

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
5:30 p.m., Monday, November 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. PRESENTATION

- A. Presentation of Government Finance Officer Association Awards to Joanne Gregory, Finance & Administration Director, and Brian Randall, Accountant
[GFOA Award Letters](#)

III. PROCLAMATION

- A. Proclamation Declaring November 9, 2014 as Bud Eaton Day in Kenmore
[Proclamation](#)

IV. CONSENT AGENDA

- A. Approve Amendment No. 2 to Contract No. 12-C1081 with Osborn Consulting
[Agenda Bill & Attachments](#)
- B. Approve SR 522 West A Project Agreements with Comcast, Contract No. 14-C1332, and Northshore Utility District (NUD), Contract No. 14-C1335
[Agenda Bill & Attachments](#)

V. BUSINESS AGENDA & PUBLIC HEARING

- A. Adopt Resolution 14-250, Approving Contract No. 14-C1254, Purchase & Sale Agreement with Main Street Property Group LLC for Kenmore Village Commercial Property - Rob Karlinsey, City Manager
[Agenda Bill & Attachments](#)
- B. September 2014 Financial Report for the City of Kenmore, Washington - Joanne Gregory, Finance & Administration Director

[Agenda Bill & Attachment](#)

- C. **PUBLIC HEARING** to Receive Public Testimony on Proposed 2015-2016 Budget and Capital Improvement Program for 2015-2020 - Joanne Gregory, Finance & Administration Director

[Agenda Bill & Attachments](#)

- D. Review and Discussion of Proposed Preliminary 2015-2016 Budget for the City of Kenmore, Washington - Rob Karlinsey, City Manager, and Joanne Gregory, Finance & Administration Director

[Agenda Bill](#)

VI. STAFF REPORT

VII. COUNCILMEMBER REPORTS & COMMENTS

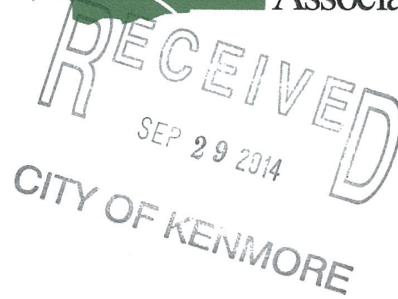
VIII. ADJOURNMENT

Upcoming Meetings:

Tues., November 4, 2014 7:00 p.m. Planning Commission Regular Meeting

Mon., November 10, 2014 7:00 p.m. City Council Regular Meeting

Mon., November 17, 2014 7:00 p.m. Joint City Council and Planning Commission Meeting



August 15, 2014

Rob Karlinsey, City Manager
City of Kenmore
P O Box 82607
Kenmore, WA 98028

Dear Mr. Karlinsey:

The Washington Finance Officers Association and I would like to inform you that **Joanne Gregory** has earned the "Professional Finance Officer Award" for the State of Washington from the Washington Finance Officers Association. This annual award requires ongoing educational and professional excellence on the part of each individual and is not automatically awarded.

Joanne is committed to achieving educational and professional excellence as acknowledged in the receipt of this award for 12 years.

The Association would like to thank you for your continued support and encourage you to recognize this accomplishment in some manner.

Sincerely,

A handwritten signature in dark ink, which appears to read 'Dawn Masko', is positioned below the word 'Sincerely,'.

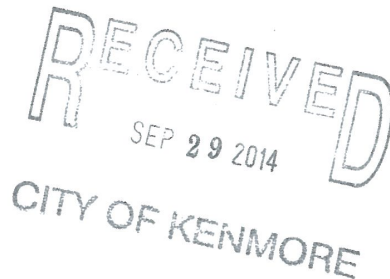
Dawn Masko, PFO Chairperson
Assistant City Administrator
City of North Bend
PO Box 896
North Bend, WA 98045
(425) 888-7630
DMasko@northbendwa.gov

Washington Finance Officers Association * 2601 Fourth Avenue, Suite 800 * Seattle, Washington * 98121-1280



August 15, 2014

Joanne Gregory, Finance Director
City of Kenmore
P O Box 82607
Kenmore, WA 98028



Dear Ms. Gregory:

The Washington Finance Officers Association and I would like to inform you that **Brian Randall** has earned the "Professional Finance Officer Award" for the State of Washington from the Washington Finance Officers Association. This annual award requires ongoing educational and professional excellence on the part of each individual and is not automatically awarded.

Brian is committed to achieving educational and professional excellence as acknowledged in the receipt of this award for 6 years.

The Association would like to thank you for your continued support and encourage you to recognize this accomplishment in some manner.

Sincerely,

Dawn Masko, PFO Chairperson
Assistant City Administrator
City of North Bend
PO Box 896
North Bend, WA 98045
(425) 888-7630
DMasko@northbendwa.gov

Washington Finance Officers Association * 2601 Fourth Avenue, Suite 800 * Seattle, Washington * 98121-1280

City of Kenmore, Washington Proclamation

WHEREAS, Leslie G. "Bud" Eaton was born in Niagara Falls, New York, on July 31, 1941 and passed away on October 4, 2014 from complications of a long illness; and

WHEREAS, Bud spent 42 years in the Fire Service, starting in the Kenmore Fire Department as a volunteer, working his way through all the ranks, and ending as Fire Chief; and

WHEREAS, he was Fire Marshal with the King County Fire Investigation Unit for the last 12 years before his retirement; and

WHEREAS, he loved history, especially the Civil War, and he knew the complete story of the Kenmore Fire Department and had been compiling its history for many years; and

WHEREAS, he was an active member of the Kenmore Heritage Society, where he helped to develop the City of Kenmore flag and worked on many other projects; and

WHEREAS, after his retirement, Bud served as President of the Kenmore Community Club and the Bothell High School Alumni Association; and

WHEREAS, he was an NRA Life Member and a volunteer and avid supporter of the Friends of NRA, and he was a member of the Masonic Ashler Lodge #121; and

WHEREAS, Bud and his wife Annette enjoyed classic cars and attended a special car show in Winnemucca, Nevada each summer for 24 years,

NOW, THEREFORE, BE IT RESOLVED that the Kenmore City Council does hereby honor Leslie G. "Bud" Eaton for his legacy of community service and involvement.

BE IT FURTHER RESOLVED that in appreciation and celebration of "Bud" Eaton, the Kenmore City Council proclaims November 9, 2014 to be

"BUD EATON DAY"

in the City of Kenmore, and urges all citizens to join with us in this observance.

IN WITNESS WHEREOF, signed this 3rd day of November, 2014.

Signed: _____
David Baker, Mayor

Attested: _____
Patty Safrin, City Clerk



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

Subject/Topic: Osborn Consulting 12-C1081: Amendment No. 2 Proposed Council Action/Motion: Authorize the City Manager to execute Amendment 2 with Osborn Consulting (Contract 12-C1081) to 1) increase the contract by an additional \$200,000 to \$1,006,000 and 2) extend the contract termination date to December 31, 2015.	For Council Meeting Agenda of: 11/3/2014 Department: <u>Engineering & Environmental Services</u> Prepared by: <u>Kris Overleese, PE</u> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%;"></td> <td style="width: 30%; text-align: center;"><u>Initial & Date</u></td> </tr> <tr> <td>Approved by Department Head:</td> <td style="text-align: center;">10/22/14 KMO</td> </tr> <tr> <td>Approved by City Attorney:</td> <td style="text-align: center;">NA</td> </tr> <tr> <td>Approved by Finance Director:</td> <td style="text-align: center;">Aug 10 22/14</td> </tr> <tr> <td>Approved by City Manager:</td> <td style="text-align: center;">[Signature]</td> </tr> </table> Exhibits/Attachments: Attachment A: Osborn Consulting Amendment No. 1 Agenda Item 5 Attachment B: Summary of Tasks		<u>Initial & Date</u>	Approved by Department Head:	10/22/14 KMO	Approved by City Attorney:	NA	Approved by Finance Director:	Aug 10 22/14	Approved by City Manager:	[Signature]
	<u>Initial & Date</u>										
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Approved by Finance Director:	Aug 10 22/14										
Approved by City Manager:	[Signature]										
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; text-align: center;">Expenditure Required NA</td> <td style="width: 33%; text-align: center;">Amount Budgeted NA</td> <td style="width: 33%; text-align: center;">Appropriation Required NA</td> </tr> <tr> <td colspan="3" style="text-align: center;">See 'Fiscal Consideration' Below</td> </tr> </table>		Expenditure Required NA	Amount Budgeted NA	Appropriation Required NA	See 'Fiscal Consideration' Below						
Expenditure Required NA	Amount Budgeted NA	Appropriation Required NA									
See 'Fiscal Consideration' Below											
<u>INFORMATION/BACKGROUND:</u> The City executed Agreement 12-C1081 with Osborn Consulting in January 2013 for an amount not to exceed \$425,000 to complete design of surface water and park capital projects, update the Surface Water Master Plan, evaluate Swamp Creek issues, and to provide technical assistance as needed (geotechnical engineering, survey, landscape design). The contract amount of \$425,000 was an estimate based on the projects adopted within the City's Capital Improvement Program in 2012 and operating budgets. Amendment 1 was authorized by City Council in December of 2013 to increase the contracting authority to \$806,000. See Attachment A for the Amendment No. 1 Agenda item. Staff recommends that Council authorize the City Manager to execute Supplement 2 to Osborn Consulting's agreement to complete work planned for 2015 including 1) SW-08 Tributary 0056 Erosion and Stream Repair and 2) SW-19 Little Swamp Creek Culvert Replacement at NE 192nd St. This supplement would increase the agreement from <u>\$806,000 to \$1,006,000</u>. To date, approximately \$570,000 of the existing contracting authority has been encumbered. See Attachment B for a current list of Tasks that have been executed to date. There are no retainers with this contract and tasks are created for each City project as needed. The City will release a new Request for Qualifications in 2015 for on-call consulting work, with services to begin in 2016. However, any projects started by Osborn in 2015 would be continued to completion.											
<u>FISCAL CONSIDERATION:</u> Staff recommends an increase to Osborn Consulting's contract to complete design work for parks and surface water capital improvement projects as well as providing technical assistance for geotechnical and surface water program issues. A task will not be given to Osborn unless budget resources exist within the Capital Improvement Program, consulting budget, or parks and surface water programs.											

The City reserves the right to award projects to Osborn as convenient for the City and as long as tasks fit within budget and the overall contract amount.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

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

Council Goal 5: To advance the public's access and connection to the waterfront.

Council Goal 7: To implement a Parks Improvement and Financial Plan.



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

Attachment A

Subject/Topic: Osborn Consulting 12-C1081: Supplement No. 1 Proposed Council Action/Motion: Authorize the City Manager to execute Supplement No. 1 to Osborn Consulting Agreement 12-C1081 for a new Contract total of \$806,000 (plus a 10% contingency).	For Council Meeting Agenda of: 12/09/2013 Department: <u>Engineering & Environmental Services</u> Prepared by: <u>Kris Overleese, PE</u> Initial & Date Approved by Department Head: <u>KNO 12/13/13</u> Approved by City Attorney: <u>NA</u> Approved by Finance Director: <u>[Signature] 12/13/13</u> Approved by City Manager: <u>[Signature]</u> Exhibits/Attachments: Attachment A: Osborn Consulting Council 2013 Award Attachment B: Summary of Tasks	
Expenditure Required NA	Amount Budgeted NA See 'Fiscal Consideration' Below	Appropriation Required NA
<u>INFORMATION/BACKGROUND:</u> The City executed Agreement 12-C1081 with Osborn Consulting in January 2013 for an amount not to exceed <u>\$425,000</u> to complete design of surface water and park capital projects, update the Surface Water Master Plan, evaluate Swamp Creek issues, and to provide technical assistance as needed (geotechnical engineering, survey, landscape design). The contract amount of \$425,000 was an estimate based on the projects adopted within the City's Capital Improvement Program in 2012 and operating budgets. See Attachment A for the January 14, 2013 Council Agenda item. The City currently has three on-call consulting contracts: Osborn Consulting for surface water/parks, Perteet for transportation issues, and Gray & Osborne will continue to complete the 0057 culvert project (no additional or new projects will be assigned). Staff recommends that Council authorize the City Manager to execute a supplement to Osborn Consulting's agreement to complete additional work. This supplement would be Supplement No. 1 to Agreement 12-C1081 and would increase the agreement from <u>\$425,000 to \$806,000 (plus a 10% contingency)</u>. To date, approximately \$403,727 has been encumbered of the original contract which is set to expire at the end of 2014 (but may be extended at the City's discretion). There are projects that weren't anticipated during development of Osborn's original contract including Rhododendron Park and the Swamp Creek Subbasin Project (Ecology grant). For other projects, the scale was reduced/increased: the 74th Avenue Culvert Project was removed, Northshore Summit Park scope was expanded, and the Surface Water Master Plan fee was higher. See Attachment B for a current list of Tasks (1-12) that have been executed to date and a list of anticipated future needs. There are no retainers with this contract and tasks are created within Osborn's contract for each City as needed. <u>FISCAL CONSIDERATION:</u> Staff recommends an increase to Osborn Consulting's contract to complete design work for parks and surface water capital improvement projects as well as providing technical assistance for geotechnical and surface water program issues. A task will not be given to Osborn unless budget resources exist within the Capital Improvement Program or parks and surface water programs.		

Listing a task/project within Attachment B does not commit the City to utilize Osborn Consulting for this work. Attachment B is Staff's method of tracking the work, tasks that have been authorized, and summarizing future work to identify the needed Osborn contract amount. The City reserves the right to award projects to Osborn as convenient for the City and as long as tasks fit within budget and the overall contract amount.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

City Council Goal #2 : To continue to seek transportation funding and mitigation for State impacts on the city's transportation system, air-water quality, and noise to include but not limited to SR 522, Sammamish River Bridge, local roads and Lake Washington sediment depths.

City Council Goal #5: To advance the public's access and connection to the waterfront.

City Council Goal #11: To move the City Council's Interconnectivity Vision forward toward a parks improvement and financing plan implementation (parks, trails, open space, etc.).

City Council Goal #12: To address watershed issues affecting the City.

Contract Administration - Task Order Tracking**Osborn Consulting****On-Call Surface Water Services****Contract No. 12-C1081 Expires December 31, 2014****Total Contract Amount \$425,000**

Task Order No.	Description	TO Subtotal	TO Total Amount	Comments
Contract 12-C1081	Consultant Services	\$425,000.00	\$425,000.00	

Task Order 01	Contract Administration	\$5,000.00	\$10,000.00	ongoing
TO 01 Amend. 1	Contract Administration	\$5,000.00		
Task Order 02	Rapid Response	\$16,000.00	\$21,000.00	ongoing: SW -3 Juanita Ditch review, review of SW-8 61st embankment project, review of SW-12 74th Ave culvert replacement
TO 02 Amend. 1	Rapid Response	\$5,000.00		
Task Order 03	Swamp Creek Sedimentation	\$3,000.00	\$3,000.00	complete: eval Swamp Creek Sediment pond
Task Order 04	Log Boom Park	\$5,000.00	\$0.00	not executed: planting plan
Task Order 05	Landslide Area Geotechnical	\$3,000.00	\$3,800.00	complete
TO 05 Amend. 1	Landslide Area Geotechnical	\$800.00		
Task Order 06	Northshore Summit Park	\$84,901.00	\$101,167.00	ongoing
TO 06 Amend. 1	Northshore Summit Park	\$16,266.00		
Task Order 07	Rhododendron Park	\$15,000.00	\$76,240.00	ongoing
TO 07 Amend. 1	Rhododendron Park	\$2,300.00		
TO 07 Amend. 2	Rhododendron Park	\$49,330.00		
TO 07 Amend. 3	Rhododendron Park	\$9,610.00		
Task Order 08	not utilized			
Task Order 09	Surface Water Master Plan	\$137,970.00	\$173,170.00	ongoing complete: swamp creek sediment survey Amend #2 not executed
TO 09 Amend. 1	Surface Water Master Plan	\$3,200.00		
TO 09 Amend. 2	Surface Water Master Plan	\$32,000.00		
Task Order 10	Update Prototype Cost Est.	\$3,400.00	\$3,750.00	ongoing
TO 10 Amend. 1	Update Prototype Cost Est.	\$350.00		
Task Order 11	73rd Street Planting Plan	\$4,500.00	\$4,500.00	completed (did not use entire budget)
Task Order 12	Arrowhead Site Soil Conditions	\$2,100.00	\$2,100.00	complete

Total Amount Obligated **\$403,727.00** **\$398,727.00**

Total Amount Remaining **\$21,273.00**

Future Tasks	Swamp Creek Subbasin Ecology LID	\$120,000.00	100% Ecology Grant Funded SWM and Operations Budget
	Citywide Geotechnical Assistance	\$15,000.00	
	SW 19 - 192nd Culvert	\$40,000.00	
	SW 7 - NE 187th Street bypass	\$40,000.00	
	Rhododendron Park 2014 work	\$106,000.00	
	P 6 - Moorlands Park	\$60,000.00	
		\$381,000.00	

New Contract Total = **\$806,000.00**

10% contingency = \$80,600



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

Subject/Topic: Surface Water and Park Project Assistance: Consultant Selection	For Council Meeting Agenda of: January 14, 2013										
Proposed Council Action/Motion: Authorize the City Manager to execute Contract No. 12-C1081 for \$425,000 (plus a 10% contingency) with Osborne Consulting, Inc.	Department: Engineering & Environmental Services Prepared by: Kris Overleese, PE <table border="0"> <tr> <td></td> <td align="right"><u>Initial & Date</u></td> </tr> <tr> <td>Approved by Department Head:</td> <td align="right">KHO</td> </tr> <tr> <td>Approved by City Attorney:</td> <td align="right">NVA</td> </tr> <tr> <td>Approved by Finance Director:</td> <td align="right">J. G. 1/21/13</td> </tr> <tr> <td>Approved by City Manager:</td> <td align="right">J. G. 1/21/13</td> </tr> </table> Exhibits/Attachments: Attachment A: Daily Journal of Commerce Ad		<u>Initial & Date</u>	Approved by Department Head:	KHO	Approved by City Attorney:	NVA	Approved by Finance Director:	J. G. 1/21/13	Approved by City Manager:	J. G. 1/21/13
	<u>Initial & Date</u>										
Approved by Department Head:	KHO										
Approved by City Attorney:	NVA										
Approved by Finance Director:	J. G. 1/21/13										
Approved by City Manager:	J. G. 1/21/13										
Expenditure Required \$ 425,000	Amount Budgeted \$ 425,000	Appropriation Required \$ 0									
<u>INFORMATION/BACKGROUND:</u> The City utilizes consultants for surface water and parks projects, environmental evaluation and permitting, and planning. The surface water management and parks projects/tasks needing assistance include: design, survey, right of way acquisition, geotechnical review, permitting, environmental review, construction management services, National Pollutant Discharge Elimination System (NPDES) compliance guidance, and planning. In 2012, the City had two surface water engineering on-call consultant contracts, a right of way acquisition contract, and a survey on-call contract. In November of 2012, the City advertised for a new surface water/parks on-call consultant. Please see the attached Daily Journal of Commerce advertisement. The term of the agreement will be for two years, with the opportunity to extend at the City's discretion. The City received nine submittals and a multi-disciplinary team of planning, engineering, surface water, and operations staff interviewed four firms: TetraTech, Osborne Consulting, SVR, and AHBL. References were checked and the staff team selected Osborne Consulting, Inc due to their practical experience, low impact development (LID) experience, demonstrated ability to create and update Surface Water Master Plans, ability to communicate, and culvert design experience.											

FISCAL CONSIDERATION:

The agreement with Osborne Consulting, Inc. will expire December 31, 2014 with the option to extend. The contract value will be \$425,000. No retainer is paid for on-call consultants. A "task order" is formally written and executed for any work given under this agreement.

The City Engineer will manage the overall agreement for compliance and parks, operations, surface water, and engineering staff will manage "task orders" as needed. The City Engineering will approve all task order assignments and task order amendments. The funds to pay for the work in the agreement are within individual projects budgets and line items. The significant tasks to be completed with this agreement may include:

- SW1 Tributary 0057 Channel Relocation: engineering services during construction and construction management
- SW3 Juanita Ditch Grading
- SW9 Swamp Creek Regional Basin Study
- SW12 74th Avenue NE Culvert Replacement
- NPDES Phase II Permit evaluation and compliance support
- Update of the Surface Water Master Plan
- P11 Log Boom Park Bridge Replacement
- SW19 192nd Street Culvert
- surface water investigation support
- Grant Writing

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

The consultant team will work on Parks projects, Surface Water projects, and Transportation projects. The work they do will support:

Council Goal 8: move the City's interconnectivity vision forward toward implementation.
Council Goal 10: Address watershed issues affecting the City.



DAILY JOURNAL OF COMMERCE

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City of Kenmore Surface Water Project Design Submittal Date: Nov. 20

CITY OF KENMORE REQUEST FOR QUALIFICATIONS FOR PROFESSIONAL ENGINEERING SERVICES No. 12-C1081

Title: On-Call services for Surface Water Project Design, Environmental Evaluation/Permitting, Parks Project Assistance and Surface Water Master Plan Update

Due Date: Submittals must be received no later than 5:00 p.m., Tuesday, November 20, 2012. Submittals received after this time and date will not be considered.

Scope: The City of Kenmore is requesting Statements of Qualifications (SOQ) from interested and qualified engineering firms to provide professional services to 1) design and assist with construction of surface water and parks projects, including culvert replacements; 2) update of the Surface Water Master Plan; 3) general surface water program and park project evaluation assistance (municipal permit programs, low impact development, sampling, inspections, education, training, wetland delineation, modeling) including landslide evaluation and design; 4) assistance with site evaluation and parks project site review for stormwater, wetlands, permitting; and 5) surface water and parks grant writing.

The projects may include, but are not limited to: Tributary 0057 relocation, NE 187th Street bypass, Swamp Creek regional basin study assistance, 74th Avenue NE culvert replacement, NE 192nd Street culvert replacement, update to the Surface Water Master Plan, and parks projects.

The project assistance need includes, but is not limited to: design, survey, modeling, SEPA/NEPA document creation, permitting (Ecology, WDFW, etc.) geotechnical evaluation, wetland delineation and site evaluation, right-of-way acquisition, engineering services during construction, construction inspection, and community education.

The Consultant (or team) shall be experienced with public involvement, surface water sys-

tem and stream design, surface water system modeling, environmental permitting process, water quality and stormwater sampling, erosion control, and Surface Water Management Plan creation and updates. The Consultant must have experience planning and evaluating projects utilizing the King County 2009 Surface Water Design Manual and relevant codes and standards.

The City encourages disadvantaged, minority, and women-owned consultant firms (or teams) to respond.

Telephone calls or any other inquiries seeking additional information about the work included in this request will **NOT** be accepted or returned.

The on-call contract will be for 2 years with the option to extend at the City's discretion. The approximate dollar value of the contract is \$350,000.

Submittal: Interested parties shall submit four (4) copies of their SOQ. Submittals shall not exceed 20 single-sided pages in 12 point font. Submittals shall be addressed to:

Kris Overleese, City Engineer
City of Kenmore
P.O. Box 82607
Kenmore, WA 98028

Selection Process: Submittals will be evaluated and ranked based on the following criteria (total of 100 points):

1) Key personnel for surface water design, Surface Water Master Plan update, Low Impact Design (LID), and environmental permitting (35 points); 2) Firm/team experience with similar type municipal projects (20 points); 3) Team experience with environmental and permitting process (15 points); 4) Experience with surface Low Impact Development (15 points); and 5) Familiarity with relevant codes and standards (15 points).

The City intends to review and evaluate the SOQs, then select and interview up to four firms. While the City intends the interview to be less formal, firms will be evaluated based on 1) ability to communicate (30 points); 2) demonstrated ability provide the requested technical assistance (30 points); 3) demonstrated ability to manage projects and meet commitments; 4) demonstrated ability to provide quality control

(20 points); and 5) ability to work together as a team (20 points).

The City will check references for up to two firms and reserves the right to select the firm that the City believes best meets its needs.

The Recipient (the City), in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d to 2000d-4 and Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation issued pursuant to such Act, hereby notifies all bidders that it will affirmatively ensure that in any contract entered into pursuant to this advertisement, disadvantaged business enterprises as defined at 49 CFR Part 23 will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, national origin, or sex in consideration for an award.

Dates of publication in the Seattle Daily Journal of Commerce, November 6 and 8, 2012.

11/8(290160)

Phone (206) 622-8272 • Fax (206)-622-8416 • legals@dj.com



Osborn Consulting
1800 112th Ave NE, Suite 220-E
Bellevue, WA 98004-2962
425.451.4009

10-120052 Kenmore Surface Water On-Call (Contract #12-C1081)

Task Order	Task Budget	Notes
TO 01: Contract Administration	\$15,000.00	
TO 02: Rapid Response	\$26,000.00	
TO 03: Swamp Creek Sedimentation	\$3,000.00	Completed
TO 04: Logboom Park	\$3,000.00	Completed
TO 05: Landslide Area Geotechnical	\$3,800.00	Completed
TO 06: Northshore Summit Park	\$106,255.00	Completed
TO 07: Rhododendron Park	\$83,420.00	
TO 08: Squire's Landing Boardwalk	\$0.00	
TO 09: Surface Water Master Plan	\$169,970.00	
TO 10: Prototype Facility Development Cost Updates	\$3,750.00	Completed
TO 11: 73rd Street Planting Plan	\$4,500.00	Completed
TO 12: Geotechnical Site Soil Report Review	\$2,100.00	Completed
TO13: 185th LID	\$120,000.00	
TO14: 192nd Culvert	\$29,294.55	Completed
Total:		\$570,089.55

Total On-Call Budget 2013-2014:	\$806,000.00
Total Funds Committed:	\$570,089.55
Remaining Available (Uncommitted) Funds:	\$235,910.45



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

Subject/Topic: SR 522 West A Project Agreements with Utilities Proposed Council Action/Motion: Approve SR 522 West A Project Agreements with: Comcast (14-C1332) and; Northshore Utility District (14-C1335).	For Council Meeting Agenda of: 11/3/2014 Department: <u>Engineering</u> Prepared by: <u>Kent Vaughan</u> To Be Presented By: <u>N/A</u> Approved by Department Head: <u>KMO 10/30/14</u> Approved by City Attorney: <u>via email</u> Approved by Finance Director: _____ Approved by City Manager: _____ Exhibits/Attachments: Attachment A - Comcast Agreement (14-C1332) Attachment B - Northshore Utility District Agreement (14-C1335)						
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Expenditure Required:	Amount Budgeted	Appropriation Required					
See Fiscal Consideration Below							
<u>INFORMATION/BACKGROUND:</u> Project Status: Staff is busy making final arrangements to advertise the West A project for bids in November. Design is now complete and all property rights to construct the project have been acquired. Out of 22 larger parcel acquisitions for West A, there were a total of 17 Settlements, 2 Voluntary Possession & Use Agreements and 3 Condemnations. The latter 5 parcel acquisitions will be resolved either through negotiating a final settlement with the property owners in the next few months or through the Court system. Court dates for the 3 condemnation cases are scheduled in February 2015. Project Agreements: The above listed Utility Owners have work that is incorporated into the West A project. The attached project agreements assign project responsibilities between the Utility Owners and the City in accordance with adopted franchise agreements, tariffs and State law, and provide pre-construction assessments of cost to the Utility Owner. Below is a summary of the project agreements for Council approval. Northshore Utility District (District): The District has requested that the water and sanitary sewer work necessary as a result of West A be constructed and administered with the City project. The District has provided the design plans and specifications that have been incorporated into the City's contract documents. The District's work has been organized in its own bid schedule (Schedule B) for tracking purposes. The engineer's estimate for Schedule B work is \$638,245. Per the project agreement, the District will be responsible for all Schedule B costs. The District will also reimburse the City for the District's proportional shared costs of traffic control, erosion control, utility coordinator, and construction management services estimated at \$109,305. Total pre-construction estimate of District project cost: \$747,549							

S:_T-6-SR 522 West A\Council\2014-11-03-SR 522 West A Project Utility Agreements\2014-11-03-Agenda Bill.docx

Comcast: In accordance with Comcast's Franchise Agreement with the City (2012), Comcast will pay for its direct costs of labor and material to place its conduits and vaults in the supplied joint trench and its proportionate share of labor necessary to complete the Cable System related engineering coordination with the other utilities involved in the project. Per their franchise agreement, Comcast does not pay for on-site coordination and performance of traffic control, trenching, backfill and restoration.

Total pre-construction estimate of Comcast project cost: \$128,356

Staff Recommendation:

Staff has negotiated the terms of these project agreements and the project agreements have been reviewed by the City Attorney. Staff recommends that Council approve the project agreements at this time. There are 4 remaining project agreements for the utility conversion work with PSE, Frontier, University of Washington, and Seattle City Light that will be brought forward later this month for Council approval once the terms of the agreement are finalized.

FISCAL CONSIDERATION:

Estimated costs for the joint utility trench and water/sewer work are included in the approved West A project budget. Final costs and reimbursements will be "trued up" once construction is complete and actual costs are known.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

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

14-C1332

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

THIS AGREEMENT is made and entered into this _____ day of _____, 2014, by and between City of Kenmore, a political subdivision of the State of Washington ("City"), and Comcast; and

WHEREAS, the City has concluded that the SR 522 West A project, from 61st Ave NE to 65th Ave NE, CIP Project T-6 is necessary in order to enhance traffic flow along SR 522 and improve vehicle and pedestrian safety ("Project"); and

WHEREAS, the Project is supported by the City Council and endorsed by the Washington State Department of Transportation (WSDOT) and King County Metro; and

WHEREAS, the City is the lead agency for the construction of the Project and WSDOT will provide certification acceptance authority during the Design, Right of Way and Construction Phases of the Project; and

WHEREAS, the Project requires trenching within the right of way for the placement of facilities of utility service providers, including Comcast and others ("Joint Trenches"); and

WHEREAS, Comcast desires to secure the services of the City to install an underground conduit and vault system, and other associated facilities and Comcast desires to cooperate in the planning, engineering, design and other work for such installation, when and where such Joint Trenches will be of mutual advantage in meeting the requirements of Comcast and the City for underground facilities service; and

WHEREAS, Comcast finds that it is in the best interest of its customers to work jointly with the City on the Project and to include necessary items of work in the City's construction of the Project; and

WHEREAS, the City finds that it is in the best interest of the public for the City to work jointly with Comcast to accomplish the Project;

NOW, THEREFORE, the foregoing recitals are true and correct and are incorporated in this Agreement and it is further mutually agreed as follows:

I. PURPOSE

The purpose of this Agreement is to provide for the joint bidding and contracting of Comcast's utility installation project with the City's Project. This Agreement will facilitate installation of Comcast's facilities in Joint Trenches, which will be located within City rights-of-way or private property in the Project area. The parties also intend this Agreement to set forth the terms and conditions of the City's engineering, inspection, and contract administration services on behalf of Comcast.

II. DURATION OF AGREEMENT

This Agreement shall become effective immediately upon execution of the parties and shall remain in effect until there has been acceptance of the work by Comcast, unless terminated sooner, as provided herein. It is anticipated that the Project will be completed by December 31, 2016.

III. INCORPORATED CONTRACT DOCUMENTS

The Contract Documents for the Project are hereby incorporated into this Agreement, including the 2014 WSDOT Standard Specifications (hereinafter the "Standard Specifications"). The Contract Documents show in detail the location of the Joint Trenches and vaults. Comcast has approved the designs for the Joint Trench and vaults as shown in the Contract Documents.

Should any terms conflict between this Agreement and the Contract Documents, than the terms of the Contract Documents shall prevail.

IV. CITY'S WORK

A. The City will undertake the Project as described in the Contract Documents. The City reserves the right to determine not to undertake the Project or to discontinue the Project at any time. In the event that the City determines not to undertake the Project, it shall provide written notice to Comcast the effect of which shall be to terminate this Agreement. In the event that the City determines to discontinue the Project, the rights and responsibilities of each party upon such termination shall be as provided in Section VIII below.

