City of Kenmore

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

City of Kenmore
City Council Special Meeting Agenda
7:00 p.m., Monday, March 3, 2014
Kenmore City Hall, Council Chambers
18120 68th Ave. NE, Kenmore, WA 98028

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

I. CALL SPECIAL MEETING TO ORDER

II. CONSENT AGENDA

A. Adopt Resolution No. 14-231 - 182nd Street Dedication - Bryan Hampson, Development Services Director
Agenda Bill & Attachments

III. STUDY SESSION AGENDA

A. Washington Cities Insurance Association (WCIA) Training Workshop: COUNCIL DOS AND DON'TS - Ann Bennett, WCIA Executive Director
Workshop Packet

IV. STAFF REPORT

V. COUNCILMEMBER REPORTS & COMMENTS

VI. ADJOURNMENT

Upcoming Meetings:

Monday, March 4, 2014	Planning Commission Regular Meeting	7:00 p.m.
Monday, March 10, 2014	City Council Regular Meeting	7:00 p.m.
Monday, March 17, 2014	City Council Regular Meeting	7:00 p.m.

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic:	For Council Meeting Agenda of: March 3, 2014
Dedication of N.E. 182nd Street; Resolution No. 14-231	Department: City Manager's Office Prepared by: Rob Karlinsey, City Manager
Proposed Council Action/Motion: Adopt resolution No. 14-231 approving an amendment to the Mutual Access Agreement dated May 25, 1984 and dedicating for purposes of public right-of-way a portion of certain city-owned property	Initial & Date Approved by Department Head: ____ Approved by City Attorney: ✓ 2-26-14 J.B. Approved by Finance Director: ____ Approved by City Manager: RDK Exhibits/Attachments: Resolution No. 14-231

Expenditure Required $0	Amount Budgeted $N/A	Appropriation Required $0

INFORMATION/BACKGROUND:

In the first half of 2012, the City began an extensive community involvement process to 1) review goals for the downtown, 2) develop a position statement for the Kenmore Village properties, and 3) establish strategic next steps to take the properties to market and thereby sell the properties to buyer(s) who would further the City's goals and bring new investment to downtown Kenmore. The community involvement process included multiple meetings, forums, and open houses to obtain public input on the Kenmore Village properties.

Late last year, the City retained two brokerage firms to list the Kenmore Village properties for sale. Jones Lang LaSalle (JLL) listed the upper lot (former park & ride), and Colliers International listed the lower lots (the shopping center). The two firms listed the properties with the downtown goals and position statement in mind, and they emphasized key points from the goals and position statement.

Soon after the properties were listed, about 16 offers/proposals were received, about half of which were for the lower commercial lots. The other proposals were for the upper lot (former park & ride) or both upper and lower lots. Colliers, JLL, the City Manager, Assistant City Manager, and Spinnaker Strategies interviewed all potential buyers for the properties. Based on the goals for the properties and the principles outlined in the Position Statement, four potential buyers for each of the properties were recommended to move forward in the process. These potential buyers (eight total) were presented to the City Council and the public at the February 25, 2013 City Council meeting. At that meeting, public comment was invited during the discussion of this agenda item.

After the February 25, 2013 City Council meeting, the city manager, assistant city manager and the brokerage firms continued follow up meetings and conversations with the finalists for each property. Based on price offered for the properties, financial wherewithal, experience, reputation, ability to deliver in a timely manner, and alignment with the goals and position statement, the team began direct negotiations with MainStreet Property Group LLC (MainStreet) for the upper lot (former park & ride).

At the June 10, 2013 City Council meeting, Main Street Property Group LLC was announced as the likely buyer for the upper lot (former King County Park & Ride).

At the July 8, 2013 City Council meeting, the City Council adopted a resolution approving a purchase and sale agreement (PSA) with Main Street Property Group LLC (MSPT VI LLC in the agreement) for the upper lot—the former King County Park and Ride.

The purchase and sale agreement with MainStreet (Buyer) established certain timelines and milestones, including a 60-day feasibility contingency period for the Buyer to review and inspect the property, a deadline for the buyer to submit a site development permit application, and a deadline by which a development agreement must be approved by both parties.

At the October 28, 2013 City Council meeting, the City Council adopted a resolution ratifying Amendment No. 1 and approving Amendment No. 2 to the PSA. Additional time was required to address several issues identified by the Buyer that were important enough to resolve before the Buyer was willing to waive feasibility. The feasibility period was, as a result, extended to December 11, 2013. The remaining issues at the time of the second amendment were:

1)182nd Street access. This street is currently a private easement, not public right-of-way. The easement is approximately half owned by the City (as the owner of the former park and ride) and approximately half owned by Coventry Place apartments. Because of the shared ownership of the easement, the Buyer needs additional time to achieve certainty on access, ability to improve the road, etc.

2) The Buyer needs a sewer easement from the shopping center (Kenmore Village) property. Additional time is needed to develop and memorialize this easement to the mutual satisfaction of the City, MainStreet, and the buyer for the Kenmore Village property.

3) The Buyer needs agreement from the Kenmore Village property owner (City, with concurrence from Kenmore Village Buyer) to allow for utility undergrounding running east-west adjacent to the property line between the two properties. Additional time is needed to develop this easement language, get it approved by the three parties, and get it recorded.

At the December 9, 2013 City Council meeting, the City Council adopted Ordinance No. 13-0371 approving a development agreement with MainStreet and adopted Resolution No. 13-229 approving Amendment No. 3 to the PSA, which extended the feasibility period to March 10, 2014 to allow the City and MainStreet to resolve certain remaining issues regarding 182nd Street access.

The City has since negotiated with Coventry Place apartments to dedicate 182nd Street as a public right-of-way in exchange for agreeing to issue a right-of-way encroachment permit. If adopted, this will complete the street conversion required by the PSA. As a result, the feasibility period will terminate on March 10, 2014, and the City and MainStreet will work to close the transaction in the coming months.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Goal #1: Economic Development and Goal #4, Downtown Development

CITY OF KENMORE
WASHINGTON
RESOLUTION NO. 14-231

A RESOLUTION OF THE CITY OF KENMORE, WASHINGTON, APPROVING AN AMENDMENT TO THE MUTUAL ACCESS AGREEMENT DATED MAY 25, 1984 AND DEDICATING FOR PURPOSES OF PUBLIC RIGHT-OF-WAY A PORTION OF CERTAIN CITY-OWNED PROPERTY.

