b>    | <b>161,520</b>    | <b>37,901</b>    |
| Total Sources                                | 621,556           | 685,830           | 562,211          |
| <b>Expenditures</b>                          | <b>97,246</b>     | <b>143,497</b>    | <b>10,935</b>    |
| Ending Cash                                  | 524,310           | 542,333           | 551,276          |
| Total Uses                                   | 621,556           | 685,830           | 562,211          |
| <b>TRUST AND AGENCY (NON BUDGETED FUND)*</b> |                   |                   |                  |
| Beginning Cash                               | 269,109           | 278,859           | 278,859          |
| <b>Revenues</b>                              | <b>144,107</b>    | <b>0</b>          | <b>33,921</b>    |
| Total Sources                                | 413,216           | 278,859           | 312,780          |
| <b>Expenditures</b>                          | <b>134,357</b>    | <b>0</b>          | <b>30,834</b>    |
| Ending Cash                                  | 278,859           | 278,859           | 281,946          |
| Total Uses                                   | 413,216           | 278,859           | 312,780          |
| <b>TOTALS</b>                                |                   |                   |                  |
| Beginning Cash                               | 25,719,671        | 17,507,613        | 17,507,613       |
| Interfund Loan                               | 28,500,000        | 0                 | 0                |
| <b>Revenues</b>                              | <b>63,949,101</b> | <b>33,682,085</b> | <b>8,491,645</b> |
| Total Sources                                | 118,168,772       | 51,189,698        | 25,999,258       |
| Interfund Loan                               | 28,500,000        | 0                 | 0                |
| <b>Expenditures</b>                          | <b>72,160,756</b> | <b>37,128,075</b> | <b>9,449,814</b> |
| Ending Cash                                  | 17,508,016        | 14,061,623        | 16,549,444       |
| Total Uses                                   | 118,168,772       | 51,189,698        | 25,999,258       |

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**City of Kenmore, Washington  
Other Funds Monthly Activity  
August 31, 2011**

**STREET FUND**

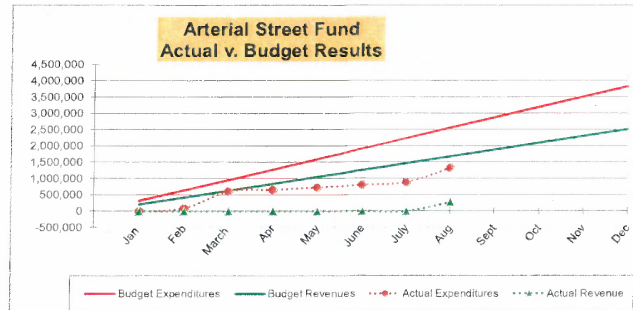
|                                      | 2011-2012<br>Budget<br>Expenditures | 2011-2012<br>Actual<br>Expenditures | 2011-2012<br>Budget<br>Revenue | 2011-2012<br>Actual<br>Revenue |
|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Jan                                  | 119,005                             | 18,288                              | 87,562                         | 34,676                         |
| Feb                                  | 238,011                             | 68,162                              | 175,125                        | 70,210                         |
| March                                | 357,016                             | 113,125                             | 262,687                        | 98,562                         |
| Apr                                  | 476,021                             | 239,310                             | 350,250                        | 133,365                        |
| May                                  | 595,027                             | 273,622                             | 437,812                        | 173,982                        |
| June                                 | 714,032                             | 348,629                             | 525,375                        | 203,911                        |
| July                                 | 833,037                             | 425,081                             | 612,937                        | 240,096                        |
| Aug                                  | 952,043                             | 582,201                             | 700,499                        | 877,865                        |
| Sept                                 | 1,071,048                           |                                     | 788,062                        |                                |
| Oct                                  | 1,190,053                           |                                     | 875,624                        |                                |
| Nov                                  | 1,309,059                           |                                     | 963,187                        |                                |
| Dec                                  | 1,428,064                           |                                     | 1,050,749                      |                                |
| 2011-2012                            | 3,113,790                           |                                     | 2,347,724                      |                                |
| Total Actual to Date vs Total Budget |                                     | 19%                                 |                                | 37%                            |



The Street Fund accounts for street maintenance operations, funded by the State's fuel tax and transfers from the General Fund.

**ARTERIAL STREET FUND**

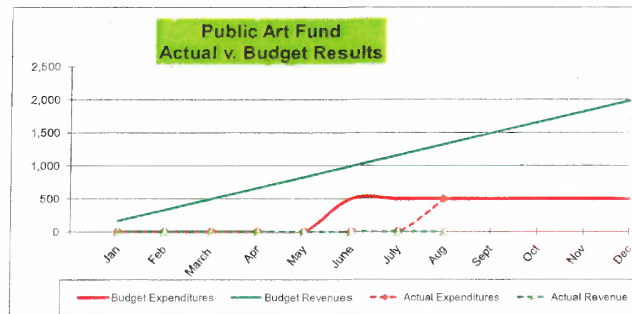
|                                      | 2011-2012<br>Budget<br>Expenditures | 2011-2012<br>Actual<br>Expenditures | 2011-2012<br>Budget<br>Revenue | 2011-2012<br>Actual<br>Revenue |
|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Jan                                  | 319,542                             | 0                                   | 209,710                        | 0                              |
| Feb                                  | 639,083                             | 87,039                              | 419,419                        | 0                              |
| March                                | 958,625                             | 615,104                             | 629,129                        | 0                              |
| Apr                                  | 1,278,166                           | 662,062                             | 838,838                        | 0                              |
| May                                  | 1,597,708                           | 726,886                             | 1,048,548                      | 0                              |
| June                                 | 1,917,250                           | 805,365                             | 1,258,257                      | 0                              |
| July                                 | 2,236,791                           | 892,203                             | 1,467,967                      | 0                              |
| Aug                                  | 2,556,333                           | 1,328,032                           | 1,677,676                      | 276,910                        |
| Sept                                 | 2,875,874                           |                                     | 1,887,386                      |                                |
| Oct                                  | 3,195,416                           |                                     | 2,097,095                      |                                |
| Nov                                  | 3,514,957                           |                                     | 2,306,805                      |                                |
| Dec                                  | 3,834,499                           |                                     | 2,516,514                      |                                |
| 2011-2012                            | 5,282,641                           |                                     | 5,556,577                      |                                |
| Total Actual to Date vs Total Budget |                                     | 25%                                 |                                | 5%                             |



The Arterial Street 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.

**PUBLIC ART FUND**

|                                      | 2011-2012<br>Budget<br>Expenditures | 2011-2012<br>Actual<br>Expenditures | 2011-2012<br>Budget<br>Revenue | 2011-2012<br>Actual<br>Revenue |
|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Jan                                  | 0                                   | 0                                   | 165                            | 0                              |
| Feb                                  | 0                                   | 0                                   | 330                            | 0                              |
| March                                | 0                                   | 0                                   | 496                            | 0                              |
| Apr                                  | 0                                   | 0                                   | 661                            | 0                              |
| May                                  | 0                                   | 0                                   | 826                            | 0                              |
| June                                 | 500                                 | 0                                   | 991                            | 0                              |
| July                                 | 500                                 | 0                                   | 1,156                          | 0                              |
| Aug                                  | 500                                 | 500                                 | 1,321                          | 0                              |
| Sept                                 | 500                                 |                                     | 1,487                          |                                |
| Oct                                  | 500                                 |                                     | 1,652                          |                                |
| Nov                                  | 500                                 |                                     | 1,817                          |                                |
| Dec                                  | 500                                 |                                     | 1,982                          |                                |
| 2011-2012                            | 1,000                               |                                     | 3,979                          |                                |
| Total Actual to Date vs Total Budget |                                     | 50%                                 |                                | 0%                             |

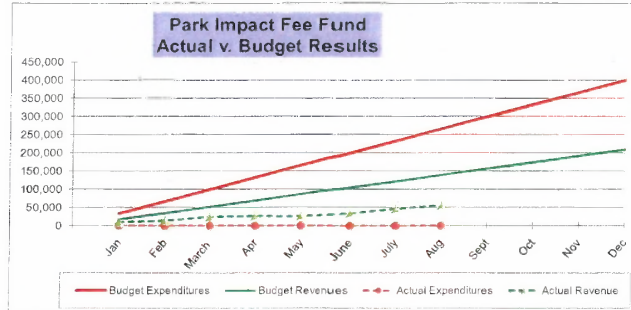


This fund accounts for public art authorized by Ordinance 01-0115. One percent (1%) of public project construction contracts is contributed to this fund to provide for public art displays or performing arts events as authorized by the City Council.

City of Kenmore, Washington  
Other Funds Monthly Activity  
August 31, 2011

**PARK IMPACT FEE FUND**

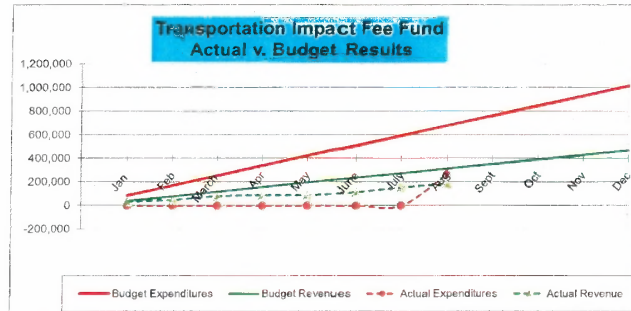
|                                      | 2011-2012<br>Budget<br>Expenditures | 2011-2012<br>Actual<br>Expenditures | 2011-2012<br>Budget<br>Revenue | 2011-2012<br>Actual<br>Revenue |
|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Jan                                  | 33,333                              | 0                                   | 17,432                         | 9,652                          |
| Feb                                  | 66,667                              | 0                                   | 34,864                         | 14,478                         |
| March                                | 100,000                             | 0                                   | 52,296                         | 24,130                         |
| Apr                                  | 133,333                             | 0                                   | 69,728                         | 26,543                         |
| May                                  | 166,667                             | 0                                   | 87,160                         | 26,543                         |
| June                                 | 200,000                             | 0                                   | 104,592                        | 33,841                         |
| July                                 | 233,333                             | 0                                   | 122,023                        | 45,984                         |
| Aug                                  | 266,667                             | 0                                   | 139,455                        | 55,714                         |
| Sept                                 | 300,000                             |                                     | 166,887                        |                                |
| Oct                                  | 333,333                             |                                     | 174,319                        |                                |
| Nov                                  | 366,667                             |                                     | 191,751                        |                                |
| Dec                                  | 400,000                             |                                     | 209,183                        |                                |
| 2011-2012                            | 700,000                             |                                     | 440,942                        |                                |
| Total Actual to Date vs Total Budget |                                     | 0%                                  |                                | 13%                            |



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**

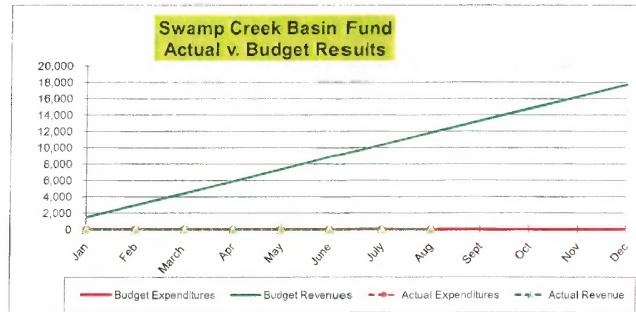
|                                      | 2011-2012<br>Budget<br>Expenditures | 2011-2012<br>Actual<br>Expenditures | 2011-2012<br>Budget<br>Revenue | 2011-2012<br>Actual<br>Revenue |
|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Jan                                  | 84,794                              | 0                                   | 39,172                         | 32,089                         |
| Feb                                  | 169,589                             | 0                                   | 78,345                         | 48,133                         |
| March                                | 254,383                             | 0                                   | 117,517                        | 80,222                         |
| Apr                                  | 339,177                             | 0                                   | 156,689                        | 88,244                         |
| May                                  | 423,972                             | 0                                   | 195,861                        | 88,244                         |
| June                                 | 508,766                             | 0                                   | 235,034                        | 112,502                        |
| July                                 | 593,560                             | 0                                   | 274,206                        | 152,869                        |
| Aug                                  | 678,355                             | 267,532                             | 313,378                        | 185,214                        |
| Sept                                 | 763,149                             |                                     | 352,550                        |                                |
| Oct                                  | 847,943                             |                                     | 391,723                        |                                |
| Nov                                  | 932,738                             |                                     | 430,895                        |                                |
| Dec                                  | 1,017,532                           |                                     | 470,067                        |                                |
| 2011-2012                            | 1,367,532                           |                                     | 943,962                        |                                |
| Total Actual to Date vs Total Budget |                                     | 20%                                 |                                | 20%                            |



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

**SWAMP CREEK BASIN FUND**

|                                      | 2011-2012<br>Budget<br>Expenditures | 2011-2012<br>Actual<br>Expenditures | 2011-2012<br>Budget<br>Revenue | 2011-2012<br>Actual<br>Revenue |
|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Jan                                  | 0                                   | 0                                   | 1,477                          | 0                              |
| Feb                                  | 0                                   | 0                                   | 2,954                          | 0                              |
| March                                | 0                                   | 0                                   | 4,430                          | 0                              |
| Apr                                  | 0                                   | 0                                   | 5,907                          | 0                              |
| May                                  | 0                                   | 0                                   | 7,384                          | 0                              |
| June                                 | 0                                   | 0                                   | 8,861                          | 0                              |
| July                                 | 0                                   | 0                                   | 10,337                         | 0                              |
| Aug                                  | 0                                   | 0                                   | 11,814                         | 0                              |
| Sept                                 | 0                                   |                                     | 13,291                         |                                |
| Oct                                  | 0                                   |                                     | 14,768                         |                                |
| Nov                                  | 0                                   |                                     | 16,244                         |                                |
| Dec                                  | 0                                   |                                     | 17,721                         |                                |
| 2011-2012                            | 0                                   |                                     | 35,619                         |                                |
| Total Actual to Date vs Total Budget |                                     | 0%                                  |                                | 0%                             |

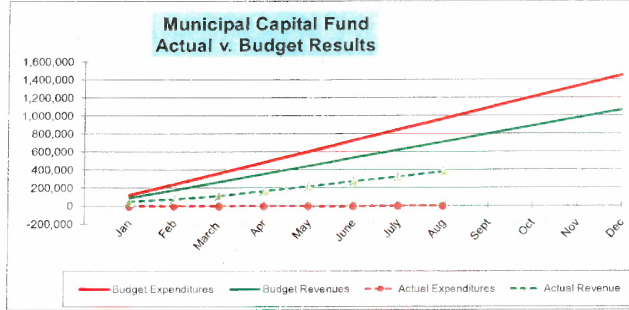


This fund accounts for the Memorandum of Agreement with King County which provided funds reserved for surface water projects, improvements, and maintenance within the Swamp Creek Basin.

**City of Kenmore, Washington  
Other Funds Monthly Activity  
August 31, 2011**

**MUNICIPAL CAPITAL FUND**

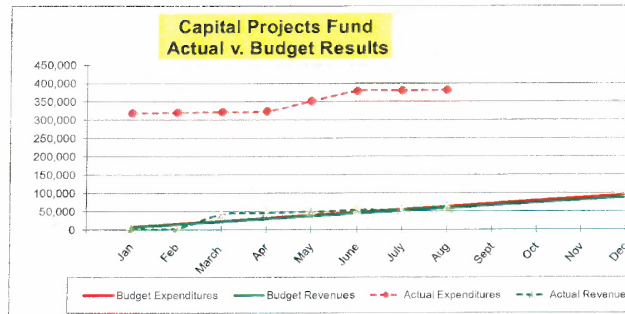
|                                      | 2011-2012<br>Budget<br>Expenditures | 2011-2012<br>Actual<br>Expenditures | 2011-2012<br>Budget<br>Revenue | 2011-2012<br>Actual<br>Revenue |
|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Jan                                  | 120,622                             | 0                                   | 88,632                         | 48,679                         |
| Feb                                  | 241,245                             | 0                                   | 177,264                        | 76,105                         |
| March                                | 361,867                             | 0                                   | 265,896                        | 113,307                        |
| Apr                                  | 482,489                             | 0                                   | 354,527                        | 164,931                        |
| May                                  | 603,112                             | 0                                   | 443,159                        | 218,284                        |
| June                                 | 723,734                             | (3,166)                             | 531,791                        | 271,718                        |
| July                                 | 844,356                             | 97                                  | 620,423                        | 324,983                        |
| Aug                                  | 964,870                             | 179                                 | 709,055                        | 382,538                        |
| Sept                                 | 1,085,601                           |                                     | 797,687                        |                                |
| Oct                                  | 1,206,223                           |                                     | 886,318                        |                                |
| Nov                                  | 1,326,846                           |                                     | 974,950                        |                                |
| Dec                                  | 1,447,468                           |                                     | 1,063,562                      |                                |
| 2011-2012                            | 3,346,018                           |                                     | 2,038,341                      |                                |
| Total Actual to Date vs Total Budget |                                     | 0%                                  |                                | 19%                            |



The Municipal Capital Fund accounts for the 1/2% real estate excise taxes levied by the City which are restricted to capital projects and improvements. Expenditures include park improvements and transfers to the Arterial Street Fund for transportation improvements.