B. The City will be the lead agency for the Project and will be responsible for compliance with WSDOT's Local Agency Guidelines. WSDOT will provide certification acceptance authority during the Design, Right of Way and Construction phases of the Project. The City Engineer or designee shall act as the administrator and the City's representative for this cooperative undertaking.

C. The City will include Comcast's scope of work, plans and specifications for the installation of Comcast's underground conduit and vault system, and other associated facilities, hereinafter referred to as the **"Telecommunications System"** in the City's Project.

D. The City shall be responsible for the competitive bidding, award, administration and construction of the Project, and may enter into a contract with the successful bidder.

E. As required by State law, award of the bid shall be to the lowest responsible bidder (referred to herein as the "Contractor") submitting a responsive bid for the entire Project, which shall include the Telecommunications System work.

F. The City shall administer the contract and make payments to the Contractor.

G. The City shall perform all inspections and acceptance of the construction work for conformance of the work with the Contract Documents. Inspection of construction activities shall not constitute a guarantee or warranty of the adequacy of performance.

H. Daily Inspection reports completed by the City will be available in the construction management office for inspection and copying by Comcast.

I. The City's Contractor will excavate the trenches, accommodate and coordinate the installation of underground utilities, install vaults and conduits, furnish and install bedding material, backfill and compact the trenches, and perform any restoration required by the Contract Documents. The Contractor will exercise reasonable care in the performance of the work herein provided for, and will install Comcast's conduit and utility vaults in accordance with the Contract Documents.

J. If there is any discrepancy between the City's Contract Documents and Comcast's telecommunications system plans, the parties mutually agree to work together to resolve such discrepancy.

K. The City shall keep reasonably itemized and detailed progress payments covering the cost of construction and consulting services. Upon installation and completion of Comcast's Telecommunication System, the City will determine the actual cost of construction and other costs attributable to Comcast's Telecommunication System, including but not limited to proportional shares of Schedule A bid item costs (Mobilization, Utility Coordinator, Erosion Control) and Construction Management Consultant Services provided by the City. Comcast agrees to pay all construction costs associated with the Telecommunication System.

L. The City shall provide Comcast a reproducible copy of the Project "as built" plan sheets showing its completed utilities, provided that construction of said utilities has been completed under the terms of this Agreement.

M. The City reserves the right to review and reject plans and specifications for installation of any utility facilities not in compliance with City standards or not in conformance with the City's Contract Documents for the Project.

N. The City's Contractor shall prepare a schedule of the work ("Project Schedule") in accordance with the Contract Documents for the parties to review. Comcast shall review and make written comments concerning the Project Schedule for coordination and completion of Comcast's Work (as defined herein) in a timely manner. If Comcast does not provide the City with its written comments regarding the Project Schedule within ten (10) working days, the Project Schedule shall be considered accepted by Comcast. The City and Contractor will review Comcast's comments and will work with Comcast to reconcile those comments to arrive at a mutually acceptable Project Schedule that accommodates Comcast's Work. Once the Project Schedule has been agreed upon, Comcast agrees to timely perform its portion of the work on the Telecommunication System and its other duties under this Agreement in conformance with the Project Schedule.

O. The City or its Contractor, will provide the labor and equipment for the off-loading and storage of Comcast duct and vault materials to the job site. The City's Contractor will provide secure staging and storage areas for duct and vault materials provided by Comcast. The City's Contractor shall be responsible for the security and condition of these materials until they are installed and accepted by Comcast or returned to Comcast's custody.

V. COMCAST'S WORK

A. Comcast shall coordinate its activities with the City's Contractor and other utility crews on a continuous basis. This coordination shall include, but not be limited to the following:

1. An authorized representative of Comcast shall attend the Preconstruction Meeting;
2. The City's Contractor shall prepare the Project Schedule, in accordance with the Contract Documents. Comcast shall complete its work in accordance with the Project Schedule. Comcast will not be held liable for any delays in the Schedule prior to the commencement of their work. Comcast will only start its work after significant sections of vault and conduit are in place to ensure that Comcast or its contractor's crews will not have to adjust their working schedule to accommodate another utility that is trying to work in the same area.

3. A weekly meeting will be held in which the City's Contractor will provide a schedule and list of materials needed for the following two weeks (hereinafter the "Bi-Weekly Schedule"). Comcast will have five (5) working days to deliver the list of materials given to them at the weekly meeting. An authorized representative from Comcast shall attend each weekly meeting and provide weekly progress reports. The Comcast representative shall be responsible for coordinating the delivery of materials in accord with the Bi-Weekly Schedule at these weekly meetings.
4. Comcast shall furnish all materials including vaults, conduits, and all other materials necessary for installation of the vaults and conduits required by the City's Contractor for that week, not less than five (5) working days prior to the date that the work is scheduled based upon the weekly meeting. The City's Contractor shall provide a location to Comcast of where the materials shall be delivered, off loaded by the City's contractor and placed in a secure area. Comcast will have a representative present when materials are delivered to the site to verify materials are not damaged and are appropriate for the work.
5. Comcast will provide an inspector on-site, on 24 hours notice, to inspect the installation of all vault and conduit installation work. Comcast will not provide a daily on-site inspector, but will with 24 hours notice provide an inspector to inspect the requested area of a joint trench for the placement of their vaults and conduits. Comcast's inspector shall not direct the City's Contractor in any manner; the Comcast inspector shall communicate all requests and comments directly to the City's inspector.

B. The City will provide Comcast written notice that the Contractor has completed installation of Comcast's conduit and vault materials (hereinafter the "Completion Notice"). Within ten (10) working days after receipt of the Completion Notice, Comcast will issue written notice of any deficiencies or other items requiring completion or will issue written notification of acceptance. The City will review the noted deficiencies and other items and will order the Contractor to complete the approved items. If Comcast fails to respond to the Completion Notice within ten (10) working days, the Comcast conduit and vault system shall be considered complete and accepted by Comcast.

C. Once significant sections of vault and conduit installation are completed by the City (as determined by the City), and accepted by Comcast, the City will issue a Notice to Proceed to Comcast to commence installation of its conductors and equipment. Comcast will not have to adjust their working schedule to accommodate another utility, such as PSE or Frontier that are trying to work in the same area. Comcast shall complete installation of the conductors and equipment within fifteen

(15) working days from the City's Notice to Proceed. Comcast shall notify the City in writing when the new underground system is energized. Comcast will coordinate its conductor and equipment installation such that Comcast, or its contractor, will install as much of this equipment as possible prior to completion of the entire vault and conduit system by the City's Contractor. The City shall have the right to extend the time for completion based upon the progress or installation of the vaults and conduit and in order to coordinate various utilities and the Contractor.

D. Comcast will be responsible for system installation and wreck-out work associated with the installation. This work shall include, but not be limited to furnishing and installing all cables, conductors and electrical equipment for the conversion to underground; and for the removal of other equipment no longer needed.

E. Comcast will perform cut-over and transfer of existing customers and facilities to the new underground system where applicable within 15 working days. Comcast will notify such customers in writing 48 hours in advance of the pending outage. A copy of the notice shall be provided to the City or its representative when it is provided to customers. As provided in Section VI below, Comcast shall reimburse City for its share of installation of Comcast supplied materials and structures for private connections serving existing customers.

F. Once transfer of existing customers and facilities to the new underground system is complete, Comcast will remove all overhead systems (if any) within 5 working days.

G. Traffic control plans must be approved in advance by the City and WSDOT before implementation by Comcast. Comcast or its contractor will provide traffic control and flaggers for installation of new underground conductor and devices along with overhead construction and removal when required. Comcast will coordinate its traffic control with other utilities, the City's contractor and the City. In the event that lane closures are necessary for performance of work, Comcast shall be limited to working between the hours of 9AM to 3PM and must maintain two lanes in either direction of traffic on SR 522. The initial traffic control plan will be reviewed by the City and WSDOT in 15 working days and subsequent reviews will be completed in 10 working days. Driveway access to property owners shall remain open during Comcast's work. If alternate routes are needed to access businesses and residents, Comcast shall clearly identify the route changes and notify businesses, residents and City of the changes at least 48 hours in advance of the change. Traffic control plans must be approved 10 working days in advance by the City before implementation by Comcast.

H. All work required by Comcast that is not shown on the Contract Documents, including but not limited to trenching, cable, conduit, and equipment installation, will be the responsibility of Comcast. Comcast shall coordinate with private property owners in order to not delay the City's schedule. Coordination of

work, and payment for necessary easements or agreements from private property owners, is the responsibility of Comcast.

I. At the completion of the Project, Comcast will collect and haul off any of its unused materials from the Project staging area within 15 working days of being notified.

J. Comcast shall maintain any utility facilities constructed under this Agreement from the date of acceptance of the facilities by Comcast. The cost of any future improvements and/or maintenance, repairs, or corrections to any utility facilities covered under the terms of this Agreement shall be the exclusive responsibility of Comcast in accordance with this Agreement.

VI. COST ALLOCATION

A. Lump sum. Comcast shall pay the estimated lump sum of \$128,356 (see Exhibit A) to the City as an advance deposit for reimbursement of the City's work under this Agreement. The estimated lump sum includes Comcast's portion of the joint trenches, decided by the number of conduits placed, the extra excavation and placement costs for their vaults and a per foot price for the conduit placed. This compensation covers estimated installation costs, and proportional share costs of mobilization, utility coordinator, erosion control, and construction management and inspection costs. This amount does not include any additional change order expenses that are caused by Comcast.

The parties acknowledge that Comcast will need at least 30 calendar days after receiving notice of the estimated lump sum amount to be able to meet the payment schedule below.

B. Comcast shall pay the estimated lump sum as follows:

1. 20% of the total estimated lump sum within thirty (30) calendar days of the signing of this Agreement.

2. 30% of the total estimated lump sum not more than sixty (60) calendar days after the City's Contractor has completed 50% of the utility undergrounding work.

3. The remaining 50% of the total estimated lump sum not more than sixty (60) calendar days after the City's Contractor has completed 100% of the underground utility work.

4. If the actual cost of Comcast's portion of the underground work exceeds the "estimated lump sum" referenced in subsections 1-3, Comcast shall

pay the remaining actual costs to the City within 30 calendar days of receiving an invoice in accordance with section IV (K).

5. The City will provide Comcast with advance notice of reasonably expected dates of completion of 50% and 100% of the underground utility work. Comcast agrees to initiate internal funding request procedures at the time that the advance notice is provided, so that Comcast's payments will be made as soon as possible after the actual completion dates, and within the maximum number of days specified in Paragraphs 1 through 4 above.

C. Change Orders. Payment for change orders shall be determined based upon the following:

1. **By City.** Comcast agrees to pay its share, as determined by the City based upon Section 1-09.4, Equitable Adjustment, 2014 Standard Specifications, of any additional expenses incurred that are attributable to errors in their design or conflicts not accounted for in the design, as well as additional expenses due to any delays caused by Comcast.
2. **By Comcast.** Approval of change orders requested by Comcast shall be obtained from the City. Comcast shall submit any change requested to be performed by the City's Contractor to the City's Resident Engineer. The City's Resident Engineer shall submit change order requests to the City's Contractor; obtain a price from the City's Contractor to perform the work, and notify Comcast of this price. Comcast shall have 24 hours with which to respond. Comcast shall be liable to the City for all additional costs incurred by the City to perform additional work.

D. Claims by City's Contractor. Comcast agrees to pay the entire cost of any claims made by the City's Contractor that are determined by the City to be caused by Comcast or related to Comcast's activities. These claims may include, but are not limited to, claims for delays caused by untimely installation of Comcast facilities, delays caused by Comcast's failure to timely provide materials, and any other claims caused by Comcast based upon disputes between the City's Contractor and Comcast's Contractor or Comcast's inspector.

VII. HOLD HARMLESS & INDEMNITY

A. 1. Comcast shall hold harmless, indemnify and defend the City, its officers, appointed and elected officials, employees, consultants, contractors and agents, from and against any and all claims, inquiries, administrative proceedings, actions, suits, liability, loss, expenses, damages, fines, assessments, penalties, and judgments of any nature whatsoever, including costs and attorney's fees in defense thereof, caused by or related to Comcast's work, activities, negligence, errors,

breach of contract, and omissions including those of its employees, contractors, agents, and in the performance of this Agreement or by reason of Comcast's participation in this Project. PROVIDED FURTHER (and in no way limiting the generality of the foregoing) that in the event of the concurrent negligence of the parties, Comcast's obligations hereunder shall apply only to the percentage of fault attributable to Comcast, its officers, officials, employees, assigns, or and agents.

2. Comcast shall hold harmless, indemnify and defend the City, its officers, appointed and elected officials, employees, and agents from and against any and all claims, costs, expenses, actions, suits, liability, loss, damages and judgments of any nature whatsoever, including costs and attorney's fees in defense thereof, caused by or relating to Comcast's failure to timely complete Comcast's work.

B. Comcast specifically and expressly waives Comcast's immunity under the Washington Industrial Insurance Act, Title 51, only to the extent necessary to provide the City with a full and complete indemnity of claims made by the employees of Comcast and its contractors and subcontractors. The parties acknowledge that these provisions were specifically negotiated and agreed upon by them.

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

VIII. TERMINATION

The City has the right to terminate this Agreement if the City determines not to undertake the Project or to discontinue the Project. If the City determines to not undertake this Project or otherwise terminates this Agreement, the City shall reimburse Comcast for all labor, material, and equipment costs incurred prior to termination in accordance with the Contract Documents. Comcast waives any consequential damages related to such a termination.

IX. DISPUTE RESOLUTION

A. The City shall have the right to make the final determination as to the acceptability of all work.

B. If a dispute arises between Comcast and the City, both parties mutually agree that they will attempt to resolve the issues through mutual negotiation. In the event that the parties are not able to reach an agreement through such negotiation, the parties agree to engage in mediation in order to resolve the dispute. Mediation may be requested by either party, and shall be attempted prior to commencing any lawsuit. The parties agree to share the costs of mediation equally. In the event that mediation is unsuccessful and either party finds it necessary to commence legal

proceedings to resolve the dispute, all such legal proceedings may only be brought in the Superior Court of King County, Washington. The prevailing party in any dispute shall be entitled to recover as costs of such a lawsuit its reasonable attorney's fees.

X. DISPOSITION OF ASSETS

Comcast owns and shall continue to own all personal property installed as part of the Project. These items are generally shown on the Telecommunications System Plans.

XI. CHANGES AND MODIFICATIONS

Either party may request changes, amendments, or additions to any portion of this Agreement. However, no such changes, amendments, or addition to any portion of this Agreement shall be valid or binding upon either party unless it is in writing and executed by both parties. All amendments shall be attached to and made part of the amended Agreement.

XII. NOTICES

Unless otherwise directed in writing, notices, reports and payments shall be delivered to each party as follows:

For the City:

Attn: Kristen Overleese, PE
City Engineer
Or her Designee
City of Kenmore
PO Box 82607
Kenmore, WA 98028-0607

For Comcast:

Attn: Raymond Pilkenton
Engineering/Construction Coordinator
Comcast OSP Engineering / Construction
King County / I-90 North
1525 75 ST SW #200
Everett, WA. 98203

Notices mailed by either party shall be deemed effective on the date mailed. Either party may change its address for receipt of reports, notices, or payments by giving the other written notice of not less than five (5) working days prior to the effective date.

XIII. CONFLICTS BETWEEN ATTACHMENTS REFERENCED DOCUMENTS AND TEXT

Except as set forth in Section III of this Agreement, should any conflicts exist between any attached or referenced document, exhibit or schedule and the text of this Agreement, the text of this Agreement shall prevail.

XIV. ENTIRE AGREEMENT GENERAL PROVISIONS

A. These provisions represent the entire agreement of the parties and may not be modified or amended except as provided herein. Any understanding whether oral or written which is not incorporated herein is expressly excluded.

B. This Agreement does not create a joint venture or partnership.

C. This Agreement is not intended to benefit or to be enforced by any third-party.

D. Comcast agrees to comply with the requirements of the Prevailing Wage Act (RCW 39.12) and agrees to file all required forms and statements deemed necessary by the City to comply.

IX. OTHER RIGHTS AND DUTIES CONTROLLED BY FRANCHISE

All other rights and duties of Comcast and the City of Kenmore concerning this Agreement are governed by the franchise between Comcast and the City of Kenmore, as it presently exists and as it may be hereafter amended.

Dated this _____ day of _____, 2014

CITY OF KENMORE

COMCAST

By: _____
Rob Karlinsey, City Manager

By: Stewart

Name: STEWART

Date: _____

Its RVP ENG

APPROVED AS TO FORM:

By: _____
City Attorney

Date: _____

EXHIBIT A
COST ESTIMATE

COMCAST COSTS

Estimated Costs to install Conduits / Vaults				
CONDUIT 4 IN. DIAM. - INSTALL	L.F.	\$3.80	8814	\$33,493
444LA PRECAST HANDHOLE - INSTALL	EACH	\$950.00	3	\$2,850
3030LA PRECAST HANDHOLE - INSTALL	EACH	\$760.00	10	\$7,600
3642LA PRECAST HANDHOLE - INSTALL	EACH	\$950.00	10	\$9,500
			Subtotal	\$53,443
Materials Cost (Materials Supplied by Comcast)			Subtotal	\$0
Estimated Cost for Trench Restoration			Subtotal	\$0
Easement Acquisition Cost			Subtotal	\$12,595
Estimated Proportional Share of Other Project Costs	Totals	Proportional Share		
			%	Cost
Mobilization Bid Item	\$526,215		3.13%	\$16,490.65
Traffic Control Bid Items	\$435,850		0.00%	\$0.00
Erosion Control Bid Items	\$175,440		3.13%	\$0.00
Utility Coordinator Bid Item	\$40,000		3.13%	\$0.00
Construction Management Services (Consultants)	\$1,462,344		3.13%	\$45,827.28
			Subtotal	\$62,318
TOTAL COST ASSIGNMENT TO COMCAST:				\$128,356

14-C1335

**CITY OF KENMORE –
NORTHSHORE UTILITY DISTRICT
INTERLOCAL AGREEMENT**

**FOR INCORPORATION OF NORTHSHORE UTILITY DISTRICT
UTILITY WORK AND SEWER REPAIR INTO THE
CITY OF KENMORE'S
SR 522 WEST A IMPROVEMENTS PROJECT**

The City of Kenmore (hereinafter the "City") and Northshore Utility District (hereinafter the "District"), both municipal corporations, in accordance with the Interlocal Cooperation Act (Chapter 39.34 RCW) do hereby agree as follows:

1. **PURPOSE**

The purpose of this Agreement is to provide for the relocation of a portion of the District's water mains and appurtenances and repair of sewer mains (hereinafter the "Utility Work") along SR 522 and side streets, as identified on the water and sewer construction plans supplied to the City by the District, and payment by the District to the City for costs incurred by the City in avoiding or moving District water mains and services within the project area. The Utility Work design will be incorporated into the City approved construction drawings for the SR 522 West A Improvements Project (hereinafter the "Improvement Project"). The parties have determined that it is in their mutual best interest to coordinate the Utility Work in conjunction with the Improvement Project.

2. **THE PROJECT**

The parties hereby agree that the District's plans for Utility Work, including without limitation appropriate connections on intersected side streets, will be incorporated in the City's plans for the Improvement Project. The District's Utility Work will be performed in accordance with the design performed by the District's professional engineering representative. The City's right-of-way improvements and the District's Utility Work are hereinafter referred to as "the Project."

3. **THE CONSTRUCTION PROCEDURE**

a. **District Engineering, Design and Inspection**

The District shall be responsible for the engineering and design, and inspection costs associated with the Utility Work. This work will be performed by the District's consultant. The District's utility plans, specifications, standard details and bid item schedule shall be submitted to the City for incorporation into the Project plan set for bidding purposes. The City shall incorporate the District's plans, specifications, standard details and schedule of items in such a manner as to allow the identification of costs for the Utility Work.

b. **Contractor Selection**

The City shall call for bids for performing the Project. The City shall incorporate the utility plans, the District's specifications, standard details, and schedule of items in such a manner as to allow the identification of costs for the Utility Work.

City of Kenmore – Northshore Utility District
Interlocal Agreement
SR 522 West A Improvements Project
Page 2

c. City as Contracting Agency

The City shall serve as the contracting agency during construction for the parties and shall generally manage and oversee the construction of the District's Utility Work in conjunction with the Project. The District will provide inspection of the Utility Work being performed. The District will also be responsible for testing of the Utility Work. The District will be responsible for any and all excess costs incurred by the City as a direct result of the District's failure to timely inspect and test the Utility Work performed by the contractor. Compaction requirements of the District will be incorporated with those of the City. The City's consultant will perform compaction testing on behalf of the District.

d. Change Orders

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

e. Payment Procedure

The City shall provide the District with monthly progress billings for the construction administration and construction of that portion of the Project attributable to the District's Utility Work. The City and District will meet to review and agree upon progress and proposed disbursements to Project contractors. The District shall pay the City for the cost of the Utility Work, as provided in the contract bid (as adjusted by change order), based upon agreed upon progress, within forty five (45) days of receipt of each billing.

f. Payments to Contractor

The City shall make all disbursements to Project contractors.

g. Final Acceptance

That portion of the contractor's work consisting of the District's Utility Work shall not be given final acceptance until it is approved in writing by the City and the District. Neither party shall unreasonably withhold approval for final acceptance hereto. The utilities shall become the property of the District upon final acceptance. The water mains taken out of service as a result of this project shall remain the property of the District. The City agrees to assign all warranties related to the Utility Work to the District.

City of Kenmore – Northshore Utility District
Interlocal Agreement
SR 522 West A Improvements Project
Page 3

h. Staff Time, Costs, and Incidental Expenses

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

Should any claims arise related to the Utility Work portion of the Project, the City shall handle and administer such claims in the same manner as it would handle any other claims on the Project and the District shall reimburse the City for all expenses associated with handling of such claims. The City shall immediately notify the District and keep it informed as to the progress of the claim. The District will provide guidance to the City regarding proposed terms of settlement. Any decision regarding the settlement or prosecution of a claim shall be approved by the District prior to being finalized. If the District and the city cannot agree as to the prosecution or settlement of a claim, the District may prosecute or defend the claim and the City will assign such claims to the District. The District agrees to pay all costs of prosecution or defense if assigned such claims and defend, indemnify and hold harmless the City from all damages the City suffers from the District's prosecution or defense of the claim.

i. District Inspections

The District will provide construction observation services for the Utility Work. District field personnel will report to the City's Resident Engineer and will provide full time observation while Schedule B construction is being conducted. Any issues with the Contractor will be brought to the attention of the City's Resident Engineer. District field personnel will be required to complete all required documentation (IDRs, Field Note records and any other forms), and submit them electronically via Sharepoint. The City's consultant will provide Sharepoint training as needed. All construction documentation will be managed through the City's consultant.

j. Other Costs

Other costs to the City and to be reimbursed by the District shall include mobilization, proportional shares of Schedule A bid item costs (Utility Coordinator, Traffic Control, Erosion Control) and Construction Management Consultant Services provided by the City (see Exhibit A for pre-construction estimate of cost). Reimbursement requests shall be based upon actual costs, substantiated by contract unit prices, invoices or other verification of the actual costs suitable to the District for authorization of payment. Actual time of payment shall be as stated in section "e" above.

4. INDEMNIFICATION AND INSURANCE

- a. The City shall require the Contractor building the Project to have Northshore Utility District, its Commissioners, officials, agents and employees named as additional insureds on all policies of insurance to be maintained by contractor(s) under the terms of any Project contract(s) with the City. The Contractor building the Project shall be required to maintain Public Liability Insurance.

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City of Kenmore – Northshore Utility District
Interlocal Agreement
SR 522 West A Improvements Project
Page 4

- b. The City shall require Contractor building the Project to indemnify, defend, and save harmless the District and its Commissioners, officers, agents, or employees from any claim, real or imaginary, filed against the District or its officers, agents, or employees alleging damage or injury arising out of the contractor's participation in the Project.
- c. The City shall require Contractor building the Project to be solely and completely responsible for safety and safety conditions on the job site, including the safety of all persons and property during performance of the work. Contractor shall comply with all applicable City, County, and State regulations, ordinances, orders, and codes regarding safety. The contractor's attention is directed to the requirements of the Washington Industrial Safety and Health Act, WISHA, RCW 49.17.

5. NOTICES AND OTHER COMMUNICATIONS

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

City of Kenmore
Kristen Overleese, City Engineer
or her designee
P.O. Box 82607
Kenmore, Washington 98028 - 0607

Northshore Utility District
Dave Kaiser, Engineering Director
or his designee
P.O. Box 489
Kenmore, Washington 98028 - 0489

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

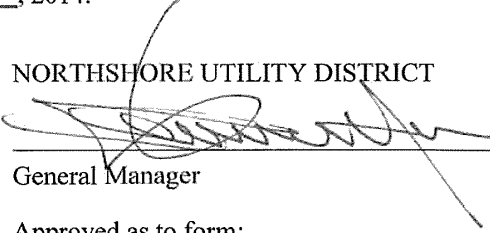
- 6. This Agreement may be signed in counterparts, and, if so signed, shall be deemed one integrated document.

The date of this Agreement is _____, 2014.

CITY OF KENMORE

NORTHSHORE UTILITY DISTRICT

City Manager


General Manager

Approved as to form:

Approved as to form:

City Attorney

Utility District Attorney

City of Kenmore – Northshore Utility District
 Interlocal Agreement
 SR 522 West A Improvements Project
 Page 5

EXHIBIT A COST ESTIMATE

NORTHSHORE UTILITY DISTRICT COSTS

Schedule B			
Schedule B Total			\$544,740
Mobilization			\$38,132
Sales Tax			\$55,373
		Subtotal	\$638,245
Proportional Share of Other Project Costs	Totals	NUD Proportional Share	
		%	Cost
Traffic Control Bid Items (Schedule A)	\$435,850	6.59%	\$28,715
Erosion Control Bid Items (Schedule A)	\$175,440	6.59%	\$11,558
Utility Coordinator Bid Item (Schedule A)	\$40,000	6.59%	\$2,635
Construction Management Services (Consultants)			\$66,396
		Subtotal	\$109,305

TOTAL COST ASSIGNMENT TO NORTHSHORE UTILITY DISTRICT:

\$747,549

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City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Purchase and Sale Agreement – Kenmore Village Commercial Property Proposed Council Action/Motion: Adopt a Resolution No. 14-250 approving a purchase and sale agreement with Main Street Property Group LLC.	For Council Meeting Agenda of: November 3, 2014 Department: City Manager's Office Prepared by: Rob Karlinsey, City Manager <u>Initial & Date</u> Approved by Department Head: _____ Approved by City Attorney: <u>JB via email</u> Approved by Finance Director: _____ Approved by City Manager: <u>Rob Karlinsey 10/24/14</u> Exhibits/Attachments: Exhibit A Kenmore Village Position Statement and Downtown Goals Exhibit B Depiction of Properties to Be Purchased Exhibit C Resolution and Purchase & Sale Agreement with Main Street Property Group LLC
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. The resulting downtown goals and Kenmore Village position statement are attached as Exhibit A. In late 2013, the City retained two brokerage firms to list the Kenmore Village properties for sale. Jones Lang LaSalle (JLL) listed the upper lot (former King County 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 Real Property Investors (RPI)/Benaroya for the lower commercial lots and with Main Street Property Group LLC (MainStreet) for the upper lot (former park & ride).

At the June 10, 2013 City Council meeting, the City Council adopted a resolution approving a purchase and sale agreement with RPI/Benaroya (BCC-RPI Kenmore LLC for the project) for the Kenmore Village shopping center properties (the commercial portion), including the post office, but not including the upper lot known as the former King County Park & Ride (current location of the interim skate park and across 68th Avenue from City Hall). At that same meeting, Main Street Property Group LLC was announced as the likely buyer for the upper lot (former King County Park & Ride), and a purchase and sale agreement between MainStreet and the City was approved in July of 2013.

In late 2013, the City approved amendments to the upper lot purchase and sale agreement and finalized a development agreement for MainStreet to purchase and develop the former King County Park & Ride (upper lot). MainStreet closed on the upper lot in May of 2014 and construction of 138 residential units (phase I) is now underway. MainStreet expects to begin actively marketing the residential units for lease starting in summer of 2015.

Going back to the Kenmore Village commercial portion, after a six month due diligence period, neither the City nor RPI/Benaroya elected to extend the due diligence period or move forward to closing, so the two parties ended the arrangement in December 2013/January 2014.

Soon thereafter, the City reached out to other potential buyers who had made offers for the commercial portion of the property, including MainStreet Property Group. Because MainStreet's investment in the upper lot made them a motivated stakeholder in the overall success of Kenmore Village, and because MainStreet had been one of several potential buyers that made an offer on both the residential and commercial portions of Kenmore Village, the city manager began more earnest discussions and negotiations with MainStreet. These negotiations have resulted in the proposed purchase and sale agreement for City Council consideration.

Kenmore Village Commercial Property Purchase & Sale Agreement with Main Street Property Group LLC

MainStreet is being recommended by the city manager as the buyer and developer for the commercial portion of the Kenmore Village commercial property for the following reasons:

- MainStreet was one of the potential buyers that participated in the listing process and submitted an offer in 2013. MainStreet's was one of 16 offers and one of several that made an offer on both the residential and commercial portions of Kenmore Village.
- Now that it is the owner and developer of the upper lot, MainStreet has a strong interest in the success of Kenmore Village.
- MainStreet has proven to be flexible and responsive to the City's wants and desires for the property and appears to share the same goals for Kenmore's downtown and position statement for Kenmore Village.
- The offer price on the property (per square foot) is competitive with other offers, and MainStreet's, experience, financial wherewithal, and ability to execute in a timely manner appear to make them a viable and successful developer for Kenmore Village.

The proposed resolution and purchase and sale agreement for Kenmore Village commercial property are included with this Agenda Bill (Exhibit C). The property to be purchased is depicted in Exhibit B to this Agenda Bill. Main Street Property Group LLC will be purchasing Parcel D and Parcel B and will have the option to purchase the Option Parcel C.

“Parcel A Donovan” is the Kenmore Camera property and is not part of this transaction (Kenmore Camera acquired this property from the City in 2013). The City-owned property currently occupied by the US Post Office (Parcel B-1 in the depiction) is not part of the sale—the City will retain ownership of the Post Office property for the time being. The City will also retain approximately 21,000 square feet of property for the future town green and pavilion building along the north side of NE 181st Street, shown as the “Town Green Parcel” and “Pavilion Parcel” in Exhibit B to this Agenda Bill.

Major components of the PSA include:

1. Total purchase price is \$1,150,000. MainStreet will pay \$970,667 upon closing for the area north of the Town Green (identified in Exhibit B to this agenda bill as Parcels D and B) and will pay, at Mainstreet’s option, \$179,333 for the Option Parcel C (the future parcel next to and on the west side of the town green).” See Section 29. Option Property of the PSA). MainStreet has two years to exercise this option but may extend the option for an additional six months for a fee of \$10,759.98. MainStreet may only exercise the option when it can produce a lease for a “sit down” restaurant to be located on the site.
2. Earnest Money: \$48,533, applicable to and 5% of the purchase price of Parcels D and B.
3. At Mainstreet’s cost, Mainstreet must demolish the back building (NE corner of the property) by August 1, 2016. MainStreet will demolish the southeast building within 90 days notice from the City or date of MainStreet’s choosing, whichever is sooner. The City and MainStreet will share in the cost of demolishing the southwest building, based on how much of the building overlaps onto the town green property.
4. Construction Timeline: Mainstreet must obtain a certificate of occupancy for a new building on Parcel B within three years of the closing date of this agreement.
5. New construction minimum: MainStreet must construct 10,000 square feet on the fitness property (Parcel B), and another 4,000 square foot minimum to be constructed on the Option Property if the option is exercised.
6. Mainstreet cannot sell or transfer the property north of the town green until they’ve completed the 10,000 square feet of new construction on Parcel B. MainStreet cannot sell the Option Property until they’ve constructed 4,000 square feet of new construction on the Option Property.
7. Utility undergrounding along MainStreet property street frontage is required and the cost is born by MainStreet.
8. Certain uses (conforming to or in addition to what our current zoning code prohibits) permanently prohibited (see Exhibit M of the PSA for the full list).
9. The property the City will retain includes the Town Green Parcel and the Pavilion Parcel on the corner.
10. Subdivision: Prior to and as a condition of closing, the property will be subdivided into the following parcels: 1) the Post Office property Parcel B-1 (not to be purchased by MainStreet), 2) the Option Parcel C (west side of the Town Green), 3) Town Green Parcel, 4) Pavilion Parcel, 5) Parcel D, and 6) Parcel B (see Exhibit B to this Agenda Bill).
11. Closing Date: The Closing is triggered by the recording of the subdivision and will occur five days after the subdivision has been completed.
12. Development Agreement. Exhibit N of the PSA contemplates a future development agreement. Potential deal points for the development agreement include such items as phasing, building heights, setbacks, uses, density, parking, property tax abatement for residential, bicycle storage and parking, etc.