WHEREAS, the City of Kenmore 2003 Downtown Plan and 2009 Economic Development Strategy contain guiding goals and principles that support the stimulation of economic revitalization of the City's Downtown area in a manner that supports and retains independent and community-scale businesses and other development; and

WHEREAS, the City owns certain commercially-zoned real property in the City's Downtown area which consists of approximately 4.5 acres commonly known as the former King County Park & Ride parcel (the "Property"); and

WHEREAS, the City Council has determined that the Property is surplus to the City's needs, and that it would be in the best interests of the City and the general public to sell the Property; and

WHEREAS, MSPT VI, LLC ("Buyer") desires to acquire the Property, with the intent to redevelop the Property as a multi-family housing project, in keeping with the City's adopted goals for the Downtown area and the Position Statement for the Property; and

WHEREAS, the MSPT VI, LLC negotiated a purchase and sale agreement for the transfer of the Property from the City to MSPT VI, LLC (the "Purchase and Sale Agreement"); and

WHEREAS, on July 8, 2013, the City Council adopted Resolution 13-222 approving the Purchase and Sale Agreement, and both the City and the Buyer have subsequently signed and executed the Purchase and Sale Agreement; and

WHEREAS, Sections 1(b) and 7(a) of the Purchase and Sale Agreement set forth a 60-day feasibility contingency period for the Buyer to review and inspect the property and to determine, to Buyer's satisfaction, whether the property is satisfactory for Buyer's intended uses and whether Buyer has the ability to fulfill all of the terms of the Purchase and Sale Agreement (the "Feasibility Period"); and

WHEREAS, the City Council adopted Resolution 13-226 ratifying Amendment No. 1 and approving Amendment No. 2 to the Purchase and Sale Agreement with MSPT VI, LLC, extending the Feasibility Period of the Purchase and Sale Agreement to December 11, 2013; and

WHEREAS, the City Council adopted Resolution 13-229 ratifying Amendment No. 3 to the Purchase and Sale Agreement with MSPT VI, LLC, extending the Feasibility Period of the Purchase and Sale Agreement to March 10, 2014; and

WHEREAS, the City and the Coventry Place Owners Association, a Washington corporation ("Coventry") are successors in interest to that Mutual Access Agreement dated May 25, 1984, recorded as Document No. 8406260622 in the official records of King County, Washington (the "Mutual Access Agreement"); and

WHEREAS, Sections 6 and 7(o) of the Purchase and Sale Agreement as amended require the City and Buyer, as a condition to close, to cause that portion running easterly and westerly of the private road referred to as 182nd Street, which lies on each side of the boundary between the Property and the adjacent property to the north owned by Coventry and which exists pursuant to the Mutual Access Agreement ("182nd Street"), to be converted into a public right-of way for street purposes or the functional equivalent (the "Street Dedication"); and

WHEREAS, all other conditions pertaining to the Feasibility Period of the Purchase and Sale Agreement except the Street Dedication are considered resolved; and

WHEREAS, in exchange for the City agreeing to issue a right-of-way encroachment permit and to dedicate the portion of 182nd Street located on the Property for public right-of-way purposes, Coventry has agreed to dedicate the portion of 182nd Street located on its property for public right-of-way purposes as more fully described in **Exhibit A**; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

<u>Section 1.</u> <u>Approval of Amendment to Mutual Access Agreement</u>. The City Council hereby approves and authorizes the City Manager to execute on behalf of the City the Amendment to the Mutual Access Agreement with Coventry Place Owners Association, a Washington corporation in substantially the form attached to this Resolution as **Exhibit A** and incorporated herein by this reference.

<u>Section 2.</u> <u>Approval of Deed of Dedication</u>. The City Council hereby approves and authorizes the City Manager to execute on behalf of the City the Deed of Dedication in substantially the form attached to this Resolution as **Exhibit B** and incorporated herein by this reference.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, AT A REGULAR MEETING THEREOF THIS 3rd DAY OF MARCH 2014.

CITY OF KENMORE

____
Mayor David Baker

ATTEST/AUTHENTICATED:

____
Patty Safrin, City Clerk

Approved as to form:

____

Rod Kaseguma, City Attorney

After Recording Return to:

City of Kenmore
Attn: City Manager
P.O. Box 82607
Kenmore, WA 98028

Document Title(s) (or transactions contained therein): 1. Amended and Restated Easement Agreement
Reference Number(s) of Related Documents: 8406260622
Grantor(s) (Last name first, then first name and initials): 1. City of Kenmore, a Washington municipal corporation 2. Coventry Place Owners Association, a Washington nonprofit corporation
Grantee(s) (Last name first, then first name and initials): 1. City of Kenmore, a Washington municipal corporation 2. Coventry Place Owners Association, a Washington nonprofit corporation
Legal descriptions (abbreviated: i.e. lot, block, plat or section, township, range) PTN GL 1 IN SECTION 11-26-4 All units of Coventry Place, Vol. 230, P. 17–20, King County [X] Full legal descriptions s are on Exhibits A, B and C of document.
Assessor's Property Tax Parcel/Account Numbers 112604-9152; 179594-0000

AMENDED AND RESTATED EASEMENT AGREEMENT

THIS AMENDED AND RESTATED EASEMENT AGREEMENT (this "**Amendment**") is entered into **______________________**, 2014 and shall be effective as of the Effective Date (as defined below), by and between CITY OF KENMORE, a Washington municipal corporation (the **"City"**), and COVENTRY PLACE OWNERS ASSOCIATION, a Washington nonprofit corporation (the **"Association"**) (collectively, the "**Parties**" or individually, a "**Party**").

RECITALS

A. The City and the Association are successors in interest to that Mutual Access Agreement (the "**Original Easement**") dated May 25, 1984, recorded as Document No. 8406260622 in the official records of King County, Washington, concerning certain real property situated in King County, Washington, as more particularly described in the Original Easement.

B. The Association is successor in interest to the real property legally described and identified in Exhibit A hereto (the **"Association's Property"**), including the area comprising Parcel 1 as legally described and identified in the Original Easement and in Exhibit C hereto (**"Parcel 1"**). The City is successor in interest to the real property legally described and identified in Exhibit B hereto(the **"City's Property"**), including the area comprising Parcel 2 as legally described and identified in the Original Easement and in Exhibit C hereto (**"Parcel 2"**).

C. The Original Easement was created for mutual access purposes that no longer are necessary to meet the ingress and egress needs for the Association's Property or the City's Property given the existing network of public roads now available and anticipated in the vicinity.

D. The Association has placed signage for the Association's condominium and an irrigation system on a portion of the City's Property.

E. The City is now considering selling the City's Property. In the course of the transaction negotiations, current and future usage of the private roadway and adjacent properties has been considered and discussed with the Association. The Parties now desire to amend and restate the Original Easement as set forth below to modify and clarify the respective rights and obligations of the owners of the subject properties (as defined in the Original Easement), both for each of their own interests and in order to facilitate the sale of the City's Property.

F. The actions of the Parties pursuant to this Agreement do not constitute an amendment to the Association's Condominium Declaration, Survey Map and Plans, Articles of Incorporation, or Bylaws.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals, which are incorporated into the terms of the Parties' agreements herein, and the terms and conditions set forth in this Amendment, the Parties hereby amend and restate the Original Easement as follows:

1. **Defined Terms.** Capitalized terms defined in the Original Easement and used but not otherwise specifically defined in this Amendment shall have the meanings given to them in the Original Easement.

(a) As used in this Amendment, the term **"this Agreement"** shall refer to the Original Easement as amended and superseded by this Amendment.