**CAPITAL PROJECTS FUND**

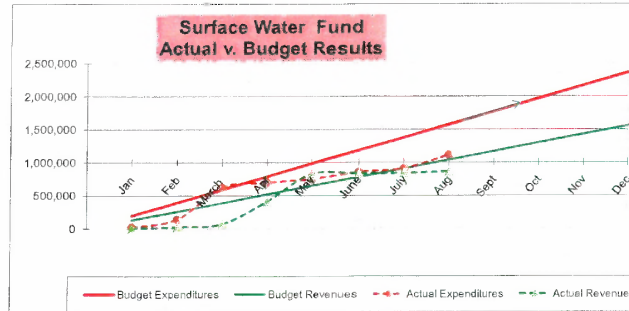
|                                      | 2011-2012<br>Budget<br>Expenditures | 2011-2012<br>Actual<br>Expenditures | 2011-2012<br>Budget<br>Revenue | 2011-2012<br>Actual<br>Revenue |
|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Jan                                  | 7,951                               | 319,303                             | 7,401                          | 2,738                          |
| Feb                                  | 16,902                              | 321,118                             | 14,802                         | 4,264                          |
| March                                | 23,853                              | 322,867                             | 22,203                         | 42,431                         |
| Apr                                  | 31,803                              | 325,215                             | 29,604                         | 47,157                         |
| May                                  | 39,754                              | 352,611                             | 37,005                         | 49,144                         |
| June                                 | 47,705                              | 379,257                             | 44,407                         | 53,808                         |
| July                                 | 55,656                              | 380,619                             | 51,808                         | 54,558                         |
| Aug                                  | 63,607                              | 382,421                             | 59,209                         | 64,041                         |
| Sept                                 | 71,558                              |                                     | 66,610                         |                                |
| Oct                                  | 79,508                              |                                     | 74,011                         |                                |
| Nov                                  | 87,459                              |                                     | 81,412                         |                                |
| Dec                                  | 95,410                              |                                     | 88,813                         |                                |
| 2011-2012                            | 190,819                             |                                     | 191,078                        |                                |
| Total Actual to Date vs Total Budget |                                     | 200%                                |                                | 34%                            |



The Capital Projects Fund accounts for leasing activity within Kenmore Village and contributions to ARCH (A Regional Coalition for Housing).

**SURFACE WATER MANAGEMENT FUND**

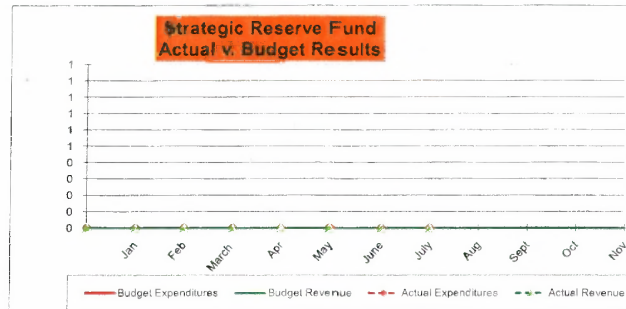
|                                      | 2011-2012<br>Budget<br>Expenditures | 2011-2012<br>Actual<br>Expenditures | 2011-2012<br>Budget<br>Revenue | 2011-2012<br>Actual<br>Revenue |
|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Jan                                  | 197,009                             | 21,232                              | 129,837                        | 3,070                          |
| Feb                                  | 394,019                             | 144,148                             | 259,673                        | 23,504                         |
| March                                | 591,028                             | 623,844                             | 389,510                        | 69,576                         |
| Apr                                  | 788,037                             | 699,033                             | 519,346                        | 411,501                        |
| May                                  | 985,047                             | 752,925                             | 649,183                        | 826,993                        |
| June                                 | 1,182,056                           | 855,025                             | 779,019                        | 834,249                        |
| July                                 | 1,379,065                           | 912,933                             | 908,856                        | 839,150                        |
| Aug                                  | 1,576,075                           | 1,116,748                           | 1,038,692                      | 864,767                        |
| Sept                                 | 1,773,084                           |                                     | 1,168,529                      |                                |
| Oct                                  | 1,970,093                           |                                     | 1,298,365                      |                                |
| Nov                                  | 2,167,103                           |                                     | 1,428,202                      |                                |
| Dec                                  | 2,364,112                           |                                     | 1,568,038                      |                                |
| 2011-2012                            | 3,726,109                           |                                     | 3,128,748                      |                                |
| Total Actual to Date vs Total Budget |                                     | 30%                                 |                                | 28%                            |



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.

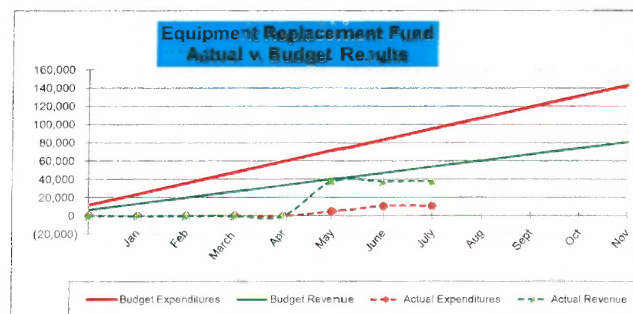
City of Kenmore, Washington  
Other Funds Monthly Activity  
August 31, 2011

| STRATEGIC RESERVE FUND               |                                     |                                     |                                |                                |
|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
|                                      | 2011-2012<br>Budget<br>Expenditures | 2011-2012<br>Actual<br>Expenditures | 2011-2012<br>Budget<br>Revenue | 2011-2012<br>Actual<br>Revenue |
| Jan                                  | 0                                   | 0                                   | 0                              | 0                              |
| Feb                                  | 0                                   | 0                                   | 0                              | 0                              |
| March                                | 0                                   | 0                                   | 0                              | 0                              |
| Apr                                  | 0                                   | 0                                   | 0                              | 0                              |
| May                                  | 0                                   | 0                                   | 0                              | 0                              |
| June                                 | 0                                   | 0                                   | 0                              | 0                              |
| July                                 | 0                                   | 0                                   | 0                              | 0                              |
| Aug                                  | 0                                   | 0                                   | 0                              | 0                              |
| Sept                                 | 0                                   | 0                                   | 0                              | 0                              |
| Oct                                  | 0                                   | 0                                   | 0                              | 0                              |
| Nov                                  | 0                                   | 0                                   | 0                              | 0                              |
| Dec                                  | 0                                   | 0                                   | 0                              | 0                              |
| 2011-2012                            | 0                                   | 0                                   | 0                              | 0                              |
| Total Actual to Date vs Total Budget |                                     | 0%                                  |                                | 0%                             |



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

| EQUIPMENT REPLACEMENT FUND           |                                     |                                     |                                |                                |
|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
|                                      | 2011-2012<br>Budget<br>Expenditures | 2011-2012<br>Actual<br>Expenditures | 2011-2012<br>Budget<br>Revenue | 2011-2012<br>Actual<br>Revenue |
| Jan                                  | 11,958                              | 0                                   | 6,756                          | 0                              |
| Feb                                  | 23,916                              | 0                                   | 13,512                         | 0                              |
| March                                | 35,874                              | 0                                   | 20,268                         | 0                              |
| Apr                                  | 47,832                              | 0                                   | 27,024                         | 0                              |
| May                                  | 59,790                              | 0                                   | 33,780                         | 0                              |
| June                                 | 71,749                              | 4,878                               | 40,536                         | 37,901                         |
| July                                 | 83,707                              | 10,935                              | 47,292                         | 37,901                         |
| Aug                                  | 95,665                              | 10,935                              | 54,048                         | 37,901                         |
| Sept                                 | 107,623                             |                                     | 60,804                         |                                |
| Oct                                  | 119,581                             |                                     | 67,560                         |                                |
| Nov                                  | 131,539                             |                                     | 74,316                         |                                |
| Dec                                  | 143,497                             |                                     | 81,072                         |                                |
| 2011-2012                            | 143,497                             |                                     | 161,520                        |                                |
| Total Actual to Date vs Total Budget |                                     | 8%                                  |                                | 23%                            |



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  
August 31, 2011



| Fund                       | Beg. Cash & Inv.<br>from Prev. Mo. | Monthly<br>Revenues | Monthly<br>Expenditures | End. Cash & Inv.<br>Current Month |
|----------------------------|------------------------------------|---------------------|-------------------------|-----------------------------------|
| General                    | \$5,977,801                        | \$455,764           | \$1,508,571             | \$4,924,994                       |
| Street                     | 1,855,596                          | 637,769             | 157,120                 | 2,336,245                         |
| Arterial Street            | 316,995                            | 276,910             | 435,829                 | 158,076                           |
| Public Art                 | 68,245                             | 0                   | 500                     | 67,745                            |
| Park Impact Fee            | 1,400,441                          | 9,730               | 0                       | 1,410,171                         |
| Transp Impact Fee          | 698,525                            | 32,345              | 267,532                 | 463,338                           |
| Swamp Creek Basin          | 1,762,640                          | 0                   | 0                       | 1,762,640                         |
| Municipal Capital          | 2,191,202                          | 57,555              | 82                      | 2,248,675                         |
| Capital Projects           | (265,339)                          | 9,483               | 1,802                   | -257,658                          |
| Capital Projects-Retainage | 0                                  | 0                   | 0                       | 0                                 |
| Surface Water Mgt.         | 1,516,498                          | 25,617              | 203,815                 | 1,338,300                         |
| Strategic Reserve          | 1,264,465                          | 0                   | 0                       | 1,264,465                         |
| Equipment Replacement      | 551,275                            | 0                   | 0                       | 551,275                           |
| Trust & Agency             | 282,130                            | 600                 | 787                     | 281,943                           |
| Totals                     | \$17,620,474                       | \$1,505,773         | \$2,576,038             | \$16,550,209                      |

| Fund                  | Cash, Savings,<br>Local Govt Investment Pool | (> One Year)<br>Fixed<br>Investments | Total        |
|-----------------------|----------------------------------------------|--------------------------------------|--------------|
| General               | \$147,369                                    | \$4,777,260                          | \$4,924,629  |
| Street                | 1,486,245                                    | 850,000                              | 2,336,245    |
| Arterial Street       | 158,076                                      | 0                                    | 158,076      |
| Public Art            | 52,745                                       | 15,000                               | 67,745       |
| Park Impact Fee       | 480,171                                      | 930,000                              | 1,410,171    |
| Transp Impact Fee     | 433,338                                      | 30,000                               | 463,338      |
| Swamp Creek Basin     | 362,640                                      | 1,400,000                            | 1,762,640    |
| Municipal Capital     | 2,248,675                                    | 0                                    | 2,248,675    |
| Capital Projects      | (707,658)                                    | 450,000                              | -257,658     |
| Surface Water Mgt.    | 828,300                                      | 510,000                              | 1,338,300    |
| Strategic Reserve     | 414,465                                      | 850,000                              | 1,264,465    |
| Equipment Replacement | 101,275                                      | 450,000                              | 551,275      |
| Trust & Agency        | 181,943                                      | 100,000                              | 281,943      |
| Totals                | \$6,187,585                                  | \$10,362,260                         | \$16,549,845 |

City of Kenmore, Washington  
Schedule of Investments  
August 31, 2011



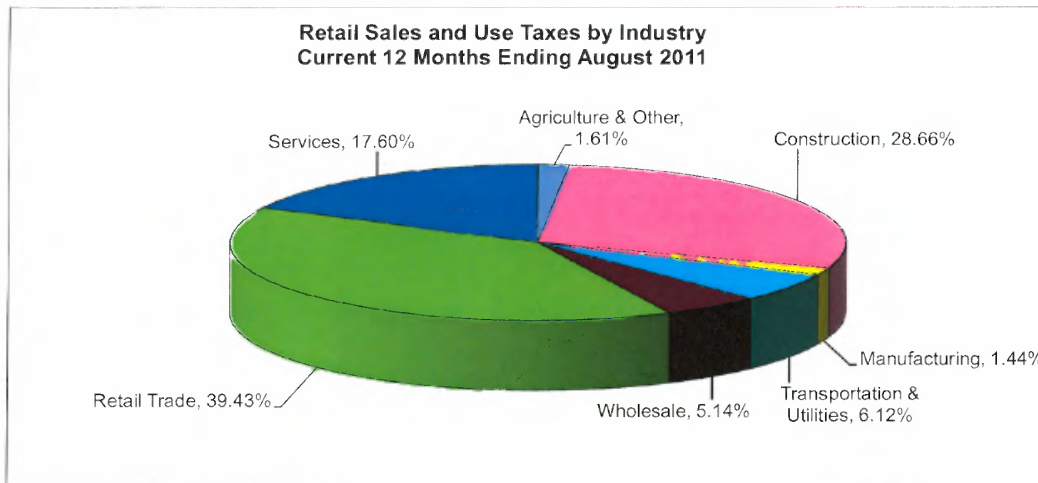
|                                        |              | Average Yield to Maturity-Securities |               |               |                                  |       | Overall Average Yield |                         | 0.46%               |
|----------------------------------------|--------------|--------------------------------------|---------------|---------------|----------------------------------|-------|-----------------------|-------------------------|---------------------|
| Report by Security                     | Investment # | Type                                 | Maturity Date | Purchase Date | Rate                             | Yield | Possible Call Date    | Principal or Balance    | Yield Equivalents   |
| <b>Piper Jaffray</b>                   |              |                                      |               |               |                                  |       |                       |                         |                     |
|                                        | 313371PC4    | FHLB                                 | 12/12/2014    | 6/7/2011      | 0.88%                            | 1.13% | no call               | 991,238.90              | 11,201.00           |
|                                        | 3134G14C5    | FHLMC                                | 3/7/2013      | 3/7/2011      | 1.00%                            | 1.00% | 3/7/2012              | 1,000,000.00            | 10,000.00           |
| <b>Total Piper Jaffrey Purchases</b>   |              |                                      |               |               |                                  |       |                       | <b>1,991,238.90</b>     | <b>10,000.00</b>    |
| <b>Seattle Northwest Securities</b>    | 3134G1N75    | FHLMC                                | 12/21/2015    | 8/22/2011     | 2.25%                            | 0.30% | 12/21/2011            | 1,010,248.17            | 3,030.74            |
| <b>Time Value Investments</b>          |              |                                      |               |               |                                  |       |                       |                         |                     |
|                                        | 313586QR3    | FNMA                                 | 7/5/2014      | 6/7/2011      | 1.00%                            | 1.00% | no call               | 998,858.37              | 9,988.58            |
|                                        | 31398A6K3    | FNMA                                 | 11/29/2013    | 3/1/2011      | 0.80%                            | 0.80% | 11/29/2011            | 989,229.77              | 7,913.84            |
|                                        | 3134G1K60    | FHLMC                                | 12/28/2015    | 12/28/2010    | 2.05%                            | 2.05% | 12/28/2011            | 1,000,000.00            | 20,500.00           |
|                                        | 31398A4N9    | FNMA                                 | 10/15/2013    | 12/8/2010     | 1.00%                            | 1.00% | 4/15/2011             | 999,990.00              | 9,999.90            |
| <b>Total TVI Purchases</b>             |              |                                      |               |               |                                  |       |                       | <b>3,988,078.14</b>     | <b>38,413.74</b>    |
| <b>Wells Fargo Bank</b>                |              |                                      |               |               |                                  |       |                       |                         |                     |
|                                        | 313374CY4    | FHLB                                 | 12/30/2014    | 6/30/2011     | .75-3.0                          | 0.75% | 3/30/2012             | 1,000,000.00            | 7,500.00            |
| called Aug 25                          | 3134G14G6    | FHLMC                                | 2/26/2013     | 2/26/2011     | 4.00%                            | 4.00% | 8/26/2011             | 0.00                    | -                   |
| <b>Total Wells Fargo Purchases</b>     |              |                                      |               |               |                                  |       |                       | <b>1,000,000.00</b>     | <b>7,500.00</b>     |
| <b>Banner Bank CD's</b>                |              |                                      |               |               |                                  |       |                       |                         |                     |
|                                        | 5740005425   | CD                                   | 2/6/2012      | 2/6/2011      | 0.80%                            | 0.80% |                       | 1,132,694.88            | 9,061.56            |
| <b>Total Banner Bank CD's</b>          |              |                                      |               |               |                                  |       |                       | <b>1,132,694.88</b>     | <b>9,061.56</b>     |
| <b>Sound Community Bank CD's</b>       |              |                                      |               |               |                                  |       |                       |                         |                     |
|                                        | 18299229     | CD                                   | 8/11/2012     | 2/11/2011     | 0.55%                            | 0.55% |                       | 1,000,000.00            | 5,500.00            |
| <b>Total Sound Community Bank CD's</b> |              |                                      |               |               |                                  |       |                       | <b>1,000,000.00</b>     | <b>5,500.00</b>     |
| <b>Opus Bank CD's</b>                  |              |                                      |               |               |                                  |       |                       |                         |                     |
|                                        | 280128104    | CD                                   | 3/15/2012     | 3/16/2011     | 0.89%                            | 0.89% |                       | 90,000.00               | 801.00              |
|                                        | 280131082    | CD                                   | 3/9/2012      | 3/10/2011     | 0.65%                            | 0.65% |                       | 150,000.00              | 975.00              |
| <b>Total Cascade Bank CD's</b>         |              |                                      |               |               |                                  |       |                       | <b>240,000.00</b>       | <b>1,776.00</b>     |
| <b>TOTAL ALL SECURITIES</b>            |              |                                      |               |               |                                  |       |                       | <b>\$ 10,362,260.09</b> | <b>\$ 64,751.30</b> |
|                                        |              |                                      |               |               | Banner Checking and Savings      |       | 0.25% Banner          | \$949,912.53            | 2,374.78            |
|                                        |              |                                      |               |               | Opus Bank                        |       | 0.25%                 | 11,053.34               | 27.63               |
|                                        |              |                                      |               |               | Cash                             |       |                       | 1,005.00                | -                   |
|                                        |              |                                      |               |               | Local Government Investment Pool |       | 0.17% LGIP            | \$5,225,612             | 8,883.54            |
|                                        |              |                                      |               |               | <b>Total Accounts</b>            |       |                       | <b>\$ 16,549,843.30</b> | <b>76,037.25</b>    |

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**City of Kenmore, Washington**  
**Retail Sales and Use Tax Distribution**  
**August 31, 2011**



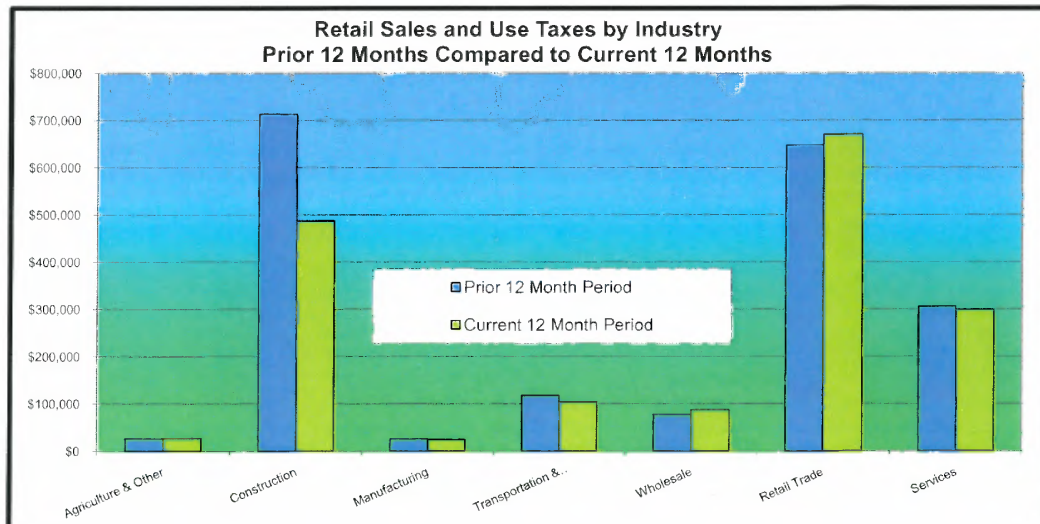
| Industry                                               | Prior 12 Months<br>ending August 2010 | Current 12 Months<br>ending August 2011 | % Increase/<br>(Decrease) | % of Total |
|--------------------------------------------------------|---------------------------------------|-----------------------------------------|---------------------------|------------|
| Agriculture & Other (Landscaping, Animal Hospitals)    | \$26,319                              | \$27,423                                | 4.19%                     | 1.61%      |
| Construction                                           | 713,171                               | 487,289 *                               | -31.67%                   | 28.66%     |
| Manufacturing (Printing, Publishing, Other Manuf.)     | 25,916                                | 24,426                                  | -5.75%                    | 1.44%      |
| Transp/Comm/Utilities (Telecomm., Air Transport.)      | 117,688                               | 104,128                                 | -11.52%                   | 6.12%      |
| Wholesale (Lumber, Other Wholesale)                    | 77,257                                | 87,442                                  | 13.18%                    | 5.14%      |
| Retail Trade (Eating, Merchandise, Food Stores)        | 647,217                               | 670,422                                 | 3.59%                     | 39.43%     |
| Services (Auction, Recreation, Auto Repair, Financial) | 305,696                               | 299,208                                 | -2.12%                    | 17.60%     |
| Totals                                                 | \$1,913,264                           | \$1,700,338                             | -11.13%                   | 100%       |
| Increase/(Decrease)                                    |                                       | (\$212,926)                             | -11.13%                   |            |



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

\* Approximately 10% of this is due to the Brightwater project.