“Meet the Developer” Open House: Several days prior to City Council consideration of this purchase and sale agreement on November 3, 2014, the City will hold a “Meet the Developer” Open House at City Hall on October 30, 2014 starting at 7:30 p.m. This open house is open to the public and will be an opportunity for citizens to meet

with the MainStreet principals and ask them about the purchase and sale agreement and their proposed project.

Construction Schedule: The City expects to be under construction on the town green in the summer of 2015. MainStreet expects to be under construction on Parcel B in early 2016.

More about Main Street Property Group LLC:

MainStreet is a real estate development firm dedicated to the vision, construction and operation of landmark mixed-use properties. MainStreet's team of experienced professionals strives to acquire, develop, construct and operate properties in vibrant locations, complimenting and respecting each property's natural and developed surroundings. With experience in market and site analysis, acquisitions, development, land-use planning, financing, construction and the architectural process, MainStreet designs and builds each property to reflect its commitment to sustainability and walkability, focusing always on each property's enduring investment. Current examples of MainStreet's projects include the 138-unit Spencer68 project in downtown Kenmore; two new buildings in downtown Bothell (Six Oaks, a mixed use project consisting of 203 apartments and 6500 square feet of commercial space and The 104, a 115 unit apartment building); and one mixed-use building, Slater 116 in Kirkland consisting of 108 apartments and 10,000 square feet of commercial space including a coffee shop.

FISCAL CONSIDERATION:

See above.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Goal #2: Economic Development, including Downtown Development

Exhibit A

Kenmore Village Position Statement
&
Downtown Goals



City Of Kenmore, Washington

Positioning Statement

“Kenmore Village is a walkable place with a public square where Kenmore-area residents and workers can meet their daily needs and see one another face-to-face.”

Definition and Discussion

“Kenmore Village”: This refers to the former portions of the shopping center and the park-and-ride lot now owned by the City and the park. This positioning statement envisions a commercial area with a public square, with residential uses adjacent to and possibly above the commercial areas.

“Walkable Place”: “Walkable” here has two meanings: both walkable within and walkable to. While most standard shopping centers are walkable in the sense that distances are not so great that shoppers have to get in their cars and drive between stores, the monotony of the parking lots and the fact of walking down drive lanes discourages most people from going more than several hundred feet. In a truly walkable place, pedestrians feel safe and there are interesting things along the route that draw them forward. The second meaning of “walkable”, “walkable to”, means that Kenmore Village is perceived to be a walkable destination, that it is either within walking distance of neighborhoods or work places or other stores, or that the route itself is interesting enough to make the walk.

The second word here, “place”, implies not just that this is a piece of property or real estate or a destination for day-to-day needs, but that it has a sense of place, an interesting character and personality that comes as much from what goes on there as from the buildings and layout.

“Public square”: This will be a place the public owns and controls, where people can sit down without worrying about when the stores or shopping center close. It is a public place at the center of things, where people from different backgrounds can strike up a conversation. It is important that this square be integrated with other uses so that it has life day to day. Just because it is a public square and carries the civic identity does not mean that it cannot have less formal and more active uses on the side, like a skateboard park or pea patches.

“Kenmore area residents and workers”: While the users may initially be mostly nearby residents, over time this should serve as amenity for nearby businesses, so workers can walk to coffee, take a break from work and hold business meetings there either outside or in restaurants and coffee shops. Things like a gym will also serve draw worker use.

It is also important to define residents inclusively, to include not just middle-income families but seniors, low-income families, latch-key kids, single people, the elderly, teens hanging out together, childless couples, empty nesters, and those who speak a foreign language at home. Recognizing the variety of these different kinds of people will lead to more interesting design and programming. One of the best prospects for animating this space is meeting the needs of the large number of people already living nearby who do not now have much improved outdoor space to enjoy.

“Daily Needs”: This is in contrast to comparison goods purchased in Lynwood, Northgate or University Village. As used here, “daily needs” includes cash and non-cash goods, services and experiences.

On the commercial side, this could include food stores, restaurants, coffee houses, hair salons, pet stores, toy stores, banks, wealth managers, realtors, title companies, insurance firms, gyms, yoga parlors, clothing and shoe stores, stationery and specialty paper stores, knitting and quilting stores, rug and furnishing stores, tutoring and test preparation, ice cream stores, art and framing, optometrists, medical clinics, dentists, pet care, and mailing stores. The key distinction is between high volume/ low service establishments found in the malls and low-volume/ high service establishments found more locally, where convenience, staff training and customer relationships are critical to success.

On the public service side this will or could include reading at the library, book check out and meetings held at the library; visits to the post office, license renewal at a DMV office, and picking up permits at City Hall.

On the civic and non-profit side, this could include a community center, a re-located senior center, a youth club, and garden-club maintenance of the public square or nearby arbors.

At the personal and individual level, this could mean making Kenmore Village a destination for a walk, sitting in the park and watching kids or other people, meeting there as a starting point for rides with a bicycling group, or joining an exercise group in the park.

“See One Another Face to Face”: Two people passing in a supermarket parking lot may glance at one another or, if they know one another, stop briefly to talk, but Kenmore Village will provide a place where people can slow down enough to talk and even sit down if they want to. The promise of the place is that you will regularly run into someone you know or even make new friends there.

City of Kenmore

Downtown Goals

On June 14, 2012, Council affirmed that the objective is to bring the Kenmore Village properties to market in a way that advances the City's goals for the downtown. These goals are a realization of many hours of community effort and involvement over the years and are summarized as follows:

- Integrate existing businesses and add new commercial businesses which include local shopping and dining opportunities. Encourage businesses that draw patrons during both the day and evening.
- Promote high density residential development including housing opportunities meeting the housing needs of a variety of income levels and which also support transit.
- Strengthen connections (particularly pedestrian connections) between the downtown quadrants, neighborhoods and waterfront. Capture pass through traffic on SR522 and the Burke Gilman trail.
- Create a destination, unique community gathering space and promote community events that bring residents together and meet the needs of a range of ages and interests.
- Improve ("beautify") the physical environment through design guidelines, sidewalks, landscaping, street trees, public art and signage.
- Provide a development that is responsive to the market and is fiscally responsible.

Exhibit B

Depiction of Properties to Be Purchased



Kenmore Town Green – Lot Boundaries
City of Kenmore
October 24, 2014

HEWITT



Exhibit C

Resolution and Purchase and Sale Agreement with Main Street Property Group LLC

CITY OF KENMORE

WASHINGTON

RESOLUTION NO. 14-250

A RESOLUTION OF THE CITY OF KENMORE, WASHINGTON, APPROVING A PURCHASE AND SALE AGREEMENT WITH MSPT XI LLC.

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 3.3 acres of land developed with approximately 37,671 square feet of existing buildings, commonly known as the "Kenmore Village" retail site (the "Kenmore Village Commercial Property"); and

WHEREAS, the City has adopted a Position Statement for the Kenmore Village Commercial Property, which states: "Kenmore Village is a walkable place with a public square where Kenmore area residents and workers can meet their daily needs and see one another face to face"; and

WHEREAS, the City Council has determined that the Kenmore Village Commercial 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 XI LLC desires to acquire a portion of the Kenmore Village Commercial Property (the "Property"), with the intent to redevelop the Property as largely a retail development, in keeping with the City's adopted goals for the Downtown area and the Position Statement for the Property; and

WHEREAS, the City and MSPT XI LLC have negotiated a purchase and sale agreement for the transfer of the Property to MSPT XI LLC, consistent with the terms and conditions of the Purchase and Sale Agreement, substantially and materially in the form attached to this Resolution as Exhibit A (the "Purchase and Sale Agreement");

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

Section 1. Confirmation of Surplus Property Status. In Ordinance No. 07-0262, the City Council (1) declared approximately 9.72 acres in the downtown area of the City (known as the Kenmore Village Shopping Center, City Hall and Park & Ride parcels) ("Downtown Site"), which includes the Property, to be surplus property no longer needed for City purposes, and (2) authorized the sale of the Downtown Site to Kenmore Partners, LLC pursuant to a Disposition and Development Agreement. The Disposition and Development Agreement was terminated. A

portion of the Downtown Site has been sold to James and Martha Donovan and another portion of the Downtown Site has been sold to MainStreet XI, LLC. In Resolutions Nos. 13-222 and 14-237, the City Council confirmed the surplus property declaration and sale authorization of Ordinance No. 07-0262. In connection with the sale of the Property to MSPT XI LLC as described in Section 2 of this Resolution, the City Council confirms the surplus property declaration and sale authorization of Ordinance No. 07-0262 and Resolutions Nos. 13-222 and 14-237, by declaring again that the Property, which was included in the Downtown Site, is surplus property no longer needed for City purposes and authorizing again the sale of the Property, which is in the best interests of the City.

Section 2. Approval of the Subdivision and Sale of Property and Authorization of the City Manager. The City Council hereby approves the subdivision and sale of the Property, and authorizes the execution of the Purchase and Sale Agreement and the closing of the transaction pursuant to the terms of the Purchase and Sale Agreement. The City Council authorizes the City Manager to execute on behalf of the City all documents necessary to close the transaction, including, but not limited to, all documents necessary for subdividing the Property, the Purchase and Sale Agreement and all exhibits thereto, and to take all actions necessary to facilitate the closing of the transaction and the development of Property, including, but not limited to, approving assignment of the Purchase and Sale Agreement to a related entity under substantially similar control as MSPT XI LLC. Additionally, the City Council authorizes the City Manager to execute and deliver any and all additional documents, including legal descriptions, that may be required to effectuate the sale of the Property to Buyer, whether or not expressly required by the Purchase and Sale Agreement, as the City Manager shall approve, such approval to be evidenced conclusively by the execution thereof by the City Manager.

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

CITY OF KENMORE

Mayor David Baker

ATTEST/AUTHENTICATED:

Patty Safrin, City Clerk

Approved as to form:

Rod Kaseguma, City Attorney

EXHIBIT A

Purchase and Sale Agreement

(Legal descriptions to be inserted when final survey for Subdivision is complete)

City of Kenmore Contract No. 14-C1254

**AGREEMENT FOR PURCHASE, SALE AND DEVELOPMENT
OF REAL PROPERTY**

THIS AGREEMENT FOR PURCHASE, SALE AND DEVELOPMENT OF REAL PROPERTY (this "**Agreement**") is made and entered as of the ____ day of _____, 2014, by and between MSPT XI LLC and/or assigns, a Washington limited liability company ("**Buyer**"), and the City of Kenmore, a Washington municipal corporation (referred to herein as "**Seller**" and, in its regulatory capacity, as the "**City**"). Seller and Buyer are at times referred to collectively herein as the "**Parties**."

WHEREAS, Seller owns certain real property located in the City of Kenmore, King County, Washington, legally described on **Exhibit A** hereto (the "**Existing Parcel**"); and

WHEREAS, Seller plans to subdivide the Existing Parcel into five (5) separate legal lots: the "**Town Green Lot**" and the "**Pavilion Lot**," which are legally described in **Exhibit B** and referred to herein as the "**City Property**;" "**Lot D**" and "**Lot B**," which are legally described on **Exhibit C-1** and referred to herein as the "**Commercial Property**;" and "**Lot C**," which is legally described in **Exhibit C-2** and referred to herein as the "**Option Property**;" and

WHEREAS, by resolution duly passed and recorded in the public record, the City Council of Seller has declared the Existing Parcel to be surplus; and

WHEREAS, Seller desires to sell and Buyer desires to purchase, on the terms and subject to the conditions set forth in this Agreement, the Commercial Property along with all of the structures, improvements and personal property located thereon or thereunder and all rights and interests of Seller appurtenant thereto, including, but not limited to all oil, gas, mineral, development, air and water rights related the Commercial Property, all strips and gores and any real property lying in the bed of any street, road or alley, open or proposed, adjoining such Commercial Property, and all intangible property now or hereafter existing with respect to the Commercial Property, including, but not limited to, all plans and specifications and other architectural and engineering drawings and all warranties, governmental permits, approvals, leases, rental agreements and licenses relating to the Commercial Property or any part thereof; and

WHEREAS, Seller is willing to grant to Buyer, and Buyer desires to obtain, on the terms and subject to the conditions set forth in this Agreement, an option to purchase the Option Property along with all of the structures, improvements and personal property located thereon or thereunder and all rights and interests of Seller appurtenant thereto, including, but not limited to all oil, gas, mineral, development, air and water rights related the Option Property, all strips and gores and any real property lying in the bed of any street, road or alley, open or proposed, adjoining such Option Property, and all intangible property now or hereafter existing with respect to the Option Property, including, but not limited to, all plans and specifications and other architectural and engineering drawings and all warranties, governmental permits, approvals, leases, rental agreements and licenses relating to the Option Property or any part thereof;

NOW, THEREFORE, in consideration of the promises made in this Agreement, and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Seller hereby agrees to sell and convey the Commercial Property to Buyer, and Buyer hereby agrees to purchase and accept the Commercial Property from Seller, on the terms and conditions expressly set forth in this Agreement.

1. Commercial Property Purchase Price. The Purchase Price for the Commercial Property is Nine Hundred Seventy Thousand Six Hundred Sixty-Seven Dollars (\$970,667) (the “**Commercial Property Purchase Price**”), payable in cash at closing, with credit for the Earnest Money.

2. Effective Date; Appointment of Escrow Agent and Title Insurance Company. Upon the Parties’ mutual execution hereof, a true and complete copy of this Agreement showing the signatures and initials of the Parties shall be delivered by electronic mail to the Escrow Agent. The date on which this Agreement is so delivered shall be the “**Effective Date**.” The Parties hereby appoint Scott Smouse (“**Escrow Agent**”) of Chicago Title Insurance Company (“**Title Company**”), located at 701 Fifth Avenue, Suite 2300, Seattle, Washington 98104 to serve as Escrow Agent for this transaction. Buyer and Seller shall execute and deliver to Escrow Agent such instructions as may be necessary or convenient to implement the terms of this Agreement and close the transaction contemplated by this Agreement, provided that they are not inconsistent with the terms of this Agreement.

3. Earnest Money.

a. Within two (2) Business Days after the later of the Effective Date or the date that Seller has delivered the current survey that represents the condition of the Property at Closing including easements and subdivision boundary lines (the “Current Survey”), Buyer shall deliver to Escrow Agent cash in the amount of Forty-Eight Thousand Five Hundred Thirty-Three Dollars (\$48,533) (the “**Earnest Money**”). The Earnest Money shall be applicable to the Commercial Property Purchase Price at closing.

b. All Earnest Money when delivered to Escrow Agent shall be deemed fully earned and wholly non-refundable to Buyer, but applicable to the Commercial Property Purchase Price, and shall be promptly disbursed by Escrow Agent to Seller.

c. If Escrow Agent requires written consent or confirmation from Buyer to disburse said funds to Seller, Buyer hereby agrees promptly to provide such consent or confirmation as is reasonably required by Escrow Agent for such disbursement.

d. If for any reason the Earnest Money or any portion thereof should not be disbursed to Seller at the times here indicated, all of the Earnest Money shall nonetheless be deemed fully earned by Seller and fully non-refundable to Buyer and shall be disbursed to Seller in any event not later than the termination of this Agreement or at closing, whichever first occurs.

e. Notwithstanding any other term or provision of this Agreement, if a Seller Default shall exist as defined in this Agreement and if Buyer exercises the right to terminate this Agreement due to such Seller Default (or due to a failure of a Buyer Condition to Closing if such Condition to Closing expressly states that the Earnest Money shall be returned to Buyer if closing fails to occur due to failure to satisfy or obtain waiver of such Condition to Closing), then, without limitation on any other remedy that may be available to Buyer in the event of a Seller Default, upon such termination Seller shall promptly refund to Buyer all of the Earnest Money previously disbursed to Seller, and Escrow Agent shall disburse to Buyer all Earnest Money, if any, then still held by Escrow Agent.

4. Closing. All references in this Agreement to “closing” shall mean the closing at which time title to the Commercial Property shall be conveyed to Buyer and the Commercial Property Purchase Price, adjusted in accordance with this Agreement, shall be disbursed to Seller. Closing shall take place through the offices of Escrow Agent on the “**Closing Date**,” which shall be the fifth (5th) Business Day after the date that is the later of the Subdivision is recorded in the real property records of King County,

Washington, or the Current Survey is received by Buyer and Estoppel's have been received within 20-days of the Closing Date.

5. Buyer's Possession. Buyer shall be entitled to possession of the Commercial Property on the Closing Date, subject to the rights of the Tenants under the Leases.

6. No Feasibility, Title or Financing Contingencies. By executing this Agreement, Buyer acknowledges it has completed all "due diligence" investigations and other feasibility, financing, suitability, title, survey, environmental, property condition, economic, demographic and other evaluations, assessments and determinations relating to the Commercial Property as Buyer deems necessary to its decision to purchase the Commercial Property and, accordingly, Buyer's obligations hereunder are not subject to any contingencies or conditions except the Conditions to Closing expressly stated in **Section 7** below.

7. Conditions to Closing. The obligations of the parties to sell and purchase, respectively, the Commercial Property are subject only to the following conditions (the "**Conditions to Closing**");

a. Buyer's Conditions. Buyer's obligation to purchase the Commercial Property at Closing is contingent upon satisfaction or Buyer's waiver of the following conditions as of the Closing Date:

i) Title. Buyer hereby agrees to accept title to the Commercial Property subject only to the Permitted Exceptions.

ii) Title Policy. At Closing, the Title Company shall be prepared to issue an extended coverage 2006 ALTA Extended owner's title insurance policy ("**Title Policy**") in the amount of the Commercial Property Purchase Price insuring Buyer and subject only to the following (collectively, the "**Permitted Exceptions**"): (a) a lien for real property taxes and assessments, not then delinquent; (b) the Schedule B – Section 2 General Exceptions and the Schedule B – Section 2 Special Exceptions listed in the Commitment for Title Insurance issued by the Title Company on September 9, 2014, under its Order No. 0009913-06; (c) the Tenant Leases; (d) matters affecting the condition of title to the Commercial Property resulting from the actions or activities of Buyer or created by or with the written consent of Buyer; (e) matters shown in the Survey; and (f) standard extended coverage owner's exceptions in the Title Policy.

iii) City Council Approval and Authorization. The City Council of the City, by resolution duly adopted and incorporated into the public record, shall have declared the Commercial Property to be surplus, approved this Agreement, and authorized sale of the Commercial Property in accordance with the terms of this Agreement.

iv) Tenant Estoppels. Seller shall have delivered to Buyer originals of the Approved Estoppels on or before the Closing Date and dated by the signor after a date which is twenty (20) days prior to the Closing Date. The Approved Estoppels shall evidence copies of the most current true and accurate leases attached as a part of Exhibit D.

v) Seller Deliveries. Seller shall have delivered to Escrow Agent all documents and materials required to be delivered by it in accordance with **Section 10** below.

vi) No Seller Default. Seller shall not be in default of any of Seller's obligations under this Agreement.

vii) Seller Representations and Warranties. All of Seller's Representations and Warranties stated in **Section 17** of this Agreement including, but not limited to **Section 14(j)** shall be true on and as of the Closing Date the same as though re-made as of the Closing Date.

viii) No Damage or Destruction. There shall have been no material casualty, condemnation or other event affecting the Commercial Property as described in **Section 18** hereof (titled "Damage/Destruction").

ix) Subdivision. The subdivision described in **Section 13(a)** below shall have occurred.

x) No Zoning Change Letter. The City shall have provided to Buyer a letter indicating that the City does not currently anticipate any changes to the zoning code of Kenmore, Washington that would materially affect Buyer's planned development of the Commercial Property.

b. Seller's Conditions. Buyer's obligation to purchase the Commercial Property at Closing is subject to and contingent upon satisfaction of the following conditions as of the Closing Date:

i) City Council Approval and Authorization. The City Council of the City of Kenmore, by resolution duly adopted and incorporated into the public record, shall have properly declared the Commercial Property to be surplus property and shall have approved this Agreement and authorized sale of the Commercial Property in accordance with the terms of this Agreement.

ii) Buyer Deliveries. Buyer shall have delivered all documents, funds and materials required to be delivered by it in accordance with **Section 10** below.

iii) No Buyer Default. Buyer shall not be in default of any of Buyer's obligations under this Agreement.

iv) Buyer Representations and Warranties. All of Buyer's Representations and Warranties stated in **Section 18** of this Agreement shall be true on and as of the Closing Date.

v) Subdivision. The subdivision described in **Section 13(a)** below shall have occurred and the Current Survey shall be attached as Exhibit Q.

8. Waiver of Seller Disclosure Statement. Buyer and Seller agree and acknowledge that the Commercial Property constitutes "Commercial Real Estate" as defined in RCW 64.06.005. Buyer has been advised of its right to receive a completed seller disclosure statement ("**Seller Disclosure Statement**") regarding the Commercial Property pursuant to RCW Chapter 64.06. Buyer hereby waives (a) the right to receive the Seller Disclosure Statement from Seller pursuant to RCW Chapter 64.06, and (b) the right to rescind this Agreement based on Buyer's lack of receipt of such a Seller Disclosure Statement; *provided*, Seller shall provide an abbreviated Seller Disclosure Statement to Buyer within the time specified by the above-cited statute consisting solely of the "Environmental" section of the statutory

form of the Seller Disclosure Statement. The provisions of this **Section 8** shall survive the Closing or termination of this Agreement.

9. Estoppel Certificates.

a. The Commercial Property is subject to the rights of two tenants (the “**Tenants**”) occupying or conducting business on the Commercial Property under tenant leases and rental agreements (the “**Leases**”) identified on **Exhibit D** hereto (the “**Rent Roll**”). Seller agrees to provide Buyer with a tenant estoppel certificate from both Tenants in the form prescribed by such Tenant’s Lease or, if no form is prescribed, in the form of **Exhibit F** hereto, each signed and dated by the Tenant as of a date not earlier than July 1, 2014, and each without qualification, exception or material modification (each, when so completed, signed and dated, an “**Estoppel**”).

b. Approved Estoppels. If an executed Estoppel conforming to **Subsection 9(a)** is provided without qualification, exception or material modification, it is deemed an “**Approved Estoppel**.” If an Estoppel is provided in another form or with qualification, exception or material modification, Seller shall provide such estoppel to Buyer for its approval. Buyer agrees to review the forms and advise Seller as to any changes or objections to form or content in writing within three (3) Business Days from Buyer’s receipt of the form of Estoppel. Seller shall have ten (10) days from receipt of such change or objection notice to negotiate Estoppel revisions with the Tenant. If Seller is unable to provide revisions acceptable to Buyer within such 10-day period, Buyer may provide written notice to Seller that Buyer either: (i) waives the changes or objections as to such Estoppel (which thereafter shall constitute an Approved Estoppel); (ii) elects to postpone the Closing by up to, but not more than, ten (10) days to enable Seller to continue to make good faith efforts to obtain an executed Approved Estoppel; or (iii) elects to terminate this Agreement.

c. Delivery of Approved Estoppels. As a condition to Closing, Buyer shall receive an Approved Estoppel from each Tenant not later than five (5) Business Days preceding the Closing Date. If this condition is not satisfied, Seller shall not be in default based thereon, but in such event Buyer shall have the right, but not the obligation, to terminate this Agreement by written notice from Buyer to Seller and to the Escrow Agent given not later than ten (10) Business Days after the Effective Date. If Buyer elects to terminate this Agreement as a result of failure to satisfy the conditions of this Section, Seller shall nonetheless retain the Earnest Money, which shall in such event continue to be non-refundable to Buyer.

10. Closing Procedures, Costs and Pro-rations.

a. Deliveries. Each of the parties shall deliver the following to Escrow Agent not later than 12:00 O’clock, Noon, on the Business Day immediately preceding the Closing Date (except as to the Funds, which may be delivered by wire transfer on the morning of the Closing Date), with all documents or instruments to be signed by a party, duly executed and acknowledged if required:

i) Seller’s Deliveries: Seller shall deliver each of the following or counterpart signature pages thereto, executed and, as required, acknowledged, by Seller:

(1) the Deed in the form described in **Section 11** below, subject only to the Permitted Exceptions;

(2) Real Estate Excise Tax Affidavit;

(3) two (2) executed originals of the Assignment and Assumption of Leases in the form attached hereto as **Exhibit G**;

(4) copies of notices provided by Seller to any Tenant and any Tenant acknowledgements in Seller's possession in response to same (which may be delivered directly to Buyer on the Closing Date outside of escrow);

(5) originals of all Leases in Seller's possession (which may be delivered directly to Buyer on the Closing Date outside of escrow);

(6) two (2) executed originals of the Assignment and Assumption of Service Contracts in the form attached hereto as **Exhibit H**;

(7) a Bill of Sale for conveyance of personal property and all intangible property relating to the Commercial Property in the form attached hereto as **Exhibit I**;

(8) two (2) executed originals of an affidavit by Seller to the effect that Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended (if required);

(9) a certificate in the form attached hereto as **Exhibit J** to the effect that to the actual knowledge of Seller there have been no material changes to the representations and warranties provided by Seller under this Agreement;

(10) two (2) executed originals of the Declaration of Covenants Regarding Transfer in the form attached hereto as **Exhibit L-1**;

(11) two (2) executed originals of the Declaration of Covenants Regarding Permanent Covenants in the form attached hereto as **Exhibit M**

(12) two (2) executed originals of the Memorandum of Option Agreement in the form attached hereto as **Exhibit P**;

(13) closing or settlement statement prepared by Escrow Agent with amounts and adjustments in accordance with this Agreement and as mutually approved by Seller and Buyer; and

(14) such other documents, instruments and instructions as may be required by Escrow Agent in accordance with standard escrow closing practices in the county in which the Commercial Property is located for closing of the transaction in accordance with this Agreement and as mutually approved by Seller and Buyer.

ii) **Buyer's Deliveries:** Buyer shall deliver each of the following or counterpart signature pages thereto, executed and, as required, acknowledged, by Buyer:

(1) Funds in an amount sufficient to complete Buyer's purchase of the Commercial Property in accordance with this Agreement (the "**Funds**");

(2) Real Estate Excise Tax Affidavit;

(3) two (2) executed originals of the Assignment and Assumption of Leases in the form attached hereto as **Exhibit G**;

(4) two (2) executed originals for the Assignment and Assumption of Service Contracts in the form attached hereto as **Exhibit H**;

(5) a certificate in the form attached hereto as **Exhibit K** to the effect that to the actual knowledge of Seller there have been no material changes to the representations and warranties provided by Seller under this Agreement;

(6) two (2) executed originals of the Declaration of Covenants Regarding Transfer in the form attached hereto as **Exhibit L-1**;

(7) two (2) executed originals of the Declaration of Covenants Regarding Permanent Covenants in the form attached hereto as **Exhibit M**;

(8) two (2) executed originals of the Memorandum of Option Agreement in the form attached hereto as **Exhibit P**;

(9) hard copies and/or electronic copies (where reasonably available) of all studies and reports that Buyer or its agents has/have conducted since December 1, 2013 during its analysis of the Existing Property or the parcel owned by Seller immediately to the west of the Existing Parcel and identified as King County parcel number 618170-0350 (the "**Post Office Parcel**") including, but not limited to, all building inspection reports for buildings located on the Existing Parcel and/or the Post Office Parcel, all Phase 1 or Phase 2 environmental reports prepared for the Existing Parcel and/or the Post Office Parcel, all reports and studies relating to Hazardous Materials located on the Existing Parcel and/or the Post Office Parcel, all soil studies and geotechnical analysis prepared for the Existing Parcel and/or the Post Office Parcel; all surveys, including all topographical surveys, prepared for the Existing Parcel and/or the Post Office Parcel, and any additional reports and studies prepared that Seller may reasonably request.

(10) closing or settlement statement prepared by Escrow Agent with amounts and adjustments in accordance with this Agreement and as mutually approved by Seller and Buyer; and

(11) such other documents, instruments and instructions as may be required by Escrow Agent in accordance with standard escrow closing practices in the county in which the Commercial Property is located for closing of the transaction in accordance with this Agreement and as mutually approved by Seller and Buyer.

b. Closing Costs. Closing costs shall be allocated and pro-rated between the parties as follows:

i) Seller and Buyer hereby expressly waive any requirement for escrow to ascertain, pro-rate and/or pay any utility charges relating to the Commercial Property, which Seller and Buyer agree they will take care of outside of escrow.

ii) All obligations under service contracts which are not terminated by the Closing Date and all rents received from Tenants as of the Closing Date and other fees received as of the Closing under any Lease or other agreement concerning the Commercial Property shall be

prorated and adjusted between the parties as of the Closing Date. All real and personal property taxes shall be prorated based upon the year in which they are assessed. At Closing, Buyer shall be given a credit against the Commercial Property Purchase Price of a dollar amount equal to the sum of all refundable Tenant deposits or prepaid rents held by Seller.

iii) Seller shall pay the current portion of any assessments owing against the Commercial Property and due as of Closing, and Buyer shall assume and pay that portion of any assessments owing against the Commercial Property coming due after Closing;

iv) The amount required for release of all monetary liens against the Commercial Property, if any, shall be paid by Seller.

v) The cost of an ALTA Standard Owner's Policy of Title Insurance as described below shall be paid by Seller. The cost of any extended coverage, endorsements, or coverage in addition to that provided on the Standard form shall be borne by Buyer.

vi) Seller shall pay all real estate excise taxes for transfer of title of the Commercial Property to Buyer.

vii) Seller and Buyer shall each pay one-half of the escrow and closing fees and charges of Escrow Agent.

viii) Seller shall pay the real estate commission owing to the Broker as provided in **Section 28** of this Agreement;

ix) If Buyer obtains financing for this transaction, Buyer shall pay all costs of financing, including, but not limited to, loan fees, lender attorney's fees, and the premium for the lender's policy of title insurance.

x) Each party shall bear its own legal and consulting fees incurred in connection with this transaction.

c. Pro-Ration of Income and Expenses. All rents received from Tenants as of the Closing Date shall be pro-rated between Seller and Buyer as of the Closing Date. Rents from Tenants received after Closing shall be applied first to the month in which Closing occurs, prorated as provided herein, then to rents accruing after Closing, then to rent owing for the period prior to the month in which Closing occurs. Utilities and expenses shall be pro-rated based on the parties' respective periods of ownership. The Closing Date shall be an income and expense day for the Buyer.

11. Deed. At Closing, Seller shall convey title to the Commercial Property to Buyer by Statutory Warranty Deed substantially in the form of **Exhibit F** hereto (the "**Deed**") subject only to the Leases and the Permitted Exceptions. In addition, Seller shall assign to Buyer, and Buyer shall assume from Seller, all of Seller's rights, interests, duties and obligations as landlord or lessor under the Leases, by Assignment and Assumption of Leases in the form of **Exhibit G** hereto.