(b) As used in this Amendment, the term **"Effective Date"** shall mean March 7, 2014.

2. **Grant and Acceptance of Association's Dedication.** The Association hereby amends the Original Easement to dedicate the following easement and the City accepts such dedication as follows (the **"Association's Dedication"**):

(a) **Association's Dedication as Public Right-of-Way.** The Association hereby dedicates and grants to the City a permanent non-exclusive easement for public right-of-way, road, utility and associated purposes, including, but not limited to, access for maintenance and repair of any and all improvements, over, upon, across and through a portion of the Association's Property as described and depicted in Exhibit D hereto.

(b) **Acceptance of the Association's Dedication.** The City, by its signature below and by recording this document, hereby accepts the Association's Dedication.

3. **City's Agreement to Create a Public Street.** On or before June 30, 2014, the City shall cause Parcel 2 to be converted into public right-of-way for street, road, utility and associated purposes. The City and the Association acknowledge that this will, amongst other things, provide for continued use of Parcel 2 for ingress and egress to and from the Association's Property and for on-street parking on the same terms and conditions as any member of the public on public streets in general.

4. **City's Agreement to Repair Sidewalk.** On or before June 30, 2014, the City shall repair and/or replace certain sidewalk panels located on the north side of Northeast 182nd Street between 68th Avenue Northeast and 67th Avenue Northeast that do not currently comply with the City's municipal code. The City shall be obligated to repair and/or replace such sidewalk panels one time, and once complete, this Section 4 shall not bind the City or its successors and assigns to further action other than as discussed in Section 6 below regarding the Burden of Dedication Maintenance.

5. **City's Agreement to Issue Right-of-Way Encroachment Permit.** Provided the Association provides to the City a timely and complete application, on or before June 30, 2014, the City agrees to issue to the Association a permit authorizing the Association to maintain its existing signage and irrigation system on that portion of the City's Property described and depicted in Exhibit E (the **"Permit Area"**). The City agrees it will not grant any other encroachment permit that unreasonably impacts visibility of the Association Sign in its current location from the intersection of 68th Avenue Northeast and Northeast 182nd Street in Kenmore, Washington. The City agrees it shall waive all fees associated with the permit applied for by the Association for so long as the Association, at its sole cost, continues to conduct all watering, pruning, and planting necessary to maintain all trees, shrubs, plants, flower beds and/or lawns located within the Permit Area, and takes such actions necessary to maintain the existing irrigation system. The City, at its sole discretion, may require an additional written agreement outlining the Parties' duties owed pursuant to this section.

6. **Responsibility for Maintenance**. The City shall own and have responsibility for ongoing maintenance, repair and replacements and shall bear costs associated with any improvements located on the Association's Dedication, *provided*, however, that the Association shall be required to maintain any sidewalks located on the Association's Dedication in accordance with the Kenmore Municipal Code (the **"Burden of Dedication Maintenance"**). In maintaining and repairing the Association's Dedication, the City shall not unreasonably interfere with ingress and egress to the Association's parking lots. Such responsibility shall be considered "in gross" and shall not burden the City's successors and assigns, and shall not run with the land.

7. **Breach and Remedies.** If either Party shall fail to perform or fulfill its obligations pursuant to this Agreement, and if such failure shall continue for a period of thirty (30) days after written notice from the other Party, the Party giving such notice shall have the right to cure such failure and charge all costs and expenses so incurred against the Party who has failed to perform (the **"Defaulting Party"**). The Defaulting Party shall be liable to repay all amounts so charged plus interest which shall accrue from the date of expenditure through the date of repayment at the per annum rate of twelve percent (12%).

8. **Indemnity.** As of the Effective Date, without limitation of any other provisions of this Agreement, the City shall protect and save harmless the Association, its successors and assigns from and against any and all claims, demands, loss, causes of action and liability, including reasonable legal fees for defense, resulting from the City's use of the Association's Dedication. The provisions of this section shall survive any termination of this Agreement.

9. **Covenants Running with the Land.** The Parties intend that the terms and conditions of this Agreement shall touch and concern and run with the land such that they will be binding upon the heirs, successors, and assigns of the Parties as owners of the City's Property or Association's Property; *provided* the benefits of the Association's Dedication in Section 2 shall be in gross and shall be enjoyed and remain enforceable by the City and shall not pass to the City's successors and assigns other than in their capacity as members of the public, and the

Burden of Dedication Maintenance contained in Section 6 shall be in gross and shall not burden the City's successors and assigns.

10. **Applicable Law.** The formation, construction and enforcement of this Agreement shall be governed by the laws of Washington.

11. **No Drafting Presumptions.** The Parties have been aided by legal counsel in the drafting and negotiation of this Agreement. No provision of this Agreement shall be construed against either Party as the drafter of this Agreement.

12. **Waiver.** Neither Party shall be deemed to have waived the right to enforce any requirement of this Agreement unless and only to the extent that such Party has expressly and specifically waived such right in a duly authorized written instrument. Waiver of one requirement of this Agreement shall not be deemed to be waiver of any other requirement and waiver of a requirement on one occasion shall not be deemed to be waiver of the same requirement on any other occasion.

13. **Further Assurance.** Each Party hereto agrees that it will execute or furnish such documents and further assurances to the other or to proper authorities as may be necessary for the full implementation and consummation of this Agreement and the transactions contemplated hereby.

14. **Amendment.** This Agreement may only be amended by a duly authorized written agreement by and between the Parties or their successors and assigns, which amendment shall be recorded in the official records of King County, Washington.

15. **Entire Agreement.** This Agreement sets forth the entire agreement of the Parties concerning the subject matter hereof and supersedes the Original Easement and any other oral or written agreements or understandings between the Parties entirely.

[*Signatures begin on the following page*.]

IN WITNESS WHEREOF, the Parties have executed this Amendment on the date set forth above as the Effective Date.

CITY:

CITY OF KENMORE, a Washington municipal corporation

By: ______________________________
Name: ___________________________
Title: ____________________________

ASSOCIATION:

COVENTRY PLACE OWNERS ASSOCIATION, a Washington nonprofit corporation

By: ______________________________
Name: ___________________________
Title: ____________________________

ACKNOWLEDGMENTS

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _________________ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the __________ of the City of Kenmore, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.
DATED: ________________

____
(Signature of Notary)

____
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of Washington, residing at ______________.
My appointment expires: _______________.

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that __________ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the __________ of Coventry Place Owners Association, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.
DATED: ________________

____
(Signature of Notary)

____
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of Washington, residing at ______________.
My appointment expires: _______________.

EXHIBIT A

Legal Description of Association's Property

Parcel A: All units of Coventry Place, a Condominium, according to Declaration thereof recorded under King County Recording No. 20070228000483 and any amendments thereto; said units are located on Survey Map and Plans filed in Volume 230 of Condominiums, at Pages 17 through 22, in King County, Washington.

Parcel B: A non-exclusive easement for ingress and egress as created in instrument recorded June 26, 1984, under King County Recording No. 8406260622.