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



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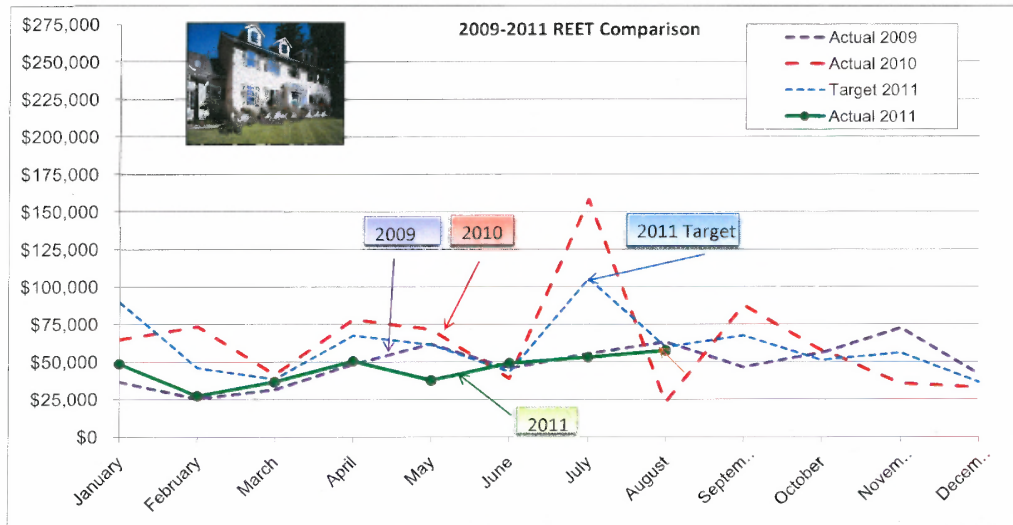
**City of Kenmore, Washington**  
**Real Estate Excise Tax Report**  
**August 31, 2011**



| Real Estate Excise Taxes (REET)<br>2008 - 2011 Monthly Receipts |                |                |                |                |                |
|-----------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
|                                                                 | Actual<br>2008 | Actual<br>2009 | Actual<br>2010 | Actual<br>2011 | Target<br>2011 |
| January                                                         | 167,796        | 36,640         | 64,792         | 48,679         | 89,743         |
| February                                                        | 39,354         | 25,466         | 73,383         | 27,294         | 46,068         |
| March                                                           | 42,409         | 31,468         | 41,445         | 36,507         | 38,441         |
| April                                                           | 75,958         | 48,355         | 78,233         | 50,463         | 67,515         |
| May                                                             | 50,369         | 61,743         | 71,622         | 37,671         | 61,245         |
| June                                                            | 45,084         | 45,639         | 38,919         | 48,938         | 43,214         |
| July                                                            | 102,721        | 55,328         | 158,221        | 53,012         | 105,423        |
| August                                                          | 93,364         | 63,161         | 23,033         | 57,471         | 59,853         |
| September                                                       | 68,457         | 46,508         | 87,734         |                | 67,566         |
| October                                                         | 39,607         | 55,905         | 57,761         |                | 51,091         |
| November                                                        | 60,295         | 72,456         | 35,585         |                | 56,112         |
| December                                                        | 34,608         | 41,723         | 32,962         |                | 36,431         |
|                                                                 | \$820,021      | \$584,392      | \$763,689      | \$360,035      | \$722,701      |

For 2011, Taxes are \$189,613 less than the same period last year and below the 2011 target by \$151,467

| Real Estate Excise Taxes (REET)<br>2008 - 2011 Property Sales > \$500,000<br>(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 |           |         |        |
|                                                                                                                                                                                                        | 2008          | 2009         | 2010         | 2011         | 2008                                | 2009      | 2010    | 2011   |
| January                                                                                                                                                                                                | 28,479,285    | 3,809,950    | 3,790,500    | 1,046,085    | 140,972                             | 18,859    | 18,763  | 5,178  |
| February                                                                                                                                                                                               | 4,994,900     | 2,819,838    | 4,805,000    | 547,257      | 24,725                              | 13,958    | 23,785  | 2,709  |
| March                                                                                                                                                                                                  | 6,016,500     | 2,923,000    | 1,149,000    | 1,100,000    | 29,782                              | 14,469    | 5,688   | 5,445  |
| April                                                                                                                                                                                                  | 9,089,830     | 3,942,750    | 1,779,000    | 1,075,000    | 44,995                              | 19,517    | 8,806   | 5,321  |
| May                                                                                                                                                                                                    | 4,285,470     | 7,254,950    | 1,859,000    | 2,372,000    | 21,213                              | 35,912    | 9,202   | 11,741 |
| June                                                                                                                                                                                                   | 5,868,926     | 560,000      | 540,000      | 2,605,000    | 29,051                              | 2,772     | 2,673   | 12,895 |
| July                                                                                                                                                                                                   | 15,533,779    | 3,739,900    | 18,013,000   | 3,354,950    | 76,892                              | 18,513    | 89,164  | 16,607 |
| August                                                                                                                                                                                                 | 12,492,130    | 3,857,600    | 1,020,000    | 3,045,950    | 61,836                              | 19,095    | 5,049   | 15,077 |
| September                                                                                                                                                                                              | 6,504,602     | 2,275,000    | 11,276,760   |              | 32,198                              | 11,261    | 55,820  | 0      |
| October                                                                                                                                                                                                | 3,397,877     | 5,949,213    | 610,000      |              | 16,819                              | 29,449    | 3,020   | 0      |
| November                                                                                                                                                                                               | 5,851,865     | 6,393,000    | 1,020,000    |              | 28,967                              | 31,645    | 5,049   | 0      |
| December                                                                                                                                                                                               | 619,950       | 1,855,348    | 2,178,000    |              | 3,069                               | 9,184     | 10,781  | 0      |
|                                                                                                                                                                                                        | \$103,135,114 | \$45,380,549 | \$48,040,260 | \$15,146,242 | \$510,519                           | \$224,634 | 237,800 | 74,973 |



\* NOTE THE 2011 TARGET IS BASED ON A 3-YEAR AVERAGE (2008-2010) OF ACTUAL RECEIPTS.

City of Kenmore, Washington  
 Monthly Report for Kenmore Village  
 August 31, 2011



**Revenues**

Lease Income USPS (6700 Building)  
 Return of Security Deposit  
 Other Rent Income  
 Insurance Proceeds  
 Leasehold Excise Returned

Total Revenues

| <b><u>August</u></b>   | <b><u>Biennium-to-</u></b> | <b><u>Biennium Budget</u></b> |
|------------------------|----------------------------|-------------------------------|
| <b><u>Activity</u></b> | <b><u>Date</u></b>         |                               |
| \$9,483                | \$ 22,836                  | \$ 88,266                     |
| 0                      | 3,257                      | 0                             |
| 0                      | 3,750                      | 0                             |
| 0                      | 19,672                     | 0                             |
| 0                      | 2,025                      | 0                             |
| 9,483                  | 51,540                     | 88,266                        |

**Expenditures**

6700 Building Improvements  
 Utilities and Insurance - Kenmore Village

Total Expenditures

Net Income (Loss)

|          |             |           |
|----------|-------------|-----------|
| 1,802    | 11,200      | 40,820    |
| 0        | 50,589      | 0         |
| 1,802    | 61,789      | 40,820    |
| \$ 7,681 | \$ (10,248) | \$ 47,446 |

City of Kenmore, Washington  
SR 522 Phase I Revenue and Expenditure History  
as of August 31, 2011

|                                                                                     |                   | **Actuals Received on Cash Basis** |                   |                  |                |                      |                   |
|-------------------------------------------------------------------------------------|-------------------|------------------------------------|-------------------|------------------|----------------|----------------------|-------------------|
| <b>Phase I</b>                                                                      |                   |                                    |                   |                  |                |                      |                   |
| Stage 3 Burke Gilman Trail @73rd Ave NE-nearing completion                          |                   |                                    |                   |                  |                |                      |                   |
| Stage 1 SR 522 Central Segment 65th to 73rd and other improvements, in construction |                   |                                    |                   |                  |                |                      |                   |
| Stage 2 SR 522 West Segment 57th to 65th and other improvements, pending funding    |                   |                                    |                   |                  |                |                      |                   |
|                                                                                     |                   | Cumulative<br>through 2008         | 2009              | 2010             | August<br>2011 | Year to Date<br>2011 | Life to Date      |
| <b>Revenues:</b>                                                                    |                   |                                    |                   |                  |                |                      |                   |
|                                                                                     | <b>Secured:</b>   |                                    |                   |                  |                |                      |                   |
| Wa State Transportation Improve. Board:                                             |                   |                                    |                   |                  |                |                      |                   |
| to Street Fund                                                                      | 5,047,000         | 851,786                            | 0                 | 0                | 0              | 0                    | 851,786           |
| to Arterial Street Fund                                                             | 0                 | 148,214                            | 2,545,308         | 1,501,692        | 0              | 0                    | 4,195,214         |
| Wa State Gas Tax                                                                    | 4,663,620         | 3,119,047                          | 1,765,416         | 0                | 0              | 0                    | 4,884,463         |
| Federal Surface Transportation Prog                                                 | 12,045,444        | 1,708,895                          | 8,535,460         | 1,781,817        | 0              | 0                    | 12,026,172        |
| Brightwater                                                                         | 15,000            | 15,000                             | 0                 | 0                | 0              | 0                    | 15,000            |
| Federal: Wa State Dept of Trans Signal                                              | 357,914           | 0                                  | 0                 | 546,862          | 0              | 0                    | 546,862           |
| King County Parks                                                                   | 906,500           | 514,616                            | 201,467           | 0                | 0              | 0                    | 716,083           |
| King County Roads                                                                   | 350,000           | 350,000                            | 0                 | 0                | 0              | 0                    | 350,000           |
| Northshore Utility District Reimb                                                   | 432,400           | 80,559                             | 0                 | 0                | 0              | 0                    | 80,559            |
| Puget Sound Energy Reimb                                                            | 264,100           | 0                                  | 0                 | 0                | 0              | 0                    | 0                 |
| Northshore School Dist Reimb                                                        | 22,258            | 0                                  | 0                 | 0                | 0              | 0                    | 0                 |
| Library Reimb                                                                       | 10,000            | 0                                  | 0                 | 0                | 0              | 0                    | 0                 |
| Comcast Reimb                                                                       | 168,800           | 88,620                             | 0                 | 0                | 0              | 0                    | 88,620            |
| Urban Partners                                                                      | 75,000            | 0                                  | 25,000            | 54,438           | 0              | 0                    | 79,438            |
| Fire District Reim                                                                  | 49,000            | 0                                  | 0                 | 0                | 0              | 0                    | 0                 |
| City Art Fund                                                                       | 126,486           | 0                                  | 0                 | 0                | 0              | 0                    | 0                 |
| City Funds:                                                                         | 5,607,250         | 0                                  | 0                 | 0                | 0              | 0                    | 0                 |
| Transfer from REET Muni Cap                                                         |                   | 1,083,250                          | 0                 | 3,290,000        | 0              | 0                    | 4,373,250         |
| Transfer from Street Fund                                                           |                   | 0                                  | 0                 | 521,870          | 0              | 0                    | 521,870           |
| Stage 1/181st                                                                       |                   | 0                                  | 334,000           | 0                | 0              | 0                    | 334,000           |
| Stage 2                                                                             | 700,000           | 0                                  | 700,000           | 0                | 0              | 0                    | 700,000           |
| Transfer from Trans Impact Fees                                                     |                   | 900,000                            | 0                 | 0                | 267,532        | 267,532              | 1,167,532         |
| <b>Total Revenues</b>                                                               | <b>30,840,772</b> | <b>8,859,987</b>                   | <b>14,106,651</b> | <b>7,696,679</b> | <b>267,532</b> | <b>267,532</b>       | <b>30,930,849</b> |
| <b>Expenditures:</b>                                                                |                   |                                    |                   |                  |                |                      |                   |
| Street Fund                                                                         |                   | 15,148,961                         | 1,090             | 0                | 0              | 0                    | 15,150,051        |
| Street-Interfund Loan Interest                                                      |                   | 0                                  | 0                 | 0                | 0              | 0                    | 0                 |
| 1% Art Fund                                                                         |                   | 0                                  | 0                 | 0                | 0              | 0                    | 0                 |
| Arterial Street Fund                                                                |                   | 253,860                            | 11,708,313        | 2,874,519        | 55,542         | 131,634              | 14,968,326        |
| Stage 2 Design                                                                      |                   |                                    | 483,830           | 435,358          | 59,154         | 64,436               | 983,624           |
| Arterial Street Fund                                                                |                   |                                    |                   |                  |                |                      |                   |
| Muni Cap Fund                                                                       |                   | 46,782                             | 0                 | 0                | 0              | 0                    | 46,782            |
| <b>Total Expenditures</b>                                                           |                   | <b>15,449,603</b>                  | <b>12,193,233</b> | <b>3,309,877</b> | <b>114,696</b> | <b>261,120</b>       | <b>31,148,784</b> |

City of Kenmore, Washington  
SR 522 Phase II Revenue and Expenditure History  
as of August 31, 2011

**Phase II**

SR 522 East Segment, 73rd to 83rd, nearing completion

**\*\*Actuals Received on Cash Basis\*\***

|                                         |                   | Cumulative<br>through 2008 | 2009             | 2010             | August<br>2011 | Year to Date<br>2011 | Life to Date      |
|-----------------------------------------|-------------------|----------------------------|------------------|------------------|----------------|----------------------|-------------------|
| <b>Revenues:</b>                        | <b>Secured:</b>   |                            |                  |                  |                |                      |                   |
| Wa State Transportation Improve. Board: | 3,450,000         | 3,145,975                  | 131,526          | 172,500          | 0              | 0                    | 3,450,000         |
| Sound Transit                           | 8,192,307         | 8,192,307                  | 0                | 0                | 0              | 0                    | 8,192,307         |
| Brightwater                             | 250,000           | 0                          | 0                | 0                | 0              | 0                    | 0                 |
| Federal Grant via WSDOT                 | 697,312           | 578,381                    | 91,120           | 0                | 6,683          | 6,683                | 676,184           |
| Federal: WSDOT Signal/Overlay           | 683,608           | 185,272                    | 498,322          | 0                | 0              | 0                    | 683,594           |
| Regional Mobility WSDOT                 | 1,800,000         | 1,441,827                  | 358,173          | 0                | 0              | 0                    | 1,800,000         |
| King County Metro                       | 400,000           | 0                          | 0                | 400,000          | 0              | 0                    | 400,000           |
| Wa State Gas Tax Grant                  | 8,336,380         | 4,636,717                  | 2,951,182        | 439,620          | 0              | 0                    | 8,027,519         |
| Comcast Reimb                           | 147,770           | 92,680                     | 0                | 55,090           | 0              | 0                    | 147,770           |
| Northshore Utility District Reimb       | 1,621,486         | 1,024,376                  | 441,836          | 0                | 0              | 0                    | 1,466,212         |
| Northshore School District Reimb        | 28,914            | 0                          | 0                | 0                | 2,694          | 2,694                | 2,694             |
| PSE Reimbursement                       | 150,000           | 0                          | 0                | 0                | 0              | 0                    | 0                 |
| City: Art Fund                          | 161,006           | 0                          | 0                | 0                | 0              | 0                    | 0                 |
| City:                                   | 2,870,793         | 0                          | 0                | 0                | 0              | 0                    | 0                 |
| Investment Earnings                     |                   | 92,191                     | 15,331           | 2,532            | 0              | 0                    | 110,054           |
| Fuel Tax                                |                   | 274,153                    | 0                | 0                | 0              | 0                    | 274,153           |
| Transfer of Trans Impact Fees           |                   | 512,000                    | 430,698          | 450,000          | 0              | 0                    | 1,392,698         |
| Transfer from Street Fund               |                   | 0                          | 0                | 1,000,000        | 0              | 0                    | 1,000,000         |
| Transfer of REET                        |                   | 1,096,420                  | 0                | 0                | 0              | 0                    | 1,096,420         |
| <b>Total Revenues</b>                   | <b>28,789,576</b> | <b>21,272,299</b>          | <b>4,918,188</b> | <b>2,519,742</b> | <b>9,377</b>   | <b>9,377</b>         | <b>28,719,606</b> |
| <b>Expenditures:</b>                    |                   |                            |                  |                  |                |                      |                   |
| Arterial Street                         |                   | 22,497,211                 | 4,671,626        | 1,068,152        | 21,333         | 614,502              | 28,851,491        |
| Interfund Loan Interest                 |                   | 127,175                    | 0                | 0                | 0              | 0                    | 127,175           |
| Art 1%                                  |                   | 0                          | 0                | 0                | 0              | 0                    | 0                 |
| Transportation Impact Fee Fund          |                   | 100,000                    | 0                | 0                | 0              | 0                    | 100,000           |
| <b>Total Expenditures</b>               |                   | <b>22,724,386</b>          | <b>4,671,626</b> | <b>1,068,152</b> | <b>21,333</b>  | <b>614,502</b>       | <b>29,078,666</b> |