12. Buyer Post-Closing Covenants. Buyer agrees that certain covenants shall apply to Buyer's ownership of the Commercial Property following Closing and agrees to both the form of and to permit recording at Closing of the Declaration of Covenants Regarding Transfer in the form of **Exhibit L-1** hereto (the "**Declaration of Covenants Regarding Transfer**"), and the Declaration of Covenants

Regarding Permanent Covenants in the form of **Exhibit M** hereto (the “**Declaration of Covenants Regarding Permanent Covenants**”).

13. Subdivision.

a. Seller and Buyer agree that on or before and as a condition precedent to conveyance to Buyer of the Commercial Property pursuant to the terms and conditions of this Agreement, Seller shall proceed with an application for all necessary governmental approvals to subdivide the Existing Property into five (5) legal lots, identified in **Exhibit B**, **Exhibit C-1**, and **Exhibit C-2** as the Town Green Parcel, the Pavilion Parcel, Parcel D, Parcel B and the Option Property/Lot C (the “**Subdivision**”). The Parties shall each cooperate with the other and assist diligently in pursuit of the Subdivision by executing all applications, instruments and other documents and promptly and timely providing all records and information pertaining to the Commercial Property or as required by such application.

b. In the event that the Subdivision cannot be effectuated prior to the date that is twelve (12) months after the Effective Date, the Parties agree that this Agreement shall terminate and Seller shall promptly refund to Buyer all of the Earnest Money previously disbursed to Seller, and Escrow Agent shall disburse to Buyer all Earnest Money, if any, then still held by Escrow Agent.

14. Town Green.

a. Dedication. Seller agrees that following Closing, it shall dedicate the Town Green Parcel for public use. By its signature below, Buyer acknowledges that at a later date and in its sole discretion Seller may sell the Pavilion Parcel and/or the Option Property (Lot C), provided, however, that any such sale of the Option Property shall comply with Seller’s grant of the Option to Buyer described in Section 29.

b. Use.

i. Seller and Buyer agree that the Town Green shall be a public space dedicated of record to the City for public use, and acknowledge that the intent is that the Town Green will be an active and engaging, park-like place for the public, conducive to entertainment as well as reflection, conversation, public or group gatherings and similar uses. It will be a public place at the center of things, where people from different backgrounds can strike up a conversation. It is important that this Town Green be integrated with other uses so that it has life day to day. Seller further agrees the planned uses of the Town Green should be consistent with and not materially impede Buyer’s development of the Commercial Property for retail purposes contemplated by this Agreement such that Seller’s design and uses of the Town Green should not materially interfere with the ability of Buyer’s tenants to conduct business in the retail spaces to be developed by Buyer on the Commercial Property.

ii. Following the dedication of the Town Green, the City shall proceed in good faith and a commercially reasonable manner to construct the Town Green. The City shall have exclusive responsibility for construction, operation, upkeep, maintenance, repair and replacement of all landscaping and improvements and programming provided within the Town Green and shall have full authority to remove, replace, add to, and otherwise modify the improvements and all subsequent improvements placed or constructed on or in the Town Green. The City shall have the right to charge fees for use of the Town Green but shall not at any time rent or lease space in the Town Green for the operation or conduct of any commercial business including, but not

limited to, purveyors of food or beverages, retail kiosks, businesses engaged in sports or recreational activities for profit, or any other for-profit enterprise or any business which may compete, directly with any business or tenant located on the Commercial Property; *provided*, such restriction shall not, however, prohibit the City from using or permitting the use of the Town Green for a “farmer’s market” for up to, but not exceeding, one day per week, or for organized physical fitness or recreational activities conducted by non-profit organizations, or for festivals, all of which shall at all times be subject to City control. The City shall further create, publish and enforce reasonable rules and regulations for use of the Town Green which rules and regulations shall include the foregoing restrictions and shall further include such restrictions as to noise levels, time of day, crowd control, parking and other criteria designed to assure that the Town Green shall not be provided for any use which materially interferes with or adversely affects the conduct of any of the retail, commercial, office and other businesses conducted by tenants of the Commercial Property or residential use and enjoyment of the residences located on the multifamily residential property adjoining the Commercial Property immediately to the north.

15. Reserved.

16. Coordination of Development Efforts.

a. Construction Easements; Declaration of Covenants. The Parties agree to coordinate the development of the City Property and the Commercial Property in good faith. Such coordination may include, without limitation, the following: granting temporary construction easements without further payment, granting easements for utilities without further payment, and agreeing to and permitting recording of certain covenants governing the ongoing coordinated use, operation, maintenance and development of the City Property and the Commercial Property.

b. Demolition of Structures. Buyer and Seller consent to demolish all structures that straddle the boundary line between the City Property, the Commercial Property, and/or the Option Property, coordinate such demolition, and share the costs of such demolition as discussed below (the “**Demolition of Structures**”). The Parties agree that Buyer shall undertake all work necessary to complete the Demolition of Structures, including, without limitation, applying for all necessary permits, demolishing all structures and removal of all demolished debris (including any Hazardous Materials that may be located therein), and filling and/or grading the area previously covered by the structure(s). The costs of the Demolition of Structures, including, without limitation, the costs of abatement for any Hazardous Materials, shall be paid by Buyer and Seller based on the percentage of the total square footage of the to-be-demolished structure(s) located on the City Property, the Commercial Property and/or the Option Property, respectively. The Demolition of Structures shall be completed within ninety (90) days of written notice from Seller to Buyer requesting the Demolition of Structures or at such earlier date as Buyer elects to commence the Demolition of Structures.

c. Development of Commercial Building; Structured Parking. Following Closing, in the event that the Buyer determines that it is economically feasible to develop a commercial building and/or structured parking on a portion of the Commercial Property, the Parties agree to negotiate in good faith to enter into a development agreement pursuant to Chapter 36.70B RCW setting forth the standards for Buyer’s development and use of the Commercial Property (the “**Development Agreement**”). The Development Agreement shall incorporate the terms listed in **Exhibit N** to this Agreement.

17. Representations and Warranties of Seller. Seller represents and warrants to Buyer the

following:

a. Title. Seller is the holder of fee title to the Commercial Property subject only to the Permitted Exceptions.

b. Authority to Perform. Seller has full authority to perform all of Seller's obligations under this Agreement, including, but not limited to all necessary right, title and authorization to sell, assign, convey, transfer and deliver to Buyer, according to the terms of this Agreement, all documents, instruments, materials, rights, entitlements and interests comprising the Commercial Property. Seller is a governmental entity. The person signing this Agreement on behalf of the Seller has obtained all the necessary authorizations and approvals to execute this Agreement on behalf of Seller, and except as to such actions, no authorizations or approvals, whether of other governmental bodies or otherwise, are or will be necessary in order for Seller to enter into this Agreement.

c. No Conflict. Neither the execution of this Agreement nor the performance by Seller of its obligations hereunder or consummation by Seller of the transactions described herein will (i) conflict with or result in a breach of the terms, conditions or provisions of or constitute a default, or result in a termination of any contract, lease, or agreement (written or oral) with respect to the ownership, operation, maintenance, use or occupancy of the Commercial Property or to which Seller is a party; (ii) violate any restriction to which either the Commercial Property or Seller is subject; or (iii) constitute a violation of any applicable law or legal requirement of which Seller or any of its principals, members, partners, officers, managers or owners is aware.

d. Zoning and Other Laws. Seller represents that the redevelopment of this Property in accordance with the Agreement is within the scope of actions allowable under the zoning or land use codes applicable to the Commercial Property, subject, however, to all other permitting and regulatory requirements that apply to any proposed development, including, building codes, sign codes, ADA requirements and such other permitting and land use requirements applicable to any proposed development. This representation is not a representation or warranty, express or implied, of the qualification for permits of any particular intended development.

e. No Prior Rights. No person or entity is the holder of or entitled to exercise any option, right of first refusal, right of first option or similar right to acquire the Commercial Property or any portion thereof.

f. Condemnation and Litigation. There is no threatened, pending or planned condemnation proceeding or other litigation, claim or proceeding, in law or in equity, relating to or otherwise affecting the Commercial Property.

g. Violations. Seller has not received any notice, suit, order, or judgment, by or on behalf of any federal, state, county or municipal authority, claiming or finding any violation by the Commercial Property of any code, ordinance, statute, regulation, court ruling or other law pertaining to real property use, zoning, building, fire, air pollution, water pollution, hazardous substances, or public health or safety, or any notice, suit, order, or judgment seeking or requiring any improvement, alteration, correction or other work on the Commercial Property.

h. Hazardous Materials. Except as disclosed in the Environmental Reports listed on **Exhibit O** hereto, Seller has no actual knowledge of the presence on or in or the release from the Commercial Property of any Hazardous Materials except in minimal quantities which do not exceed any limitation under applicable environmental laws or as is disclosed in or by the

environmental reports and documents provided to Buyer as part of the Commercial Property Information. As used herein, "**Hazardous Material**" means any hazardous waste or other substances listed, defined or classified as hazardous, dangerous, radioactive, toxic, solid waste or a pollutant or contaminant in any Environmental Law. The term Hazardous Material shall also include any hazardous building materials, including, without limitation, lead based paint and asbestos. The term "**Environmental Law**" includes any federal, state, municipal or local law, statute, ordinance, regulation, order or rule pertaining to health, industrial hygiene, environmental conditions or hazardous substances, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.; the federal Clean Water Act (33 U.S.C. Section 1251 et seq.), or the Washington Model Toxics Control Act, RCW chapter 70.105B et seq.

i. No Liens or Unpaid Amounts. All amounts due or owing for labor, materials, equipment or lienable services furnished with respect to the Commercial Property have been paid in full or will be paid in full and discharged by the Closing Date.

j. Leases. Seller has not received any written notice of any offsets, defenses, or claims against rent or other charges payable to Seller or other performance or obligations otherwise due from any Tenant under any Lease, except as specifically set forth in the Rent Roll. Seller has provided Buyer with access to true, correct, and complete copies of each Lease referred to in the Rent Roll.

k. Purchase Rights. No person or entity has a contract or option to purchase, letter of intent, right of first refusal or first offer, or similar right with respect to the Commercial Property that is presently outstanding.

l. Survival. All of the representations and warranties of Seller contained in this **Section 14** will survive the Closing Date.

18. Representations and Warranties of Buyer. Buyer represents and warrants to Seller the following:

a. Buyer's Existence. Buyer is a validly formed limited liability company and has paid all fees and met all licensing and registration requirements due the State of Washington.

b. Authority to Perform. Buyer has full right, title, authority and capacity to execute and perform this Agreement and to consummate all of the transactions contemplated herein, and the individual(s) who on Buyer's behalf execute and deliver the Agreement and all documents to be delivered to Seller hereunder are and will be duly authorized to do so and have the full authority to bind Buyer to this Agreement.

c. Litigation. There is no litigation, claim or proceeding pending or, to Buyer's knowledge, threatened, against Buyer or any of Buyer's members or principals before any court or administrative agency which might result in Buyer being unable to consummate this transaction.

d. No Conflict. Neither the execution of this Agreement nor the performance by Buyer of its obligations hereunder or consummation by Buyer of the transactions described herein will (i) conflict with or result in a breach of the terms, conditions or provisions of or constitute a default, or result in a termination of any contract, lease, or agreement (written or oral) to which

Buyer is a party; (ii) violate any restriction to which Buyer is subject; or (iii) constitute a violation of any applicable law or legal requirement of which Buyer or any of its principals, members, partners, officers, managers or owners is aware.

e. Survival. All of the representations and warranties of Buyer contained in this **Section 15** will survive the Closing Date.

19. Changes in Representations and Warranties. The foregoing representations and warranties are to be made by the parties as of the Effective Date. As a condition to closing, each of such representations and warranties shall also be true without material exception as of the Closing Date. If after the Effective Date a party making a representation and warranty (the “**Representing Party**”) becomes aware of facts that would cause such representation and warranty to be untrue in any material way or containing a material omission, the Representing Party shall notify the other party (the “**Nonrepresenting Party**”) in writing within five (5) Business Days after the Representing Party’s discovery of such facts, and shall include copies of documents or materials, if any in the Representing Party’s possession or reasonably within its access, related to such facts. If a representation and warranty can no longer be accurately made by the Representing Party and this is (i) due to a state of facts first arising or first discovered or brought to the attention of the Representing Party after the Effective Date and (ii) not intentionally caused by the Representing Party, and if (iii) such new state of facts materially and adversely affects a right, remedy or obligation of the Nonrepresenting Party under this Agreement, or will prevent a party from performing as required herein, or, in the case of Buyer, materially increases the costs associated with Buyer’s intended use of the Commercial Property or materially decreases value of the Commercial Property, then the Nonrepresenting Party may by written notice to the Representing Party elect to terminate this Agreement. Such election to terminate must be exercised within ten (5) Business Days after the Nonrepresenting Party receives the written notice from the Representing Party as provided above, which notice must specify each representation and warranty which is not or is no longer true in some or all respects and the facts causing such representation and warranty not to be entirely true without material exception. During such 5-day period, however, the parties shall negotiate in good faith about possible solutions to address the change in facts, which may include proposals for courses of actions to cure the issue or price adjustments or such other solution as may be mutually agreed upon by the parties; however, neither party shall be required or compelled to accept or agree upon a resolution which diminishes such party’s rights or the value of its interests under this Agreement. If Buyer is entitled to, and does terminate this Agreement based on this Section as a result of a change to a Seller representation or warranty, upon such termination, the Earnest Money shall be refunded to Buyer.

20. Indemnification. In addition to and not in place of any other agreement, express or implied, to indemnify or hold the other harmless, Seller and Buyer each agrees to indemnify and hold the other harmless as follows:

a. Seller’s Indemnities.

i) Seller agrees to indemnify and hold Buyer harmless from any and all costs, damages, losses, claims, judgments, and other amounts, including attorney’s fees and costs relating thereto, to the extent resulting or arising from or proximately caused by the material falsity of any of Seller’s representations expressly stated in this Agreement.

ii) Seller agrees to indemnify and hold Buyer harmless from any and all costs, damages, losses, claims, judgments, and other amounts, including attorney’s fees and costs relating thereto caused by Seller’s failure to perform any landlord’s or owner’s obligation under any Lease or Service Contract for the Commercial Property prior to the Closing Date.

b. Buyer's Indemnities.

i) Buyer agrees to indemnify and hold Seller harmless from any and all costs, damages, losses, claims, judgments, and other amounts, including attorney's fees and costs relating thereto, resulting or arising from or proximately caused by the material falsity of any of Buyer's representations expressly stated in this Agreement.

ii) Buyer agrees to indemnify and hold Seller harmless from any and all costs, damages, losses, claims, judgments, and other amounts, including attorney's fees and costs relating thereto caused by Buyer's failure to perform any landlord's or owner's obligation under any Lease or Service Contract for the Commercial Property assumed by Buyer on and after the Closing Date.

c. Survival of Indemnification. Each of the indemnifications contained in this Section shall survive the closing of this transaction for 2 years following the Closing Date.

21. Damage/Condemnation. If on or before the Closing Date the Commercial Property is materially damaged due to casualty or catastrophe, or condemnation proceedings are commenced with respect to all or a portion of the Commercial Property, and such damage or condemnation materially affects Buyer's intended use thereof, then Buyer shall have the right, at its sole election, by giving notice to Seller, either to terminate this Agreement or to proceed with the purchase in accordance with this Agreement. Seller shall provide Buyer with written notice of any such casualty, catastrophe, or condemnation proceedings within five (5) Business Days after Seller becomes aware of such damages or proceedings. If Buyer elects to terminate this Agreement, Buyer shall give written notice of such termination to Seller within five (5) Business Days after Buyer has received written notice of the casualty or condemnation, and on Seller's receipt of such notice, Seller shall return the Earnest Money to Buyer, and Buyer shall have no further right or interest in the Commercial Property. If Buyer does not provide such notice of termination to Seller within the time here specified, Buyer shall be conclusively deemed to have elected to waive the right to terminate and shall proceed to complete its purchase of the Commercial Property with no modification to this Agreement.

22. Covenant Not to Sue.

a. Definitions. For purposes of this **Section 22** only, the following terms shall have the following ascribed meanings:

i) "Claims" means all claims, suits, actions, causes of action, demands, rights, damages, costs (including, without limitation, past, present or future remedial action costs), expenses, penalties, fines or compensation whatsoever, direct or indirect, and expenses, (including, without limitation, attorneys' and experts' fees).

ii) "Environmental Laws" means all federal, state, and local laws, statutes, rules, regulations, ordinances, and codes, and any judicial or administrative interpretation thereof or requirement thereunder, relating to the regulation or protection of human health, safety, the environment and natural resources, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act; the Solid Waste Disposal Act; the Resource Conservation and Recovery Act; the Toxic Substances Control Act, and any similar or comparable state or local laws, including without limitation, the Model Toxics Control Act.

iii) "Hazardous Substance(s)" means any waste, pollutant, contaminant, chemical, petroleum product, pesticide, fertilizer, substance, or material that: (i) after release into the

environment and upon exposure, ingestion, inhalation, or assimilation, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer, or genetic abnormalities; or (ii) is defined, classified, or designated as hazardous, toxic, radioactive, dangerous, or other comparable term or category under any Environmental Laws.

b. Buyer fully releases, discharges and covenants not to sue Seller for all Claims, of any nature, known or unknown, asserted or unasserted, past, present or future, in any way related to or arising out of the release or threatened release, or both, of any Hazardous Substance from, on, within or below the Commercial Property, including, but not limited to, those Hazardous Substances originating on the Post Office Parcel.

23. Default and Remedies.

a. Notice and Opportunity to Cure. A party shall be in default under this Agreement if it receives written notice from the other party specifying with reasonable particularity the act or omission of the notified party which is in breach of such notified party's obligations under this Agreement, and fails to take or refrain from such action as necessary to terminate and/or cure such breach within three (3) Business Days after receipt of such notice; *provided*, a party shall be in default, and no such notice or opportunity to cure shall apply, if such party fails to deliver to Escrow Agent the documents and, if applicable, Funds specified in **Section 10** hereof within the time stated in that Section.

b. Seller's Remedies; Liquidated Damages. IF BUYER IS IN DEFAULT UNDER THIS AGREEMENT AND IF SUCH DEFAULT RESULTS IN A FAILURE TO SATISFY A CONDITION TO CLOSING OR OTHERWISE PREVENTS THE ESCROW AGENT FROM BEING ABLE TO COMPLETE THE CLOSING WITHIN THE TERMS OF THIS AGREEMENT ON THE CLOSING DATE, THE PARTIES HAVE DETERMINED AND AGREED THAT SELLER WILL SUSTAIN ACTUAL LOSS AND DAMAGES, THE AMOUNT OF WHICH IS NOT SUSCEPTIBLE TO PRECISE ASCERTAINMENT. ACCORDINGLY, IN THE EVENT OF SUCH DEFAULT BY BUYER, SELLER SHALL HAVE AS ITS SOLE AND EXCLUSIVE REMEDY THE RIGHT TO TERMINATE THIS AGREEMENT (PROVIDED SELLER IS NOT THEN ALSO IN DEFAULT UNDER THIS AGREEMENT) AND, UPON SO DOING, SHALL BE ENTITLED TO RETAIN THE EARNEST MONEY AS LIQUIDATED DAMAGES. BY PLACING THEIR INITIALS BELOW, BUYER AND SELLER ACKNOWLEDGE THEIR AGREEMENT TO THIS LIQUIDATED DAMAGES PROVISION. IT IS AGREED THAT THE SOLE AND EXCLUSIVE REMEDY FOR SELLER IN THE EVENT BUYER IS IN DEFAULT FOR FAILURE TO COMPLETE ITS PURCHASE OF THE COMMERCIAL PROPERTY IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT SHALL BE SELLER'S RETENTION OF THE FUNDS IN THE AMOUNT OF THE EARNEST MONEY AS LIQUIDATED DAMAGES. SELLER'S RETENTION OF THE EARNEST MONEY IS NOT INTENDED AS A FORFEITURE OR PENALTY BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES FOR BUYER'S DEFAULT IN ITS OBLIGATION TO PURCHASE THE COMMERCIAL PROPERTY IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT. *PROVIDED*, THE FOREGOING SHALL NOT LIMIT OR RESTRICT ANY RIGHT OR REMEDY OF SELLER FOR BUYER'S BREACH OF ANY OF ITS OBLIGATIONS TO BE PERFORMED POST-CLOSING OR BREACH OF ANY DUTY OF BUYER EXPRESSED HEREIN TO INDEMNIFY, DEFEND OR HOLD HARMLESS SELLER OR SELLER-RELATED PARTIES; *PROVIDED FURTHER*, NOTHING IN THIS SUBSECTION (b) SHALL PROHIBIT SELLER FROM RECOVERING ITS

ATTORNEYS' FEES AS PROVIDED FOR IN SUBSECTION (f) OF THIS **SECTION 23** IF SELLER IS REQUIRED TO BRING AN ACTION IN COURT OR ARBITRATION TO ENFORCE ITS RIGHTS TO THE EARNEST MONEY UNDER THIS SUBSECTION (b).

INITIALS OF PARTIES' REPRESENTATIVES:

BUYER: _____ SELLER: _____

c. Buyer's Remedy. If Seller is in default under this Agreement and if such default results in a failure to satisfy a Condition to Closing or otherwise prevents the Escrow Agent from being able to complete the Closing within the terms of this Agreement on the Closing Date, then Buyer (provided that Buyer is not then in a material default under this Agreement), as its sole and exclusive remedy, may either (a) terminate this Agreement, in which event Buyer shall be entitled to full return of the Earnest Money and, in addition, to recover from Seller an amount equal to all of Buyer's actual, documented out-of-pocket expenses paid to third parties in connection with Buyer's due diligence investigation of the Commercial Property, in an amount not to exceed Fifty Thousand Dollars (\$50,000), *provided* that Buyer shall be required to provide to Seller a hard copy and/or electronic version (if reasonably available) of all studies and reports mentioned in **Section 10(a)(ii)(9)** above, or (b) seek specific performance of the obligation Seller to sell the Commercial Property pursuant to this Agreement, provided that any action seeking specific performance must be commenced within sixty (60) days after the scheduled Closing Date. Notwithstanding the foregoing, if Buyer would elect to pursue specific performance, but that remedy is not available or cannot be awarded, then Buyer shall be deemed conclusively to have elected the remedy provided under part (a) above in this subsection (c). Buyer hereby knowingly and intentionally waives all remedies for Seller's failure in performance (including any right to obtain damages from Seller), except those specifically provided for in this Section. *Provided*, the foregoing shall not limit or restrict any right or remedy of Buyer for Seller's breach of any of its obligations to be performed post-closing or breach of any duty of Seller expressed herein to indemnify, defend or hold harmless Buyer or Buyer-related parties; *provided further*, nothing in this subsection (c) shall prohibit Buyer from recovering its attorneys' fees as provided for in Subsection (f) of this **Section 23** if Buyer is required to bring an action in court or arbitration to enforce its remedies under this Subsection (c).

d. No Consequential, Incidental, Punitive or Exemplary Damages. Notwithstanding any term or provision of this Agreement or court rule or theory of recovery to the contrary, as an express condition for the agreement of each of Buyer and Seller to enter into this Agreement and as an inducement and consideration to each of them to do so, Buyer and Seller each agree that neither of them shall seek or be entitled to receive a judgment, award or other recovery of monetary relief or other remedy in the nature of or on account of consequential or incidental damages, or punitive or exemplary damages, in the event of a default or breach of this Agreement by the other which occurs prior to Closing.

e. Specifically Bargained For Limitations. The parties have specifically bargained for, negotiated and agreed upon the remedies provided for in this **Section 23**, which remedies are exclusive. Such remedies and limitation of damages and relief shall, however, apply solely in the event of a breach, default or failure to perform which causes or results in termination of this Agreement prior to Closing. In the event of any breach, default, violation, or failure to perform any other term or covenant of this Agreement relating to matters which do not affect or relate to the Closing or which occur after the Closing, or which involve a right to indemnification as to claims brought by third parties, Seller and Buyer shall each retain all rights and remedies available in law or in equity, including, in such event, the right to attorney's fees as set forth in this Agreement.

f. Attorney's Fees. In the event a lawsuit or arbitration proceeding should be commenced by or against any party hereto to enforce, interpret, construe or apply any of the terms and conditions of this Agreement, or to terminate this Agreement (whether the same shall proceed to judgment or otherwise), the substantially-prevailing party (as determined by the court, arbitrator or other adjudicator) shall receive from the other party a reasonable sum as attorney's fees together with costs. If the matter is decided in arbitration by agreement of the parties, the arbitrator shall have authority to make such determination and award such amount. The foregoing shall further apply to attorney's fees incurred on appeal or in a court proceeding to enforce or seek relief from an arbitration award made with respect to this Agreement or appeal therefrom.

24. Disclaimer of Warranties and Release. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES STATED IN **SECTION 17** ABOVE, SELLER SPECIFICALLY DISCLAIMS ALL WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE (INCLUDING WARRANTIES OF MERCHANTABILITY AND WARRANTIES OF FITNESS FOR USE OR ACCEPTABILITY FOR THE PURPOSE INTENDED BY BUYER) WITH RESPECT TO THE COMMERCIAL PROPERTY OR ITS CONDITION OR THE CONSTRUCTION, PROSPECTS, OPERATIONS OR RESULTS OF OPERATIONS OF THE COMMERCIAL PROPERTY. THE DISCLAIMERS IN THIS SECTION SPECIFICALLY, BUT WITHOUT LIMITATION, EXTEND TO: (1) MATTERS RELATING TO HAZARDOUS MATERIALS AND COMPLIANCE WITH ENVIRONMENTAL LAWS, (2) GEOLOGICAL CONDITIONS, INCLUDING SUBSIDENCE, SUBSURFACE CONDITIONS, WATER TABLE, UNDERGROUND STREAMS AND RESERVOIRS AND OTHER UNDERGROUND WATER CONDITIONS, LIMITATIONS REGARDING THE WITHDRAWAL OF WATER, EARTHQUAKE FAULTS, AND MATTERS RELATING TO FLOOD PRONE AREAS, FLOOD PLAIN, FLOODWAY OR SPECIAL FLOOD HAZARDS, (3) DRAINAGE, (4) SOIL CONDITIONS, INCLUDING THE EXISTENCE OF INSTABILITY, CONDITIONS OF SOIL FILL, SUSCEPTIBILITY TO LANDSLIDES, AND THE SUFFICIENCY OF ANY UNDERSHORING, (5) ZONING AND SUBDIVISION AND COMPLIANCE WITH ZONING AND SUBDIVISION LAWS, (6) THE VALUE AND PROFIT POTENTIAL OF THE COMMERCIAL PROPERTY AND (7) DESIGN, QUALITY, SUITABILITY, STRUCTURAL INTEGRITY AND PHYSICAL CONDITION OF THE COMMERCIAL PROPERTY AND COMPLIANCE OF THE COMMERCIAL PROPERTY WITH ANY LAWS (INCLUDING BUILDING CODES AND SIMILAR LAWS, THE AMERICANS WITH DISABILITIES ACT OF 1990 AND THE FAIR HOUSING AMENDMENTS ACT OF 1988). BUYER REPRESENTS AND WARRANTS TO SELLER THAT BUYER IS A KNOWLEDGEABLE, EXPERIENCED AND SOPHISTICATED BUYER OF REAL ESTATE. BUYER ACKNOWLEDGES THAT, EXCEPT FOR THE SELLER REPRESENTATIONS AND WARRANTIES STATED IN **SECTION 17** OF THIS AGREEMENT, BUYER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY STATEMENT OF SELLER OR ANY OFFICER, DIRECTOR, TRUSTEE, AGENT, EMPLOYEE OR OTHER PERSON ACTING OR PURPORTING TO ACT ON BEHALF OF SELLER OR ANY AFFILIATE OF SELLER. BUYER ACKNOWLEDGES THAT IT HAS CONDUCTED OR WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS AS TO THE CONDITION OF THE COMMERCIAL PROPERTY AND ALL MATTERS BEARING UPON THE COMMERCIAL PROPERTY AND THE CONSTRUCTION, PROSPECTS, OPERATIONS AND RESULTS OF OPERATIONS OF THE COMMERCIAL PROPERTY AS IT DEEMS NECESSARY TO PROTECT ITS INTERESTS. BUYER IS ACQUIRING THE COMMERCIAL PROPERTY "AS IS" AND "WHERE IS" AND WITH ALL FAULTS, DEFECTS, ENVIRONMENTAL CONDITIONS OR OTHER ADVERSE MATTERS. EXCEPT WITH RESPECT TO A BREACH OF ANY OF SELLER REPRESENTATIONS AND WARRANTIES CONTAINED IN **SECTION 17** HEREOF, BUYER, EFFECTIVE ON THE DATE OF CLOSING, RELEASES EACH OF SELLER, ALL AFFILIATES THEREOF AND ALL PRINCIPALS, AGENTS, MEMBERS, MANAGERS, SPECIAL MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES AND

REPRESENTATIVES OF EACH OF THE FOREGOING (ALL OF THE FOREGOING COLLECTIVELY, THE “**SELLER-RELATED PARTIES**”) FROM ANY STATUTORY, COMMON LAW, AND/OR OTHER CLAIMS, LIABILITIES, OBLIGATIONS, CAUSES OF ACTION, COSTS, LOSSES OR DAMAGES OF ANY AND ALL KINDS AND NATURE, KNOWN OR UNKNOWN, THAT BUYER MAY HAVE AGAINST ANY OF THE SELLER-RELATED PARTIES ARISING FROM IN WHOLE OR IN PART, OR RELATING IN ANY WAY TO THE CONDITION OF THE COMMERCIAL PROPERTY OR ITS SUITABILITY FOR BUYER’S PURPOSES, INCLUDING ANY CLAIM, OBLIGATION OR LIABILITY ARISING WITH RESPECT TO ANY APPLICABLE OR ENVIRONMENTAL LAWS OR DUE TO THE PRESENCE, STORAGE, DISPOSAL, RELEASE OR THREATENED RELEASE OF A HAZARDOUS MATERIAL OR OTHER ENVIRONMENTAL CONTAMINATION ON, WITHIN, OR FROM THE COMMERCIAL PROPERTY BEFORE, AS OF, OR AFTER THE CLOSING DATE OR WITH RESPECT TO ANY LAWS GOVERNING THE CONDITION OF THE COMMERCIAL PROPERTY INCLUDING THE AMERICANS WITH DISABILITIES ACT AND SIMILAR LAWS AT THE LOCAL, STATE OR FEDERAL LEVEL.

Each of Buyer and Seller has separately initialed this provision to indicate its agreement to the foregoing statements and waivers.

SELLER: _____ BUYER: _____

25. Survival and Time Limitation for Bringing Claims. The representations and warranties in **Sections 17 and 18** hereof will survive Closing, but only for a period of **two (2) years**, and no claim shall be allowed on any such representation or warranty unless notice of the claim and a detailed statement of the basis for the claim is delivered by the claimant to the other party by the second anniversary of the Closing Date (the “**Claims Deadline**”), and, if such notice of claim is timely given, a lawsuit or, if applicable, arbitration proceeding in accordance with this Agreement is commenced within ninety (90) days after such notice and detailed statement of the basis for the claim has been provided to the party against whom such claim is made. Time is of the essence hereof. Each of Buyer and Seller acknowledges that, by this Section, the parties have modified the statute of limitations for any claims to be brought arising from or otherwise based on the breach of any representation or warranty of the other as expressly stated in this Agreement and that such modification has been specifically bargained for and is intentionally adopted, approved and made a part of this Agreement and a condition to the bringing of any such claim. Any statute of limitations otherwise applicable to any such claims shall be deemed modified and amended by this Section. Nothing in this Section limits the disclaimers, waivers and releases in **Sections 23, 24 and 26**, all of which have also been specifically bargained for and will survive Closing without limit as to time.