ASSESSOR'S PARCEL NO. 179594-0000

EXHIBIT B

Legal Description of City's Property

THAT PORTION OF THE EAST 720 FEET OF GOVERNMENT LOT 1, SECTION 11, TOWNSHIP 26 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, LYING NORTH OF THE PLAT OF NORTHLAKE TERRACE, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 33 OF PLATS, PAGE(S) 20 AND 21, IN KING COUNTY, WASHINGTON, AND LYING SOUTH OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT THAT IS 300.00 FEET SOUTH OF THE NORTHEAST CORNER OF SAID GOVERNMENT LOT 1, AS MEASURED ALONG THE EAST LINE THEREOF;
THENCE NORTH 87°44'38" WEST PARALLEL WITH THE NORTH LINE OF SAID GOVERNMENT LOT 1 A DISTANCE OF 190.34 FEET TO A POINT DESIGNATED POINT "A" (FOR REFERENCE PURPOSES);
THENCE CONTINUING NORTH 87°44'38" WEST ALONG SAID LINE, A DISTANCE OF 529.67 FEET TO THE WEST LINE OF THE SAID EAST 720 FEET OF SAID GOVERNMENT LOT 1 AND THE TERMINUS OF SAID LINE.

EXCEPT THE EAST 30 FEET THEREOF CONVEYED TO KING COUNTY FOR ROAD PURPOSES BY DEED RECORDED UNDER RECORDING NUMBER 2963377.

ASSESSOR'S PARCEL NO. 112604-9152-00

EXHIBIT C

Legal Description for Mutual Access Easement

PARCEL 1:

Beginning at aforedescribed Point “A”; thence North 87°44'38” West parallel with the North line of said Government Lot 1, a distance of 446.01 feet to a point on a curve, from which the radial point of said curve bears North 84°37'32” West, a distance of 488 feet; thence along said curve to the left, with a central angle of 07°36'03”, an arc distance of 64.74 feet; thence North 02°13'36” West, a distance of 93.92 feet; thence on a 512-foot radius tangent curve to the right with a central angle of 04°45'55”, an arc distance of 42.58 feet; thence North 02°32'19” East, a distance of 89.14 feet, to the South right-of-way line of N.E. 185th Street as recorded under Auditor's File Number 4791700, said point is 10.00 feet South of, when measured at right angles from, said North line of Government Lot 1; thence South 87°43'38” East parallel with said North line, a distance of 24.00 feet; thence South 02°32'19” West, a distance of 89.26 feet; thence on a 488-foot radius tangent curve to the left, with a central angle of 04°45'55”, an arc distance of 40.59 feet; thence South 02°13'36” East, a distance of 93.92 feet; thence on a 512-foot radius tangent curve to the right, with a central angle of 03°22'02”, an arc distance of 30.09 feet to a point of reverse curvature; thence on 25-foot radius curve to the left, with a central angle of 88°53'04”, an arc distance of 38.78 feet; thence South 87°44'38” East parallel with said North line, a distance of 287.18 feet; thence on a 502.90-foot radius tangent curve to the right, with a central angle of 12°32'32”, an arc distance of 110.09 feet to the Point of Beginning.

PARCEL 2:

Beginning at aforedescribed Point “A”; thence North 87°44'38” West parallel with the North line said Government Lot 1, a distance of 446.01 feet; thence South 02°15'22” West, a distance of 12.00 feet; thence South 87°44'38” East parallel with said North line, a distance of 236.28 feet; thence South 02°32'19” West parallel with the East line of said Government Lot 1, a distance of 12.00 feet, thence South 87°44'38” East parallel with said North line, a distance of 100.57 feet; thence on a 466.90-foot radius tangent curve to the right, with a central angle of 12°32'32”, an arc distance of 102.21 feet; thence South 75°12'06” East, a distance of 143.88 feet; thence on a 50-foot radius tangent curve to the right, with a central angle of 37°12'16”, an arc distance of 32.47 feet to the West right-of-way line of 68th Avenue N.E. as recorded under Auditor's File Number 2963377 said point is 30.00 feet west of, when measured at right angles from, said East line of Government Lot 1; thence North 02°32'19” East parallel with said East line, a distance of 54.31 feet to a point on a curve, from which the radial point of said curve bears North 28°47'37” West, a distance of 25 feet; thence leaving said West right-of-way line along said 25-foot radius curve to the right, with a central angle of 43°35'31”, an arc distance of 19.02 feet; thence North 75°12'08” West, a distance of 145.34 feet to the Point of Beginning.

EXHIBIT D

Legal Description and Depiction of the Association's Dedication

Commencing at the northeast corner of Section 11, Township 26 North, Range 4 east, W.M.;
Thence South 02°33'11" West, along the easterly line of said section and centerline of 68th Avenue NE, a distance of 300.00 feet to a point on the south boundary of Assessor's Parcel No. 1795940000 produced easterly;
Thence North 87°44'38" West a distance of 30.00 feet to the westerly Right of Way margin of 68th Avenue NE and the southeast corner of said parcel;
Thence North 87°44'38" West, along the south line of said parcel, a distance of 135.60 feet to the Point of Beginning;
Thence North 87°44'38" West, along the south line of said parcel, a distance of 470.75 feet to the beginning of a non-tangent 488.00 foot radius curve to the left, the center of which bears North 84°37'32" West;
Thence northerly along said curve, through a central angle of 05°17'08" and an arc distance of 45.02 feet;
Thence South 87°44'38" East a distance of 24.02 feet;
Thence South 00°39'54" West a distance of 8.50 feet to the beginning of a non-tangent 25.00 foot radius curve to the left, the center of which bears South 88°51'34" East;
Thence southeasterly, along said curve, through a central angle of 88°53'04" and an arc distance of 38.78 feet;
Thence South 87°44'38" East a distance of 251.93 feet;
Thence North 00°42'55" East a distance of 5.70 feet;
Thence South 87°42'23" East a distance of 34.61 feet to the beginning of a non-tangent 500.00 foot radius curve to the right, the center of which bears South 02°15'29" West;
Thence easterly along said curve, through a central angle of 12°21'49" and an arc distance of 107.89 feet;
Thence South 75°22'42" East a distance of 28.35 feet to the Point of Beginning.

EXHIBIT E

Legal Description and Depiction of the Permit Area

Commencing at the northeast corner of Section 11, Township 26 North, Range 4 East, W.M.;
Thence South 02°33'11" West, along the easterly line of said section and centerline of 68th Avenue NE, a distance of 300.00 feet to a point on the north boundary of Assessor’s Parcel No. 1126049152 produced easterly;
Thence North 87°44'38" West a distance of 30.00 feet to the westerly Right of Way margin of 68th Avenue NE and the northeast corner of said parcel;
Thence North 87°44'38" West, along the north line of said parcel, a distance of 3.71 feet to the Point of Beginning;
Thence North 87°44'38" West, along the north line of said parcel, a distance of 131.89 feet;
Thence South 75°22'42" East a distance of 120.11 feet to the beginning of a 12.00 foot radius curve to the left;
Thence easterly and northerly, along said curve, through a central angle of 95°46'10" and an arc distance of 20.06 feet;
Thence North 02°33'15" East a distance of 15.38 feet to the Point of Beginning.