| CITY OF KENMORE, WASHINGTON                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |            |                                                                               |                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------------------------------------------------------------------|------------------|
| AGENDA BILL SUMMARY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |                                                                               |                  |
| AGENDA TITLE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |            |                                                                               | MEETING DATE     |
| Authorize the City Manager to execute a local agency agreement (Contract No. 11-C965) for the SR522 Phase 1 Stage 2 project property acquisition with Washington State Department of Transportation in the amount of \$2,890,174.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |            |                                                                               | October 10, 2011 |
| DEPARTMENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | DIRECTOR   | MEETING ATTENDEES                                                             | PHONE            |
| Engineering                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Ron Loewen | Ron Loewen                                                                    | (425) 398-8900   |
| <b>COST OF PROPOSAL:</b><br><u>Staff Cost:</u><br>Administering right of way acquisition \$ 53,750<br><u>Contract Services:</u><br>Design/Legal Description: \$ 30,500<br>Appraisals: \$ 216,000<br>Negotiations: \$ 318,750<br>WSDOT \$ 6,250<br>Compensation: \$2,264,924<br><b>Total \$2,890,174</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |            | <b>ACCOUNT NUMBER:</b><br><b>New project: SR522 Ph 1 Stage 2 Right of Way</b> |                  |
| <b>AMOUNT BUDGETED:</b><br><b>2011-12: \$795,700</b> (in the Right of Way Acquisition Budget for T-7: 61 <sup>st</sup> Avenue NE and NE 181 <sup>st</sup> Street Signal Project. See Agenda Bill dated September 12, 2011).<br>Mid Biennium Budget Amendment will update the Project Budget.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |            | <b>NAME AND FUND #:</b><br><b>Arterial Street Fund</b>                        |                  |
| <b>ATTACHMENT(S) TO AGENDA PACKET ITEM:</b><br><br>Local Agency Agreement<br>Puget Sound Regional Council Letter to the City of Kenmore dated August 4 <sup>th</sup> , 2011<br>Agenda Bill – September 12, 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |                                                                               |                  |
| <b>SUMMARY STATEMENT:</b><br><br>On August 4 <sup>th</sup> , 2011 the City received notification from the Puget Sound Regional Council (PSRC) that the City was awarded \$2,500,000 in grant funds for the SR522 Phase 1 Stage 2 right of way acquisition. In order for the City to receive the grant funds and the State to obligate them, the City must enter into a Local Agency Agreement with WSDOT and agree to adhere to the “Local Agency Guidelines.”<br><br>The total right of way acquisition costs have been estimated at \$2,890,174. The match requirement is 13.5%, making the City’s contribution \$390,174.<br><br>During the City Council discussion in September 2010, the City Council elected to pursue a portion of the right of way needed for the SR522 Phase 1, Stage 2 project (Jack in the Box, Uplake Town Center, and Burke-Gilman Trail), as part of the 61 <sup>st</sup> Avenue NE and NE 181 <sup>st</sup> Street Signal Project. The updated right of way budget for right of way was \$1,105,000 of which \$309,300 was allocated for the four parcels needed for the Signal Project. The balance remaining for the three SR522 |            |                                                                               |                  |

VD. Authorize the City Manager to Execute a Local Agency Agreement, Contract No. 11-C965, for SR 522 Phase 1, Stage 2 Project Property Acquisition with the Washington Department

parcels was \$795,700 which would use Real Estate Excise Tax (REET) revenues. With a match requirement of only \$390,174, the City will spend \$405,526 less of REET funds than anticipated at that time. A budget amendment will be presented during the Mid Biennium Budget Review to adjust the budgets for both the 61<sup>st</sup> Avenue Signal Project and this SR 522 Phase I Stage II Right of Way Acquisition.

Staff recommends that City Council authorize the City Manager to execute the attached Local Agency Agreement with WSDOT.

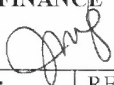
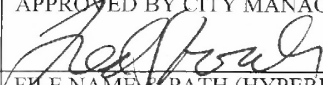
**CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION:**

Council set a priority for SR 522 in 2008 and reaffirmed in 2009 with council action on December 1, 2008 - Agenda title: Consider Projects for Federal Stimulus Package and Potential Action for Authorization to Design and Right of way Acquisition for SR 522 Phase I Stage 2.

2011-2012 City Council Goal "To seek funds and move forward on the SR522 Transportation Project"

**RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION:**

Authorize the City Manager to execute a local agency agreement for the SR522 Phase 1 Stage 2 project property acquisition with Washington State Department of Transportation in the amount of \$2,890,174.

|                                                                                                                           |                                   |                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------|
| <b>REVIEWED BY FINANCE DIRECTOR:</b><br> | <b>REVIEWED BY CITY ATTORNEY:</b> | <b>APPROVED BY CITY MANAGER:</b><br> |
| <b>TODAY'S DATE:</b><br>September 26, 2011                                                                                | <b>REVISION DATE(S):</b>          | <b>FILE NAME &amp; PATH (HYPERLINK):</b><br>S:\0050.51 SR 522 Phase 1, Stage 2 Right-of-Way\110913-Agenda Bill.doc     |



Washington State  
Department of Transportation

## Local Agency Agreement

Agency City of Kenmore  
Address 18120 68th Avenue NE  
P.O.Box 82607  
Kenmore, WA 98028

CFDA No. 20.205  
(Catalog of Federal Domestic Assistance)

Project No. \_\_\_\_\_

Agreement No. \_\_\_\_\_

For OSC WSDOT Use Only

The Local Agency having complied, or hereby agreeing to comply, with the terms and conditions set forth in (1) Title 23, U.S. Code Highways, (2) the regulations issued pursuant thereto, (3) Office of Management and Budget Circulars A-102, A-87 and A-133, (4) the policies and procedures promulgated by the Washington State Department of Transportation, and (5) the federal aid project agreement entered into between the State and Federal Government, relative to the above project, the Washington State Department of Transportation will authorize the Local Agency to proceed on the project by a separate notification. Federal funds which are to be obligated for the project may not exceed the amount shown herein on line r, column 3, without written authority by the State, subject to the approval of the Federal Highway Administration. All project costs not reimbursed by the Federal Government shall be the responsibility of the Local Agency.

### Project Description

Name SR522 Multimodal Corridor Improvements Ph 1 Stg 2 57th-65th Ave NE Length 0.69 Miles  
Termini Mile Post 6.30 - Mile Post 6.99 (SR522 from 57th Avenue NE to 65th Avenue NE)

### Description of Work

Right-of-way acquisition for SR 522 Phase I, Stage 2 project improvements (57th Avenue NE – 65th Avenue NE). Future project improvements will include widened travel and Business Access and Transit (BAT) lanes, additional turning lanes at the key intersection, signal improvements, illumination, access management, medians, sidewalks, retaining walls, drainage improvements, landscaping, and over head utility conversion to underground.

| Type of Work                                                                   |                                         | Estimate of Funding                     |                                  |                                   |
|--------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|----------------------------------|-----------------------------------|
|                                                                                |                                         | (1)<br>Estimated Total<br>Project Funds | (2)<br>Estimated Agency<br>Funds | (3)<br>Estimated<br>Federal Funds |
| PE<br>_____%<br><br>Federal Aid<br>Participation<br>Ratio for PE               | a. Agency                               |                                         |                                  |                                   |
|                                                                                | b. Other                                |                                         |                                  |                                   |
|                                                                                | c. Other                                |                                         |                                  |                                   |
|                                                                                | d. State                                |                                         |                                  |                                   |
|                                                                                | e. Total PE Cost Estimate (a+b+c+d)     |                                         |                                  |                                   |
| Right of Way<br>86.5 %<br><br>Federal Aid<br>Participation<br>Ratio for RW     | f. Agency                               | 53,750.00                               | 7,256.25                         | 46,493.75                         |
|                                                                                | g. Other Acquisition & Relocation       | 2,830,174.00                            | 382,074.00                       | 2,448,100.00                      |
|                                                                                | h. Other                                |                                         |                                  |                                   |
|                                                                                | i. State                                | 6,250.00                                | 843.75                           | 5,406.25                          |
|                                                                                | j. Total R/W Cost Estimate (f+g+h+i)    | 2,890,174.00                            | 390,174.00                       | 2,500,000.00                      |
| Construction<br><br><br>_____%<br>Federal Aid<br>Participation<br>Ratio for CN | k. Contract                             |                                         |                                  |                                   |
|                                                                                | l. Other                                |                                         |                                  |                                   |
|                                                                                | m. Other                                |                                         |                                  |                                   |
|                                                                                | n. Other                                |                                         |                                  |                                   |
|                                                                                | o. Agency                               |                                         |                                  |                                   |
|                                                                                | p. State                                |                                         |                                  |                                   |
|                                                                                | q. Total CN Cost Estimate (k+l+m+n+o+p) |                                         |                                  |                                   |
| r. Total Project Cost Estimate (e+j+q)                                         |                                         | 2,890,174.00                            | 390,174.00                       | 2,500,000.00                      |

### Agency Official

By \_\_\_\_\_  
Title Frederick Stouder  
City Manager

### Washington State Department of Transportation

By \_\_\_\_\_  
Director of Highways and Local Programs  
Date Executed \_\_\_\_\_

VD. Authorize the City Manager to Execute a Local Agency Agreement, Contract No. 11-C965, for SR 522 Phase 1, Stage 2 Project Property Acquisition with the Washington Department

## Construction Method of Financing (Check Method Selected)

### State Ad and Award

- ☐ Method A - Advance Payment - Agency Share of total construction cost (based on contract award)
- ☐ Method B - Withhold from gas tax the Agency's share of total construction cost (line 4, column 2) in the amount of \$ \_\_\_\_\_ at \$ \_\_\_\_\_ per month for \_\_\_\_\_ months.

### Local Force or Local Ad and Award

- ☐ Method C - Agency cost incurred with partial reimbursement

The Local Agency further stipulates that pursuant to said Title 23, regulations and policies and procedures, and as a condition to payment of the federal funds obligated, it accepts and will comply with the applicable provisions set forth below. Adopted by official action on \_\_\_\_\_, Resolution/Ordinance No. \_\_\_\_\_

## Provisions

### I. Scope of Work

The Agency shall provide all the work, labor, materials, and services necessary to perform the project which is described and set forth in detail in the "Project Description" and "Type of Work."

When the State acts for and on behalf of the Agency, the State shall be deemed an agent of the Agency and shall perform the services described and indicated in "Type of Work" on the face of this agreement, in accordance with plans and specifications as proposed by the Agency and approved by the State and the Federal Highway Administration.

When the State acts for the Agency but is not subject to the right of control by the Agency, the State shall have the right to perform the work subject to the ordinary procedures of the State and Federal Highway Administration.

### II. Delegation of Authority

The State is willing to fulfill the responsibilities to the Federal Government by the administration of this project. The Agency agrees that the State shall have the full authority to carry out this administration. The State shall review, process, and approve documents required for federal aid reimbursement in accordance with federal requirements. If the State advertises and awards the contract, the State will further act for the Agency in all matters concerning the project as requested by the Agency. If the Local Agency advertises and awards the project, the State shall review the work to ensure conformity with the approved plans and specifications.

### III. Project Administration

Certain types of work and services shall be provided by the State on this project as requested by the Agency and described in the Type of Work above. In addition, the State will furnish qualified personnel for the supervision and inspection of the work in progress. On Local Agency advertised and awarded projects, the supervision and inspection shall be limited to ensuring all work is in conformance with approved plans, specifications, and federal aid requirements. The salary of such engineer or other supervisor and all other salaries and costs incurred by State forces upon the project will be considered a cost thereof. All costs related to this project incurred by employees of the State in the customary manner on highway payrolls and vouchers shall be charged as costs of the project.

### IV. Availability of Records

All project records in support of all costs incurred and actual expenditures kept by the Agency are to be maintained in accordance with local government accounting procedures prescribed by the Washington State Auditor's Office, the U.S. Department of Transportation, and the Washington State Department of Transportation. The records shall be open to inspection by the State and Federal Government at all reasonable times and shall be retained and made available for such inspection for a period of not less than three years from the final payment of any federal aid funds to the Agency. Copies of said records shall be furnished to the State and/or Federal Government upon request.

### V. Compliance with Provisions

The Agency shall not incur any federal aid participation costs on any classification of work on this project until authorized in writing by the State for each classification. The classifications of work for projects are:

1. Preliminary engineering.
2. Right of way acquisition.
3. Project construction.

In the event that right of way acquisition, or actual construction of the road, for which preliminary engineering is undertaken is not started by the closing of the tenth fiscal year following the fiscal year in which the agreement is executed, the Agency will repay to the State the sum or sums of federal funds paid to the Agency under the terms of this agreement (see Section IX).

The Agency agrees that all stages of construction necessary to provide the initially planned complete facility within the limits of this project will conform to at least the minimum values set by approved statewide design standards applicable to this class of highways, even though such additional work is financed without federal aid participation.

The Agency agrees that on federal aid highway construction projects, the current federal aid regulations which apply to liquidated damages relative to the basis of federal participation in the project cost shall be applicable in the event the contractor fails to complete the contract within the contract time.

### VI. Payment and Partial Reimbursement

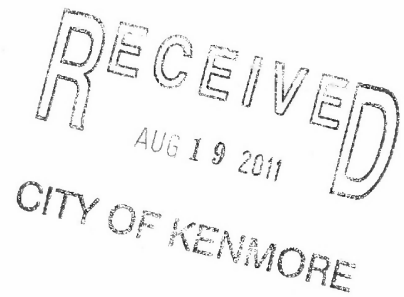
The total cost of the project, including all review and engineering costs and other expenses of the State, is to be paid by the Agency and by the Federal Government. Federal funding shall be in accordance with the Federal Transportation Act, as amended, and Office of Management and Budget circulars A-102, A-87 and A-133. The State shall not be ultimately responsible for any of the costs of the project. The Agency shall be ultimately responsible for all costs associated with the project which are not reimbursed by the Federal Government. Nothing in this agreement shall be construed as a promise by the State as to the amount or nature of federal participation in this project.

The Agency shall bill the state for federal aid project costs incurred in conformity with applicable federal and state laws. The agency shall minimize the time elapsed between receipt of federal aid funds and subsequent payment of incurred costs. Expenditures by the Local Agency for maintenance, general administration, supervision, and other overhead shall not be eligible for federal participation unless a current indirect cost plan has been prepared in accordance with the regulations outlined in the federal Office of Management & Budget (OMB) circular A-87, and retained for audit.

The State will pay for State incurred costs on the project. Following payment, the State shall bill the Federal Government for reimbursement of those costs eligible for federal participation to the extent that such costs are attributable and properly allocable to this project. The State shall bill the Agency for that portion of State costs which were not reimbursed by the Federal Government (see Section IX).

#### 1. Project Construction Costs

Project construction financing will be accomplished by one of the three methods as indicated in this agreement.



August 4, 2011

The Honorable David Baker  
City of Kenmore  
PO Box 82607  
Kenmore, WA 98028-0607

Dear Mayor Baker:

On behalf of the Puget Sound Regional Council, congratulations on receiving \$2,500,000 for SR 522 *Multimodal Corridor Improvements, Phase 1, Stage 2, 57<sup>th</sup>-65<sup>th</sup> Ave NE*.

This PSRC funding award was approved by our Executive Board in July. Thanks to great work by your staff and elected leadership, this project was identified as a high priority and rose to the top out of a pool of many other worthy projects.

Helping communities secure federal transportation funding is one of the key roles of PSRC. We know in these tough economic times that local governments are searching far and wide for the resources to deliver needed transportation improvements and also grow jobs in the near term. In 2012, PSRC will select projects for the roughly \$400 million in federal funds the region can expect to receive over the next few years.

At every step of the way, we hope you'll call on us with questions and concerns as you look for funding opportunities and work to implement your community's transportation, growth, and economic development plans. You can reach us at (206) 464-7090 or online at [psrc.org](http://psrc.org).