26. As Is Purchase and Release of Claims.

a. Except as expressly represented or warranted herein, Seller is selling and Buyer is acquiring the Commercial Property **AS IS, WHERE IS**, with all faults and defects, whether patent or latent. Except as otherwise expressly stated in this Agreement, Seller has not made and Buyer has not received or relied on any other representations, express or implied, regarding the Commercial Property. Buyer acknowledges that any and all information, feasibility or marketing reports, environmental or physical condition reports, or other information of any type that Buyer has received or may receive from Seller or any representative, agent, employee or broker of any of Seller is furnished on the express condition that Buyer shall or would make an independent verification of the accuracy of any and all such information, all such information being furnished without any representation or warranty whatsoever, express or implied, by Seller or by any employee, agent or representative action on behalf of Seller. Buyer shall rely upon its own

inspection and its own professional advisors in its examination of the Commercial Property and all improvements thereon. Buyer hereby represents, warrants, and covenants to Seller that Buyer has conducted Buyer's own investigation of the Commercial Property and the physical condition thereof, including, without limitation, accessibility and location of utilities, use of hazardous materials on, from, or under the Commercial Property, earthquake preparedness of the Commercial Property, all matters concerning the Commercial Property with respect to taxes, assessments, income and expense data, bonds, permissible uses, zoning, covenants, conditions and restrictions, environmental conditions, and other matters which in Buyer's judgment are necessary or advisable or might affect or influence Buyer's use of the Commercial Property, or bear upon the value and suitability of the Commercial Property for Buyer's intended purposes, or Buyer's willingness to enter into this Agreement. Buyer recognizes that Seller would not agree to sell the Commercial Property except on an "**AS IS, WHERE IS**" basis, and acknowledges that neither Seller nor any principal, agent, manager, member, employee, broker or representative of Seller has made any representations or warranties of any kind in connection with the Commercial Property except those expressly stated in **Section 17** of this Agreement. Specifically, and without limitation, Buyer and Seller agree and bargain that all risks and further liability associated with Hazardous Materials and Environmental Laws are intended to be allocated to the Buyer at Closing subject only to **Section 17(h)** herein.

b. Except for any claim that may arise from a breach of the Seller Representations and Warranties stated **Section 17** of this Agreement, if Closing occurs, Buyer shall be deemed to have expressly waived all claims it may have against Seller and against any or all of the Seller-Related Parties (defined above) in any way relating to the Commercial Property or its condition, with the sole exception of any claim Buyer may have under the Deed or any document or instrument delivered by Seller to Buyer (directly or through Escrow Agent) at Closing. Except as to any claim arising under the Deed or any document or instrument delivered by Seller at Closing, Buyer's release hereunder includes any claim which may be brought by, through or under Buyer for any costs, losses, demands, penalties, fines, liens, judgments, injuries, liabilities, damages, expenses, demands, claims, actions or causes of action, whether direct or indirect, known or unknown, foreseen or unforeseen, arising from or related to the Commercial Property, or any portion thereof, and/or any construction defects, errors, omissions, or other conditions, latent or otherwise, geotechnical and seismic, affecting the Commercial Property, or any portion thereof, including the environmental condition of the Commercial Property or any law applicable thereto. By its initials below, Buyer expressly acknowledges and confirms that this Subsection (b) and immediately-preceding Subsection (a) have been specifically negotiated and bargained for, form an essential term of this Agreement, and have been voluntarily and knowingly accepted and approved by Buyer.

Buyer's Initials

27. Assignment. Buyer acknowledges Seller has specifically elected to enter this Agreement with Buyer based in material part on Seller's assessment of Buyer's qualifications and suitability for the project described herein and accordingly, Buyer agrees it may not and shall not assign its rights in or to this Agreement without the prior written consent of the Seller, which consent may be granted, withheld or conditioned on such terms as Seller determines in its sole and absolute discretion. Provided, Buyer may assign Buyer's interests in this Agreement to a limited liability company, limited partnership, limited liability partnership or other business entity in which Main Street Property Group LLC or the principals of Main Street Property Group LLC control and manage the assignee, which assignment shall not require Seller's consent but will be effective only on Seller's receipt of notice thereof. The City will work cooperatively with Buyer to facilitate its investment and development intent.

28. Brokers/Agents. Paul Sleeth and Billy Sleeth of the brokerage firm of Collier's International ("**Broker**") has been retained by Seller as Seller's broker for this transaction, and, upon completion of Closing (and conditioned thereon), Seller shall pay a real estate commission to Broker in accordance with a separate commission agreement between Seller and Broker (the terms of which govern Seller's obligations to Broker and are not modified or amended by this Agreement). Seller and Buyer each represents to the other that, except as to Broker, neither has retained or employed the services of a real estate agent or broker in connection with this transaction and each agrees to indemnify and hold the other harmless from any claim by any person asserting the right to a real estate commission from this transaction on the basis of any contract, agreement or other understanding such agent or broker claims to have entered with the party making the representation at the beginning of this sentence.

29. Option Property. For the period commencing on the date of this Agreement and ending at midnight of the last day of the twenty-fourth (24th) month following the Closing Date under this Agreement, subject to extension as provided below, (the "**Option Period**"), Buyer shall have an option to purchase the Option Property on the following terms and conditions, subject to the Tenant Contingency (as defined below) (the "**Option**").

a. Option Price. The price for Buyer's purchase of the Option Property pursuant to the Option shall be One Hundred Seventy-Nine Thousand Three Hundred Thirty-Three Dollars (\$179,333) (the "**Option Price**").

b. Extension of Option Period. Buyer may, at its sole discretion, elect to extend the Option Period for one six (6) month period (the "**Option Election**") by providing Seller with 1) written notice of its Option Election prior to the original expiration of the Option Period and 2) a payment of ten thousand seven hundred and fifty-nine dollars and 98/100 cents (\$10,759.98) (the "**Election Fee**"). If Buyer exercises its Option Election, the Option Price shall be increased to one hundred ninety thousand ninety-two dollars and 98/100 cents (\$190,092.98). The Election Fee shall be nonrefundable, but shall be applicable to the Option Price. In no event shall any of the terms granted under this Section 29 be construed to extend the Option Period beyond the date that is thirty (30) months after the Closing Date.

c. Contingencies. Buyer's ability to exercise the Option shall be wholly contingent on Buyer identifying and obtaining a signed commitment from a tenant that plans to operate a sit-down restaurant on the Option Property (the "**Tenant Contingency**"). Such commitment shall unequivocally state that (i) the tenant is prepared to the lease the Option Property subject only to the Buyer closing the purchase of the Option Property, (ii) the term of such lease shall be not less than five (5) years, and (iii) the proposed tenant shall operate a sit-down restaurant on the Option Property (the "**Option Tenant Commitment**"). A copy of such signed commitment shall accompany the Notice of Exercise as discussed below. As used in this section, the term "sit-down restaurant" does not include (i) a restaurant that operates any kind of drive-through, (ii) a "fast food" restaurant, or (iii) a bar that serves people solely over the age of twenty-one (21) without an affiliated sit-down restaurant.

Other than the Tenant Contingency, Buyer's exercise of the Option shall not be subject to any contingency. Buyer represents and warrants to Seller that Buyer shall perform all investigations, inspections, studies, analyses, evaluations and other assessments as Buyer deems necessary to its decision whether or not to exercise the Option during the Option Period, and Buyer's decision whether or not to exercise the Option shall not be conditioned on or subject to any contingency. Furthermore, by executing and delivering the Notice of Exercise, Buyer acknowledges it will have completed all "due diligence" investigations and other feasibility, financing, suitability, title, survey, environmental, property condition, economic, demographic

and other evaluations, assessments and determinations relating to the Option Property as Buyer deems necessary to its decision to purchase the Option Property. *Provided*, Buyer shall not engage in, permit, contract for or cause any excavations, drilling, boring, or invasive or destructive testing of, on or in the Option Property except with Seller's express written consent, which Seller agrees not unreasonably to withhold but which consent may be conditioned on reasonable terms including Buyer's agreement to indemnify, defend and hold harmless Seller from any and all claims, liens, losses, damages, liabilities and obligations which may result from or be caused by such actions of Buyer, and further to condition such consent on Buyer's providing Seller with proof of insurance in such amounts and coverages as Seller reasonably requires with respect to such obligations of Buyer.

d. Notice of Exercise. If Buyer wishes to exercise the Option to purchase the Option Property, Buyer must give written notice to Seller prior to the end of the Option Period. The notice must state unequivocally that Buyer elects to exercise the Option and will purchase the Option Property on the terms and conditions stated in this Section 29 (the "**Notice of Exercise**"). Along with the Notice of Exercise, Buyer must deliver to Seller (i) the Option Tenant Commitment, and (ii) cash or immediately available funds in the amount of Eight Thousand Nine Hundred Sixty-Seven Dollars (\$8,967) (the "**Option Fee**") to secure Buyer's performance of its purchase of the Property pursuant to the Notice of Exercise. The Option Fee shall be applicable to the Option Price at the closing of Buyer's purchase of the Option Property pursuant to the Option (the "**Option Closing**") but shall also be deemed fully earned by Seller and fully non-refundable to Buyer when delivered by Buyer to Seller. The Option Fee must be delivered directly to Seller, not to or through Escrow Agent. If after giving the Notice of Exercise, the Option Tenant Commitment, and delivering the Option Fee, Buyer fails without legal excuse to complete its purchase of the Option Property by the Option Closing Date, the Option shall terminate, and Seller shall have the right to retain the Option Fee, free and clear of any claim or right of Buyer thereto, as liquidated damages to Seller for Buyer's failure to close in accordance with its exercise of the Option, and Buyer shall have no further right, title or interest of any kind in or to the Option Property. A qualified or conditional notice, such as, but not limited to, a notice stating Buyer desires to purchase the Option Property "subject to" certain conditions or words to that effect or which seeks to modify the Option Price or any other term for purchase of the Option Property as stated in this Section 29, shall be of no force and effect and shall be the same as giving no Notice of Exercise. In addition, the Notice of Exercise shall be of no force or effect unless accompanied by the Option Tenant Commitment, and the Option Fee. If Buyer delivers the Notice of Exercise but fails to deliver either the Option Tenant Commitment or the Option Fee therewith, the failure to deliver either the Option Tenant Commitment or the Option Fee shall constitute non-delivery of the Notice of Exercise. The Notice of Exercise must be delivered to Seller not later than the last day of the Option Period. If a Notice of Exercise conforming to this Section 29(c) is not delivered to Seller prior to the end of the Option Period, the Option shall automatically terminate, without requirement of any notice or notification from Seller, and Buyer shall have no further right, title or interest in or to the Option Property. Time is of the essence hereof. If the last day of the Option Period is a Saturday, Sunday or holiday on which banks are closed, the last day of the Option Period shall automatically be deemed to be the first business day thereafter.

e. Option Closing Date. The closing of the sale of Option Property to Buyer pursuant to the Option, at which time the Option Price, with credit for the Option Fee and subject to adjustments for closing costs and pro-rations, shall be delivered to Seller and the Option Property Deed shall be recorded, shall occur on the date stated in the Notice of Exercise, which date must, however, be not less than ten (10) calendar days nor more than thirty (30) calendar days after the date of Seller's receipt of the Notice of Exercise (the "**Option Closing Date**"). If

the Notice of Exercise specifies an Option Closing Date not in conformance with these terms, or fails to specify an Option Closing Date, the Option Closing Date shall conclusively be deemed to be the date that is thirty (30) days after delivery of the Notice of Exercise to Seller.

f. Title. At the Option Closing, Seller shall deliver title to the Option Property in the same condition as title thereto exists as of the date of this Agreement. Seller covenants and agrees not to permit or consent to the attachment of any lien or encumbrance on title to the Option Property between the date of this Agreement and the Option Closing Date (if any) excepting only those matters affecting title to which Buyer consents, which consent may be withheld or denied by Buyer in its sole and absolute discretion.

g. Waiver of Seller Disclosure Statement. Buyer and Seller agree and acknowledge that the Option Property constitutes "Commercial Real Estate" as defined in RCW 64.06.005. Buyer has been advised of its right to receive a completed seller disclosure statement ("Seller Disclosure Statement") regarding the Option Property pursuant to RCW Chapter 64.06. Buyer hereby waives (a) the right to receive the Seller Disclosure Statement from Seller pursuant to RCW Chapter 64.06, and (b) the right to rescind this Agreement based on Buyer's lack of receipt of such a Seller Disclosure Statement; provided, Seller shall provide an abbreviated Seller Disclosure Statement to Buyer within the time specified by the above-cited statute consisting solely of the "Environmental" section of the statutory form of the Seller Disclosure Statement. The provisions of this Section 29(f)(i) shall survive the Closing or termination of this Agreement.

h. Buyer's Post-Option Closing Covenants. Buyer agrees that certain covenants shall apply to Buyer's ownership of the Option Property following Closing and agrees to both the form of and to permit recording at the Option Closing of the Declaration of Covenants Regarding Transfer in the form of **Exhibit L-2** hereto (the "**Option Property Declaration of Covenants Regarding Transfer**"), and the Declaration of Covenants Regarding Permanent Covenants in the form of **Exhibit M** hereto, modified as discussed below (the "**Option Property Declaration of Covenants Regarding Permanent Covenants**"). Provided, however, that the final Option Property Declaration of Covenants Regarding Permanent Covenants recorded against the Option Property shall be modified from **Exhibit M** as follows:

i) The language of **Exhibit M**, including, but not limited to, the legal description, shall be modified to be applicable to the Option Property.

ii) A new section shall be added as Section 1 to **Exhibit M** and all subsequent section numbers shall be adjusted accordingly. The new Section 1 shall contain the following language:

Retail Use. At all times, approximately four thousand (4,000) to five thousand (5,000) square feet of the Real Property shall be used exclusively for restaurant and retail use, meaning space to be used exclusively for restaurant activities or activities defined as "retail" in KMC 18.20.2364, and consistent with permitted or conditionally permitted use allowances in the Downtown Commercial zone in KMC 18.25.020, as it may be amended from time to time. Fitness related uses, including, without limitation, "Sports Clubs" as defined in KMC 18.20.2850, shall not count toward the minimum retail use requirement of this section.

i. Closing Procedures; Deliveries; Closing Costs and Pro-Rations. Each of the parties shall deliver the following to Escrow Agent not later than 12:00 O'clock, Noon, on the business day immediately preceding the Option Closing Date (except as to the Funds, which may

be delivered by wire transfer on the morning of the Option Closing Date), with all documents or instruments to be signed by a party, duly executed and acknowledged if required:

i) Seller's Deliveries: Seller shall deliver each of the following or counterpart signature pages thereto, executed and, as required, acknowledged, by Seller:

- (1) the Option Deed in the form described below, subject only to the Permitted Exceptions;
- (2) Real Estate Excise Tax Affidavit;
- (3) two (2) executed originals of the Option Property Declaration of Covenants Regarding Transfer as described in this Section 29;
- (4) two (2) executed originals of the Option Property Declaration of Covenants Regarding Permanent Covenants as described in this Section 29;
- (5) closing or settlement statement prepared by Escrow Agent with amounts and adjustments in accordance with this Agreement and as mutually approved by Seller and Buyer; and
- (6) such other documents, instruments and instructions as may be required by Escrow Agent in accordance with standard escrow closing practices in the county in which the Option Property is located for closing of the transaction in accordance with this Agreement and as mutually approved by Seller and Buyer.

ii) Buyer's Deliveries: Buyer shall deliver each of the following or counterpart signature pages thereto, executed and, as required, acknowledged, by Buyer:

- (1) Funds in an amount sufficient to complete Buyer's purchase of the Option Property in accordance with this Agreement (the "Funds");
- (2) Real Estate Excise Tax Affidavit;
- (3) two (2) executed originals of the Option Property Declaration of Covenants Regarding Transfer as described in this Section 29;
- (4) two (2) executed originals of the Option Property Declaration of Covenants Regarding Permanent Covenants as described in this Section 29;
- (5) closing or settlement statement prepared by Escrow Agent with amounts and adjustments in accordance with this Agreement and as mutually approved by Seller and Buyer;
- (6) such other documents, instruments and instructions as may be required by Escrow Agent in accordance with standard escrow closing practices in the county in which the Option Property is located for closing of the transaction in accordance with this Agreement and as mutually approved by Seller and Buyer.

iii) Closing Costs. Closing costs shall be allocated and pro-rated between the parties as follows:

- (1) Seller and Buyer hereby expressly waive any requirement for escrow to ascertain, pro-rate and/or pay any utility charges relating to the Option Property, which Seller and Buyer agree they will take care of outside of escrow.
- (2) All obligations under service contracts which are not terminated by the Option Closing Date and all rentals received from Tenants, which tenancies have not been terminated, as of the Option Closing Date and other fees received as of the Option Closing under any Lease or other agreement concerning the Option Property shall be prorated and adjusted between the parties as of the Option Closing Date. All real and personal property taxes shall be prorated based upon the year in which they are assessed.
- (3) Seller shall pay the current portion of any assessments owing against the Option Property and due as of Option Closing Date, and Buyer shall assume and pay that portion of any assessments owing against the Option Property coming due after Option Closing Date;
- (4) The amount required for release of all monetary liens against the Option Property, if any, shall be paid by Seller.
- (5) The cost of an ALTA Standard Owner's Policy of Title Insurance shall be paid by Seller. The cost of any extended coverage, endorsements, or coverage in addition to that provided on the Standard form shall be borne by Buyer.
- (6) Seller shall pay all real estate excise taxes for transfer of title of the Option Property to Buyer.
- (7) Seller and Buyer shall each pay one-half of the escrow and closing fees and charges of Escrow Agent.
- (8) Seller shall pay the real estate commission owing to the Broker as provided in Section 28 of this Agreement;
- (9) If Buyer obtains financing for the purchase of the Option Property, Buyer shall pay all costs of financing, including, but not limited to, loan fees, lender attorney's fees, and the premium for the lender's policy of title insurance.
- (10) Each party shall bear its own legal and consulting fees incurred in connection with this transaction.

iv) Pro-Ration of Income and Expenses. All rents received from Tenants as of the Option Closing Date, if any, shall be pro-rated between Seller and Buyer as of the Option Closing Date. Rents from Tenants received after the Option Closing Date, if any, shall be applied first to the month in which Option Closing occurs, pro-rated as provided herein, then to rents accruing after Option Closing, then to rent owing for the period prior to the month in which Option Closing occurs. Utilities and expenses shall be pro-rated

based on the parties' respective periods of ownership. The Option Closing Date shall be an income and expense day for the Buyer.

j. Deed. At the Option Closing, Seller shall deliver to Buyer a statutory warranty deed to the Option Property subject only to the Permitted Exceptions (the "**Option Deed**").

k. Seller's Right to Use Option Property. At all times prior to the Option Closing Date, Seller shall have the right to use the Option Property in any manner consistent with its purposes as it may determine in its sole discretion. Such use may include, but is not limited to, demolishing structures located on the Option Property, regrading the Option Property, removing soils and other materials from the Option Property, restriping any parking spots located on the Option Property, storing equipment and vehicles on the Option Property, and/or locating temporary and/or permanent structures on the Option Property. Accordingly, Buyer acknowledges and by its signature below, consents to the fact that the Option Property may be in a different condition on the Option Closing Date than on the Effective Date.

l. Reserved.

m. Memorandum of Option Agreement. At Closing, Seller agrees to both the form of and to permit recording of a Memorandum of Option Agreement in substantially the form of **Exhibit P** hereto.

n. Terms Incorporated. The terms and conditions of Sections 21 through 26 of this Agreement shall be deemed incorporated into and made a part of the sale and conveyance of the Option Property to Buyer pursuant to this Section 29, the same as though re-stated here in full.

o. Non-Assignment. Buyer acknowledges Seller has specifically elected to enter this Agreement with Buyer based in material part on Seller's assessment of Buyer's qualifications and suitability, Buyer agrees the rights granted to Buyer under this Section 29 are not and shall not be assignable to or exercisable by any other person or entity other than Buyer without the prior written consent of the Seller, which consent may be granted, withheld or conditioned on such terms as Seller determines in its sole and absolute discretion. *Provided*, Buyer may assign Buyer's interests in this Agreement to a limited liability company, limited partnership, limited liability partnership or other business entity in which Main Street Property Group LLC or the principals of Main Street Property Group LLC control and manage the assignee, which assignment shall not require Seller's consent but will be effective only on Seller's receipt of notice thereof. The City will work cooperatively with Buyer to facilitate its investment and development intent.

30. Miscellaneous.

a. Survival of Covenants. Those covenants and undertakings expressly specified in this Agreement as surviving termination of this Agreement or surviving closing shall not terminate by transfer of title or be merged within the covenants of the Deed or any other document executed or delivered at closing.

b. Binding Nature; No Third Party Beneficiaries. All rights and obligations arising out of this Agreement shall inure to the benefit of and be binding upon the respective successors, heirs, assigns, administrators, executors and marital communities, if any, of the parties hereto. *Provided*, this Agreement is entered solely for the benefit of the parties and their respective heirs, assigns or successors. No other parties are intended as beneficiaries hereof and no person not

referred to in the first sentence of this subsection shall have a right to enforce or bring an action on this Agreement.

c. Time. Time is of the essence hereof.

d. Computation of Time; Business Days; Time for Notices. All references to time of day in this Agreement shall mean such time of day in the Pacific Time zone. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which the period of time runs shall be excluded, and the last day of such period shall be included, unless it is not a Business Day, in which case the period shall be deemed to run until the end of the next Business Day. The term “**Business Day**” as used here means any day on which banks in Kenmore, Washington are required to be open for business, excluding Saturdays and Sundays. All periods of time referred to in this Agreement in terms of a number of days shall mean calendar days unless expressly stated otherwise.

e. Notices. All notices required or permitted to be given hereunder shall be in writing and shall be deemed given and received (i) on the date of personal delivery, (ii) two (2) Business Days following the date of deposit in the United States first class mail, postage prepaid, and addressed as set forth below, or (iii) on the date of electronic transmission, either by electronic mail or facsimile (confirmation received) to the e-mail address or facsimile number listed below if so sent by 5:00 p.m., Pacific Time, provided such e-mail or facsimile is sent on a Business Day (and if not, then on the first Business Day after the sending of such electronic mail or facsimile). Said addresses and numbers may be changed by written notice sent in the same manner.

To Seller:	To Buyer:
City of Kenmore Attn: Rob Karlinsey, City Manager 18120 68th Ave NE Kenmore, WA 98028 Fax: 425-481-3236 Email: rkarlinsey@kenmorewa.gov <u>With a copy to:</u> Inslee Best Doezie & Ryder, P.S. Attn: Jackson T. Bennett 10900 NE 4th Street, Suite 1500 Bellevue, WA 98004 Fax: (425) 635-7720 Email: jbennett@insleebest.com	MSPT XI LLC Attn: Kelly Price/Kim Faust 12332 NE 115 th Place Kirkland, WA 98033 Fax: (425) 968-5887 Email: Kelly@mspgrouppllc.com kfaust@mspgrouppllc.com <u>With a copy to:</u> Perkins Coie LLP Attn: Kristine R. Wilson 10885 NE 4th Street, Suite 700 Bellevue, WA 98004 Fax: (425) 635-2400 Email: KRWilson@perkinscoie.com

f. Invalidity. If any provisions of this Agreement shall be invalid, void or illegal, it shall in no way affect, impair or invalidate any of the other provisions hereof.

g. No Partnership. Nothing contained in this Agreement shall be deemed or construed as creating a partnership or joint venture between Seller and Buyer or between Buyer

and any other party, or cause Seller or Buyer to be responsible in any way for the debts or obligations of the other arising from any act, contract, event or transaction undertaken pursuant to or in any other way related to this Agreement.

h. Commonly Used Terms. As used herein, “including” has the same meaning as “including, but not limited to”.

i. No Personal Liability of Officers or Directors. Buyer acknowledges that this Agreement is entered into by Seller as a municipal corporation and Buyer agrees that no individual officer, council member, employee or representative of Seller shall have any personal liability under this Agreement or any document executed in connection with the transactions contemplated by this Agreement. Likewise, Seller acknowledges that this Agreement is entered into by Buyer as a limited liability company and Seller agrees that no individual officer, director, member, employee or representative of Buyer shall have any personal liability under this Agreement.

j. Captions. The captions of this Agreement are inserted solely for the convenience of reference only and do not define, describe or limit the scope or intent of this Agreement or its terms.

k. Tax Deferred Exchange. Seller agrees to cooperate with Buyer in all ways reasonable in consummating this transaction as part of a simultaneous or non-simultaneous tax-deferred exchange pursuant to 1031 of the Internal Revenue Code of 1986, as amended, providing that (i) Seller shall not be required to take title to any property other than the Property, and (ii) the Closing Date shall not be delayed or extended thereby. Buyer has the right to assign its rights hereunder to an accommodation entity ("**Intermediary**") who will cause the closing to occur on Buyer's behalf. In the event of such assignment, all of Buyer's liabilities, representations and warranties under this Agreement shall remain those of Buyer, and Seller shall not seek recourse against the Intermediary with respect to such liabilities or for the breach of any such representations or warranties. Seller shall execute all documentation reasonably required by the Intermediary to memorialize said relief from liability as to the Intermediary. Seller agrees that performance by the Intermediary in effectuating an exchange will be treated as if such performance were made by Buyer, and Buyer shall remain the primary obligor for the full and timely performance by such Intermediary of all obligations of the Buyer under this Agreement. In the event of any breach of any such obligations of Buyer, Seller shall proceed directly against Buyer. Seller shall not be required to assume any liabilities as a result of the exchange transaction that are in addition to those which would exist if the transaction were effectuated as a sale and not an exchange.

l. Confidentiality. If for any reason this Agreement is terminated or canceled and does not close, then all records, documents and materials of any kind provided between Seller and Buyer shall promptly be returned to the provider, and neither party shall publish or disclose to third parties or use for its own benefit any financial, business, proprietary or other information provided or disclosed by the other party in connection with this Agreement. The parties agree that any all media communications (e.g., press releases) or public announcements (e.g., website updates) distributed by the parties regarding this Agreement and its execution or implementation shall be mutually reviewed and agreed upon. The agreement stated in this Section shall survive closing or termination of this Agreement.

m. Further Assurances. If at any time either of the parties reasonably determines that any further assignments, conveyances, assurances or instruments are reasonably necessary or

desirable to carry out the provisions of this Agreement, the appropriate Party shall execute and deliver, or cause to be executed and delivered, any and all property assignments, conveyances, assurances, or instruments and to do, or cause to be done, all things reasonably necessary or property to carry out fully the provisions of this Agreement, provided that such things shall be at no additional material cost, expense or liability to such party beyond those costs, expenses and liabilities set forth in or contemplated by this Agreement.

n. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original thereof, and such counterparts shall together constitute but one and the same agreement. Each party (i) agrees to permit the use, from time to time and where appropriate, of telecopied signatures in order to expedite the transaction contemplated by this Agreement, (ii) intends to be bound by its respective telecopied signature, (iii) is aware that the other party will rely on the telecopied signature, and (iv) acknowledges such reliance and waives any defenses to the enforcement of this Agreement and the documents effecting the transaction contemplated by this Agreement based on the fact that a signature was sent by telecopy. As used herein, the term “telecopied signature” shall include any signature sent via email in portable document format (“.pdf”).

o. Waiver. Failure of any party at any time to require performance of any provision of this Agreement shall not limit that party’s right to enforce the provision. Waiver of any breach of any provision shall not be a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provision.

p. Applicable Law. This Agreement shall be construed, applied and enforced in accordance with the laws of the State of Washington.

q. Indemnified Parties. Any indemnification contained in this Agreement for the benefit of a party shall extend to such party’s employees, attorneys and agents and shall survive closing or the termination of this Agreement as the case may be.

r. Entire Agreement; No Oral Modifications. This Agreement, including its Recitals and the Exhibits referred to herein and attached hereto, all of which Recitals and Exhibits are incorporated into and made a part of this Agreement, along with the original of all documents hereafter signed by the parties in the form of the Exhibits hereto or in such form as is otherwise agreed upon by the parties in accordance with this Agreement, constitute the entire contract, agreement, understanding and arrangement by and between the parties with respect to the subject matter hereof. This Agreement cannot be changed or modified other than by a written agreement executed by both parties. All references herein to “this Agreement” or “the Agreement” shall mean this Agreement and all of its Recitals and Exhibits as well as any and all amendments and addenda hereafter mutually executed by the parties which state they are included in or part of this Agreement.

[Signatures on following page]

DATED the day and year first written above.

SELLER: CITY OF KENMORE, a Washington municipal corporation By: _____ Name: _____ Title: _____	BUYER: MSPT XI LLC, a Washington limited liability company By: _____ Name: _____ Title: _____
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EXHIBIT A
[LEGAL DESCRIPTION OF EXISTING PROPERTY]





Kenmore Town Green – Lot Boundaries
City of Kenmore
October 24, 2014

HEWITT

EXHIBIT B
[LEGAL DESCRIPTION OF CITY PROPERTY]

The Town Green Parcel is legally described as follows:

The Pavilion Parcel is legally described as follows:

EXHIBIT C-1
[LEGAL DESCRIPTION OF COMMERCIAL PROPERTY]

Parcel D is legally described as follows:

Parcel B is legally described as follows:

EXHIBIT C-2
[LEGAL DESCRIPTION OF OPTION PROPERTY]

The Option Property/Lot C is legally described as follows:

EXHIBIT D

**THE TENANT SUMMARY SHOULD JUST CONTAIN A LIST OF THE 2 TENANTS AND THE
KEY TERMS AND ANNUAL OR MONTHLY LEASE RATE, START DATE, TERM,
EXTENSIONS, ETC.**

[IBDR: This exhibit will be updated prior to execution to reflect the two tenants.]

**EXHIBIT E
TENANT ESTOPPEL CERTIFICATE**

TO: [Buyer]

AND TO: CITY OF KENMORE
18120 68th Ave NE
Kenmore, WA 98028

Ladies and Gentlemen:

The undersigned, _____ a [corporation/partnership/limited liability company/sole proprietorship] ("Tenant"), is the tenant under that certain Lease dated _____ (said Lease, as amended and supplemented by the instruments, if any, described in paragraph 1 below, is referred to herein as the "Lease"). The City of Kenmore ("Landlord") is the landlord under the Lease and the Lease covers the premises located at _____, ("Premises"). Tenant understands Buyer may be acquiring the Landlord's interest in the Premises and the Lease and that the Buyer and Landlord will be relying on the truth and accuracy of the matters described in this estoppel certificate in incurring financial obligations and proceeding to complete the purchase and sale of the property of which the Premises are a part. The truth and accuracy of the certifications contained herein may be relied upon by Landlord, Buyer and any lender to Buyer. Based on such understandings, Tenant represents to the Buyer and Landlord and certifies as of the date of execution of this certificate that:

1. The Lease, and all amendments and supplements thereto, are described as follows:
_____. Said documents and instruments constitute the entire agreement between Landlord and Tenant with respect to the Premises.
2. The Lease is in full force and effect according to its terms as written in the documents described in Paragraph 1 above.
3. The term of the Lease is presently scheduled to expire on _____, 20____. There are no rights of extension or renewal remaining under the terms of the Lease except: _____.
4. Tenant has no expansion options or rights of first offer, rights of first refusal, exclusives, right to lease other premises, or rights to have Landlord perform Tenant's obligations under leases of other premises.
5. Tenant acknowledges the Lease can be terminated upon twelve (12) [six (6)] months' prior written notice to Tenant. Tenant has not received any oral or written promise or assurance of any kind that Landlord (or any successor owner of the property) has waived such right of early termination.
6. There has not been filed by or against Tenant a petition in bankruptcy, voluntary or otherwise, any assignment for the benefit of creditors, any petition seeking reorganization or arrangement under the bankruptcy laws of the United States or any state thereof.