WA cities
Insurance Authority

CITY OF KENMORE
COUNCIL DOS & DON'TS

MARCH 3, 2014

Presented by:

Ann Bennett, Executive Director

Washington Cities Insurance Authority

- A municipal organization of Washington public entities joined to share risk
  - Created in 1981
  - Over 162 members
- Over $174 million in assets
  - Strongest financials of any Washington risk pool

Washington Cities Insurance Authority

- Provides Insurance Coverage
  - Auto Liability, General Liability, Employment Practices, Errors & Omission
  - $20,000,000 per Occurrence
  - Look for coverage not exclusions
- Provides Insurance Services
  - Claims
  - Risk Management

Common Council Liability Exposures

- Land Use
  - Arbitrary and Capricious Decisions
  - Appearance of Fairness Violations
- Personnel
  - Harassment
  - Discrimination
- Negligent Misrepresentation
- Defamation
  - Qualified Privilege
    - Void if knowingly false or malicious
- Public Works
  - Road Design

Avoiding Liability

- Individuals Can Receive Absolute Immunity for Legislative Activities
  - Adoption of budgets, ordinances and resolutions
  - Only within context of council meeting as a whole

Avoiding Liability

- Land Use
  - Know your role-Quasi Judicial or Legislative ?
    - If Quasi Judicial
      - Must be fair and impartial-
        - Appearance of Fairness Doctrine
          - Cannot communicate with proponent or opponent
      - Make findings of fact - Avoid Arbitrary and Capricious Decisions

Avoiding Liability

- Land Use
  - Do not insert yourself in the process
    - Westmark v. City of Burien
      - $10,000,000 verdict
      - Found tortious interference with a business expectancy
    - Mission Springs v. City of Spokane
      - Directed official not to issue permit
      - No legislative immunity
      - Liable under state and federal law

How to Avoid Liability

- Personnel
  - Stay in legislative role
    - Set policies, budgets
      - There is no individual authority to make changes
  - Do not to stray into Executive role
    - Mayor, City Administrator, City Manager
      - Management of employees, hiring/firing, discipline
      - Can be held personally liable for employment actions
      - Personnel law changes constantly

Avoiding Liability

- Negligent Misrepresentation
  - Do not make specific promises or assurances
  - Refer specific questions to staff
  - Do not take matters into your own hands

Avoiding Liability

- Defamation
  - If the statement/opinion is regarding a legislative concern you have immunity
  - Careful discussing individuals
    - Are they a public official, staff or private individual?
    - Any untruth gives rise to liability

Avoiding Liability

- Public Works
  - Do not "politically engineer"
    - Crosswalks, Signs, Speed Limits
      - Ask for staff input off the record
      - Have staff respond to requests
  - Avoid promises, assurances and inflammatory statements

Avoiding Liability

- Do not leak Executive Session information
  - Resist the temptation to share!
  - Disclose conflicts prior to session and recuse yourself
  - Claims and Litigation
    - Can jeopardize defense
    - Possible sanctions imposed

Avoiding Liability

- Be mindful of written communications
  - Email/ Twitter/ Facebook
    - Always use City email address, not personal
    - Use of a personal computer could subject it to search
    - Be mindful of Open Public Meetings Act
    - May lose your legislative immunity

Washington Cities Insurance Authority

Washington Cities Insurance Authority (WCIA) is a municipal risk pool authorized under RCW 48.62, RCW 39.34 and WAC 200.100.010. Through Interlocal agreement, 164 cities and public entities create WCIA to self-insure their exposures. WCIA's mission is to take a leadership role to provide professional risk management and stable risk financing programs that respond to members needs.

WCIA has over $174 million in assets, of which $88 million is undesignated member reserves to handle contingencies beyond predicted events. These are the strongest financials of any Washington risk pool. Through the use of an actuary, the group annually creates over $34 million in assessments to cover liability and property risks. WCIA's administrative budget is $6 million, with $2 million going directly back to the members in the form of training, reimbursements and legal assistance. WCIA believes the Full Board should be fully aware, and in control, of all pool operations-the insured's run the insurance company.

WCIA distinguishes itself from the private insurance industry by evaluating claims based upon legal liability not financial expediency. Annually, WCIA handles approximately 1,800 claims and lawsuits with over $18 million being paid out on behalf of members in settlements and over $6 million spent on litigation defense costs. We believe in making good case law that benefits all public entities and actively litigate in the appeals courts, including the US Supreme Court. To reduce the number of claims and lawsuits, WCIA offers pre-loss services, allowing for legal consultation on potential actions which could give rise to liability, i.e. employment practices, land use.

WCIA advances effective risk management practices and procedures and requires active participation as an element of pool membership. Through comprehensive training, and committed field risk management services there is a systematic reduction of loss exposures for members. The WCIA COMPACT is a commitment made by all members to participate in training, risk management and pool governance. The COMPACT has received national honors from the Association of Governmental Risk Pools.

WCIA's Risk Management team is experienced and skilled in municipal risks. Each member has an assigned Risk Management Representative that provides individual attention, personal communication and detailed risk analysis in support of the formal comprehensive COMPACT program. WCIA staff provides on-site risk management advice, conduct loss control inspections and offer training on specific exposures and controls. The Risk Management Representatives review indemnification, hold harmless and insurance requirements in contracts and are always available to research and analyze liability questions and concerns. Questions or concerns that require a legal review are handled under our Risk Management Consultation Program and often result in Risk Management Bulletins that our available to all members.