Sincerely,

Josh Brown  
Commissioner, Kitsap County  
President, Puget Sound Regional Council

P.S. We're gearing up for an update of the Puget Sound region's five-year economic strategy, and there will be many ways for you and your staff to be involved in this effort. Look for more information coming soon and visit [psrc.org/econdev/res](http://psrc.org/econdev/res) to learn more.

| CITY OF KENMORE, WASHINGTON                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                              |                                                                                          |                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------|
| AGENDA BILL SUMMARY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                              |                                                                                          |                           |
| AGENDA TITLE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                              |                                                                                          | MEETING DATE              |
| <b>Adopt Ordinance No 11-0324 authorizing by condemnation or negotiation of real property interests necessary for the 61<sup>st</sup> Avenue NE &amp; NE 181<sup>st</sup> Street Traffic Signal Project</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                              |                                                                                          | <b>September 12, 2011</b> |
| DEPARTMENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | DIRECTOR                                                                                     | CONTACT PERSON                                                                           | PHONE                     |
| Engineering                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Ron Loewen  | Ron Loewen                                                                               | 425 398 8900              |
| <b>COST OF PROPOSAL:</b><br><u><b>Right of Way Activities</b></u><br>Staff Cost:<br>Preparing agenda bill: 6 hours<br>Administering right of way acquisition: 40 hours<br><u>Contract Services:</u><br>Design/Legal Description: \$ 27,200<br>Appraisals: \$ 37,400<br>Negotiations: \$ 39,900<br>Compensation: <u>\$204,800</u><br><b>Total \$309,300</b>                                                                                                                                                                                                                                                                                                           |                                                                                              | <b>ACCOUNT NUMBER:</b><br>09 00 7097<br>61 <sup>st</sup> Ave/NE 181 <sup>st</sup> Signal |                           |
| <b>AMOUNT BUDGETED:</b><br><u><b>Right of Way Budget:</b></u> <b>\$1,105,000</b><br><br><u><b>Overall Project Budget:</b></u><br>Project Budget: \$2,771,900<br>Expended Budget as of July 22: \$ 131,354<br>Obligated <sup>1</sup> Budget as of July 31: \$ 226,815<br>Remaining Budget <sup>2</sup> as of July 31: \$2,435,085<br>Estimated Remaining Expenditures \$1,639,385<br>(Over) / Under Budget <sup>3</sup> : \$ 795,700<br><br><sup>1</sup> Obligated includes funds spent and obligated through signed agreements.<br><sup>2</sup> Remaining Budget is the total budget less the obligated amount.<br><sup>3</sup> See explanation in Summary Statement |                                                                                              | <b>NAME AND FUND #:</b><br>Arterial Street Fund No. 09                                   |                           |
| <b>ATTACHMENT(S) TO AGENDA PACKET ITEM:</b><br>Exhibit A - Ordinance No 11-0324<br>Exhibit B - Right of Way Graphic<br>Exhibit C - Example Notification Letter<br>Exhibit D - June 27, 2011 Agenda Bill<br>Exhibit E - September 27,2010 Agenda Bill                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                              |                                                                                          |                           |

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**SUMMARY STATEMENT:**

The City has initiated right of way activities on the 61<sup>st</sup> Avenue NE and NE 181<sup>st</sup> Street traffic signal project. Appraisals have been completed and formal offer letters have been submitted to all property owners. Each property owner has been contacted multiple times and negotiations are proceeding on an amicable basis on all. However in order to meet our schedule of starting construction early next year we may need to proceed with condemnation on one or more properties. The condemnation ordinance, see Exhibit A, authorizes the City Manager to pursue condemnation if negotiations are at an impasse.

A public hearing has been scheduled to hear public testimony prior to considering the adoption of the ordinance. Notice has been provided on the City's web site, in the official paper and certified letters sent to the affected property owners.

**DISCUSSION:**

The 61st Avenue NE and NE 181st Street traffic signal project will be acquiring street right of way from 4 parcels, see Exhibit B, at an estimated cost of \$309,300. Parcel acquisitions areas and locations have been identified based on design drawings and are included in a right of way map. Appraisals are completed and the acquisition will include the following real property rights: fee simple, right of way easement, permanent utility easements, and temporary construction easements. The right of way process for this project must comply with State and Federal regulations. The process is as follows:

- Preparation of a right of way plan based on design plans.
- Preparation of either appraisals or administrative offer worksheets in lieu of an appraisal, based on market research. Administrative offer worksheets are completed when the value of the acquisition, during the project funding estimate phase, is anticipated to be less than \$25,000. This is typically the case for very small acquisitions or easements. If the property owner requests a full appraisal, then one will be prepared.
- An independent review appraiser reviews the appraisals. The reviewer will either agree or recommend a revised amount. Based on the reviewer's recommendation, the City approves the amount of just compensation to the property owner.
- Offers to property owners are made in person. All offers are explained in detail including the legal instruments that need to be signed. The initial offer is followed by several additional contacts to resolve issues and answer questions. We will make every reasonable effort to negotiate settlement of the acquisition.
- Upon settlement, the City will reimburse property owner's expenses for evaluating offers, up to \$750 upon submission of a bill or paid receipt.
- During negotiations, and if necessary, we will ask for voluntary possession and use of property to be acquired for the project. This will allow the City to construct the project while we continue to discuss the value of the real property rights needed.
- If we are unable to reach a settlement then the City will file a condemnation action in King County Superior Court. The proposed condemnation ordinance will give the City Manager the authority to file the condemnation action.
- Prior to trial we will once again request a possession and use agreement. The condemnation process will be in two parts, first a court hearing of "Use and Necessity" and secondly a court trial to determine the value of the property acquisition.
- Once the court case is resolved or if the property owner signs the agreements closing and escrow

*S:\0159 61st Ave NE and NE 181st St Traffic Signal\Council\Agenda Bill - Condemnation Ord..doc*

will proceed and the City will deposit a check for the agreed upon amount.

- Prior to construction, the Washington State Department of Transportation will review right of way property acquisition files and certify the process. The Department of Transportation certification is required before bid advertising.

During the negotiations we will make every reasonable effort to reach agreement on acquisition. The right of way consultants understand Federal and State acquisition requirements and the need to provide property owners with the time to consider offers and ask questions. They are available on short notice and prepared to answer questions. If issues arise the project designers are also available to discuss modifications or explain design decisions. We will also share appraisal information with property owners upon request. However there are times when negotiations reach an impasse and condemnation is necessary.

We are recommending the City Council authorize the City manager to file a condemnation action if acquisition negotiations reach an impasse. Authorizing condemnation now avoids delays to the project and demonstrates the City's intent to acquire land and proceed with the project. Without the condemnation ordinance at this time we would wait until the impasse and then schedule consideration of an ordinance. This process would interject several months into the project schedule and delay the bid advertising date. In addition the ordinance would likely be repeated several times for each parcel as negotiations reach an impasse adding expense to the project and consuming Council agenda time.

As part of the legal requirements each property owner was sent a letter, see Exhibit C, advising them of the City Council's consideration of the condemnation ordinance. These letters were sent two weeks prior to the hearing date certified mail. Additionally each property owner or their representatives were verbally advised of the condemnation process and the hearing.

During the City Council discussion authorizing the project in September 2010, the City Council decided to pursue the additional right-of-way needed for the SR522 Phase I, Stage 2 project (Jack in the Box, Uplake Town Center, and Burke-Gilman Trail). The right-of-way budget for those 3 parcels and the 4 required for the 61<sup>st</sup> Avenue NE and NE 181<sup>st</sup> Street Signal Project totaled \$1,105,000 of which \$795,700 was allocated for the 3 Stage 2 parcels. Since then the City was awarded a \$2.5 million Federal Surface Transportation grant for acquisition of Stage 2 right of way. If we were to proceed with acquisition on these parcels, make an offer or authorize condemnation the acquisition costs would not be eligible for Federal grant reimbursements. Therefore the acquisition process for these 3 parcels has been placed on hold until an agreement for the Federal grant can be executed sometime in late September. This will reduce the signal project budget by \$795,700.

As a footnote, the \$2.5 million grant requires a match amount \$337,500 saving the City \$458,200 while allowing the acquisition of all right of way for the Stage2 project.

Since the last time the City Council reviewed the right of way acquisition requirements there have been some changes:

- The parcel on the northeast corner of the intersection is a condominium. In order to acquire fee title for the right of way all condominium owners would be required to authorize acquisition. However the Home Owners Association has the authority to grant easements. We are therefore requesting a right of way easement rather than fee title which will reduce the acquisition time and project costs.
- Based on discussions with the owner of the parcel on the southwest corner of the intersection the acquisition requirements have been reduced to reduce the impacts on their business and existing improvements. This will also reduce the project costs.

With respect to the overall project, the City issued a SEPA determination of non-significance (DNS) on August

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24, 2011.

**RECOMMENDATION:**

City staff recommends the adoption of Ordinance 11-0324 authorizing the acquisition by negotiation or condemnation of real property interests needed for the 61<sup>st</sup> Ave NE and NE 181<sup>st</sup> Street traffic signal project.

**CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION:**

Council set a priority for SR 522 in 2008 and reaffirmed in 2009 with council action on December 1, 2008 - Agenda title: Consider Projects for Federal Stimulus Package and Potential Action for Authorization to Design and Right of way Acquisition for SR 522 Phase I Stage 2.

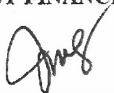
City Council action on September 27, 2010 selecting an alternative authorizing the design and right of way acquisition for the 61<sup>st</sup> Avenue and NE 181<sup>st</sup> signal project.

City Council action on June 27, 2011 selecting an alternative authorizing the design and right of way acquisition for the 61<sup>st</sup> Avenue and NE 181<sup>st</sup> signal project.

**RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION:**

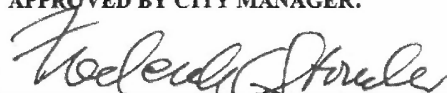
Adopt Ordinance No 11-0324 authorizing by condemnation or negotiation of real property interests necessary for the 61<sup>st</sup> Avenue NE & NE 181<sup>st</sup> Street Traffic Signal Project

REVIEWED BY FINANCE  
DIRECTOR:



REVIEWED BY CITY  
ATTORNEY:

APPROVED BY CITY MANAGER:



TODAY'S DATE:  
August 24, 2011

REVISION DATE(S):

FILE NAME & PATH (HYPERLINK):

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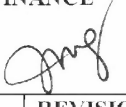
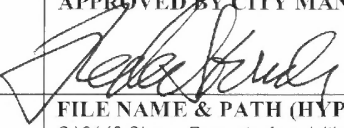
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VD. Authorize the City Manager to Execute a Local Agency Agreement, Contract No. 11-C965, for SR 522 Phase 1, Stage 2 Project Property Acquisition with the Washington Department

| CITY OF KENMORE, WASHINGTON                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                                                                     |                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------------------------------------------|------------------|
| AGENDA BILL SUMMARY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                       |                                                                     |                  |
| AGENDA TITLE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                       |                                                                     | MEETING DATE     |
| <b>Authorize the City Manager to execute an Amendment 'C' to the existing Conservation Futures Interlocal Cooperation Agreement (Contract 04-C363) with King County for the receipt of Conservation Futures Tax (CFT) funds associated with the acquisition of 18546 73<sup>rd</sup> Avenue NE.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                       |                                                                     | October 10, 2011 |
| DEPARTMENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | DIRECTOR              | CONTACT PERSON                                                      | PHONE            |
| Engineering                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Ron Loewen <i>Lon</i> | Zack Richardson                                                     | 425 398 8900     |
| <b>COST OF PROPOSAL:</b><br><br><u>Staff Cost</u><br>Preparing Agenda Bill 2 hours<br>Grant preparation and administration 4 hours                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       | <b>ACCOUNT NUMBER:</b><br><br>41 00 6347 – Simon Property           |                  |
| <b>AMOUNT BUDGETED:</b><br><br><u>2010 Overall Project Expenditures:</u><br><br>Project Expenditures in 2010: \$ 250,218<br>Expected Project Costs Remaining: \$ 0<br>Expected CFT Funds <sup>1</sup> : \$ (120,549)<br><br>Total Project Cost: \$ 129,669<br><br><sup>1</sup> The City was approved for up to \$130,000 in CFT funds; however the project costs were below initial estimates additionally only eligible expenses are reimbursable. The amount shown is the estimated amount of CFT funds the City expects to receive.                                                                                                                                                                                                                                                                                                                                                                                                                                   |                       | <b>NAME AND FUND #:</b><br><br>Surface Water Management Fund No. 41 |                  |
| <b>ATTACHMENT(S) TO AGENDA PACKET ITEM:</b><br><br><ul style="list-style-type: none"> <li>• Conservation Futures Interlocal Cooperation Agreement (Contract No. 04-C363)</li> <li>• Amendment 'C' to the Interlocal Cooperation Agreement</li> <li>• June 21, 2010 Agenda Bill</li> <li>• November 15, 2010 Agenda Bill</li> <li>• Aerial map of 18546 73<sup>rd</sup> Avenue NE</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                                                                     |                  |
| <b>SUMMARY STATEMENT:</b><br><br>As a continuation of the Swamp Creek Flood Reduction Improvement Project policy of acquiring properties along 73 <sup>rd</sup> Avenue NE under certain conditions the City acquired the property at 18546 73 <sup>rd</sup> Avenue NE. To assist in funding the property acquisition the City applied for and received a King County Conservation Futures Tax grant for up to \$130,000. An addendum to an existing interlocal agreement with King County is required in order to receive the funds that the City has been awarded. In 2010, the City expended \$250,218 associated with this project, and the grant will reimburse the City for up to half of the acquisition cost. Because the project was completed for less than originally estimated and additionally only eligible expenses are reimbursable, the City will not receive the full \$130,000 in CFT funds. We estimate the actual funds to be received at \$120,549. |                       |                                                                     |                  |

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VE. Authorize the City Manager to Execute an Amendment 'C' to the Existing Conservation Futures Interlocal Cooperation Agreement, Contract No. 04-C363, with King County for the Receipt of

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                   |                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------|
| <b>CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION:</b><br><br>Council action on June 21, 2010 approved the acquisition of the property at 18546 73 <sup>rd</sup> Ave NE for \$234,300 with a total project budget of \$345,000.<br><br>Council action on November 15, 2010 approved an additional \$52,800 to be used for demolition and removal of all structures on the property with an updated total project budget of \$339,900. |                                   |                                                                                                                        |
| <b>RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION:</b><br><br>Authorize the City Manager to execute an Amendment 'C' to the existing Conservation Futures Interlocal Cooperation Agreement (Contract 04-C363) with King County for the receipt of Conservation Futures Tax (CFT) funds associated with the acquisition of 18546 73 <sup>rd</sup> Avenue NE.                                                                                                        |                                   |                                                                                                                        |
| <b>REVIEWED BY FINANCE DIRECTOR:</b><br>                                                                                                                                                                                                                                                                                                                                            | <b>REVIEWED BY CITY ATTORNEY:</b> | <b>APPROVED BY CITY MANAGER:</b><br> |
| <b>TODAY'S DATE:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>REVISION DATE(S):</b>          | <b>FILE NAME &amp; PATH (HYPERLINK):</b><br>S:\0149 Simon Property Acquisition\City Council\Agenda Bill 091311.doc     |

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VE. Authorize the City Manager to Execute an Amendment 'C' to the Existing Conservation Futures Interlocal Cooperation Agreement, Contract No. 04-C363, with King County for the Receipt of

**King County**  
**Department Of Natural Resources And**  
**Water And Land Resources Division**  
**Open Space Acquisitions Unit**  
**Attention: Pat Ross**  
**MS – KSC-NR-600**  
**201 SOUTH JACKSON, SUITE 600**  
**Seattle, WA 98104-1614**  
**(206) 296-8337**  
**(206) 296-0192 FAX**



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**Conservation Futures**  
**Interlocal Cooperation Agreement**  
**Between King County and the City of Kenmore for**  
**Open Space Acquisition Projects**

**July 16, 2004**

|             |                                                                             |
|-------------|-----------------------------------------------------------------------------|
| Department: | <b>DNRP/WLRD Capital Projects &amp; Open Space Acquisitions<br/>Section</b> |
| Parties     | <b>City of Kenmore and<br/>King County</b>                                  |
| Project:    | <b>Conservation Futures</b>                                                 |

**INTERLOCAL COOPERATION AGREEMENT BETWEEN KING COUNTY  
AND THE CITY OF KENMORE FOR  
OPEN SPACE ACQUISITION PROJECTS**

THIS INTERLOCAL COOPERATION AGREEMENT is entered into between the CITY OF KENMORE ("City") and KING COUNTY ("County").

Article I. Recitals

On February 27, 1989, the King County Council passed Ordinance 8867, which established a process to allocate the proceeds of the Conservation Futures Fund, including matching contribution requirements for jurisdiction receiving funds.

On September 21, 1989, the King County Council passed Ordinance 9128, which established a Conservation Futures Levy Fund to provide for the receipt and disbursement of Conservation Future tax levy proceeds and established conditions for use of the Fund, including conditions covering allowable cost and expenses.

On July 21, 2003, the King County Council passed Ordinance 14714, authorizing funding allocation procedures for King County Conservation Futures tax levy collections and amending Ordinance 8867, Section 2, as amended, and K.C.C. 26.12.020, adding new sections to K.C.C. chapter 26.12 and recodifying K.C.C. 26.12.020.

The Open Space Citizens Advisory Committee has recommended an allocation of Conservation Futures funds to specific projects from the Conservation Futures Levy fund following notification to the suburban cities that funds were available, provision of an opportunity for the suburban cities to respond and receipt by the committee of requests for funding, all pursuant to Ordinance 8867, as amended by Ordinance 14714.

The King County Council, by Ordinance 14409 allocated Conservation Futures funds to certain suburban cities projects and by Ordinance 14850 has authorized the King County Executive to enter into an interlocal cooperation agreement with the City in order to initiate the Swamp Creek Floodplain project.

Pursuant to King County Ordinances 8867, 9128 and 14714, Washington Statute Chapter 84.34 RCW and Washington Statute Chapter 39.34, the parties agree to the following:

#### Article II. Definitions

##### 1. Open Space

The term "open space" or "open space land" means: (a) any land area so designated by an official comprehensive land use plan adopted by any city or county and zoned accordingly; or (b) any land area, the preservation of which in its present use would (i) conserve and enhance natural or scenic resources, or (ii) protect streams or water supply; or (iii) promote conservation of soils, wetlands, beaches or tidal marshes, or (iv) enhance the value to the public of abutting or neighboring parks, forests, wildlife reserves, natural reservations or sanctuaries or other open space, or (v) enhance recreational activities, or (vi) preserve historic sites, or (vii) preserve visual quality along highway, road, and street corridors or scenic vistas, or (viii) retain in its natural state tracts of land of not less than one acre situated in an urban area and open to public use on such conditions as may be reasonably required by the legislative body granting the open space classification, or (c) any land meeting the definition of farms and agricultural conservation under subsection (8) of RCW 84.34.020. As a condition of granting open space classification, the legislative body

may not require public access on land classified under (b) (iii) of this subsection for the purpose of promoting conservation of wetlands.

2. Project

The term "Project" means specific projects which meet open space criteria as described in King County Ordinance 8867, as amended by Ordinance 14714 and RCW 84.34.020, and which are attached to and incorporated by reference in King County Ordinance 14409 or added to the list of approved projects by the County.

3. Conservation Futures

The term "Conservation Futures" means developmental rights which may be acquired by purchase, gift, grant, bequest, devise, lease or otherwise, except by eminent domain, and may consist of fee simple or any lesser interest, development right, easement, covenant, or other contractual right necessary to protect, preserve, maintain, improve restore, limit future use of, or otherwise converse open space land, all in accordance with the provisions of Washington Statute Chapter 84.34 RCW and King County Ordinance 8867, as amended by Ordinance 14714.