7. The undersigned, as the holder of the Tenant's interest under the Lease, is in occupancy of all the Premises covered by the Lease and is actively conducting its business therein, which business is the permitted use specified in the Lease. Tenant has not subleased, and there are no other parties in possession of, any portion of the Premises.
8. The Lease has not been assigned, mortgaged, pledged or otherwise encumbered by Tenant, nor has all or any portion of the Premises been sublet, except as follows: [if none, then so insert the word "none"]

9. Tenant is current in payment of all Base Rent and all estimated Additional Rent has been paid in full for the period ending _____, 20___. No rent has been paid more than thirty days in advance.
10. Tenant has no claim of offset or defense against either the rent or the Landlord, nor any other claim or counterclaim against the Landlord under the Lease, including, without limitation, claims to concessions, rebates or abatements in rent.
11. The monthly Base Rent is _____. In addition, Tenant presently pays _____ on a monthly basis for its share of estimated common area expenses, real estate taxes and landlord's insurance premiums.
12. Tenant is not aware of and has not given any notice of any defaults on the part of Landlord under the Lease, and Tenant is not aware of the occurrence of any event which, with the passage of time or the giving of notice (or both), would constitute a default by Landlord thereunder.
13. Except for its security deposit of _____ and last month's rent of _____, Tenant has no claim against Landlord for any security, last month's rent or other deposits under the Lease. To the best of Tenant's knowledge, Landlord has not waived any of Landlord's rights under the Lease.
14. Any payments by Landlord to Tenant for tenant improvements that are required under the Lease have been made.

The undersigned has executed this estoppel certificate as of the ____ day of _____, 2014.

Very truly yours,

By: _____

Its: _____

EXHIBIT F

[DEED]

WHEN RECORDED RETURN TO:

STATUTORY WARRANTY DEED

THE GRANTOR, _____, for and in consideration of _____, in hand paid, conveys and warrants to _____, THE GRANTEE, the following described real estate (the "Property"), situated in the County of _____, State of Washington:

See Exhibit A attached hereto and by this reference incorporated herein.

SUBJECT TO all matters of record and those matters identified on Exhibit B hereto (the "Permitted Exceptions").

Abbreviated Legal Description:

Tax Account No.:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

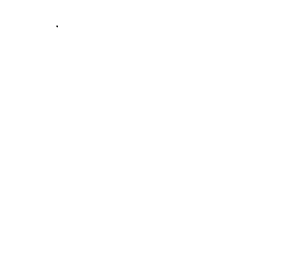
Title: _____

STATE OF WASHINGTON)
COUNTY OF KING) ss.

I certify that I know or have satisfactory evidence that the persons appearing before me and making this acknowledgment are the persons whose true signatures appear on this document.

On this _____ day of _____, 2013, before me personally appeared _____ and _____, to me known to be the _____ and _____, respectively, of _____, the _____ that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said _____, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Notary Public in and for the State of Washington,
residing at _____
My commission expires: _____
[Type or Print Notary Name]

(Use This Space for Notarial Seal Stamp)

EXHIBIT A TO DEED

Legal Description

EXHIBIT B TO DEED

Permitted Exceptions

**EXHIBIT G
ASSIGNMENT AND ASSUMPTION OF LEASES**

This Assignment and Assumption of Leases (the “**Assignment**”), is entered as of the _____ day of _____, 2014, by, between and among _____ (“**Assignor**”), and _____ (“**Assignee**”), all of whom agrees as follows:

In consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Property. The “**Property**” means the real property located in King County, Washington, which is legally described in Exhibit A attached to this Assignment, together with the building, structures and other improvements located thereon.

2. Leases. The “**Leases**” means the leases affecting the Property listed on Exhibit B attached to this Assignment.

3. Security Deposits. “**Security Deposits**” means the tenant refundable security deposits and other refundable deposits held by or for Assignor on account of tenants under the Leases with respect to which Assignee received a credit at the closing of the transaction pursuant to this Assignment and which are also listed on Exhibit B.

4. Assignment. Assignor hereby grants, transfers and assigns to Assignee the entire right, title and interest of Assignor in and to the Leases and the Security Deposits.

5. Assumption. Assignee hereby assumes the covenants, agreements and obligations of Assignor as landlord or lessor under the Leases which are applicable to the period and required to be performed from and after the date of this Assignment, but not otherwise, and Assignee further assumes all liability of Assignor for the proper refund or return of the Security Deposits if, when and as required by the Leases. No person or entity, other than Assignor shall be deemed a beneficiary of the provisions of this Section 5.

6. Indemnification. Assignor shall indemnify and hold Assignee harmless from and against all obligations of the “lessor” or “landlord” under the Leases to the extent such obligations were applicable to the period and required to be performed prior to the date of this Assignment. Assignee shall indemnify and hold Assignor harmless from and against all obligations of the “lessor” or the “landlord” under the Leases to the extent that such obligations are applicable to the period and required to be performed from and after the date of this Assignment, including but not limited to all obligations relating to the Security Deposits hereby assigned to Assignee.

7. Legal Expenses. If either party to this Assignment brings suit or otherwise becomes involved in any legal proceedings seeking to enforce the terms of this Assignment, or to recover damages for their breach, the prevailing party shall be entitled to recover its costs and expenses (including fees of attorneys, expert witnesses, accountants, court reporters and others) incurred in

connection therewith including all such costs and expenses incurred in: (a) in trial and appellate court proceedings, (b) in connection with any and all counterclaims asserted by one party to this Assignment against another whether or not such counterclaims arise out of or are otherwise related to this Assignment, (c) in bankruptcy or other insolvency proceedings, and (d) in post-judgment collection proceedings.

8. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

9. Power and Authority. Each party represents and warrants to the other that it is fully empowered and authorized to execute and deliver this Assignment, and the individual signing this Assignment on behalf of such party represents and warrants to the other party that he or she is fully empowered and authorized to do so.

10. Counterparts. This Assignment may be executed in several counterparts, each of which shall be deemed an original, but all of, which shall constitute one agreement, binding on all parties.

[Signatures Follow]

DATED the day and year first written above.

ASSIGNOR:

[]

By: _____

Name: _____

Title: _____

ASSIGNEE:

[]

By: _____

Name: _____

Title: _____

EXHIBIT A to Assignment and Assumption of Leases

[Legal Description]

EXHIBIT B to Assignment and Assumption of Leases

[Leases]

EXHIBIT H
ASSIGNMENT AND ASSUMPTION OF SERVICE CONTRACTS

THIS ASSIGNMENT AND ASSUMPTION OF SERVICE CONTRACTS ("Assignment") is made and entered as of the _____ day of _____, 2014, by and between _____ ("Seller"), and _____ ("Buyer"), with reference to the following facts:

A. Seller and Buyer have entered into that certain Real Estate Purchase and Sale Agreement dated as of _____ ("Purchase Agreement"), in which Seller has agreed to sell and Buyer has agreed to purchase the real property described on **Exhibit "1"** attached thereto and the improvements located thereon (collectively, the "Property").

B. Pursuant to the Purchase Agreement, Seller has agreed to assign to Buyer all of Seller's right, title and interest to those certain Contracts relating to the Property and described on **Exhibit "2"** attached hereto (the "Contracts").

THEREFORE, for valuable consideration, Seller and Buyer agree as follows:

1. Assignment. Seller hereby assigns, sells and transfers to Buyer without recourse and without representation or warranty, all of Seller's right, title and interest in and to the Contracts as of the date hereof. Seller agrees to indemnify, defend and hold Buyer harmless from and against any and all amounts due, charges, or costs under the Contracts for the period prior to the date hereof.

2. Assumption. With respect to the Contracts and the obligations thereunder, Buyer hereby assumes all of the benefits and burdens of the Contracts as of the date hereof. Buyer agrees to indemnify, defend and hold Seller harmless from and against any and all amounts due, charges, or costs under the Contracts for the period prior from and after the date hereof.

3. Counterparts. This Assignment may be executed in counterparts, each of which shall be deemed an original, and both of which together shall constitute one and the same instrument.

4. Miscellaneous. This Assignment shall be binding on the parties and their respective successors and assigns. The headings to Sections of this Assignment are for convenient reference only and shall not be used in interpreting this Assignment.

DATED as of the day and year first written above.

SELLER:	BUYER:
☐	☐
By: _____ ☐	By: _____ ☐

--	--

EXHIBIT “1” TO ASSIGNMENT AND ASSUMPTION OF SERVICE CONTRACTS
LEGAL DESCRIPTION

[Legal Description]

[End of Legal Description]

EXHIBIT “2” TO ASSIGNMENT AND ASSUMPTION OF SERVICE CONTRACTS

LIST OF CONTRACTS

Vendor	Subject Matter of Contract
[]	[]

**EXHIBIT I
BILL OF SALE**

_____, a _____ ("**Grantor**"),
for and in consideration of the sum of Ten Dollars (\$10) and other good and valuable
consideration in hand paid by _____, a
_____ ("**Grantee**"), the receipt and sufficiency of which are
hereby acknowledged, does hereby GRANT, SELL, CONVEY, ASSIGN AND DELIVER to
Grantee all right, title and interest in the following property, excluding without limitation any
personal property owned by the tenants of the real property more particularly described on
Exhibit 1 attached hereto and incorporated herein by this reference (the "**Property**") or owned by
the property manager of the Property (all of the following being hereinafter collectively referred
to as the "**Personal Property**"):

- (a) All fixtures and equipment attached to or located on the Property; and
- (b) All assignable or transferable intangible property used in connection with the
Property, including (i) any guaranties and warranties pertaining to the Property, (ii) all rights to
obtain utility service in connection with the Property, and (iii) assignable licenses and other
governmental permits and permissions relating to the Property.

TO HAVE AND TO HOLD the Personal Property, together with all and singular the
rights and appurtenances thereto in anywise belonging unto Grantee, its successors and assigns
forever.

Grantor represents and warrants to Grantee that Grantor owns the Personal Property free
and clear of all liens, security interests and encumbrances, and that Grantor has the unrestricted
ability and authority to convey the Personal Property to Grantee.

EXCEPT AS SET FORTH HEREIN, GRANTOR HAS NOT MADE, AND DOES NOT
HEREBY MAKE, ANY REPRESENTATION, WARRANTY OR COVENANT, EXPRESS OR
IMPLIED, WITH RESPECT TO THE HABITABILITY, MERCHANTABILITY,
SUITABILITY OR FITNESS FOR PARTICULAR USE OF THE PERSONAL PROPERTY
OR ANY COMPONENT THEREOF, IN ANY RESPECT WHATSOEVER OR IN
CONNECTION WITH OR FOR THE PURPOSES AND USES OF GRANTEE, OR, EXCEPT
FOR THE WARRANTIES EXPRESSLY CONTAINED HEREIN, ANY OTHER
REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND AND CHARACTER,
EXPRESS OR IMPLIED, WITH RESPECT THERETO; AND THE PERSONAL PROPERTY
IS SOLD, TRANSFERRED AND ASSIGNED TO GRANTEE "AS IS" AND WHERE IS".

IN WITNESS WHEREOF, this Bill of Sale is executed by Grantor the _____ day of _____, 20____.

Grantor:

_____,
a _____

By: _____
[Print Name] _____
Its: _____

STATE OF _____)
) §
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who acknowledged that he signed this instrument and on oath stated that he was authorized to execute the instrument and acknowledged it as the _____ of _____, a _____, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____, 20____.

(SEAL/STAMP)

Print Name: _____
NOTARY PUBLIC in and for the state of _____
residing in _____
My appointment expires _____

EXHIBIT J

**SELLER CERTIFICATE RE
REPRESENTATIONS AND WARRANTIES**

The undersigned, as Seller under a Real Estate Purchase and Sale Agreement dated as of _____, (the "Purchase Agreement") between _____ ("Seller"), and _____ ("Buyer"), does hereby certify to Buyer as follows:

Except as otherwise disclosed in writing to Buyer prior to the date hereof, the representations and warranties set forth in **Section 17** of the Purchase Agreement are hereby reaffirmed as being true, correct, and complete as of the date hereof.

Seller's liability hereunder shall be subject to the limitations set forth in the Purchase Agreement.

Dated as of this ____ day of _____, 2014.

SELLER:

[]

By: _____

[]

EXHIBIT K

**BUYER CERTIFICATE RE
REPRESENTATIONS AND WARRANTIES**

The undersigned, as Buyer under a Real Estate Purchase and Sale Agreement dated as of _____, (the "Purchase Agreement") between _____ ("Seller"), and _____ ("Seller"), does hereby certify to Seller as follows:

Except as otherwise disclosed in writing to Seller prior to the date hereof, the representations and warranties set forth in **Section 18** of the Purchase Agreement are hereby reaffirmed as being true, correct, and complete as of the date hereof.

Buyer's liability hereunder shall be subject to the limitations set forth in the Purchase Agreement.

Dated as of this ____ day of _____, 2014.

BUYER:

[]

By: _____
[]

EXHIBIT L-1
[DECLARATION OF COVENANTS REGARDING TRANSFER]

AFTER RECORDING RETURN TO:

Inslee, Best, Doezie & Ryder, P.S.
Attn: Jackson T. Bennett
777 - 108th Avenue N.E., Ste. 1900
P.O. Box 90016
Bellevue, WA 98009-9016

DECLARATION OF COVENANTS REGARDING TRANSFER

Grantor: MSPT XI LLC, a Washington limited liability company

Grantee: City of Kenmore, a Washington municipal corporation

Short Legal Description: [Complete legal description on Exhibit. A]

Assessor's Property Tax
Parcel/Account Number(s):

Reference Number(s) of
Documents Assigned
or Released: N/A

DECLARATION OF COVENANTS REGARDING TRANSFER

THIS DECLARATION OF COVENANTS REGARDING TRANSFER (this “**Declaration**”) is hereby made, declared and granted as of the ____ day of _____, 20____, by the Declarant, MSPT XI LLC, a Washington limited liability company, with respect to the real property legally described on **Exhibit A** hereto consists of “**Lot D**” and “**Lot B**” (the Lot D and the Lot B are collectively referred to herein as the “**Real Property**”), as follows:

WHEREAS, Declarant is the owner in fee title of the Real Property; and

WHEREAS, Declarant has received fee title to and ownership of the Real Property by way of statutory warranty deed to Declarant from its immediate predecessor in ownership of the Real Property, the City of Kenmore, a Washington municipal corporation (“**City**”), pursuant to that certain Agreement for Purchase, Sale and Development of Real Property dated as of the ____ day of _____, 2014 (the “**Purchase Agreement**”), which Purchase Agreement expressly made the declaration and recording of the covenants stated herein as a condition to the transaction described therein; and

WHEREAS, Declarant has agreed to and hereby makes the covenants declared herein;

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency of which are acknowledged by Declarant, Declarant hereby makes, grants and declares the following covenants with respect to the Real Property:

1. Covenant Not To Re-Sell. Declarant shall not, and shall not have the lawful authority to, sell, transfer, or otherwise permit any change of ownership of the Real Property that would result in Main Street Property Group LLC or the principals of Main Street Property Group LLC not being in control and managing the Real Property or any successor business entity (any and all of the foregoing, a “**Change of Ownership**”) prior to an approved site plan for the Real Property and completion (meaning a Certificate of Occupancy, or Temporary Certificate of Occupancy has been obtained) of at least ten thousand (10,000) square feet of new construction at the Real Property. A sale or transfer in which Declarant’s members or managers maintain a controlling aggregate interest in the Real Property does not constitute a Change of Ownership.

2. Covenant Regarding New Construction. All site plan applications as submitted from time to time with respect to the Real Property shall contemplate not less than ten thousand (10,000) square feet of new construction on Lot B (the “**Lot B New Construction**”).

3. Construction Timeline. Declarant shall have obtained a grading permit and commenced construction of the Lot B New Construction by no later than the date that is three years from the date that this Declaration is recorded in the real property records of King County, Washington (the “**Required Completion Date**”). For each day after the Required Completion Date that the Declarant has not obtained the required grading permit and commenced construction of the Lot B New Construction, Declarant shall pay to the City a sum of Five Hundred Dollars (\$500) per day, unless such failure is caused by reason of Force Majeure (as defined below); *provided*, that the

amount owed to the City for any delay in obtaining a grading permit and commencing construction of the Lot B New Construction shall be capped at twenty thousand dollars (\$20,000) per twelve (12) month period commencing on the Required Completion Date. Declarant and the City intend that such amount constitutes liquidated damages on account of the difficulty of measuring actual damages; and in order to avoid other costs and expenses to either party in connection with Declarant's failure to complete the Lot B New Construction as required by this Section. Declarant and the City believe, and by their signature below acknowledge, said amount to be a fair estimate of actual damages. At its sole discretion, the City may elect to extend the construction timeline contained in this section.

4. Sidewalk, Landscaping and Street-side Improvements. As a condition to any permit for construction of improvements on the Real Property, such improvements shall include sidewalks and landscaping along the property borders of the Real Property. The sidewalks and landscaping shall be of such nature consistent with those required under the City's regulations in KMC Chapter 18. Such improvements shall be installed along or adjacent to any portion of the Real Property that borders or is adjacent to a public street. Absence of such improvements for prior development or elsewhere along such public street shall not excuse compliance with this requirement as to any development hereafter constructed on the Real Property. The requirements of this section shall be referred to as the **"Sidewalk, Landscaping and Street-Side Improvements Requirement."**

5. Demolition Requirement. By no later than August 1, 2016, Declarant shall have obtained a demolition permit from the City and shall demolish the entire building on the northern portion of the Real Property (the contiguous building of approximately 26,000 square feet between the current Kenmore Camera building and 68th Avenue). Within 120 days after commencement of demolition, Declarant shall 1) have completed site cleanup the former building site in a presentable fashion; or 2) begin construction of a new building on the former building site. Under no circumstances shall the former building site become a vacant, unkempt "weed lot". The requirements of this section shall be referred to as the **"Demolition Requirement."**

6. Utility Lines. All electric power transmission and other utility lines and conduits associated with any construction or improvements on the Real Property or in right-of-way adjacent to the Real Property shall be placed underground so that no utility lines are located above ground. Any costs associated with such undergrounding shall be borne by Declarant. Such undergrounding work shall be performed at a time fully appropriate to coordinate with construction of other underground work on the Real Property. The requirements of this section shall be referred to as the **"Utility Undergrounding Requirement."**

7. Termination and Release of Covenants. Upon completion of the New Construction, the Sidewalk, Landscaping and Street-Side Improvements Requirement, the Demolition Requirement, and the Utility Undergrounding Requirement required by this Declaration, and issuance of all Certificates of Occupancy or Temporary Certificates of Occupancy or at such other time prior to issuance of all Certificates of Occupancy or Temporary Certificates of Occupancy as the City shall determine in its sole discretion, the City shall execute and cause to be recorded with the appropriate recording office in King County, Washington a termination and release of this Declaration in the form of **Exhibit B** hereto, the terms and

conditions of which are incorporated into and made a part of the terms of this Declaration (the “**Termination and Release**”). The Termination and Release shall be effective upon the date the Termination and Release is recorded in King County, Washington and shall have the effect of terminating this Declaration and releasing the Declarant, its successors and assigns, from further obligations under this Declaration. Declarant, by its signature below, hereby consents to the City unilaterally recording the Termination and Release as discussed in this Section 8 without further action by, providing further notice to, or obtaining further permission from Declarant.

8. Burden Running with the Land; Benefit In Gross. Declarant intends that the burdens of the covenants contained in this Declaration shall touch and concern and run with the Real Property such that they will be binding upon Declarant’s heirs, successors, and assigns unless and until terminated as provided in Section 8. Declarant intends that the benefits of the covenants contained in this Declaration shall be in gross and shall inure to the benefit of and be enforceable by the City against it and all future heirs, successors and assigns.

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

10. No Third Party Rights. The provisions of this Declaration are intended for the benefit of, and may only be enforced by, the parties hereto and their respective successors and permitted assigns. None of the rights or obligations of the parties herein set forth (or implied) are intended to confer any claim, cause of action, remedy, defense, legal justification, indemnity, contribution claim, set-off, or other right, whatsoever upon or otherwise inure to the benefit of any contractor, architect, consultant, subcontractor, worker, supplier, mechanic, insurer, surety, guest, member of the public, or other third parties having dealing with either of the parties hereto or involved, in any manner, in the Property or the Project.

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

12. Defined Terms. Initially-capitalized terms used by not defined herein shall have the meanings stated in the Purchase Agreement.

DATED the day and year first written above.

[Signature/Acknowledgment]

EXHIBIT A TO DECLARATION OF COVENANTS REGARDING TRANSFER

The Lot D is legally described as follows:

The Lot B is legally described as follows:

EXHIBIT B TO DECLARATION OF COVENANTS REGARDING TRANSFER

AFTER RECORDING RETURN TO:

Inslee, Best, Doezie & Ryder, P.S.
Attn: Jackson T. Bennett
777 - 108th Avenue N.E., Ste. 1900
P.O. Box 90016
Bellevue, WA 98009-9016

**TERMINATION AND RELEASE OF DECLARATION OF COVENANTS REGARDING
TRANSFER**

Grantor:	MSPT XI LLC, a Washington limited liability company
Grantee:	City of Kenmore, a Washington municipal corporation
Short Legal Description:	[Complete legal description on Exhibit. A]
Assessor's Property Tax Parcel/Account Number(s):	
Reference Number(s) of Documents Assigned or Released:	N/A

**TERMINATION AND RELEASE OF DECLARATION OF COVENANTS REGARDING
TRANSFER**

THIS TERMINATION AND RELEASE OF DECLARATION OF COVENANTS REGARDING TRANSFER (the “**Termination and Release**”) is executed by the City of Kenmore, a Washington municipal corporation, (the “**City**”) for the purpose of terminating the Declaration of Covenants described below.

RECITALS

A. MSPT XI LLC, a Washington limited liability company (“**Declarant**”), is the owner of the real property described in **Exhibit A** hereto and incorporated herein by this reference (the “**Property**”). The Property is burdened by that certain Declaration of Covenants dated _____ and recorded under King County Recording No. _____ (the “**Declaration**”).

B. Pursuant to the terms of the Declaration, the benefits of the covenants contained therein inure to and are enforceable by the City, and the City is required to terminate and release the Declaration upon issuance of all Certificates of Occupancy or Temporary Certificates of Occupancy required by the Declaration or at such other time as the City, in its sole discretion, determine.

C. Pursuant to Section 6 of the Declaration, the City desires to terminate the Declaration

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by this reference, the City agrees as follows:

1. Termination and Release of the Declaration. The Declaration is hereby terminated and released together with all covenants, restrictions and limitations of every nature originally declared, arising under, or accruing pursuant to the Declaration. This Termination and Release shall be effective upon recording of this Termination in the real property records of King County, Washington.

IN WITNESS WHEREOF the City has executed this Termination and Release effective on the date first written above.

[Signature/acknowledgement]

EXHIBIT A TO TERMINATION AND RELEASE OF DECLARATION OF COVENANTS
REGARDING TRANSFER

[Legal Description]

EXHIBIT L-2
[OPTION PROPERTY DECLARATION OF COVENANTS REGARDING TRANSFER]

AFTER RECORDING RETURN TO:

Inslee, Best, Doezie & Ryder, P.S.
Attn: Jackson T. Bennett
777 - 108th Avenue N.E., Ste. 1900
P.O. Box 90016
Bellevue, WA 98009-9016

DECLARATION OF COVENANTS REGARDING TRANSFER

Grantor:	MSPT XI LLC, a Washington limited liability company
Grantee:	City of Kenmore, a Washington municipal corporation
Short Legal Description:	[Complete legal description on Exhibit. A]
Assessor's Property Tax Parcel/Account Number(s):	
Reference Number(s) of Documents Assigned or Released:	N/A

DECLARATION OF COVENANTS REGARDING TRANSFER

THIS DECLARATION OF COVENANTS REGARDING TRANSFER (this “**Declaration**”) is hereby made, declared and granted as of the ____ day of _____, 20____, by the Declarant, MSPT XI LLC, a Washington limited liability company, with respect to the real property legally described on **Exhibit A** (the “**Real Property**”), as follows:

WHEREAS, Declarant is the owner in fee title of the Real Property; and

WHEREAS, Declarant has exercised an option right to purchase the Real Property and received fee title to and ownership of the Real Property by way of statutory warranty deed to Declarant from its immediate predecessor in ownership of the Real Property, the City of Kenmore, a Washington municipal corporation (“**City**”), pursuant to that certain Agreement for Purchase, Sale and Development of Real Property dated as of the ____ day of _____, 2014 (the “**Purchase Agreement**”), which Purchase Agreement expressly made the declaration and recording of the covenants stated herein as a condition to the transaction described therein; and

WHEREAS, Declarant has agreed to and hereby makes the covenants declared herein;

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency of which are acknowledged by Declarant, Declarant hereby makes, grants and declares the following covenants with respect to the Real Property:

1. Covenant Not To Re-Sell. Declarant shall not, and shall not have the lawful authority to, sell, transfer, or otherwise permit any change of ownership of the Real Property that would result in Main Street Property Group LLC or the principals of Main Street Property Group LLC not being in control and managing the Real Property or any successor business entity (any and all of the foregoing, a “**Change of Ownership**”) prior to an approved site plan for the Real Property and completion (meaning a Certificate of Occupancy, or Temporary Certificate of Occupancy has been obtained) of at least four thousand (4,000) square feet of new construction at the Real Property, and entry into a lease for the Real Property that incorporates the Required Terms, as defined below. A sale or transfer in which Declarant’s members or managers maintain a controlling aggregate interest in the Real Property does not constitute a Change of Ownership. The term “**Required Terms**” shall mean the following terms: a) the lease term shall be no less than five (5) years, and b) the tenant of such lease shall be obligated to operate a sit-down restaurant. As used in the previous sentence, the term “sit-down restaurant” does not include (i) a restaurant that operates any kind of drive-through, (ii) a “fast food” restaurant, or (iii) a bar that serves people solely over the age of twenty-one (21) without an affiliated sit-down restaurant.

2. Covenant Regarding New Construction. All site plan applications as submitted from time to time with respect to the Real Property shall contemplate not less than four thousand (4,000) square feet of new construction on the Real Property (the “**Real Property New Construction**”).

3. Maintenance of Real Property and Use by City. Under no circumstances shall the Declarant allow the Real Property to become a vacant, unkempt “weed lot”. Additionally, prior to commencement of the Real Property New Construction, the City shall have the right to maintain the Real Property and continue its preexisting use of the Real Property. Solely for purposes of this Section 3, the City agrees to defend, indemnify and hold harmless Declarant from any and all claims for injuries or damages suffered by any person or property caused by the City’s use or maintenance of the Real Property; *provided*, the City shall have no duty to the Declarant for any loss, injury or damages caused by or resulting from the active negligence or willful misconduct of Declarant or Declarant’s agents. Solely for purposes of this Section 3 and solely as to any claim by an employee of the City against Declarant for which the City has a duty to defend, indemnify and hold harmless Declarant, the City waives its immunity under Title 51, Revised Code of Washington (which waiver is solely for Declarant’s benefit and solely for purposes of this Section 3 and may not be invoked by any third person, including any such employee of the City or the heir, assign, successor, trustee, administrator or personal representative of such employee).

4. Sidewalk, Landscaping and Street-side Improvements. As a condition to any permit for construction of improvements on the Real Property, such improvements shall include sidewalks and landscaping along the property borders of the Real Property. The sidewalks and landscaping shall be of such nature consistent with those required under the City’s regulations in KMC Chapter 18. Such improvements shall be installed along or adjacent to any portion of the Real Property that borders or is adjacent to a public street. Absence of such improvements for prior development or elsewhere along such public street shall not excuse compliance with this requirement as to any development hereafter constructed on the Real Property. The requirements of this section shall be referred to as the **“Sidewalk, Landscaping and Street-Side Improvements Requirement.”**

5. Utility Lines. All electric power transmission and other utility lines and conduits associated with any construction or improvements on the Real Property or in right-of-way adjacent to the Real Property shall be placed underground so that no utility lines are located above ground. Any costs associated with such undergrounding shall be borne by Declarant. Such undergrounding work shall be performed at a time fully appropriate to coordinate with construction of other underground work on the Real Property. The requirements of this section shall be referred to as the **“Utility Undergrounding Requirement.”**

6. Termination and Release of Covenants. Upon completion of the Real Property New Construction, the Sidewalk, Landscaping and Street-Side Improvements Requirement, the Utility Undergrounding Requirement, and execution of a lease for the Real Property that incorporates the Required Terms, and issuance of all Certificates of Occupancy or Temporary Certificates of Occupancy or at such other time prior to issuance of all Certificates of Occupancy or Temporary Certificates of Occupancy as the City shall determine in its sole discretion, the City shall execute and cause to be recorded with the appropriate recording office in King County, Washington a termination and release of this Declaration in the form of **Exhibit B** hereto, the terms and conditions of which are incorporated into and made a part of the terms of this Declaration (the **“Termination and Release”**). The Termination and Release shall be effective upon the date the Termination and Release is recorded in King County, Washington and shall

have the effect of terminating this Declaration and releasing the Declarant, its successors and assigns, from further obligations under this Declaration. Declarant, by its signature below, hereby consents to the City unilaterally recording the Termination and Release as discussed in this Section 8 without further action by, providing further notice to, or obtaining further permission from Declarant.

7. Burden Running with the Land; Benefit In Gross. Declarant intends that the burdens of the covenants contained in this Declaration shall touch and concern and run with the Real Property such that they will be binding upon Declarant's heirs, successors, and assigns unless and until terminated as provided in Section 8. Declarant intends that the benefits of the covenants contained in this Declaration shall be in gross and shall inure to the benefit of and be enforceable by the City against it and all future heirs, successors and assigns.

8. No Third Party Rights. The provisions of this Declaration are intended for the benefit of, and may only be enforced by, the parties hereto and their respective successors and permitted assigns. None of the rights or obligations of the parties herein set forth (or implied) are intended to confer any claim, cause of action, remedy, defense, legal justification, indemnity, contribution claim, set-off, or other right, whatsoever upon or otherwise inure to the benefit of any contractor, architect, consultant, subcontractor, worker, supplier, mechanic, insurer, surety, guest, member of the public, or other third parties having dealing with either of the parties hereto or involved, in any manner, in the Property or the Project.

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

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

11. Defined Terms. Initially-capitalized terms used by not defined herein shall have the meanings stated in the Purchase Agreement.

DATED the day and year first written above.

[Signature/Acknowledgment]

EXHIBIT A TO DECLARATION OF COVENANTS REGARDING TRANSFER

[Legal Description of the Real Property]

EXHIBIT B TO DECLARATION OF COVENANTS REGARDING TRANSFER

AFTER RECORDING RETURN TO:

Inslee, Best, Doezie & Ryder, P.S.
Attn: Jackson T. Bennett
777 - 108th Avenue N.E., Ste. 1900
P.O. Box 90016
Bellevue, WA 98009-9016

**TERMINATION AND RELEASE OF DECLARATION OF COVENANTS REGARDING
TRANSFER**

Grantor:	MSPT XI LLC, a Washington limited liability company
Grantee:	City of Kenmore, a Washington municipal corporation
Short Legal Description:	[Complete legal description on Exhibit. A]
Assessor's Property Tax Parcel/Account Number(s):	
Reference Number(s) of Documents Assigned or Released:	N/A

**TERMINATION AND RELEASE OF DECLARATION OF COVENANTS REGARDING
TRANSFER**

THIS TERMINATION AND RELEASE OF DECLARATION OF COVENANTS REGARDING TRANSFER (the “**Termination and Release**”) is executed by the City of Kenmore, a Washington municipal corporation, (the “**City**”) for the purpose of terminating the Declaration of Covenants described below.

RECITALS

A. MSPT XI LLC, a Washington limited liability company (“**Declarant**”), is the owner of the real property described in **Exhibit A** hereto and incorporated herein by this reference (the “**Property**”). The Property is burdened by that certain Declaration of Covenants dated _____ and recorded under King County Recording No. _____ (the “**Declaration**”).

B. Pursuant to the terms of the Declaration, the benefits of the covenants contained therein inure to and are enforceable by the City, and the City is required to terminate and release the Declaration upon issuance of all Certificates of Occupancy or Temporary Certificates of Occupancy required by the Declaration or at such other time as the City, in its sole discretion, determine.