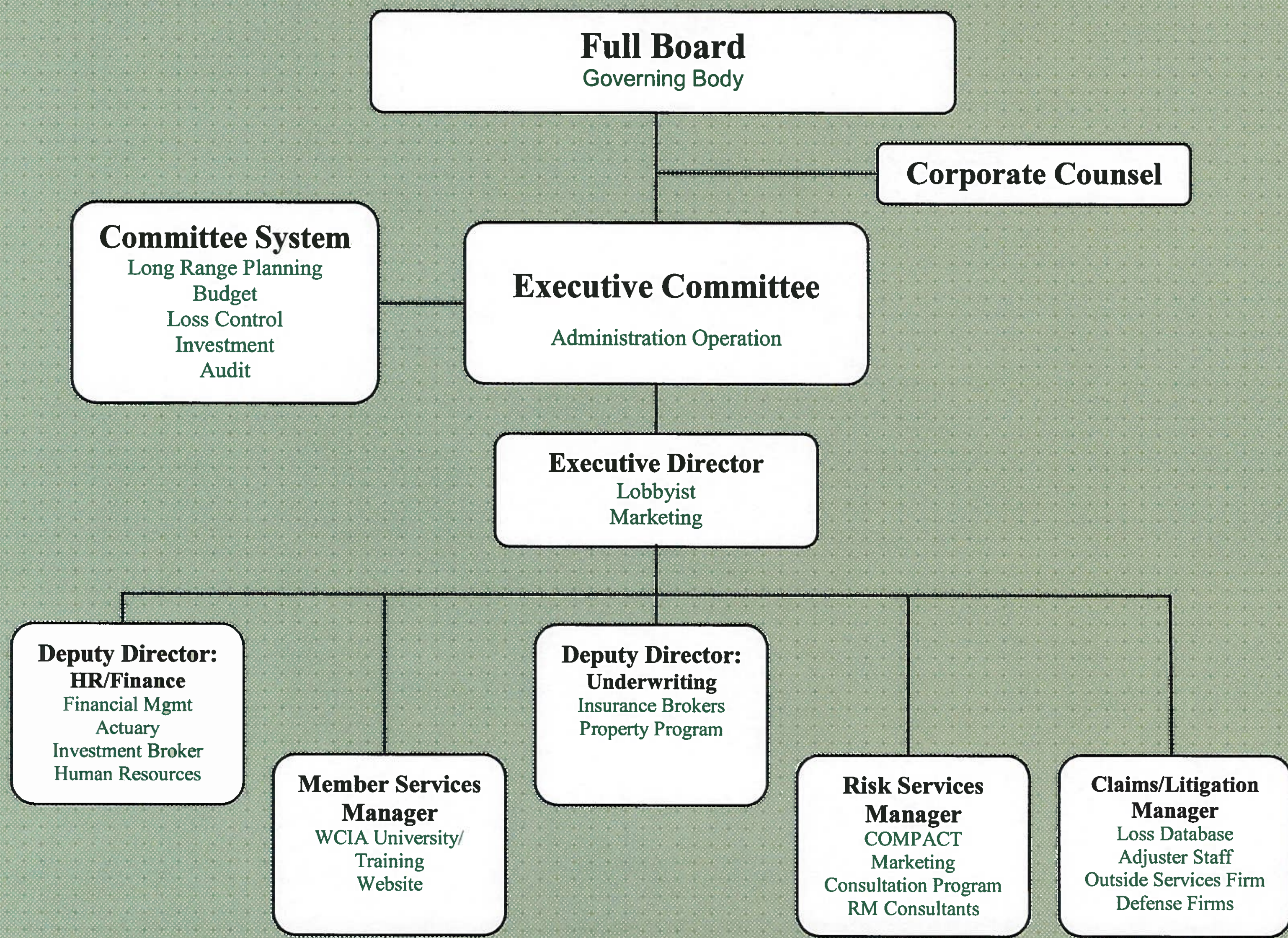
As part of the COMPACT, members annually undergo a risk management audit regarding a specific department or loss exposure, i.e. police, employment, land use. The comprehensive audit reviews current policies and procedures with recommendations and mandatory requirements to ensure a reduction in risk exposures.

WCIA has developed an extensive training and education program offering municipal risk management trainings state wide. Annually over 300 sessions are conducted with approximately 7,000 attendees. WCIA collaborates with other municipal organizations resulting in an expanded offering of co-sponsored trainings. Members with travel restrictions benefit from our website's Virtual Classroom which offers Video Check out or On-Demand videos.

In addition to the comprehensive training programs offered, WCIA provides a Member Reimbursement program to assist members in the professional development and accreditation of their staff. Approximately 81% of the membership has received reimbursements for municipal accreditations, individual and group certifications, and registration for association schools and institutes.

For more detailed information on all of our programs and services, please visit our website www.wciapool.org.

Washington Cities Insurance Authority



WASHINGTON CITIES INSURANCE AUTHORITY
Statement of Net Position
As of December 31, 2012 and 2011

ASSETS	**2012**	**2011**
Current Assets:		
Cash and Cash Equivalents	$106,062,369	$26,517,622
Accrued Interest	75,306	554,829
Investments	57,218,533	128,742,223
Accounts Receivable	230,435	90,223
Prepaid Expenses	5,377,998	3,839,393
TOTAL CURRENT ASSETS	$168,964,641	$159,744,290
Noncurrent Assets:		
Investment in GEM	1,169,015	1,067,082
Capital Assets	6,211,795	6,181,732
Accumulated Depreciation	(1,438,064)	(1,284,924)
TOTAL NONCURRENT ASSETS	$5,942,746	$5,963,890
TOTAL ASSETS	$174,907,387	$165,708,180
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts Payable	$93,811	$159,196
Deposits Payable	330,304	307,841
Property & Vehicle Claims Reserve	2,629,872	1,251,885
Claim Reserves:		
IBNR	9,810,159	10,696,450
Open Claims (Case Reserves)	6,644,747	4,933,039
Unallocated Loss Adjustment Expenses	624,223	607,256
Reserve for Increased Confidence Level	15,989,970	14,950,904
TOTAL CURRENT LIABILITIES	$36,123,086	$32,906,571
Noncurrent Liabilities:		
Compensated Absences	$153,494	$94,822
Claim Reserves:		
IBNR	$26,523,762	$28,920,032
Open Claims (Case Reserves)	$17,965,426	$13,337,477
Unallocated Loss Adjustment Expenses	$1,687,713	$1,641,842
TOTAL NONCURRENT LIABILITIES	$46,330,395	$43,994,173
TOTAL LIABILITIES	$82,453,481	$76,900,744
NET POSITION		
Invested in Capital Assets	$4,773,731	$4,896,808
Unrestricted	87,680,175	83,910,628
TOTAL NET POSITION	$92,453,906	$88,807,436
TOTAL LIABILITIES AND NET POSITION	$174,907,387	$165,708,180

WASHINGTON CITIES INSURANCE AUTHORITY
Statement of Revenues, Expenses
And Changes In Fund Net Position
For The Years Ended December 31, 2012 and 2011

	2012	2011
Operating Revenues		
Member Assessments - Liability	$24,096,611	$24,270,237
Member Assessments - Property	8,542,097	8,111,936
Member Assessments - Fidelity	121,777	121,956
Seminar Revenues	27,135	24,665
Total Operating Revenues	$32,787,620	$32,528,794
Operating Expenses		
Loss & Loss Adjustment Expenses	$21,820,599	$9,840,163
Confidence Level Expense	1,039,066	(435,447)
Insurance - Members	7,026,955	6,556,008
Salaries and Wages	1,900,200	1,736,629
Personnel Benefits	616,264	569,490
Professional Services		
Claims Adjusting	374,442	329,752
Pre-Defense Review	921,662	906,045
Consultants	331,616	376,132
Legal	30,052	55,464
Actuarial	32,500	31,000
Audit	29,210	15,672
Financial Services	19,519	19,179
Risk Management Audit	5,867	11,734
Rent	120,000	120,000
Transportation	85,314	88,684
Printing	10,578	6,976
Communications	25,460	21,163
Supplies	50,669	47,255
Dues and Conferences	22,520	19,527
Retreat/Board Meetings	29,472	23,820
Depreciation	55,532	50,744
Miscellaneous	39,930	33,480
Repair and Maintenance	10,463	12,144
Seminars and Training	532,428	412,689
Total Operating Expenses	$35,130,318	$20,848,303