Article III. Purpose of the Agreement

The purpose of this agreement is to create a cooperative arrangement between the City and the County relating to the Projects and to define the terms and conditions governing both parties' obligations created by this agreement.

Article IV. Term of Agreement

This agreement shall be continued in full force and effect and binding upon the parties hereto upon execution of the agreement by both parties. The terms of the agreement shall be indefinite. The agreement will be terminated if the City is unable or unwilling: 1) to expend the funds provided through this agreement; 2) to satisfy the matching requirements contained in this agreement; and 3) upon reimbursement by the City to the County of all unexpended funds provided by the County pursuant to this agreement in the manner and amounts described below.

#### Article V. Conditions of Agreement

Section 5.1 -- Project Descriptions. Funds available pursuant to this agreement may be used only for Projects listed in Attachment A, which is incorporated herein by reference, or such substituted Projects as may be approved by the County as set forth below. All County funded Projects must meet open space criteria as described in King County Ordinance 8867, as amended by Ordinance 14714, and Washington Statute Chapter 84.34.020 RCW.

Section 5.2 -- Use of Funds. Funds provided to the City pursuant to this agreement as well as funds provided by the City as match pursuant to this agreement may be used only for expenses related to property acquisition. Those expenses include appraisals, title searches, negotiations, administrative overhead, and the cost of actual acquisition or purchase options, all in accordance with the provisions of Section 5 of Ordinance 14714. Funds utilized pursuant to this agreement may not be used to purchase land obtained through the exercise of eminent domain.

Section 5.3 -- Substitution/Deletion of Projects. If the City does not proceed with the Projects described in Section 5.1 of this agreement, the City may reimburse the County all funds provided in good faith to acquire the property for open space, plus accrued interest earnings on the unexpended balance. Alternatively, the City may submit specific requests for project reprogramming to the County for its approval. All projects proposed for reprogramming must meet open space criteria as described in King County Ordinance 8867, Section 1, as amended by Ordinance 14714, and Washington Statute Chapter 84.34.020 RCW, be submitted for recommendation by the County's Citizens Oversight Committee or its successor, and be approved by action of the King County Council. All reprogramming requests shall be submitted to the County's Department of Natural Resources, Capital Projects and Open Space Acquisition Section, or its successor.

Section 5.4 -- Eminent Domain. If any Project requires the exercise of eminent domain to acquire the property all funds provided pursuant to this agreement plus accrued interest on such funds shall be reprogrammed as provided in this agreement or repaid to the County.

#### Article VI. Responsibilities of the City

Section 6.1 -- Matching Requirements. Any Project funded by Conservation Futures Levy proceeds shall be supported by the City in which the Project is located with a matching contribution which is no less than the amount of Conservation Futures Levy funds allocated to the Project. This contribution may be in the form of cash, land trades with a valuation verified by an appraisal conducted by a MAI certified appraiser, or credits for other qualifying open space acquired on or after January 1, 1989. Any City match, other

than cash, shall require County approval. County approval and County acceptance of the City's match will be transmitted in writing to the City by the County's Manager of the Capital Projects and Open Space Acquisition Section or their successor in functions.

If the Project involves a partnership, as defined in Ordinance 14714 SECTION 5, the participating partners shall determine the allocation of the contributions to the matching requirements of this agreement, so long as the total match is no less than the amount of Conservation Futures Levy funds provided by the County. Such matching contribution must be available within two years of the City's application for County funds to support Projects identified herein or approved substitute Projects.

If such commitment is not timely made, the County shall be released from any obligation to fund the Project in question, and the City shall reimburse the County all funds provided to the City pursuant to this agreement plus accrued interest on such funds. All such moneys will be available to the County to reallocate to other approved Projects. By appropriate legislature action taken not more than 60 days following the effective date of this agreement, the City shall commit to contribute its required match.

Section 6.2 -- Project Description. As part of the application to receive Conservation Futures Levy funds from the County, the City shall submit the following information concerning each project: 1) a narrative description of the project; 2) a description of the specific uses for Conservation Futures Levy funds in the Project; and 3) a description of the means by which the City will satisfy the matching requirements contained in this agreement.

Section 6.3 -- Reporting. All funds received pursuant to this agreement and accrued interest therefrom will be accounted for separately from all other City funds, accounts and

moneys. Until the property described in the Project is acquired and all funds provided pursuant to this agreement expended, the City shall provide annual written reports to the County within 30 days of the end of each relevant time period. The annual report shall contain the following information: a) an accounting of all cash expenditures and encumbrances for support of the Project; b) the status of each Project and any changes to the approved time line; and c) other relevant information requested by the County for the purpose of determining compliance with this agreement.

Following acquisition of the property and expenditure of all funds provided pursuant to this agreement, the City shall provide the County with a final report, within 90 days of the end of the calendar year in which all funds were expended. Said report shall contain a summary of all project expenditures, a description of the project status and accomplishments and other relevant information requested by the County for the purpose of verifying compliance with this agreement.

The City shall also provide the County, within 90 days of the end of each calendar, annual reports which specify any change in the status of the Project during the prior year and any change in the status of the Project which the City reasonably anticipates during the ensuing year. Such reports shall be required only if a change has taken place or is anticipated, except as provided above for ongoing and final project reports. All such reports shall be submitted to the County's Department of Natural Resources and Parks, Capital Projects and Open Space Acquisition Section, or its successor.

#### Section 6.4 -- Disposition of Remaining Funds.

If the City does not expend all funds provided through this agreement and no substitute project is requested or approved as to the excess funds, such funds shall be

refunded to the County. For purposes of this section, "funds" shall include all moneys provided by the county plus interest accrued by the City on such moneys.

Section 6.5 -- Maintenance in Perpetuity. The City, and any successor in interest, agree to maintain properties acquired with funds provided pursuant to this agreement as open space in perpetuity. If the City changes the status or use of properties acquired with funds provided pursuant to this agreement to any purpose, the City shall pay the County an amount in cash to be mutually determined or substitute other property acceptable to the County. In either case, the value of the property shall be established at the time of the change in status or use, based upon the changed status or use and not based on its value as open space.

Upon changes in status and/or use of the property acquired herein, at its own cost, the City will provide the County an independent MAI appraisal in accordance with this section. The value established by the appraisal will not be binding on the County. The City shall provide the County with written notice prior to the change of use and shall reimburse the County within 90 days of such notification. Reimbursement not received within 90 days will accrue interest at the then legal rate.

#### Article VII. Responsibilities of the County

Subject to the terms of this agreement, the County will provide Conservation Futures Levy funds in the amount shown in Attachment A. The City may request additional funds; however, the County has no obligation to provide funds to the City in excess of the amount shown in Attachment A. The County assumes no obligation for future support of the Projects described herein except as expressly set forth in this agreement.

#### Article VIII Other Provisions

Section 8.1 -- Hold Harmless and Indemnification.

A. The County assumes no responsibility for the payment of any compensation, fees, wages, benefits or taxes to or on behalf of the City, its employees, contractors or others by reason of this agreement. The City shall protect, indemnify and save harmless the County, its officers, agents and employees from any and all claims, cost and whatsoever occurring or resulting from: 1) the City's failure to pay any compensation, fees, wages, benefits or taxes; and 2) the supplying to the City of works services, materials or supplies by City employees or agents or other contractors or suppliers in connection with or in support of performance of this agreement.

B. The City further agrees that it is financially responsible for and will repay the County all indicated amounts following an audit exception, which occurs due to the negligent or intentional acts of this agreement by the City, its officer, employees, agent or representatives.

C. The City shall protect, indemnify and save harmless the County from any and all costs, claims, judgments, or awards of damages, arising out of or in any way resulting from the negligent acts or omissions of the City, its officers, employees or agents. For purpose of this agreement only, the City agrees to waive the immunity granted it for industrial insurance claims pursuant to Washington Statute Chapter 51 to the extent necessary to extend its obligations under this paragraph to any claim, demand, or cause of action brought by or on behalf of any employee, including judgments, awards and costs arising therefrom including attorney's fees.

Section 8.2 -- Amendment. The parties reserve the right to amend or modify this agreement. Such amendments or modifications must be by written instrument signed by the parties and approved by the respective City and County Councils.

Section 8.3 -- Contract Waiver. No waiver by either party of any term or condition of this agreement shall be deemed or construed to be a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach whether of the same or different provision of this agreement. No waiver shall be effective unless made in writing.

Section 8.4 -- Entirety. This agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated are excluded. This agreement merges and supersedes all prior negotiations, representations and agreements between the parties relating to the projects and constitutes the entire agreement between the parties. The parties recognize that time is of the essence in the performance of the provisions of this agreement.

IN WITNESS WHEREOF, authorized representatives of the parties hereto have signed  
their names in the spaces put forth below:

KING COUNTY

*Ron Sims*  
Ron Sims  
King County Executive

Date: \_\_\_\_\_  
Acting under the authority of  
Ordinance 14850

Approved as to form:

*Joseph B. Morille*  
NORM MALENG  
King County Prosecuting Attorney

CITY OF KENMORE

*Stephen Anderson*  
Stephen Anderson  
City Manager

Date: June 14, 2004

Approved as to form:

*Mike Kenyon*  
Mike Kenyon  
Kenmore City Attorney

ATTACHMENT A  
CITY OF KENMORE  
CONSERVATION FUTURES ALLOCATIONS & PROJECT DESCRIPTION

PROJECT NAME

AMOUNT

Swamp Creek Flood Reduction

\$ 100,000

PROJECT DESCRIPTION

The Swamp Creek Flood Reduction project consists of the acquisition of riparian lands along 73<sup>rd</sup> Avenue Northeast in Kenmore and may include the restoration of habitat and removal of flood-prone homes on the properties. After acquisition and home removal is complete, Swamp Creek will be realigned and a floodplain wetland will be created on the properties to restore riparian functions of the Creek, including the improving flood storage capacity.



04-C363

RECEIVED

JUL 22 2004

CITY OF KENMORE

806 Southwest Broadway  
Suite 750  
Portland, OR 97205  
PHONE (503) 417-8700 FAX (503) 417-8787  
[www.NFWF.org](http://www.NFWF.org)

July 13, 2004

Bob Sokol  
City of Kenmore  
6700 NE 181<sup>st</sup> Street  
Kenmore, WA 98028

RE: *Wildcliffe Shores Sammamish River Restoration (2001-0402-017)*

Dear Mr. Sokol:

This letter will serve as an amendment to the Project Period of the Grant Agreement for the above-referenced project as follows: Your new project period will be the 18-month period of 4/1/04 to 10/31/2005.

If you have any questions please don't hesitate to call Jennifer Taylor (503-417-8700 x21) or email her at [taylor@nfwf.org](mailto:taylor@nfwf.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Krystyna U. Wolniakowski".

Krystyna U. Wolniakowski, Director  
Pacific Northwest Region

*printed on recycled paper*

VE. Authorize the City Manager to Execute an Amendment 'C' to the Existing Conservation Futures Interlocal Cooperation Agreement, Contract No. 04-C363, with King County for the Receipt of

**AMENDMENT TO THE CONSERVATION FUTURES  
INTERLOCAL COOPERATION AGREEMENT  
BETWEEN KING COUNTY AND THE CITY OF KENMORE  
FOR OPEN SPACE ACQUISITION PROJECTS**

**Preamble**

The King County Council, through Ordinance 9128, has established a Conservation Futures Levy Fund and appropriated proceeds to King County, the City of Seattle and certain suburban cities through the procedures set forth in Ordinance 8867, as amended by Ordinance 14714. This amendment is entered into to provide for the allocation of additional funds made available for open space acquisition.

THIS AMENDMENT is entered into between the CITY OF KENMORE and KING COUNTY, and amends and attaches to and is part thereof of the existing Interlocal Cooperation Agreement entered into between the parties on the 14th day of June, 2004.

The parties agree to the following amendments:

**Amendment 1: Article 1. Recitals**

A paragraph is hereby added to the Recitals Section to provide for a Conservation Futures Levy Fund allocation for the Urban Nature Trail System open space acquisition project, and hereafter reads:

- On November 22, 2004, the King County Council passed Ordinance 15083, which appropriated a total of Two Hundred Thousand Dollars (\$200,000) in Conservation Futures Levy proceeds to the City of Kenmore for the Urban Nature Trail System acquisition Project. On March 14, 2005 the King County Council passed Ordinance 15139, authorizing the King County Executive to enter into interlocal agreements with the City of Seattle and the suburban cities for the disbursement of Conservation Futures Funds in Ordinance 15083.

**Amendment 2: Article V. Conditions of Agreement**

Section 5.1 is amended to include Attachment B, which lists a 2005 Conservation Futures Levy Allocation for the Urban Nature Trail System acquisition Project.

**Amendment 3: Article VII. Responsibilities of County**

The first two sentences of this article are amended to include Attachment B, which lists a 2005 Conservation Futures Levy proceeds allocation for the Urban Nature Trail System acquisition Project:

Amendment B  
Annual CFT Interlocal Kenmore-King County  
2005 CFT proceeds

Subject to the terms of this agreement, the County will provide Conservation Futures Levy Funds in the amounts shown in Attachments A through B to be used for the Projects listed in Attachments A through B. The City may request additional funds; however, the County has no obligation to provide funds to the City for the Projects in excess of the total amounts shown in Attachments A through B. The County assumes no obligation for the future support of the Projects described herein except as expressly set forth in this agreement.

**AMENDMENT 4: Attachment B**

The attachments to the interlocal agreement are hereby amended by adding Attachment B, which is hereby attached to the interlocal agreement, incorporated therein and made a part thereof.

In all other respects, the terms, conditions, duties and obligations of both parties shall remain the same as agreed to in the Interlocal Cooperation Agreement as previously amended.

This document shall be attached to the existing Interlocal Cooperation Agreement.

IN WITNESS WHEREOF, authorized representatives of the parties hereto have signed their names in the spaces set forth below:

KING COUNTY

CITY OF KENMORE

Ron Sims  
King County Executive

  
City Manager

Date

Date

Acting under the authority of  
Ordinance 15139:  
Dated:

~~Acting under the authority of~~  
~~Ordinance:~~  
~~Dated:~~

Approved as to form:

Approved as to form:

DAN SATTERBERG  
King County Prosecuting Attorney

  
City Attorney

Amendment B  
Annual CFT Interlocal Kenmore-King County  
2005 CFT proceeds

**ATTACHMENT B**

**2005 CONSERVATION FUTURES LEVY  
CITY OF KENMORE ALLOCATION**

| <b>Jurisdiction</b> | <b>Project</b>                   | <b>Allocation</b> |
|---------------------|----------------------------------|-------------------|
| <b>Kenmore</b>      | <b>Urban Nature Trail System</b> | <b>\$200,000</b>  |
| <b>TOTAL</b>        |                                  | <b>\$200,000</b>  |

**Project Descriptions:**

**City of Kenmore - Urban Nature Trail System** **\$ 200,000**

This project scope includes the acquisition of up to three parcels totaling approximately .4 acres bordering a proposed development in an urban neighborhood near 56<sup>th</sup> Avenue Northeast in Kenmore. The property contains a small creek.

Amendment C  
Annual CFT Interlocal Kenmore-King County  
2006 CFT proceeds

VE. Authorize the City Manager to Execute an Amendment 'C' to the Existing Conservation Futures Interlocal Cooperation Agreement, Contract No. 04-C363, with King County for the Receipt of

**AMENDMENT TO THE CONSERVATION FUTURES  
INTERLOCAL COOPERATION AGREEMENT  
BETWEEN KING COUNTY AND THE CITY OF KENMORE  
FOR OPEN SPACE ACQUISITION PROJECTS**

**Preamble**

The King County Council, through Ordinance 9128, has established a Conservation Futures Levy Fund and appropriated proceeds to King County, the City of Seattle and certain suburban cities through the procedures set forth in Ordinance 8867, as amended by Ordinance 14714. This amendment is entered into to provide for the allocation of additional funds made available for open space acquisition.

THIS AMENDMENT is entered into between the CITY OF KENMORE and KING COUNTY, and amends and attaches to and is part thereof of the existing Interlocal Cooperation Agreement entered into between the parties on the 14th day of June, 2004.

The parties agree to the following amendments:

**Amendment 1: Article 1. Recitals**

A paragraph is hereby added to the Recitals Section to provide for a Conservation Futures Levy Fund allocation for the Swamp Creek Acquisition project, and hereafter reads:

- On November 15, 2010, the King County Council passed Ordinance 16984, which appropriated a total of One Hundred and Thirty Thousand Dollars (\$130,000) in Conservation Futures Levy proceeds to the City of Kenmore for the Swamp Creek Acquisition Project. On June 27, 2011 the King County Council passed Ordinance 17125, authorizing the King County Executive to enter into interlocal agreements with the City of Seattle and the suburban cities for the disbursement of Conservation Futures Funds in Ordinance 16984.

**Amendment 2: Article V. Conditions of Agreement**

Section 5.1 is amended to include Attachment C, which lists a 2011 Conservation Futures Levy Allocation for the Swamp Creek Acquisition Project.

**Amendment 3: Article VII. Responsibilities of County**

The first two sentences of this article are amended to include Attachment C, which lists a 2011 Conservation Futures Levy proceeds allocation for the Swamp Creek Acquisition Project:

Subject to the terms of this agreement, the County will provide Conservation Futures Levy Funds in the amounts shown in Attachments A through C to be used

for the Projects listed in Attachments A through C. The City may request additional funds; however, the County has no obligation to provide funds to the City for the Projects in excess of the total amounts shown in Attachments A through C. The County assumes no obligation for the future support of the Projects described herein except as expressly set forth in this agreement.

**AMENDMENT 4: Attachment C**

The attachments to the interlocal agreement are hereby amended by adding Attachment C, which is hereby attached to the interlocal agreement, incorporated therein and made a part thereof.

In all other respects, the terms, conditions, duties and obligations of both parties shall remain the same as agreed to in the Interlocal Cooperation Agreement as previously amended.

This document shall be attached to the existing Interlocal Cooperation Agreement.