C. Pursuant to Section 6 of the Declaration, the City desires to terminate the Declaration

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by this reference, the City agrees as follows:

1. Termination and Release of the Declaration. The Declaration is hereby terminated and released together with all covenants, restrictions and limitations of every nature originally declared, arising under, or accruing pursuant to the Declaration. This Termination and Release shall be effective upon recording of this Termination in the real property records of King County, Washington.

IN WITNESS WHEREOF the City has executed this Termination and Release effective on the date first written above.

[Signature/acknowledgement]

EXHIBIT A TO TERMINATION AND RELEASE OF DECLARATION OF COVENANTS
REGARDING TRANSFER

[Legal Description]

EXHIBIT M
[DECLARATION OF COVENANTS REGARDING PERMANENT COVENANTS]

AFTER RECORDING RETURN TO:

Inslee, Best, Doezie & Ryder, P.S.
Attn: Jackson T. Bennett
777 - 108th Avenue N.E., Ste. 1900
P.O. Box 90016
Bellevue, WA 98009-9016

DECLARATION OF COVENANTS REGARDING PERMANENT COVENANTS

Grantor:	MSPT XI LLC, a Washington limited liability company
Grantee:	City of Kenmore, a Washington municipal corporation
Short Legal Description:	[Complete legal description on Exhibit A]
Assessor's Property Tax Parcel/Account Number(s):	
Reference Number(s) of Documents Assigned or Released:	N/A

DECLARATION OF COVENANTS REGARDING PERMANENT COVENANTS

THIS DECLARATION OF COVENANTS REGARDING PERMANENT COVENANTS (this “**Declaration**”) is hereby made, declared and granted as of the ____ day of _____, 20____, by the Declarant, MSPT XI LLC, a Washington limited liability company, with respect to the real property legally described on **Exhibit A** hereto consists of the “**Lot D**” and the “**Lot B**” (the Lot D and the Lot B are collectively referred to herein as the “**Real Property**”), as follows:

WHEREAS, Declarant is the owner in fee title of the Real Property; and

WHEREAS, Declarant has received fee title to and ownership of the Real Property by way of statutory warranty deed to Declarant from its immediate predecessor in ownership of the Real Property, the City of Kenmore, a Washington municipal corporation (“**City**”), pursuant to that certain Agreement for Purchase, Sale and Development of Real Property dated as of the ____ day of _____, 2014 (the “**Purchase Agreement**”), which Purchase Agreement expressly made the declaration and recording of the covenants stated herein as a condition to the transaction described therein; and

WHEREAS, the City is the owner of the real property described in **Exhibit B** hereto that consists of the “**Town Green Lot**” and the “**Pavilion Lot**” as identified therein; and

WHEREAS, Declarant has agreed to and hereby makes the covenants declared herein;

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency of which are acknowledged by Declarant, Declarant hereby makes, grants and declares the following covenants with respect to the Real Property:

1. Restrictions on Types of Business. None of the following types of business, operation or activity, whether or not considered “retail,” shall be permitted on or within the Real Property at any time:

- a. any operation primarily used as a storage facility, mini-storage, vehicle or vessel storage, or other similar warehouse operation;
- b. dumping, disposing, incineration or reduction of garbage other than for trash or garbage containers or compactors used in conjunction with a building on the Real Property which otherwise complies with these covenants;
- c. automotive body shop or collision repair operation, automobile painting operation, automobile sound system or speaker installer, auto supply, auto parts, auto lubricating business, tire store or auto repair shop or facility;
- d. mortuary or funeral home;
- e. casino, card room or other business engaged primarily in gambling or

gaming, including but not limited to: off-track or sports betting parlor; table games such as blackjack or poker; slot machines, video poker/blackjack/keno machines or similar devices; or bingo hall; notwithstanding the foregoing, this prohibition shall not be applicable to government sponsored gambling activities or charitable gambling activities, so long as such governmental and/or charitable activities are incidental to the business operation being conducted by the occupant of the Real Property;

f. “adult entertainment” stores or purveyors, including, but not limited to stores or purveyors selling, renting or otherwise offering pornographic videos, books, literature, “adult toys,” or similar products;

g. except where applicable law bars such prohibition, any business engaged in selling, purveying or otherwise providing medical or recreational marijuana, cannabis or similar substances or products or products employed primarily in the use or consumption thereof;

h. gun shops or sporting equipment businesses engaged primarily in the purchase, sale and/or exchange of firearms.

2. Provision of Handicapped Parking Stalls. Declarant shall provide, on behalf of the Town Green Lot and the Pavilion Lot, designated parking stalls for handicapped individuals sufficient to meet the requirements of the Americans with Disabilities Act of 1990, as amended and as may be amended from time to time, and the applicable code provisions of Chapter 18.40 of the Kenmore Municipal code as may be amended from time to time. Declarant shall ensure such parking stalls are maintained in a reasonable manner and shall be responsible for one hundred percent (100%) of the costs of maintenance for such parking stalls. The benefits of this Section 2 shall be appurtenant to the Town Green Lot and the Pavilion Lot respectively.

3. Consolidated Solid Waste Pick-Up and Delivery Locations. Declarant shall provide for and allow for access to a designated location to deposit the solid waste of the owners, tenants and permittees of the Town Green Lot and the Pavilion Lot (the “**Garbage Area**”). Additionally, the Declarant shall allow access to the Garbage Area for purposes of allowing trucks to remove such solid waste. The location of the Garbage Area shall be determined in consultation with the owner of the Town Green Lot and the Pavilion Lot. The Declarant shall ensure that the Garbage Area is maintained in a reasonable manner and shall be responsible for one hundred percent (100%) of the costs of maintenance for the Garbage Area, *provided* that the respective owner of the Real Estate, the Town Green Lot, and the Pavilion Lot shall be responsible for any and all utility charges associated with the removal of such owner’s solid waste and/or the provision of receptacles for containing such owner’s solid waste within the Garbage Area. The benefits of this Section 3 shall be appurtenant to the Town Green Lot and the Pavilion Lot respectively.

4. Burden Running with the Land; Benefit In Gross. Declarant intends that the burdens of the covenants contained in this Declaration shall touch and concern and run with the Real Property such that they will be binding upon Declarant’s heirs, successors, and assigns unless and until terminated as provided in Section 5. Declarant intends that the benefits of the covenants contained in this Declaration shall be in gross and shall inure to the benefit of and be enforceable by the City against it and all future heirs, successors and assigns; *provided* the

benefits conferred in Sections 2 and 3 shall be appurtenant to the Town Green Lot and the Pavilion Lot, and shall run with the Town Green Lot and Pavilion Lot unless and until terminated as provided in Section 5.

5. Termination. The provisions of this Declaration and the burdens and benefits hereof may be terminated by a written agreement executed by the Declarant and the City that is recorded in the real property records of King County, Washington. Such termination shall be effective as of the date the same is recorded in the real property records of King County, Washington.

6. No Third Party Rights. The provisions of this Declaration are intended for the benefit of, and may only be enforced by, the parties hereto and their respective successors and permitted assigns. None of the rights or obligations of the parties herein set forth (or implied) is intended to confer any claim, cause of action, remedy, defense, legal justification, indemnity, contribution claim, set-off, or other right, whatsoever upon or otherwise inure to the benefit of any contractor, architect, consultant, subcontractor, worker, supplier, mechanic, insurer, surety, guest, member of the public, or other third parties having dealing with either of the parties hereto or involved, in any manner, in the Property or the Project.

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

8. Defined Terms. Initially-capitalized terms used by not defined herein shall have the meanings stated in the Purchase Agreement.

DATED the day and year first written above.

[Signature/Acknowledgment]

EXHIBIT A TO DECLARATION OF COVENANTS REGARDING PERMANENT
COVENANTS

[Legal Descriptions]

EXHIBIT B TO DECLARATION OF COVENANTS REGARDING PERMANENT
COVENANTS

[Legal Descriptions]

EXHIBIT N
DEVELOPMENT AGREEMENT POTENTIAL DEAL POINTS

1. Expedited Permit Review Process including mutually agreed upon City review schedule
2. Phased permitting and occupancy
3. Design Standard Flexibility
4. Building Height Flexibility
5. Setback Flexibility
6. Allowable Uses
7. Density requirements
8. Landscaping design requirements
9. Parking requirements and parking construction
10. Property Tax Abatement for Residential in exchange for Affordable Housing at Developer's sole option.
11. Town Green operations
12. Site access improvements
13. Signage code flexibility
14. Existing use vehicle trips for traffic impact fee credit.
15. Classification of proposed uses for traffic impact fees.
16. Flexibility on parking requirements,
17. Bike storage and bike parking flexibility

The foregoing is not intended as a complete list of all terms and conditions of any Development Agreement, or a representation, warranty, covenant or other assurance that a Development Agreement will be entered into, but is intended as a list of certain specific terms on which Seller and Buyer have agreed to discuss and may be included in a Development Agreement if agreement on all other necessary terms is reached.

EXHIBIT O
ENVIRONMENTAL REPORTS

- 1) Memorandum dated August 20, 2013 from Carla E. Brock, LG and Steve Germiot, LHG of Aspect Consulting to The Benaroya Company regarding Kenmore Village Properties Environmental Conditions Summary.
- 2) Subsurface Exploration, Geologic Hazard, and Preliminary Geotechnical Engineering Report dated October 10, 2007 prepared by Associated Earth Sciences, Inc. for King County Library System regarding the Kenmore Library.
- 3) Letter dated September 25, 2012 from the Washington State Department of Ecology to Bill Carroll of Pacific Crest Environmental regarding Opinion on Proposed Cleanup of the Boyd's Dry Cleaners Site.
- 4) Phase I Environmental Site Assessment dated March 10, 1995 prepared by Environmental Partners, Inc. for Mr. Roland Jankelson of Jankelson Commercial Property Investments regarding Kenmore Village.
- 5) Phase I Environmental Site Assessment dated May 14, 2013 prepared by GeoEngineers, Inc. for the City of Kenmore regarding File No. 7457-233-00.
- 6) Soil, Groundwater, and Vapor Sampling and Test Report dated August 27, 2013 prepared by GeoEngineers, Inc. for the City of Kenmore regarding File No. 7457-233-00.
- 7) Phase I and II Environmental Site Assessment dated October 3, 2007 prepared by GeoEngineers, Inc. for Urban Partners LLC regarding File No. 16831-001-02.
- 8) Geotechnical Engineering Services dated August 31, 2007 prepared by GeoEngineers, Inc. for Urban Partners LLC regarding File No. 16831-001-01.
- 9) Phase I Environmental Site Assessment dated December 27, 2004 prepared by GeoEngineers, Inc. for the City of Kenmore regarding File No. 7457-122-00.
- 10) Focused Phase II Environmental Site Assessment Kenmore Village Shopping Center, Kenmore, Washington dated September 12, 2003 prepared by GeoEngineers, Inc. for the City of Kenmore.
- 11) Letter dated January 9, 2014 from Pacific Crest Environmental, LLC to Christopher Mauer, Toxic Cleanup Program, Washington State Department of Ecology.
- 12) Cleanup Action Annual Report dated December 28, 2013 prepared by Pacific Crest Environmental, LLC for Mr. Wesley Boyd, Skellenger Bender PS.
- 13) Scope of Work dated March 27, 2013 prepared by Pacific Crest Environmental, LLC.
- 14) Remedial Investigation/Feasibility Study dated February 16, 2012 prepared by Pacific Crest Environmental, LLC for Wesley and Myrtle Boyd regarding Boyd's Dry Cleaners 6524 Northeast 181st Street, Kenmore, Washington VCP NO. NW0786.
- 15) Soils Exploration and Engineering Report dated May 23, 1980 prepared by Rittenhouse-Zeman & Associates, Inc. for Robert A. Chervenak F.A.I.A. & Associates regarding Group Health Clinic, Kenmore Site.
- 16) Limited Phase II Environmental Assessment, Limited Soil and Ground Water Study, The Kenmore Shopping Center Project Property dated July 9, 2013 prepared by Saltbush Environmental Service, Inc. for Jankelson Real Estate Property Investments.
- 17) Environmental Conditions Summary – Updated dated January 15, 2014 prepared by GeoEngineers, Inc. for the City of Kenmore.
- 18) Environmental Review – Boyd's Dry Cleaners 2013 Draft Cleanup Action Report dated March 18, 2014 prepared by GeoEngineers, Inc. for the City of Kenmore.

- 19) Additional Environmental Site Characterization Kenmore Village dated February 28, 2014 prepared by Associated Earth Sciences, Inc. for MainStreet Property Group, LLC.
- 20) Vapor Intrusion Evaluation – Post Office Parcel Portion of Kenmore Village Property dated April 15, 2014 prepared by GeoEngineers, Inc. for the City of Kenmore.
- 21) Letter dated April 16, 2014 from the City of Kenmore to Eugene Williams, Postmaster, United States Postal Service.
- 22) [Additional reports prepared during Main Street's due diligence to be added.]

EXHIBIT P
[MEMORANDUM OF OPTION AGREEMENT]

AFTER RECORDING RETURN TO:

Inslee, Best, Doezie & Ryder, P.S.
Attn: Jackson T. Bennett
777 - 108th Avenue N.E., Ste. 1900
P.O. Box 90016
Bellevue, WA 98009-9016

MEMORANDUM OF OPTION AGREEMENT

Grantor: City of Kenmore, a Washington municipal corporation

Grantee: MSPT XI LLC, a Washington limited liability company

Short Legal Description: [Complete legal description on Exhibit. A]

Assessor's Property Tax
Parcel/Account Number(s):

Reference Number(s) of
Documents Assigned
or Released: N/A

MEMORANDUM OF OPTION AGREEMENT

THIS MEMORANDUM OF OPTION AND DEVELOPMENT AGREEMENT (this “Memorandum”) is executed this ____ day of _____, 2014, by and between the City of Kenmore, a Washington municipal corporation (“Optionor”) and MSPT XI LLC, a Washington limited liability company (“Optionee”). Optionor and Optionee are at times collectively referred to herein as the “Parties”.

NOTICE IS HEREBY GIVEN AS FOLLOWS:

1. Option Agreement. The Parties have entered into that certain Agreement for Purchase, Sale and Development of Real Property (the “Purchase Agreement”) whereby Optionor has granted Optionee an exclusive option to purchase, on and subject to the terms, conditions and limitations stated therein, certain real property described therein as the “Option Property” which comprises the real property described therein, which is legally described in **Exhibit A** attached hereto.

2. Term of the Option. Optionee’s exclusive option to purchase the Option Property extends to _____ (the “Option Term”). Any person, party or entity taking, obtaining, receiving or acquiring any interest in the Option Property during the Option Term shall take, obtain, receive or acquire the same subject to the rights and interests therein of Optionee under the Purchase Agreement.

3. Interpretation. The Parties have executed this Memorandum in order that all persons and entities not parties to the Purchase Agreement may have notice of its existence and of certain of its provisions. However, this Memorandum is not a complete summary of the Purchase Agreement the full terms and conditions of which are set forth in the written Purchase Agreement executed by and between the Parties. This Memorandum is not intended to amend, modify, or otherwise change the terms and conditions of the Purchase Agreement between the Parties. Provisions in this Memorandum shall not be used in interpreting the provisions of the Purchase Agreement. In the event of a conflict between this Memorandum and the Purchase Agreement, the Purchase Agreement shall control.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the date and year first above written.

[Signatures/Acknowledgment]

CONTRACT NO. _____
IBDR DRAFT 10/16/2014

EXHIBIT A TO THE MEMORANDUM OF OPTION AGREEMENT
LEGAL DESCRIPTION

[Legal Description]

Subject/Topic: September 2014 Financial Report Presentation

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



The City of Kenmore

PO Box 82607
KENMORE, WASHINGTON 98028

MEMORANDUM

TO: Rob Karlinsey, City Manager
FROM: Joanne Gregory, Finance Director
DATE: October 15, 2014
RE: September 2014 Financial Reports for the City of Kenmore, Washington

September 2014 financial information is presented for your review and delivery to the City Council. Attached you will find the following reports:

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

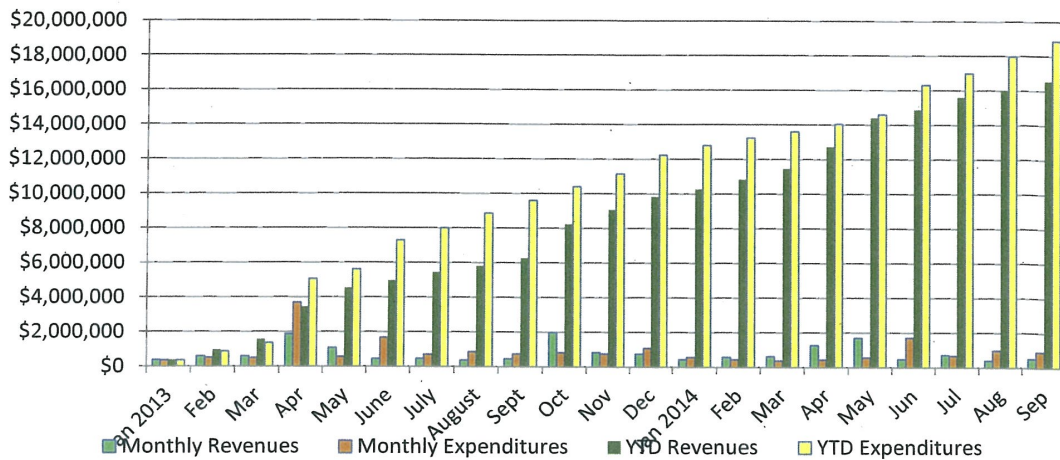
If you would like additional information or have any questions regarding the financial reports, please feel free to contact me.

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, September is the twenty-first month (87%) of the 2013-2014 biennial budget period. For the month of September, expenditures exceeded revenues in the General Fund by \$372,222. Biennium expenditures exceed revenue by \$2,345,740, however removing the one-time \$2.5M transfer to the Strategic Opportunities Fund from the comparison shows that biennium to date revenues exceed expenditures by \$154,260.

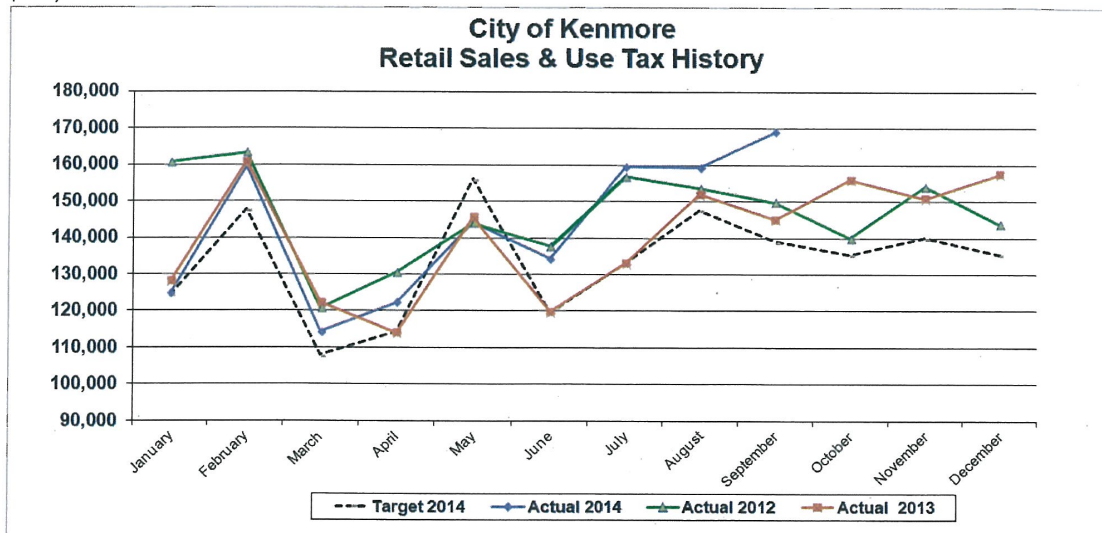
The following chart illustrates the monthly revenue and expenditure activity in the General Fund through September 2014.

City of Kenmore, Washington
Monthly Financial Report
September 2014



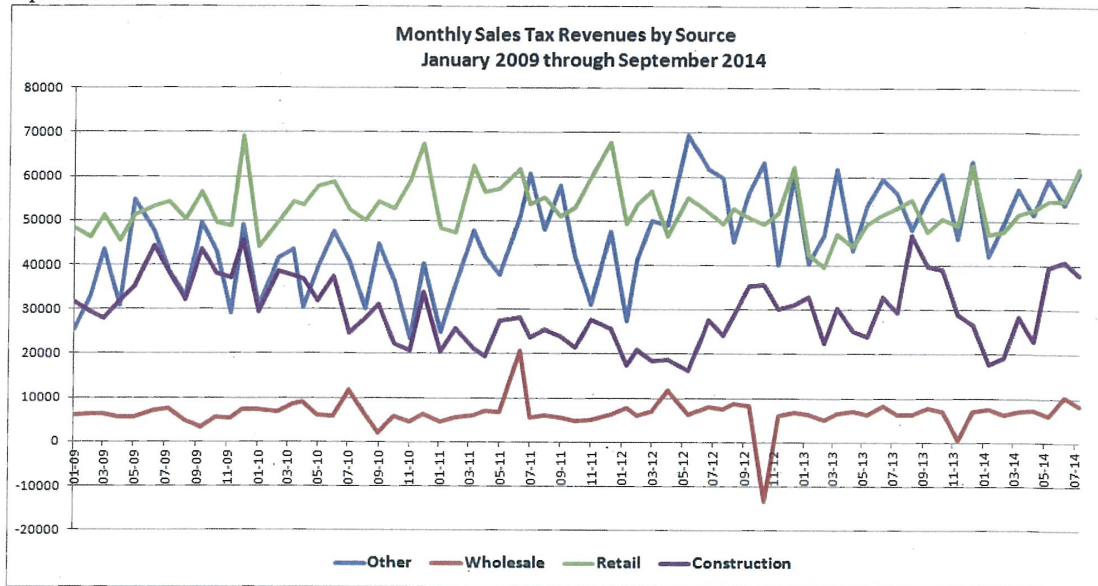
Total **revenues** for the month were **\$534,358**. Biennium to date revenues are \$16,550,837 which is 86% of the budgeted revenues of \$19,234,471. Primary sources of revenue for the month included property taxes in the amount of \$60,784, development fees & permits in the amount of \$104,568, retail sales and use taxes in the amount of \$169,085, and utility taxes in the amount of \$87,670.

A summary of sales tax revenues received in September is attached. These receipts are based on July sales activity. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted Target 2014 line is a monthly average of actual receipts during 2011, 2012, and 2013. The blue line represents 2014 actual receipts, which are \$67,481 above 2013, and ahead of budget by \$98,398.

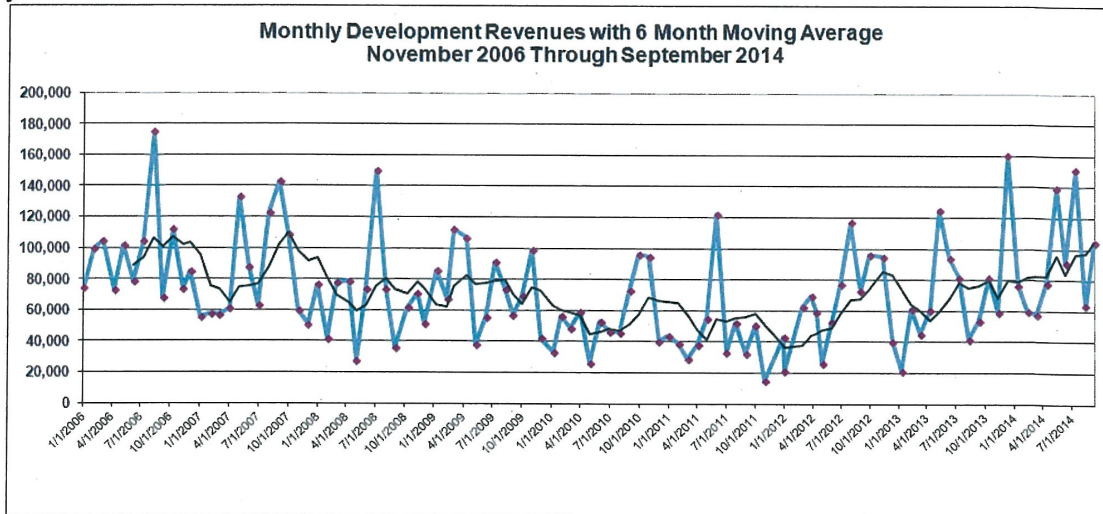


The following chart illustrates the historical trends of sales tax receipts from the major segments: construction, retail, wholesale, other (agriculture, services, manufacturing, transportation and utilities) from January 2009 through September 2014.

City of Kenmore, Washington
Monthly Financial Report
September 2014



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



September 2014 expenditures were \$906,580. Biennium to date expenditures are \$18,896,577, which is 85% of the amended budget expenditures of \$22,156,570, a high percentage due to the \$3M interfund transfers recorded in April 2013. Removing the one-time \$2.5M transfer to the Strategic Opportunities Fund from the expenditure balance indicates that expenditures are right at 74% of the biennial budget.

City of Kenmore, Washington
Monthly Financial Report
September 2014

The September cash activity for all funds is presented on the attached All Funds Cash Summary. Total City cash (\$6,572,325) and long term investments (\$11,064,893), at the end of September, totaled \$17,637,218. The Other Funds Monthly Activity graphs compare biennium to date revenues and expenditures to the 2013-2014 biennial budget.

Total non-General Fund revenues were \$3,224,440 and total non-General Fund expenditures were \$3,587,846.

In the **Street Fund** revenue from gas tax distributions was \$39,871. The attached Street Fund Summary Report is a new report that illustrates the monthly and budget-to-date activity of the fund. There was \$122,441 in overlay expenditures and \$105,005 in maintenance and operation expenditures. Staff will be requesting that the City Council approve a budget amendment for the Street Fund in December of this year. Expenditures are expected to exceed the budget due to emergency repairs, heavy use of King County services for traffic safety engineering and improvements, unanticipated utility costs, and other overages.

In the **Transportation Capital Fund** there was \$306,521 in SR 522 West A expenditures for purchasing ROW & easements in the construction area. The fund received \$345,879 in grant funds from TIB for SR 522 West A related improvements.

There was \$17,759 in revenues for the **Park Impact Fee** fund during the month of September. The revenues are at 131% of the budget.

There was \$59,039 in revenues for the **Transportation Impact Fee** fund during the month of September. The revenues are at 104% of the budget. There are adequate funds available for the projects currently budgeted and proposed in the CIP.

The **Real Estate Excise Tax** Fund received \$91,812 of real estate excise taxes (REET) in September from sales activity that occurred in August. 43 transactions were reported this month. Biennial to date revenue exceeds the 2013-14 budget by \$584,961.

The **Transportation Benefit District** Fund received \$30,017 in vehicle license fees during the month bringing the biennium to date revenues to \$398,669 which is 75% of the \$535,000 budgeted for biennium.

The **Surface Water Fund** revenues are tracking ahead of budget (79%) and operating expenditures are at 54%.

SUMMARY

This concludes the financial report for the City of Kenmore as of **September 30, 2014**. I appreciate your feedback and encourage you to contact me if you have any questions prior to the City Council meeting.

City of Kenmore, Washington
General Fund Summary Report
September 30, 2014



	CURRENT PERIOD 2013-2014				PRIOR PERIOD 2011-2012			
	MONTH	BIENNIUM TO DATE	% of	BUDGET	CURRENT	BIENNIUM TO DATE	% of	BIENNIUM BUDGET
	<u>September 2014</u>	<u>2013-2014</u>	<u>BUDGET</u>	<u>2013-2014</u>	<u>September 2012</u>	<u>2011-2012</u>	<u>BUDGET</u>	<u>2011-2012</u>
REVENUES								
Beginning Fund Balance		5,539,954		5,338,942				4,941,884
Property Taxes	60,784	6,710,297	78.6%	8,542,053	59,563	6,435,612	78.0%	8,254,387
Sales and Use Taxes	212,787	3,809,512	96.2%	3,960,331	187,256	3,765,653	86.8%	4,339,202
Utility Taxes	87,670	2,390,494	81.2%	2,942,395	96,351	2,499,454	83.3%	3,002,082
Other Taxes	0	85,495	139.5%	61,300	0	56,784	54.5%	104,104
Development Fees & Permits	104,568	1,712,723	116.9%	1,465,185	73,206	1,119,515	77.8%	1,439,095
Franchise Fees	0	605,947	61.1%	992,405	0	603,513	92.8%	650,588
Intergovernmental and Grants	65,301	650,859	101.7%	639,866	53,129	691,273	90.8%	761,476
Investment Interest	1,486	117,860	201.8%	58,400	873	130,527	233.1%	56,000
Fines and Forfeitures	0	-2,598	0.0%	0	0	769	n/a	0
Transfers and Other Revenues	1,763	470,248	82.1%	572,536	2,405	219,014	64.7%	338,662
Total Revenues	534,358	16,550,837	86.0%	19,234,471	472,782	15,522,113	81.9%	18,945,596
Total Revenues & Beginning Fund Balance		22,090,791		24,573,413				23,887,480

	CURRENT PERIOD 2013-2014				PRIOR PERIOD 2011-2012			
	MONTH	BIENNIUM TO DATE	% of	BUDGET	CURRENT	BIENNIUM TO DATE	% of	BIENNIUM BUDGET
	<u>September</u>	<u>2013-2014</u>	<u>BUDGET</u>	<u>2013-2014</u>	<u>September</u>	<u>2011-2012</u>	<u>BUDGET</u>	<u>2011-2012</u>
EXPENDITURES								
Cost Center								
City Council	11,033	191,502	89.5%	213,950	9,587	219,083	100.7%	217,644
City Manager	82,154	1,864,822	85.7%	2,176,804	59,766	1,715,771	95.5%	1,796,600
City Clerk	8,436	183,600	75.5%	243,139	19,857	453,929	84.6%	536,261
Finance	34,885	578,463	74.7%	773,929	25,734	553,867	86.6%	639,213
Legal	17,282	387,907	80.8%	480,000	7,279	488,852	98.9%	494,285
Non-Departmental	43,584	1,395,513	87.6%	1,592,487	25,667	1,629,423	106.3%	1,532,818
Interfund Transfers*	138,000	3,454,000	85.2%	4,056,101	0	1,247,000	79.7%	1,564,000
Public Safety	325,689	6,435,791	84.7%	7,600,348	358,679	5,825,986	81.1%	7,179,563
Engineering	85,338	1,305,388	95.9%	1,361,385	45,921	969,738	92.7%	1,045,741
Planning & Community Dev	33,420	820,580	87.3%	939,441	25,919	581,087	81.5%	712,632
Land Dev & Permitting	60,888	1,123,643	82.5%	1,361,715	45,345	993,810	66.2%	1,501,147
Parks & Facility Maintenance	65,870	1,155,368	85.1%	1,357,271	44,943	1,147,892	67.7%	1,695,042
Total Expenditures	906,580	18,896,577	85.3%	22,156,570	668,697	15,826,439	83.7%	18,914,946
Ending Fund Balance		3,194,214		2,416,843			0.0%	4,972,534
Total Expenditures and Ending Fund Balance		22,090,791		24,573,413				23,887,480

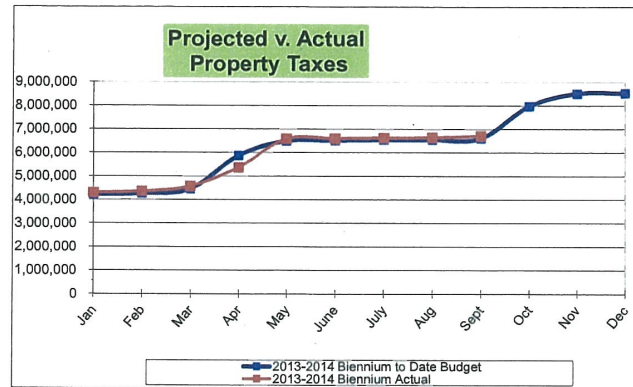
*Interfund Transfers in 2013 include one time \$2.5M transfer to Strategic Opportunities Fund.