WASHINGTON CITIES INSURANCE AUTHORITY
Statement of Revenues, Expenses
And Changes In Fund Net Position
For The Years Ended December 31, 2012 and 2011

	2012	2011
Operating Income (Loss)	($2,342,698)	$11,680,491
Non-Operating Revenue (Loss)		
Interest Income	3,445,864	5,339,538
Net Increase (Decrease) in the Fair Value of Investments	2,387,615	6,946,001
Income (Loss) from Investment in GEM	101,933	34,612
Net Profit (Loss) from Building Operations	53,756	47,156
Total Non-Operating Revenue	$5,989,168	$12,367,307
Net Income	$3,646,470	$24,047,798
Net Position - January 1	88,807,436	64,759,638
Net Position - December 31	$92,453,906	$88,807,436

Risk Profile | Kenmore

WA cities
Insurance Authority

For the Period: 1/1/2008 - 12/31/2012

WCIA Member: Since 5/1/1998

Lisa Knapton. Senior Risk Management Representative

Risk Profile | Kenmore

WA cities Insurance Authority

Actuarial Group 1

This is a summary report, created to give you a universal look at your losses as compared to the group average of other members in the same actuarial group as of 12/31/2012. The data analyzed includes the time frame from 1/1/2008 through 12/31/2012. The dollar amounts in this report include loss INDEMNITY PAYMENTS (paid to claimants/plaintiffs), LEGAL FEES (attorney fees and related expenses) as well as CURRENT RESERVES on any open claims/lawsuits as of 12/31/2012. Please keep in mind that any claim or lawsuit that was open as of 12/31/2012 may ultimately result in additional dollars having been paid in indemnity and/or legal fees.

The number of claims shown indicates all claims and lawsuits whether they were paid, denied or tendered to another entity.

ACTUARIAL GROUP 1 Members (38)

< 100,000 Worker Hours Per Year

Benton City (BC)	Brier (BI)	Cashmere (CS)
Chewelah (CW)	Cle Elum (CM)	Clyde Hill (CY)
Coupeville (CO)	Covington (CV)	Edgewood (EW)
Elma (EL)	George (GE)	Goldendale (GO)
Kenmore (KN)	La Conner (LC)	Leavenworth (LE)
Long Beach (LB)	Mabton (MB)	Maple Valley (MP)
McCleary (MY)	Medical Lake (MK)	Medina (ME)
Millwood (MW)	Milton (ML)	Newcastle (NC)
Normandy Park (NP)	North Bonneville (NB)	Othello (OT)
Ridgefield (RF)	Soap Lake (SO)	Stanwood (SW)
Steilacoom (ST)	University Place (UP)	Warden (WN)
Westport (WE)	Woodinville (WD)	Woodway (WO)
Yarrow Point (YP)	Zillah (ZI)	

Loss Summary | Kenmore

1/1/2008 - 12/31/2012
Total Number of Claims: 43
Total Dollars Incurred: $874,757

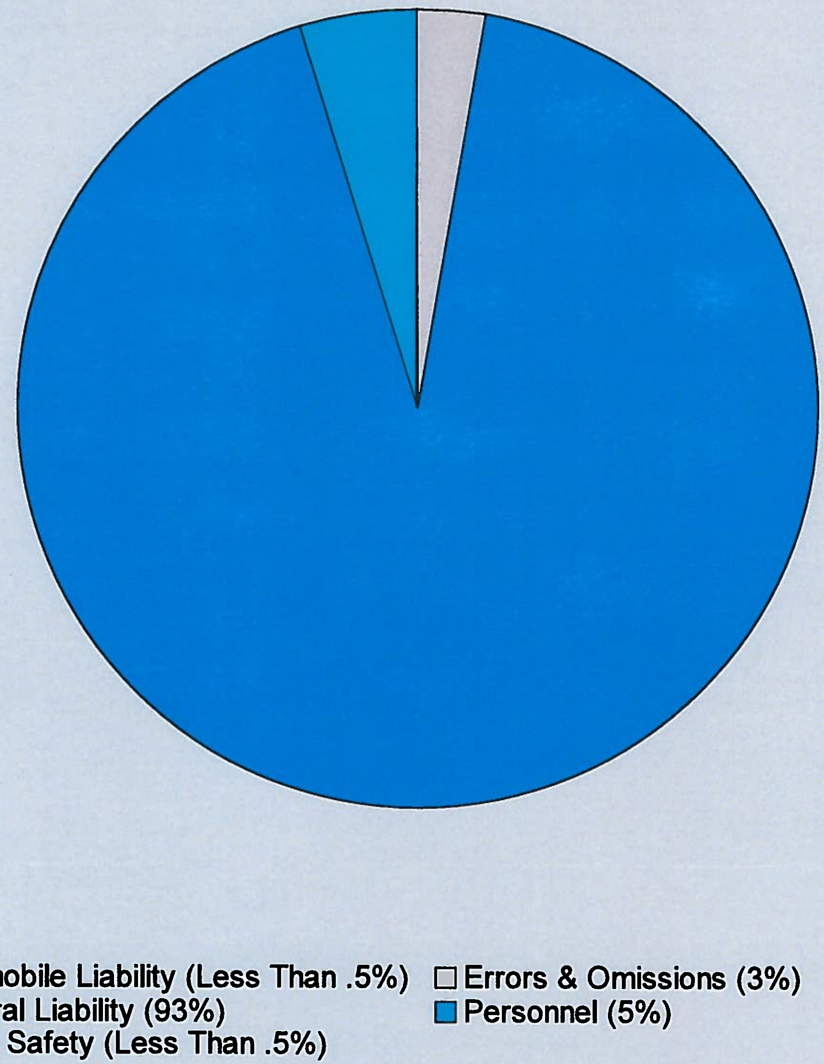
WA cities Insurance Authority

Summary by Type	SEVERITY		FREQUENCY	
	Kenmore	Eq. Group 1 Avg	Kenmore	Eq. Group 1 Avg
Automobile Liability	$0	$9,370	1	1
Errors & Omissions	$24,993	$17,474	4	1
Personnel	$40,000	$36,891	1	0
General Liability	$809,154	$55,233	36	11
Public Safety	$610	$6,661	1	1
TOTALS:	**$874,757**	**$125,629**	**43**	**14**

Summary by Year	SEVERITY		FREQUENCY	
	Kenmore	Eq. Group 1 Avg	Kenmore	Eq. Group 1 Avg
2008	$585,556	$33,532	10	3
2009	$8,892	$19,482	19	4
2010	$70,159	$48,710	5	4
2011	$169,030	$14,065	5	2
2012	$41,120	$9,839	4	2
TOTALS:	**$874,757**	**$125,628**	**43**	**15**