IN WITNESS WHEREOF, authorized representatives of the parties hereto have signed their names in the spaces set forth below:

KING COUNTY

CITY OF KENMORE

Dow Constantine  
King County Executive

Mayor

Date

Date

Acting under the authority of  
Ordinance 17125:  
Dated:

Acting under the authority of  
Ordinance:  
Dated:

Approved as to form:

Approved as to form:

DAN SATTERBERG  
King County Prosecuting Attorney

City Attorney

ATTACHMENT C

2011 CONSERVATION FUTURES LEVY  
CITY OF KENMORE ALLOCATION

| <u>Jurisdiction</u> | <u>Project</u>          | <u>Allocation</u> |
|---------------------|-------------------------|-------------------|
| Kenmore             | Swamp Creek Acquisition | \$130,000         |
| TOTAL               |                         | \$130,000         |

**Project Description:**

**315803 City of Kenmore - Swamp Creek Acquisition**

This is a two parcel, 4.12 acre open space acquisition project located on 73<sup>rd</sup> Avenue NE near NE 185<sup>th</sup> Street in Kenmore. The property is located near the Kenmore Heronry and contains wetlands and a portion of Swamp Creek.

Amendment C  
Annual CFT Interlocal Kenmore-King County  
2006 CFT proceeds

VE. Authorize the City Manager to Execute an Amendment 'C' to the Existing Conservation Futures Interlocal Cooperation Agreement, Contract No. 04-C363, with King County for the Receipt of

| CITY OF KENMORE, WASHINGTON                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |            |                                                          |               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------------------|---------------|
| AGENDA BILL SUMMARY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |                                                          |               |
| AGENDA TITLE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            |                                                          | MEETING DATE  |
| Authorize the City Manager to Acquire the 4.2 Acre Parcel at 18546 73 <sup>rd</sup> Avenue NE with Surface Water Funds in the Amount of \$234,300.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |            |                                                          | June 21, 2010 |
| DEPARTMENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | DIRECTOR   | CONTACT PERSON                                           | PHONE         |
| Engineering                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Ron Loewen | Ron Loewen                                               | 425-398-8900  |
| <b>COST OF PROPOSAL:</b><br><u>Previous Costs:</u> Staff Time: 95 hours plus (2009/2010)<br>Contracted: \$ 7,980<br>Previous personnel time includes management team meeting time with family members in 2010, particularly to address the process and options for acquisition, research, and legal<br>Contracted services included property acquisition and negotiations, differential payment assessments, appraisal costs, etc.<br><u>Implementation Cost:</u> Acquisition: \$200,000<br>Relocation: \$ 34,300<br>Other: \$102,720<br><u>Total Cost:</u> \$345,000                                                                                                                                                                                                                                                                                                                                                                                 |            | <b>ACCOUNT NUMBER:</b><br>Fund #41                       |               |
| <b>AMOUNT BUDGETED: \$0</b><br>The 2009/10 Surface Water Budget did not include funds for this project, however the Council discussed did discuss the acquisition of properties within the Swamp Creek basin as a method of reducing flooding impacts. A future budget amendment will be brought forward at a later date. The City has also submitted an application to the King County Conservation Fund for financial support and reimbursement to this project. While the City has not been successful in its most recent King County grant applications to the Conservation fund, we are hopeful.                                                                                                                                                                                                                                                                                                                                                 |            | <b>NAME AND FUND #:</b><br>Surface Water Management Fund |               |
| <b>ATTACHMENT(S) TO AGENDA PACKET ITEM:</b><br>1) Site location map                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |                                                          |               |
| <b>SUMMARY STATEMENT:</b><br>The Swamp Creek Flood Reduction Improvement Project was developed to reduce flooding in the lower Swamp Creek area within Kenmore. As part of the 73 <sup>rd</sup> Street bridge rehabilitation, Council established a policy to purchase residences in the floodplain when the flood elevation was within one foot of the floor elevation of the habitable space and the owner was a willing seller. This 4.12-acre parcel meets these criteria and is recommended for acquisition. It is adjacent to other public properties that have been acquired for the same purpose. See attached site location map. The property will also help to increase wetland functions and improve fish and wildlife habitat.<br><br>Following discussions with the property owner, they agreed to sell their property to the City. An appraisal report and review appraisal report were prepared to establish fair market value for the |            |                                                          |               |

VE. Authorize the City Manager to Execute an Amendment 'C' to the Existing Conservation Futures Interlocal Cooperation Agreement, Contract No. 04-C363, with King County for the Receipt of

property. Universal Field Services was contracted to assist with purchase negotiations and relocation assistance services. The owner has agreed to the purchase price of \$200,000 and related relocation assistance costs. Closing is scheduled for June 28, 2010.

The project budget is as follows:

|                      |            |
|----------------------|------------|
| Property Acquisition | \$ 200,000 |
| Acquisition Fees     | \$ 21,550  |
| Relocation           | \$ 34,300  |
| Site Restoration     | \$ 50,000  |
| Contingency          | \$ 39,150  |
| Total                | \$ 345,000 |

A King County Conservation Futures grant application was submitted on March 17, 2010 requesting open space funding to assist with acquisition of the property. The proposal received a favorable review, and the preliminary indication is that \$130,000 is being recommended by the grant evaluation committee. The committee is scheduled to issue their recommendations by the first of July. The recommendation is then forwarded to the King County Executive for consideration in the 2011 budget. If approved, the grant funds would be available after the first of the year but would reimburse the City for expenditures in 2010.

Once the property has been acquired, the residence and two sheds will be removed and the housing site graded and seeded.

Funds will need to be appropriated from the Surface Water Fund and a budget amendment will be brought forward at a later date.

**CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION:**  
Comprehensive Plan Policy SW 42.1.5 Pursue a region system for managing surface water in the Swamp Creek Basin that addresses overall planning, development regulations, funding, enforcement of rules, acquisition of significant properties, and construction of capital facilities.

**RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION:**

**Authorize the City Manager to acquire the 4.12-acre parcel at 18546 73<sup>rd</sup> Avenue NE and provide relocation assistance to the resident in the amount of \$234,300.**

|                                      |                          |                                   |                                                                                                                          |
|--------------------------------------|--------------------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| <b>REVIEWED BY FINANCE DIRECTOR:</b> |                          | <b>REVIEWED BY CITY ATTORNEY:</b> | <b>APPROVED BY CITY MANAGER:</b><br> |
| <b>TODAY'S DATE:</b><br>6-10-10      | <b>REVISION DATE(S):</b> |                                   | <b>FILE NAME &amp; PATH (HYPERLINK):</b> S:\0149 Simon Property Acquisition\City Council\Agenda Bill 061010.doc          |

| CITY OF KENMORE, WASHINGTON                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |                 |                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------------|----------------------------------------------------------|
| AGENDA BILL SUMMARY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |            |                 |                                                          |
| AGENDA TITLE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |            |                 | MEETING DATE                                             |
| Authorize the City Manager to sign an agreement to remove all structures and debris on the acquired 4.2 Acre Parcel at 18546 73 <sup>rd</sup> Avenue NE with Surface Water Funds in an amount not to exceed \$52,800.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |                 | November 15, 2010                                        |
| DEPARTMENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | DIRECTOR   | CONTACT PERSON  | PHONE                                                    |
| Engineering                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Ron Loewen | Zack Richardson | 425-398-8900                                             |
| <b>COST OF PROPOSAL:</b><br><u>Previous Costs:</u><br>Staff Time: 110 hours plus (2009/2010)<br>Acquisition: \$200,000<br>Relocation: \$ 34,300<br><u>Implementation Cost:</u> Original Proposal   Updated Proposal<br>Acquisition Fees: \$ 21,550           \$ 21,550<br>Site Restoration: \$ 50,000           \$ 25,000<br>Contingency: \$ 39,150           \$ 6,250<br>Implementation Total: \$ 110,700       \$ 52,800<br>Total Proposal Cost: \$ 345,000       \$ 287,100                                                                                                                                                                                                                                                                                                                                                                |            |                 | <b>ACCOUNT NUMBER:</b><br>Fund #41                       |
| <b>AMOUNT BUDGETED: \$0</b><br>The 2009/10 Surface Water Budget did not include funds for this project; however the Council appropriated funds and authorized acquisition of this property within the Swamp Creek basin as a method of reducing flooding impacts on June 21, 2010. A future budget amendment will be brought forward at a later date for the full project costs. The City has also submitted an application to the King County Conservation Fund for financial support and reimbursement to this project. This request for funds is for the remaining cost of the project which were not previously authorized. The amount has been reduced and updated to reflect quotes gathered from demolition contractors on the City's Small Works Roster.                                                                              |            |                 | <b>NAME AND FUND #:</b><br>Surface Water Management Fund |
| <b>ATTACHMENT(S) TO AGENDA PACKET ITEM:</b><br>1) Exhibit #1 – Demolition Plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |                 |                                                          |
| <b>SUMMARY STATEMENT:</b><br>The Swamp Creek Flood Reduction Improvement Project was developed to reduce flooding in the lower Swamp Creek area within Kenmore. As part of the 73 <sup>rd</sup> Street bridge rehabilitation, the City Council established a policy to purchase residences in the floodplain when the flood elevation was within one foot of the floor elevation of the habitable space and the owner was a willing seller. This 4.12-acre parcel meets these criteria and the City Council authorized acquisition on June 21, 2010.<br><br>A King County Conservation Futures grant application was submitted on March 17, 2010 requesting open space funding to assist with acquisition of the property. The proposal received a favorable review, \$130,000 was recommended by the grant evaluation committee in July. The |            |                 |                                                          |

VE. Authorize the City Manager to Execute an Amendment 'C' to the Existing Conservation Futures Interlocal Cooperation Agreement, Contract No. 04-C363, with King County for the Receipt of

recommendation has been included in the recommended 2011 King County budget which will be voted on after Thanksgiving. If approved, the grant funds would be available after the first of the year and would be used to reimburse the City for expenditures in 2010.

This request includes acquisition services in the amount of \$21,550. Funds for these services which include the appraisal, negotiations, and relocation assistance were not appropriated in the last request.

The site contains several structures and piles of debris that may present potential hazards or nuisances to the city. A manufactured home exists which has been condemned and is known to contain asbestos material. The home presents a potential attraction to transients and delinquent populations. Other debris on site includes old sheds, water tanks, fire wood, power tools, and empty oil drums.

The demolition will improve the aesthetics of the site. It will also improve the wetland function and improve fish and wildlife habitat, which is consistent with original goal of the property acquisition.

The demolition work was advertised using the City's small works roster. A low lump sum bid of \$5,950 was submitted. Assuming City Council authorization of demolition, the work will be able to begin, weather permitting, after a 10-day waiting period required by the Asbestos and Demolition Permit issued through Puget Sound Clean Air Agency. Work will require removal of all materials on site except the asphalt driveway, which will remain to provide a maintenance access to the property. Northshore Utility District will be contracted to properly disconnect the water service.

The Surface Water Management Fund will fund these efforts and a budget amendment will be brought forward at a later date.

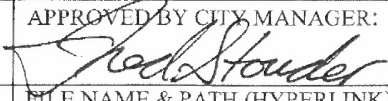
**CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION:**

Comprehensive Plan Policy SW 42.1.5 Pursue a region system for managing surface water in the Swamp Creek Basin that addresses overall planning, development regulations, funding, enforcement of rules, acquisition of significant properties, and construction of capital facilities.

Council authorization of funds for acquisition and relocation of the property on June 21, 2010.

**RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION:**

**Authorize the City Manager to sign an agreement to remove all structures and debris on the acquired 4.2 Acre Parcel at 18546 73<sup>rd</sup> Avenue NE with Surface Water Funds in an amount not to exceed \$52,800.**

|                                  |                               |                                                                                                                   |
|----------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------|
| REVIEWED BY FINANCE<br>DIRECTOR: | REVIEWED BY CITY<br>ATTORNEY: | APPROVED BY CITY MANAGER:<br> |
| TODAY'S DATE:<br>11-4-10         | REVISION DATE(S):             | FILE NAME & PATH (HYPERLINK)S:\0149<br>Simon Property Acquisition\City Council\Agenda<br>Bill 110810_rev.doc      |

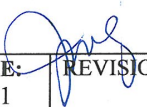
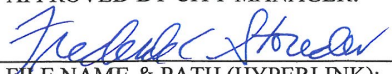
## An aerial photograph of a residential area in Kenmore, Washington. A large, rectangular parcel of land is highlighted in yellow. The parcel is located south of 73rd Avenue and east of 7th Avenue. The surrounding area includes other residential lots, some with houses, and a large green field. A blue line representing a stream or creek runs through the area. The text "Kenmore" is visible in the center of the map. The map includes a scale bar at the bottom right and a north arrow at the bottom left. The copyright notice "(C) 2010 King County" is at the bottom left.

287 ft


**King County**

Date: 9/13/2011 Source: King County iMAP - Property Information (<http://www.metrokc.gov/GIS/IMAP>)

VE. Authorize the City Manager to Execute an Amendment 'C' to the Existing Conservation Futures Interlocal Cooperation Agreement, Contract No. 04-C363, with King County for the Receipt of

| CITY OF KENMORE, WASHINGTON                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                               |                                                                                      |                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------------------|------------------|
| AGENDA BILL SUMMARY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                               |                                                                                      |                  |
| AGENDA TITLE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                               |                                                                                      | MEETING DATE     |
| Proposed Use of LakePointe Site for SR 520 Project Support                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                               |                                                                                      | October 10, 2011 |
| DEPARTMENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | DIRECTOR                      | CONTACT PERSON                                                                       | PHONE            |
| City Manager                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Fred Stouder,<br>City Manager | Fred Stouder,<br>City Manager                                                        | 425-398-8900     |
| COST OF PROPOSAL:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                               | ACCOUNT NUMBER:                                                                      |                  |
| NA Various administrative personnel time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |                                                                                      |                  |
| AMOUNT BUDGETED:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                               | NAME AND FUND #:                                                                     |                  |
| NA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                               | NA                                                                                   |                  |
| ATTACHMENT(S) TO AGENDA PACKET ITEM:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                               |                                                                                      |                  |
| Letter from McCullough Hill Leary, PS, dated October 7, 2011 Re: Proposed Use of LakePointe Site for SR 520 Project Support.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                               |                                                                                      |                  |
| SUMMARY STATEMENT:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                               |                                                                                      |                  |
| <p>During the regular City Council meeting at 7:00 pm on Monday, October 10, 2011, representatives of Kiewit-General-Manson (KGM), including local project supervisor, Dave Stegeman; the Pioneer Towing representative Gary Sargeant; and Pioneer Towing legal counsel Jack McCullough, will be present to present to the City Council and the community a summary of this proposed three year temporary use of part of the LakePointe property for the support of the SR 520 Bridge Replacement and HOV program. This support work proposed for the Kenmore site includes building bridge anchors and the precast of concrete deck panels as part of Washington State Department of Transportation (WSDOT) SR 520 Bridge Replacement and HOV program. On September 1, 2011, WSDOT provided the official "notice-to-proceed" to Kiewit- General-Manson (KGM) to proceed to build the new SR 520 bridge. Property owner, Pioneer Towing and KGM will be soon initiating the permitting process with the City. Site preparations by the property owner are proposed to begin in 2011, with KGM proposing to occupy the site in December 2011.</p> <p>This is the initial discussion for the benefit of the public and City Council, as the permitting process with the City begins. For your information, the permitting and approval process are administrative. The City Manager's office and KGM are scheduling a community meeting for 6:30 pm Thursday, October 20, 2011, in the Kenmore City Council Chambers for a more in-depth presentation, and question and answer opportunities for the public. Attached, please find the above referenced letter further introducing the project.</p> |                               |                                                                                      |                  |
| CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                      |                  |
| RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                               |                                                                                      |                  |
| Hear initial presentation and summary of the proposed project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                               |                                                                                      |                  |
| REVIEWED BY FINANCE DIRECTOR:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | REVIEWED BY CITY ATTORNEY:    | APPROVED BY CITY MANAGER:                                                            |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                               |  |                  |
| TODAY'S DATE:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | REVISION DATE(S):             | FILE NAME & PATH (HYPERLINK):                                                        |                  |
| October 7, 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                               |                                                                                      |                  |

## McCULLOUGH HILL LEARY, PS

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October 7, 2011

Mr. Frederick Stouder, City Manager  
City of Kenmore  
18120 6<sup>th</sup> Ave NE  
P.O. Box 82607  
Kenmore, WA 98028-0607

Re: Proposed Use of LakePointe Site for SR 520 Project Support

Dear Fred:

We are writing on behalf of Pioneer Towing Company and LakePointe Inc., owner of the 50-acre LakePointe site at the north end of Lake Washington, regarding the proposal by Kiewit, General and Manson ("KGM") to lease a portion of the LakePointe site for use as a supplemental construction yard for the SR 520 Evergreen Point Floating Bridge Replacement Project ("SR 520 Support Project").

The LakePointe site has been identified as an ideal location for the SR 520 Support Project due to its size, its historic and present use as an industrial site, and its location proximate to Lake Washington and SR 520. The proposed use would terminate in the Spring of 2015, but in the next 3 – 4 years it would provide revenue to Kenmore and the region, as well as approximately 50 new, family-wage jobs. It will also result in environmental benefits, both at the site and regionally.

This letter describes the proposal and some of the key benefits it would provide to Kenmore.

### **Background and Proposal**

#### **I. Background**

The LakePointe site has a continuous history of industrial use dating back to the early 1950s, which is described in the attached memorandum. In the late 1990s, an Environmental Impact Statement ("EIS") was prepared for a commercial/residential development on the site, and site permits were approved that are still active today. However, the SEPA and planning process recognized that industrial uses would continue on the site until development of a commercial project became feasible and secured permit approval.

In the Spring of 2011, following inquiries from bidders on the SR 520 Support Project, you initiated communications with the Washington State Department of Transportation ("WSDOT") about potential use of the LakePointe site. Since that time, KGM secured the contract for the Project and has approached Pioneer Towing and the City to discuss use of the LakePointe site.

701 Fifth Avenue • Suite 7220 • Seattle, Washington 98104 • 206.812.3388 • Fax 206.812.3389 • [www.mhseattle.com](http://www.mhseattle.com)

Proposed operations on the LakePointe site would be a small part of the overall construction support for replacement of the SR520 Bridge. Most of the bridge components will be constructed in Aberdeen and Tacoma – where all of the massive bridge floating pontoons are being constructed. It is important to note that the pontoons for the new SR 520 Bridge will not come up to Kenmore – the LakePointe site would not be used for “outfitting” the pontoons. Rather, the Kenmore property would be used to cast anchors for the bridge and pieces of the bridge decking and superstructure, as well as for storage of other construction materials, which will be loaded to barges and transported by water to the bridge construction site. Barge frequency of approximately one trip per day would be less than has occurred at the site in the past.