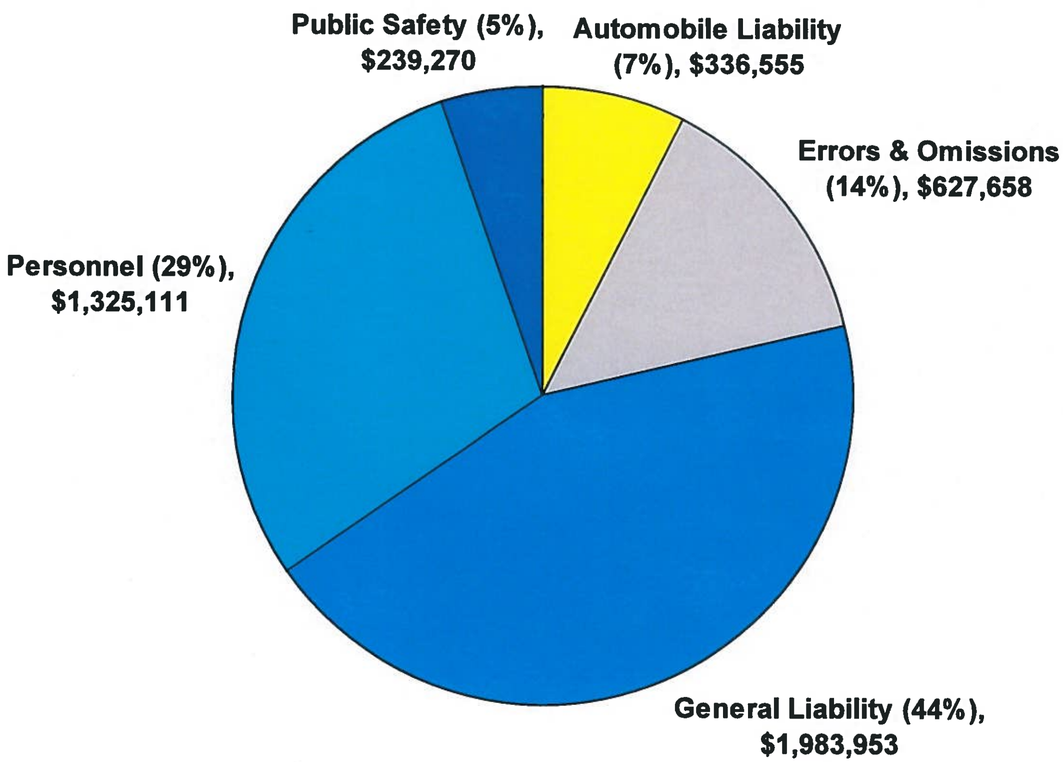
Includes Indemnity, legal fees and expenses and reserves. Totals may vary due to rounding.

Kenmore Analysis By Loss Type & Severity



Totals may vary due to rounding.

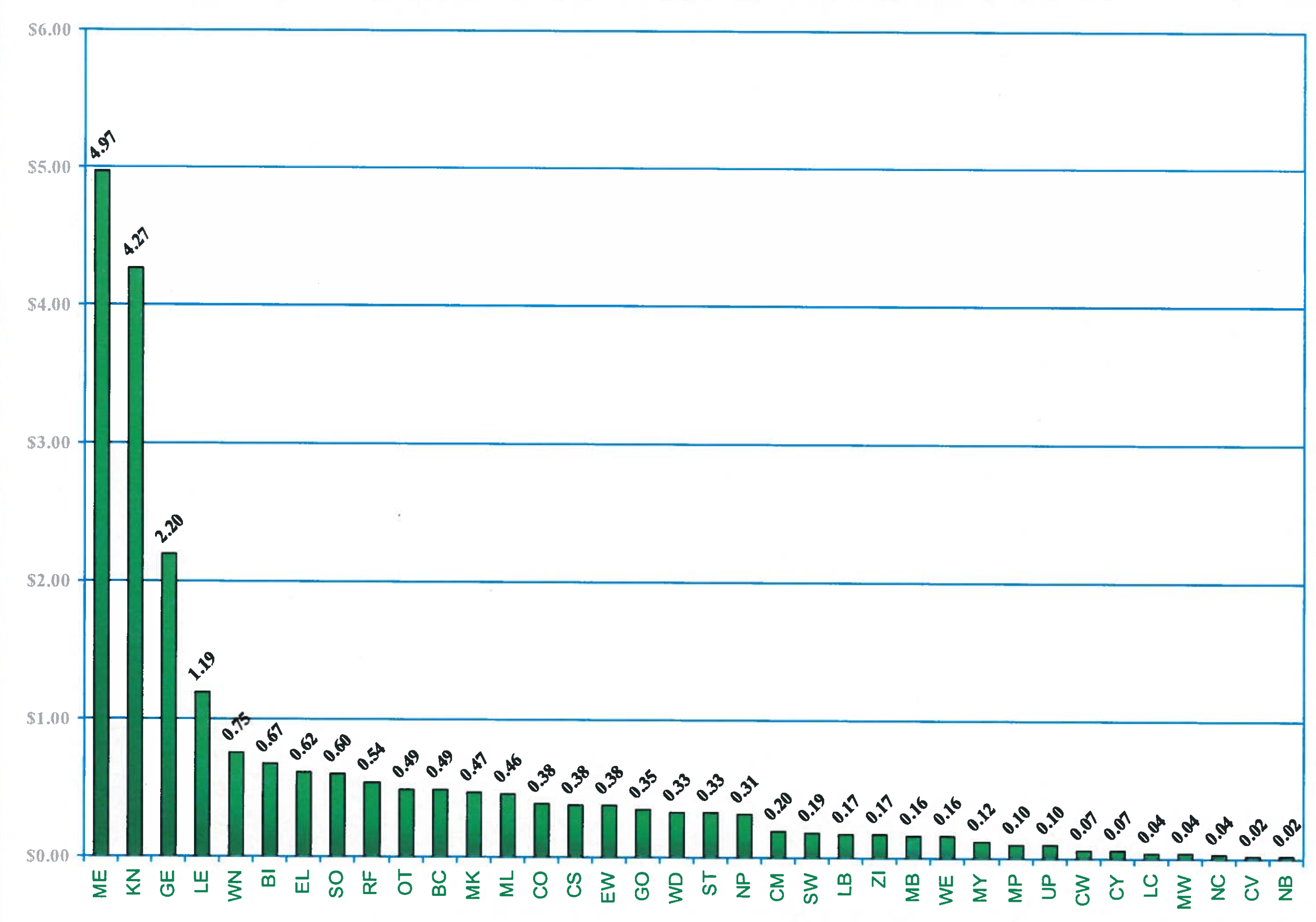
Group 1
ANALYSIS BY LOSS TYPE & SEVERITY
1/1/2008 - 12/31/2012



Totals may vary due to rounding.

Cost Per Worker Hour | Group 1

Group Cost Per Worker Hour: $0.52
2008 - 2012



See page 2 for listing of member names

All Other Group Members are $0.00 Cost per Worker Hour.