## II. Proposal

KGM proposes to lease approximately 20 acres of the LakePointe site for use as a temporary, supplemental construction yard for the SR 520 Project, in the areas depicted on the attached site map. Current industrial activities on the site would continue during the term of the lease.

As a separate and preliminary step, the property owner, Pioneer Towing, would perform deferred maintenance activities. The work would include moving and securing existing stockpiles, re-grading and gravelling the surface of the site, upgrading storm drainage, and repair of the existing wharf. This work would not disturb any of the existing shoreline vegetation, nor would it include any in-water work. This maintenance work would restore the site to a well-functioning industrial condition and would need to be done to lease the site to any industrial tenant.

Once the site maintenance work is complete, KGM would build concrete slabs in a small area in the center of the site to support the casting of concrete bridge superstructure components, with a temporary roof over part of the area to protect materials from the elements. The total square footage of the slabs is estimated to be approximately 20,000 sq. ft. Temporary cargo containers, typically 8' by 20' or 8' by 40', would be brought on site for tool, material, and small equipment storage and would be removed at the end of the project. Precast components and materials would be stacked and stored on the majority of the gravel surfaced site.

The site would function as it does today, with barging operations occurring on the existing wharf (approximately one barge trip a day during peak operations), industrial activities focused in the interior of the site, and site access occurring from the existing access via NE 175<sup>th</sup> Street. As described below, all activities will be conducted in conformance with WSDOT's strict environmental protocols, which exceed City and other standards. In addition, work would be performed with WSDOT and Department of Ecology (“DOE”) oversight.

When KGM's work terminates in the Spring of 2015, KGM intends to dismantle and recycle the casting slabs and roof structure, returning the site to a gravel-surfaced industrial yard. However, as explained below, site conditions will be improved from the current condition.

### **Regional Environmental Benefits**

Making the LakePointe site available for interim use to support the new SR-520 Bridge project is consistent with WSDOT environmental and sustainability goals and will provide considerable environmental benefits to the region and Lake Washington communities.

To provide regional environmental benefit, WSDOT encouraged bidders on the project to minimize the development of new facilities and reuse existing industrial facilities for production, storage and construction staging to gain sustainable efficiencies. WSDOT also encouraged use of staging sites near the 520 Bridge in order to reduce transportation-related energy use.

Use of the LakePointe property is consistent with WSDOT sustainability goals. Preparation and storage of materials near the 520 Bridge will reduce overall greenhouse gas emissions, and waterborne transport of bridge components to the bridge construction site will significantly reduce regional truck trips. As an example, one barge load equals approximately 150 truck trips. One barge load a day brought to the site would remove 150 truck trips from the road system per day, if components had to otherwise be trucked to SR 520 work area.

In sum, use of the LakePointe site will help address WSDOT's sustainability goals and facilitate its ability to meet the aggressive project schedule and increase efficiencies and savings in transport.

### **Site-Related Environmental Benefits**

Use of the Kenmore property to support the new SR 520 Bridge project will also improve environmental conditions at the site.

Pioneer Towing's deferred maintenance work will provide the following environmental benefits:

- Existing stockpiled material at the site will be relocated to the interior of the site and/or stabilized with upgraded erosion controls.
- The surface of the peninsula property will be re-graded and the gravel surfacing repaired and reshaped to drain to the center of the site. None of the shoreline vegetation will be disturbed to do this work, and the re-direction of drainage from the gravel surface will help protect the shoreline vegetation. In addition, the shoreline vegetation will be protected from disturbance by construction of a vegetated perimeter berm around the industrial yard area.
- Stormwater drainage and best management practices ("BMPs") will be upgraded to be consistent with current City and DOE requirements.
- Placement of the new gravel will enhance the existing cap over the old landfilled material and further isolate the buried landfill material, consistent with the agreement with the Department of Ecology that approves continued industrial use of the site. Pioneer Towing has discussed the proposed work with the Department of Ecology site manager. She is in agreement that the work is consistent with Ecology Consent Decree requirements for continued industrial use, and will improve the landfill cap and erosion control conditions at the property.

KGM's site improvements and operations will provide additional environmental benefits:

- In a small area in the center of the site (less than ½ acre), KGM will build concrete slabs designed to support the casting of concrete bridge decking and anchor components, with a temporary roof over part of the area. The slabs will be designed to collect and contain all runoff from the casting operations, which will be carefully managed for re-use or off-site treatment and disposal.
- KGM will operate at the site with state-of-the-art environmental best management practices that are required for contractors working for WSDOT. They will also be operating under very strict environmental compliance accountability requirements and consistent WSDOT oversight.
- WSDOT projects must comply with plans that exceed other local and state regulations. Some of the environmental compliance commitments that KGM has made for the project include:
  - KGM will operate under several Environmental Compliance Plans approved by WSDOT, including a Spill Prevention Control and Countermeasures Plan; a Temporary Erosion and Sediment Control Plan; a Water Quality Protection and Monitoring Plan; a Collection, Containment and Disposal Plan for concrete cure water; a Soil Management Plan; and a Dust Control Plan. By complying with these plans, odors potentially associated with operations will also be controlled. The Environmental Compliance Plan requirements are further described in an attachment to this letter.
  - Mufflers will be installed on all engine-powered equipment, equipment will be turned off when not in use, and stored at least 100' from the shoreline.
  - All shoreline critical areas will be carefully delineated with high-visibility fencing.
  - KGM is committed to working only one shift at the Kenmore property. Work will be restricted to weekdays between 7 am and 7 pm. During work hours, KGM will fully comply with state and local noise ordinances for construction operations.
  - Only task-lighting will be used for periodic illumination during winter mornings and evenings. No permanent lighting will be installed at the site. Necessary task-lighting lighting will be shielded, directed downward and pointed away from residences and other sensitive areas to the maximum extent practicable.

In sum, all operations on site would be conducted in compliance with WSDOT's stringent standards and City and DOE environmental regulations, including noise, lighting, and stormwater standards to reduce impacts to neighboring properties and resources.

#### **Economic Benefits**

This is a short-term project that would result in economic benefit to Kenmore and the region. Based on similar projects, KGM has provided the following expenditure estimates:

- Services, Tools, and Supplies = \$3 million
- Union Wages & Benefits = \$8 million
- Permanent Materials (steel, concrete, etc.) = \$5.5 million

- Subcontractors (Wages & Materials) = \$8 million

Total Spending: \$24.5 million

KGM is a union contractor that will hire ironworkers, carpenters, pile drivers, electricians, and laborers from the local unions. All are paid prevailing wage, with most wage and benefit packages totaling approximately \$50 - 60 per hour. The majority of the employees will be new to the group.

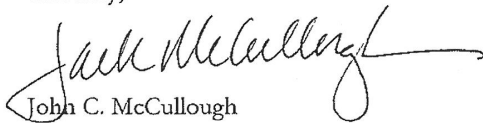
KGM estimates roughly 130,000 man hours of labor for work at Kenmore. That equates to 65 man-years of labor. Over 36 months, that equates to 22 full-time jobs. Realistically, at peak production KGM will likely have 30 employees, with 20 more employed by subcontractors, for a total of 50 employees. In addition to the direct spending above, these employees will spend money at Kenmore business, which will further support the local economy.

#### Key Milestones

Site preparations by the property owner are proposed to begin late in 2011, with KGM occupying the site in December 2011. Operations would be conducted from January 2012 through Spring 2015.

Pioneer Towing Company looks forward to working with you and KGM in the coming months to make this opportunity a reality.

Sincerely,



John C. McCullough

cc: Gary Sergeant

# McCullough Hill Leary, PS

## MEMORANDUM

**TO:** Fred Stouder  
**FROM:** Jack McCullough  
**DATE:** October 7, 2011  
**RE:** Proposed Use of LakePointe Site for SR 520 Project Support

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Kiewit, General and Manson ("KGM") is proposing to use the LakePointe site as a supplemental construction yard for the SR 520 Evergreen Point Floating Bridge Replacement Project ("SR 520 Support Project"). The proposed operations would include site preparation, construction of precast concrete elements, materials staging/storage, aggregate and soil stockpiles, barge loading and unloading, and general operations to support the SR 520 Project. These proposed uses are consistent with historic and current operations on the LakePointe site.

Since the early 1950s, industrial and manufacturing operations, including Ready-Mix concrete operations, have been conducted by a number of entities, including Kenmore Building Materials, Pioneer Towing Company dba Kenmore Pre-Mix and Glacier Northwest. These entities have used the entire site for manufacturing of concrete and concrete products, which has included aggregate storage, sales, and concrete recycling. A number of other businesses currently or recently operating on site, including Cemex, Alaska General Seafoods, Evergreen Topsoil, Bravo Environmental, Lakeshore Marine Construction and Waterfront Construction also conduct wide-ranging industrial and manufacturing activities that are consistent with the proposed SR 520 Project uses. Numerous other related businesses operate on site, or have historically operated on site, as noted in the various studies for the commercial site development permit.

Outlined below is a more detailed outline of the historic and current industrial/manufacturing uses on the LakePointe site.

| <i>Proposed Activity</i> | <i>Historic and Current Use</i>                                                                                                                                                                                                                                                    |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Site preparation         | The site has been prepared for industrial and manufacturing continuously since the 1950s when the Ready-Mix use was established on site and has been used currently and/or recently by <b>Glacier Northwest, Waterfront Construction and Lakeshore Marine Construction</b> , among |

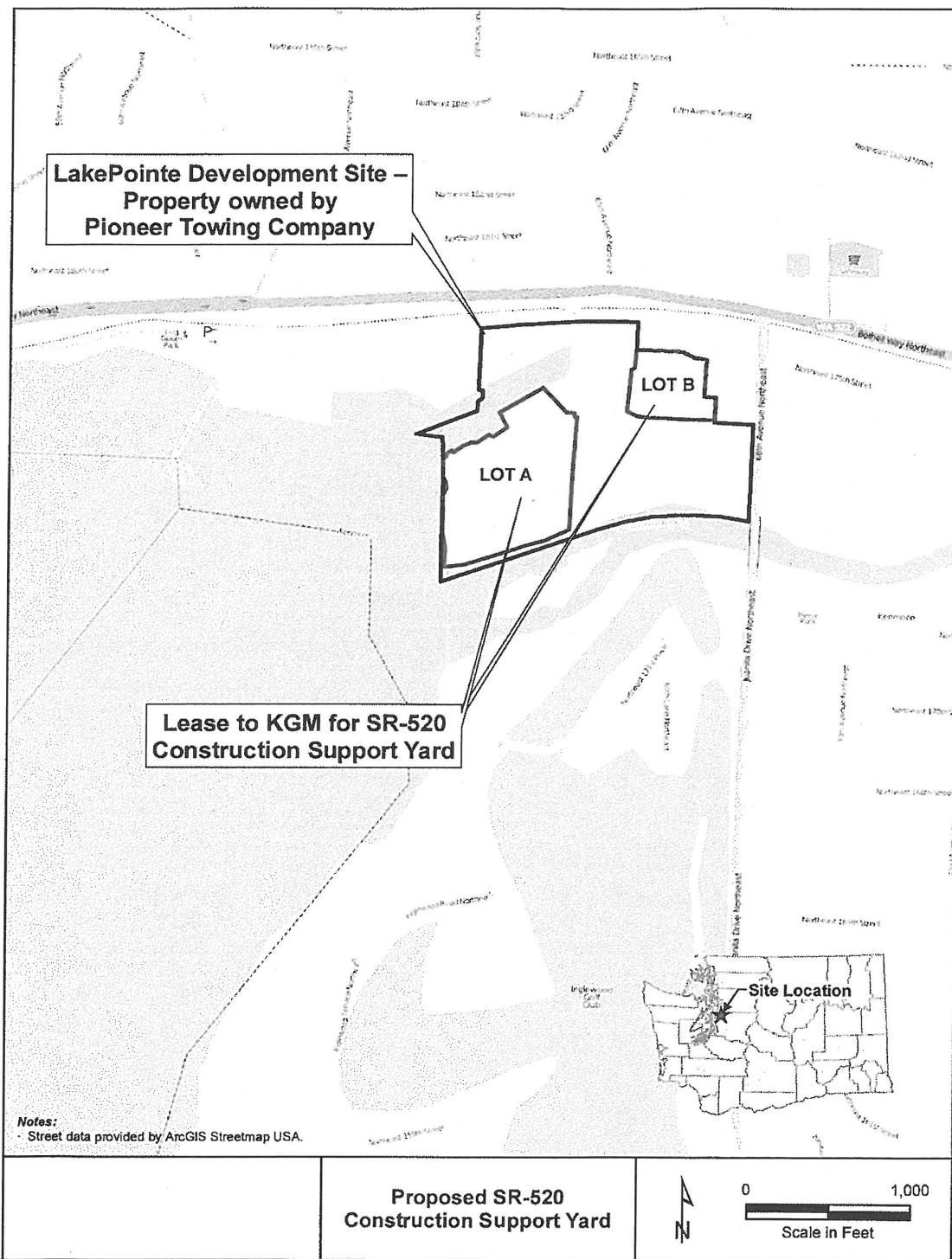
|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             | others                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Materials staging and storage (including container storage) | <b>Glacier Northwest, Cemex, Alaska General Seafoods, Waterfront Construction, and Lakeshore Marine Construction</b> , among others, have historically conducted staging and storage activities which continue to date, including aggregate storage stockpiling and handling of large landscaping rocks, forms, lumber/ply, steel, curing agents/compounds and other materials; in addition, <b>Waste Management, Inc., E. Sterling, Precision Wall, JAR Exterior, and J. R. Hayes</b> conduct building material and container storage and mobilization; automobile storage and repair and watercraft sales, storage and repair is conducted by <b>Pierre Auto and Seattle Water Sports</b> |
| Fabrication                                                 | <b>Glacier Northwest, Waterfront Construction, Lakeshore Marine Construction, Cemex, and Rick's Welding</b> fabricate all types of materials, including large elements for marine use such as floats, docks piers, and modular buildings. The fabrication uses require loading/unloading to trucks, barges and marine vessels                                                                                                                                                                                                                                                                                                                                                               |
| Barging, freight and towing operations                      | The channel and wharf have been maintained by <b>Pioneer Towing Company</b> for barge loading purposes for decades, and multiple users of the site, including <b>Glacier Northwest, Cemex, Waterfront Construction, Alaska General Seafoods, and Lakeshore Marine Construction</b> , continue to conduct barging, freight and towing operations; the site was recently used by King County for barging large tunnel cylinders for the Brightwater project                                                                                                                                                                                                                                   |
| Manufacturing of concrete/asphalt batch plant               | <b>Glacier Northwest</b> currently conducts Ready-mix operations on site, and <b>Cemex</b> operates an asphalt mix and production operation. These uses include manufacturing and importation of                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                        | cement, aggregates and related building materials via water and land transportation                                                                                                                                                                                                                                                                                                                           |
| Demolition and recycling               | <b>Glacier Northwest</b> recycles all types of concrete products, clean soil, glass, asphalt and other building materials, including concrete crushing and recycling. These uses include importation and exportation of materials via water and land. <b>Waterfront Construction, Lakeshore Marine, and Evergreen Topsoil</b> conduct or have recently conducted recycling/demolition activities on the site. |
| Commercial fishing operations          | <b>Alaska General Seafoods</b> conducts staging operations for commercial fishing, repairs and maintenance to fishing vessels; short and long-term moorage and wharf repairs, and maintenance of various types of commercial and recreational vessels                                                                                                                                                         |
| Warehousing and storage                | All users on site, including <b>Glacier Northwest, Lakeshore Marine Construction, Cemex,</b> and <b>Alaska General Seafoods,</b> conduct warehousing operations, including building materials, furniture, and retail and wholesale warehousing operations, including automobiles and all types of watercraft storage                                                                                          |
| Heavy equipment repair and maintenance | The site is currently used for heavy equipment repair and maintenance by <b>Glacier Northwest, Lakeshore Marine Construction, Alaska General Seafoods</b> and <b>Bravo Environmental,</b> among others                                                                                                                                                                                                        |

In sum, the entire LakePointe site has been used for intensive, industrial uses over the past several decades and up to the present time. Accordingly, the industrial/manufacturing uses proposed for the SR 520 Support Project are either permitted in the Regional Business zone or are legal nonconforming uses that are allowed to continue.



VII.B. Initial Discussion of Proposed Use of LakePointe Site for SR 520 Project Support - Fred Stouder, City Manager

## Environmental Compliance Plans Required for Kenmore Site Work

For the SR 520 Floating Bridge and Landings Project, KGM is responsible for preparing and implementing a set of Environmental Compliance Plans that identify roles and responsibilities of key personnel, personnel training requirements, procedures for environmental compliance, procedures to identify and correct non-compliance events, and procedures for emergency response.

WSDOT reviews these plans for conformance with state and project requirements. The following list identifies components and plans that are applicable to work at the Kenmore property.

KGM is required by WSDOT to implement rigorous monitoring, inspections and reporting, to ensure that all permit requirements, regulations, approvals and environmental performance specifications are being fulfilled.

### Environmental Plans and Strategies

- **Temporary Erosion and Sediment Control (TESC) Plan including a Construction Water Quality Protection and Monitoring (CWQPM) Plan:** The TESC and CWQPM describe measures used to minimize erosion during construction activities and maintain stormwater quality throughout operations.
- **Spill Prevention, Control and Countermeasures Plan:** This plan addresses spill prevention and containment procedures for placing materials or equipment in staging or storage areas; refueling, washing and maintaining equipment; and stockpiling materials.
- **Collection, Containment and Disposal Plan:** This plan includes applicable Best Management Practices (BMPs) for concrete handling, storage, and disposal.
- **Dust Control Plan:** The purpose of the Dust Control Plan is to define required practices to minimize and control release of dust during both construction and operations.
- **Soil and Groundwater Management Plan:** This plan will describe how to address known and unknown contaminated soil and/or groundwater that may be encountered during construction.
- **Worker Health and Safety Plan:** The Department of Ecology requires that a site specific Worker Health and Safety Plan be in place at this site to protect workers during excavation that may extend into the landfilled materials on site.