**City of Kenmore, Washington
General Fund Revenue Graphs
September 30, 2014**

PROPERTY TAXES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	4,213,917	4,286,383
Jan	4,225,990	4,303,470
Feb	4,273,536	4,360,664
Mar	4,467,727	4,576,272
Apr	5,875,364	5,369,199
May	6,501,422	6,589,051
June	6,526,310	6,605,360
July	6,554,092	6,631,739
Aug	6,561,697	6,649,513
Sept	6,622,547	6,710,297
Oct	7,984,205	
Nov	8,521,972	
Dec	8,542,053	

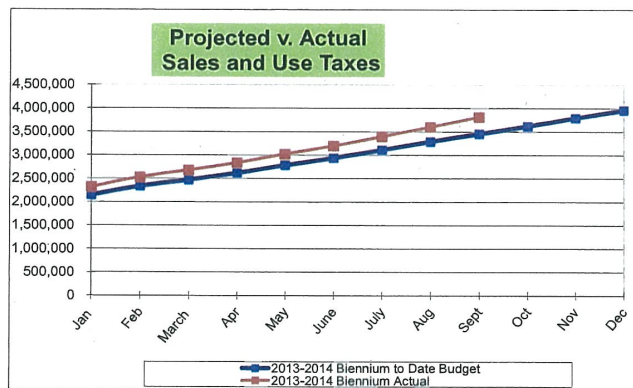
Year To Date
Actual v. Projected 101%



SALES, USE, CRIM JUSTICE TAXES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	1,975,227	2,151,641
Jan	2,151,044	2,315,482
Feb	2,338,721	2,524,411
March	2,475,114	2,675,389
Apr	2,621,639	2,833,010
May	2,785,165	3,017,826
June	2,939,366	3,191,490
July	3,114,057	3,392,036
Aug	3,288,505	3,596,725
Sept	3,458,591	3,809,512
Oct	3,620,443	
Nov	3,796,178	
Dec	3,960,331	

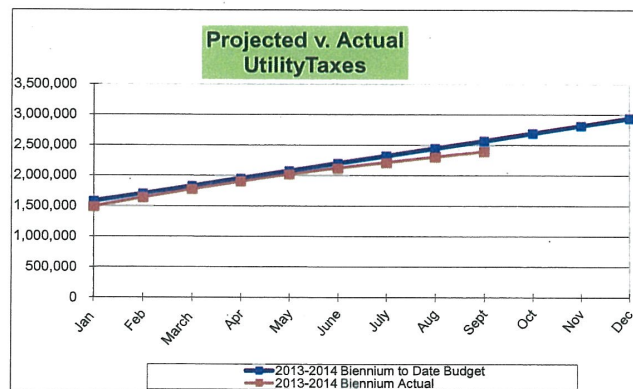
Year To Date
Actual v. Projected 110%



UTILITY TAXES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	1,458,389	1,352,891
Jan	1,582,056	1,489,689
Feb	1,705,723	1,639,874
March	1,829,391	1,776,666
Apr	1,953,058	1,902,958
May	2,076,725	2,019,052
June	2,200,392	2,119,115
July	2,324,059	2,210,275
Aug	2,447,726	2,302,824
Sept	2,571,394	2,390,494
Oct	2,695,061	
Nov	2,818,728	
Dec	2,942,395	

Year To Date
Actual v. Projected 93%

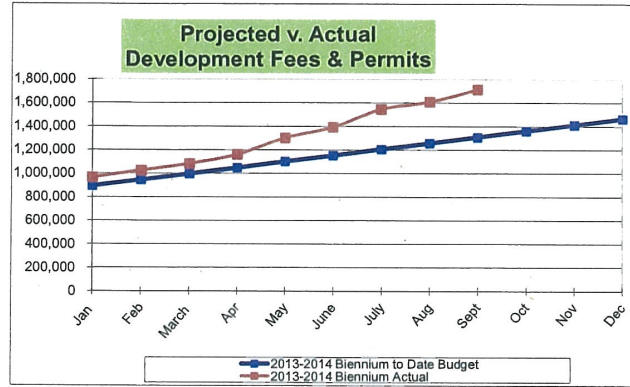


**City of Kenmore, Washington
General Fund Revenue Graphs
September 30, 2014**

DEVELOPMENT FEES & PERMITS

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	842,335	888,463
Jan	894,239	965,292
Feb	946,143	1,025,424
March	998,048	1,083,266
Apr	1,049,952	1,161,337
May	1,101,856	1,301,298
June	1,153,760	1,392,794
July	1,205,664	1,544,185
Aug	1,257,568	1,608,155
Sept	1,309,473	1,712,723
Oct	1,361,377	
Nov	1,413,281	
Dec	1,465,185	

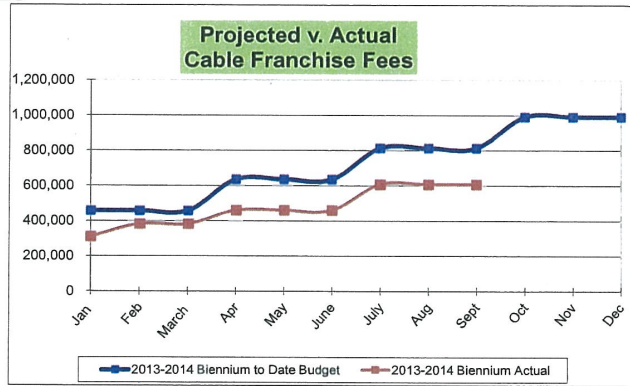
Year To Date
Actual v. Projected 131%



CABLE/WATER/SEWER FRANCHISE FEES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	280,537	303,218
Jan	458,504	309,382
Feb	458,504	380,667
March	458,504	380,667
Apr	636,471	458,319
May	636,471	458,319
June	636,471	458,319
July	814,438	605,947
Aug	814,438	605,947
Sept	814,438	605,947
Oct	992,405	
Nov	992,405	
Dec	992,405	

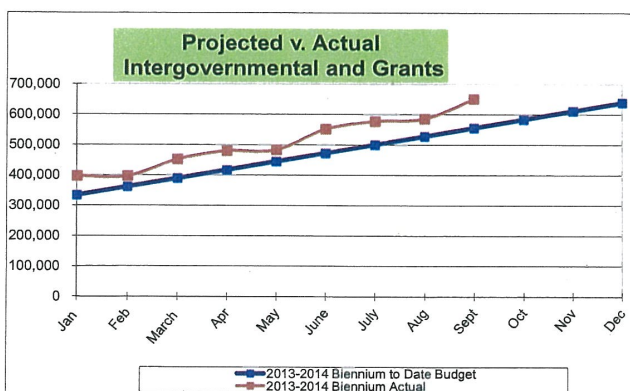
Year To Date
Actual v. Projected 74%



INTERGOVERNMENTAL & GRANTS

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	305,882	366,889
Jan	333,714	396,495
Feb	361,546	396,495
March	389,378	451,412
Apr	417,210	479,277
May	445,042	482,627
June	472,874	551,289
July	500,706	576,798
Aug	528,538	585,558
Sept	556,370	650,859
Oct	584,202	
Nov	612,034	
Dec	639,866	

Year To Date
Actual v. Projected 117%

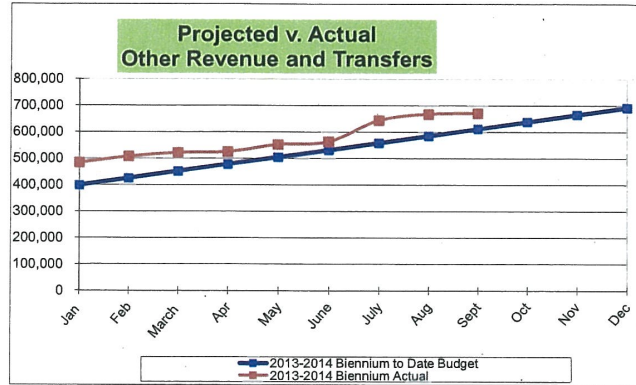


**City of Kenmore, Washington
General Fund Revenue Graphs
September 30, 2014**

OTHER REVENUES AND TRANSFERS

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	371,901	472,991
Jan	398,596	483,827
Feb	425,290	507,647
March	451,985	521,850
Apr	478,679	525,425
May	505,374	552,680
June	532,069	563,874
July	558,763	643,985
Aug	585,458	667,758
Sept	612,152	671,006
Oct	638,847	
Nov	665,541	
Dec	692,236	

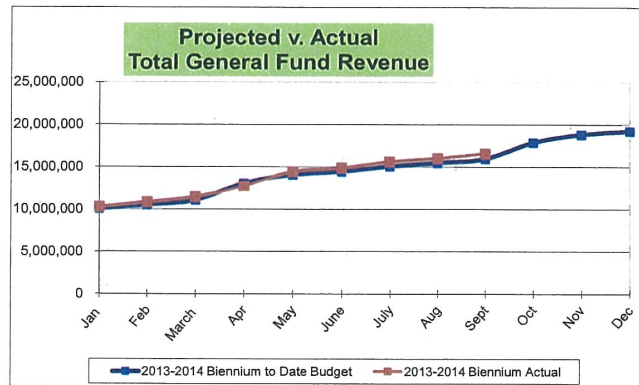
Year To Date
Actual v. Projected 110%



TOTAL GENERAL FUND REVENUE

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	10,044,143	10,263,636
Feb	10,509,463	10,835,183
March	11,070,146	11,465,523
Apr	13,032,373	12,729,526
May	14,052,055	14,420,853
June	14,461,242	14,882,242
July	15,071,779	15,604,965
Aug	15,483,930	16,016,479
Sept	15,944,965	16,550,837
Oct	17,876,540	
Nov	18,820,139	
Dec	19,234,470	

Year To Date
Actual v. Projected 104%

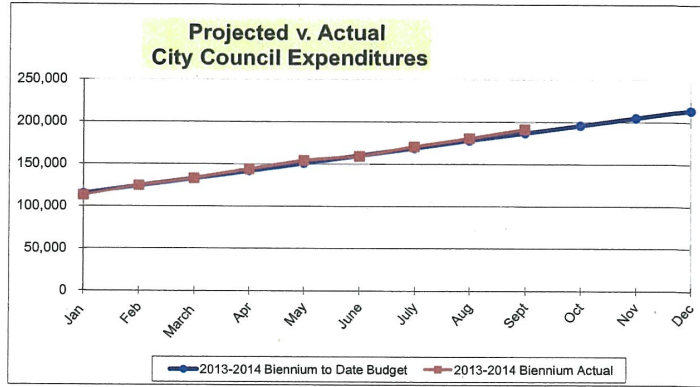


City of Kenmore, Washington
General Fund Expenditure Graphs
September 30, 2014

CITY COUNCIL

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	106,114	105,395
Jan	115,100	113,127
Feb	124,087	124,585
March	133,073	133,214
Apr	142,059	144,162
May	151,046	154,451
June	160,032	159,280
July	169,018	170,746
Aug	178,005	180,469
Sept	186,991	191,502
Oct	195,977	
Nov	204,964	
Dec	213,950	

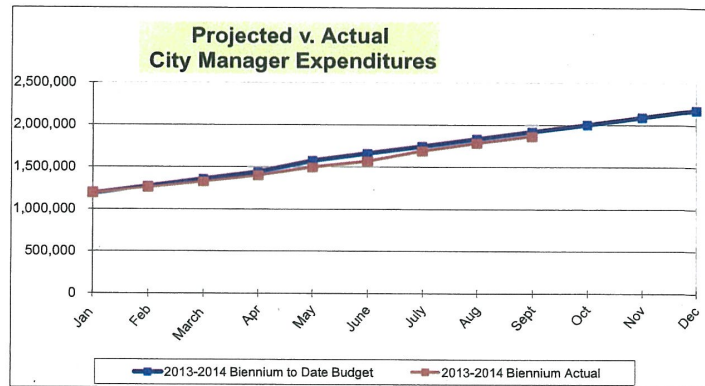
Year To Date
 Actual v. Projected 102%



CITY MANAGER

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	1,097,895	1,130,965
Jan	1,183,852	1,189,496
Feb	1,269,809	1,257,866
March	1,355,766	1,324,359
Apr	1,441,723	1,398,892
May	1,527,105	1,495,261
June	1,611,062	1,566,463
July	1,747,019	1,688,976
Aug	1,832,976	1,782,669
Sept	1,918,933	1,864,822
Oct	2,004,890	
Nov	2,090,847	
Dec	2,176,804	

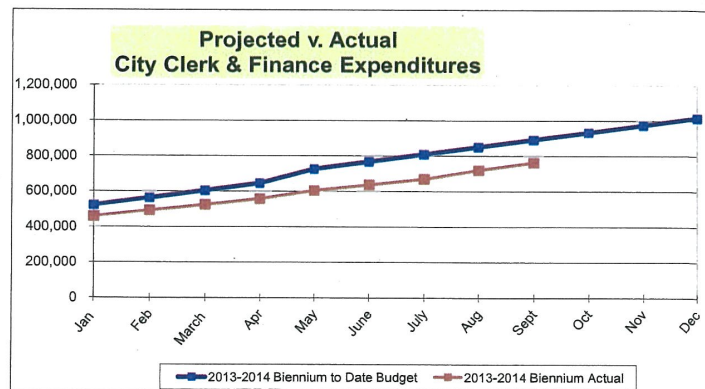
Year To Date
 Actual v. Projected 97%



CITY CLERK & FINANCE

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	480,650	425,025
Jan	522,143	457,052
Feb	563,636	490,739
March	605,130	523,431
Apr	646,623	556,263
May	726,616	602,975
June	768,109	636,138
July	809,602	668,418
Aug	851,095	718,742
Sept	892,589	762,063
Oct	934,082	
Nov	975,575	
Dec	1,017,068	

Year To Date
 Actual v. Projected 85%

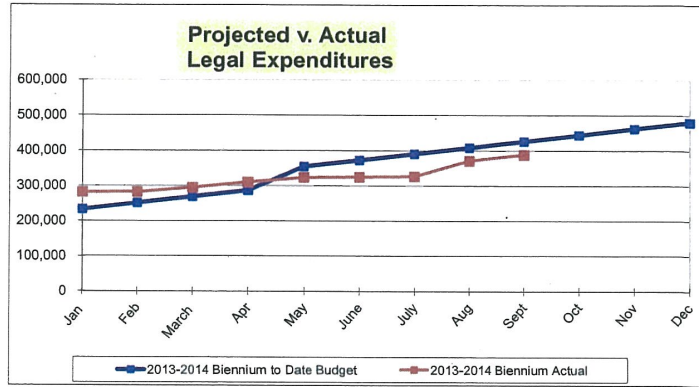


**City of Kenmore, Washington
General Fund Expenditure Graphs
September 30, 2014**

LEGAL

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	215,000	281,017
Jan	232,917	281,092
Feb	250,833	281,317
March	268,750	294,026
Apr	286,667	309,629
May	354,583	323,120
June	372,500	324,136
July	390,417	326,017
Aug	408,333	370,625
Sept	426,250	387,907
Oct	444,167	
Nov	462,083	
Dec	480,000	

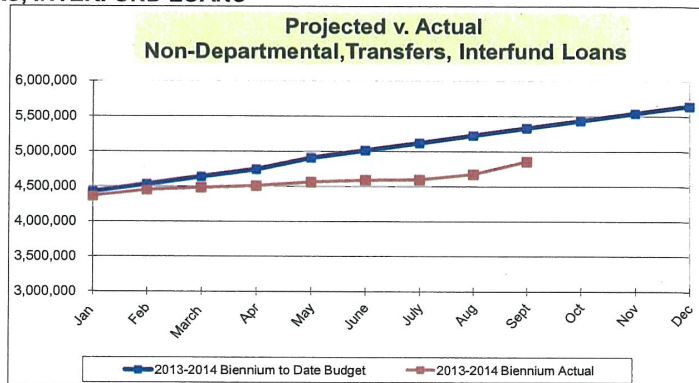
Year To Date
Actual v. Projected 91%



NON-DEPARTMENTAL, TRANSFERS, INTERFUND LOANS

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	4,318,276	4,104,765
Jan	4,424,219	4,357,541
Feb	4,530,161	4,443,879
March	4,636,104	4,475,316
Apr	4,742,047	4,500,992
May	4,906,989	4,554,891
June	5,012,932	4,585,459
July	5,118,875	4,589,791
Aug	5,224,817	4,667,930
Sept	5,330,760	4,849,514
Oct	5,436,703	
Nov	5,542,645	
Dec	5,648,588	

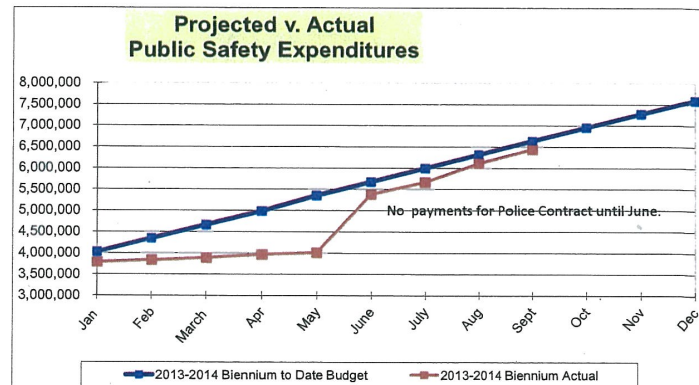
Year To Date
Actual v. Projected 91%



PUBLIC SAFETY

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	3,707,398	3,758,635
Jan	4,027,894	3,779,350
Feb	4,348,390	3,826,193
March	4,668,886	3,879,765
Apr	4,989,381	3,958,434
May	5,356,877	4,002,791
June	5,677,373	5,374,259
July	5,997,869	5,662,464
Aug	6,318,365	6,110,101
Sept	6,638,861	6,435,790
Oct	6,959,356	
Nov	7,279,852	
Dec	7,600,348	

Year To Date
Actual v. Projected 97%

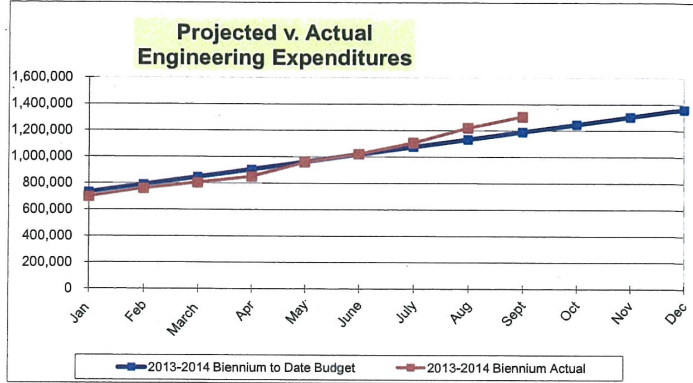


**City of Kenmore, Washington
General Fund Expenditure Graphs
September 30, 2014**

ENGINEERING

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	676,151	654,546
Jan	733,254	698,559
Feb	790,357	759,345
March	847,460	803,854
Apr	904,562	850,150
May	961,665	960,052
June	1,018,768	1,021,417
July	1,075,871	1,106,498
Aug	1,132,974	1,220,049
Sept	1,190,077	1,305,388
Oct	1,247,179	
Nov	1,304,282	
Dec	1,361,385	

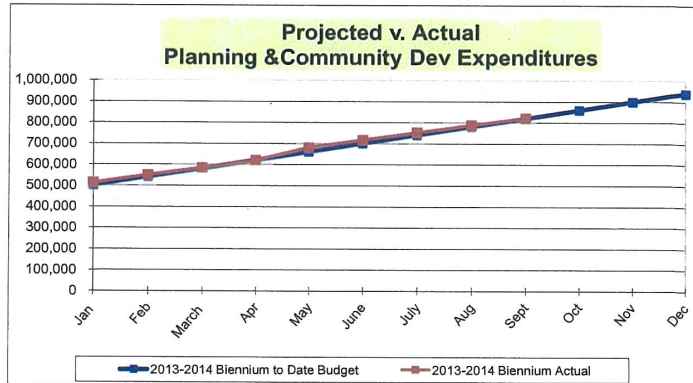
Year To Date
Actual v. Projected 110%



PLANNING & COMMUNITY DEV

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	462,482	477,890
Jan	502,229	512,492
Feb	541,975	549,038
March	581,722	583,810
Apr	621,468	619,806
May	661,215	680,519
June	700,962	716,522
July	740,708	751,750
Aug	780,455	787,160
Sept	820,201	820,580
Oct	859,948	
Nov	899,694	
Dec	939,441	

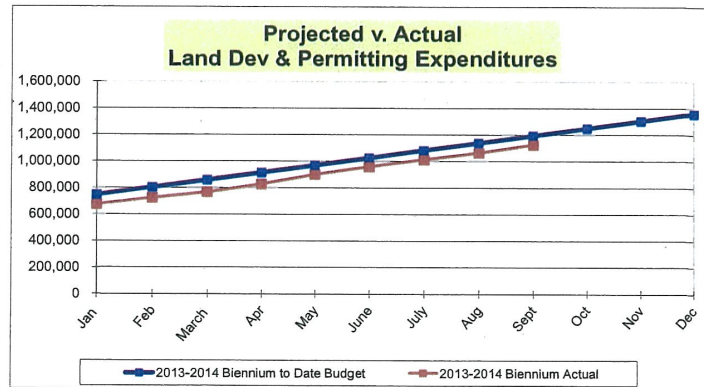
Year To Date
Actual v. Projected 100%



LAND DEV & PERMITTING

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	691,577	629,252
Jan	747,422	672,655
Feb	803,267	721,497
March	859,112	764,921
Apr	914,956	824,980
May	970,801	897,667
June	1,026,646	957,320
July	1,082,491	1,010,558
Aug	1,138,336	1,062,755
Sept	1,194,181	1,123,644
Oct	1,250,025	
Nov	1,305,870	
Dec	1,361,715	

Year To Date
Actual v. Projected 94%

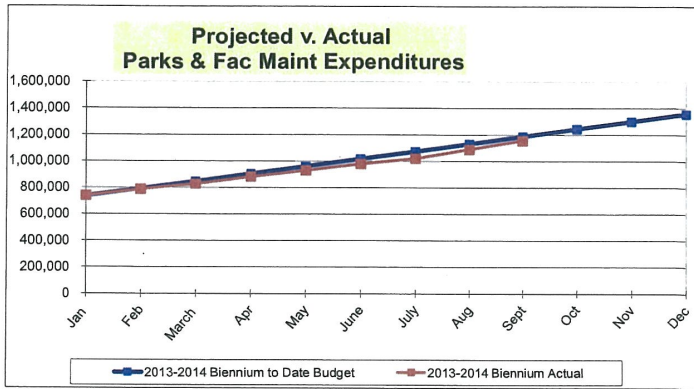


City of Kenmore, Washington
General Fund Expenditure Graphs
September 30, 2014

PARKS & FACILITY MAINT

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	678,530	671,352
Jan	735,092	738,323
Feb	791,654	787,241
March	848,215	828,858
Apr	904,777	882,640
May	961,339	930,174
June	1,017,901	979,434
July	1,074,462	1,020,503
Aug	1,131,024	1,089,498
Sept	1,187,586	1,155,368
Oct	1,244,148	
Nov	1,300,709	
Dec	1,357,271	

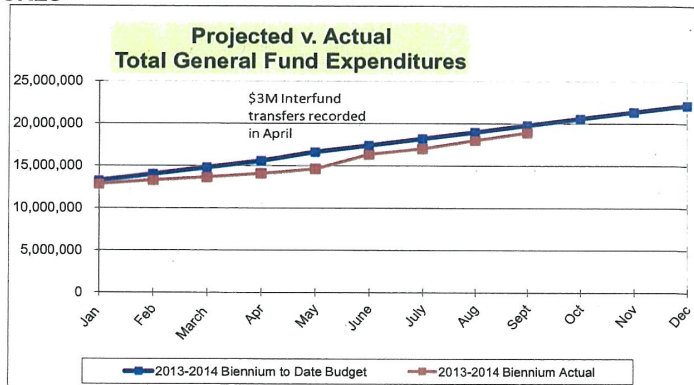
Year To Date
 Actual v. Projected 97%



TOTAL GENERAL FUND EXPENDITURES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	13,224,121	12,799,687
Feb	14,014,168	13,241,700
March	14,804,216	13,611,555
Apr	15,594,264	14,045,948
May	16,626,236	14,601,902
June	17,416,284	16,320,430
July	18,206,332	16,995,721
Aug	18,996,379	17,989,997
Sept	19,786,427	18,896,577
Oct	20,576,475	
Nov	21,366,522	
Dec	22,156,570	
2013-2014	21,914,645	

Year To Date
 Actual v. Projected 96%



City of Kenmore, Washington
All Funds Cash Summary
September 30, 2014



	2011-2012			2013-2014
	BIENNIUM TO DATE	BUDGET	September	BIENNIUM TO DATE
GENERAL FUND				
Beginning Cash	4,941,884	4,337,249		4,337,249
Interfund Loan Repayment	0	0		1,200,000
Revenues	18,860,927	19,234,470	534,358	16,550,837
Total Sources	23,802,811	23,571,719	534,358	22,088,086
Interfund Loans	1,200,000	0		0
Expenditures	18,262,857	22,156,570	906,580	18,896,577
Ending Cash	4,339,954	1,415,149		3,191,509
Total Uses	23,802,811	23,571,719	906,580	22,088,086
STREET FUND				
Beginning Cash	2,040,582	1,513,938		1,513,938
Interfund Loan	0	0		0
Revenues	2,144,716	3,514,173	637,197	2,752,697
Total Sources	4,185,298	5,028,111	637,197	4,266,635
Expenditures	2,672,835	3,534,126	330,703	2,395,725
Ending Cash	1,512,463	1,493,985		1,870,910
Total Uses	4,185,298	5,028,111	330,703	4,266,635
TRANSPORTATION CAPITAL FUND				
Beginning Cash	1,209,197	427,539		427,539
Revenues	4,657,682	12,656,875	511,879	2,882,401
Total Sources	5,866,879	13,084,414	511,879	3,309,940
Expenditures	4,447,557	12,246,837	339,500	4,109,800
Ending Cash	1,419,322	837,577		(799,860)
Total Uses	5,866,879	13,084,414	339,500	3,309,940
PUBLIC ART FUND				
Beginning Cash	68,244	68,540		68,540
Revenues	1,296	600	0	447
Total Sources	69,540	69,140	0	68,987
Expenditures	1,000	1,766	0	1,557
Ending Cash	68,540	67,374		67,430
Total Uses	69,540	69,140	0	68,987
PARK IMPACT FEE FUND				
Beginning Cash	1,354,455	1,610,440		1,610,440
Revenues	285,604	346,567	17,759	455,385
Total Sources	1,640,059	1,957,007	17,759	2,065,824
Expenditures	29,620	1,105,000	737,000	1,396,000
Ending Cash	1,610,439	852,007		669,824
Total Uses	1,640,059	1,957,007	737,000	2,065,824
TRANSPORTATION IMPACT FEE FUND				
Beginning Cash	545,655	240,535		240,535
Revenues	916,135	876,670	59,038	912,489
Total Sources	1,461,790	1,117,205	59,038	1,153,024
Expenditures	1,221,255	822,500	0	248,000
Ending Cash	240,535	294,705		905,024
Total Uses	1,461,790	1,117,205	0	1,153,024
SWAMP CREEK BASIN FUND				
Beginning Cash	1,762,640	1,581,067		1,581,067
Revenues	16,536	16,000	0	10,057
Total Sources	1,779,176	1,597,067	0	1,591,124
Expenditures	198,109	160,000	0	202,365
Ending Cash	1,581,067	1,437,067		1,388,759
Total Uses	1,779,176	1,597,067	0	1,591,124
TRANSPORTATION BENEFIT DISTRICT FUND				
Beginning Cash	0	0		0
Revenues	0	535,000	30,017	398,668
Total Sources	0	535,000	30,017	398,668
Expenditures	0	535,000	458,000	465,500
Ending Cash	0	0		(66,832)
Total Uses	0	535,000	458,000	398,668
SAMMAMISH BRIDGE REPLACEMENT FUND				
Beginning Cash	0	0		0
Revenues	0	80,000	0	80,264
Total Sources	0	80,000	0	80,264
Expenditures	0	80,000	80,000	80,000
Ending Cash	0	0		264
Total Uses	0	80,000	80,000	80,264

City of Kenmore, Washington
All Funds Cash Summary
September 30, 2014



	2011-2012 BIENNIAL TO DATE	BUDGET	September	2013-2014 BIENNIAL TO DATE
REAL ESTATE EXCISE TAX FUND				
Beginning Cash	1,866,318	1,965,806		1,965,806
Revenues	1,497,557	1,147,317	91,812	1,587,816
Total Sources	3,363,874	3,113,123	91,812	3,553,622
Expenditures	2,386,812	2,757,050	123,171	1,305,100
Ending Cash	977,062	356,073		2,248,522
Total Uses	3,363,874	3,113,123	123,171	3,553,622
KENMORE VILLAGE FUND				
Beginning Cash	60,725	163,588		163,588
Interfund Loan	1,200,000			0
Revenues	555,153	4,576,500	0	4,627,525
Total Sources	1,815,878	4,740,088	0	4,791,113
Interfund Loans	0	0		1,200,000
Expenditures	1,663,002	2,500,646	790,622	1,131,262
Ending Cash	152,875	2,239,442		2,459,851
Total Uses	1,815,878	4,740,088	790,622	4,791,113
PARK CAPITAL FUND				
Beginning Cash	0	0		0
Revenues	0	1,916,534	1,006,171	1,845,536
Total Sources	0	1,916,534	1,006,171	1,845,536
Expenditures	0	1,873,000	27,309	1,751,979
Ending Cash	0	43,534		93,557
Total Uses	0	1,916,534	27,309	1,845,536
SURFACE WATER MANAGEMENT FUND				
Beginning Cash	1,590,280	1,419,392		1,419,392
Revenues	3,739,336	3,824,176	14,158	3,003,984
Total Sources	5,329,616	5,243,568	14,158	4,423,376
Expenditures	3,908,437	4,908,887	100,246	2,771,677
Ending Cash	1,421,179	334,681		1,651,699
Total Uses	5,329,616	5,243,568	100,246	4,423,376
SURFACE WATER CAPITAL FUND				
Beginning Cash	0	0		0
Revenues	0	1,988,261	0	493,045
Total Sources	0	1,988,261	0	493,045
Expenditures	0	1,988,261	447,083	877,998
Ending Cash	0	0		(384,953)
Total Uses	0	1,988,261	447,083	493,045
STRATEGIC RESERVE FUND				
Beginning Cash	1,264,464	1,264,464		1,264,464
Interfund Loan Repayment	0		0	0
Revenues	0	0	0	0
Total Sources	1,264,464	1,264,464	0	1,264,464
Interfund Loans	0			0
Expenditures	0	0	0	0
Ending Cash	1,264,464	1,264,464		1,264,464
Total Uses	1,264,464	1,264,464	0	1,264,464
STRATEGIC OPPORTUNITIES FUND				
Beginning Cash	0	0		0
Revenues	0	3,301,862	778,330	3,312,864
Total Sources	0	3,301,862	778,330	3,312,864
Expenditures	0	1,190,900	153,520	1,137,747
Ending Cash	0	2,110,962		2,175,116
Total Uses	0	3,301,862	153,520	3,312,864
EQUIPMENT REPLACEMENT FUND				
Beginning Cash	524,310	490,603		490,603
Revenues	188,365	155,142	75,820	128,677
Total Sources	712,675	645,745	75,820	619,280
Expenditures	222,072	276,250	0	112,990
Ending Cash	490,603	369,495		506,291
Total Uses	712,675	645,745	0	619,280
TRUST AND AGENCY (NON BUDGETED FUND)*				
Beginning Cash	278,859	247,209		247,209
Revenues	122,994	0	2,260	183,561
Total Sources	401,854	247,209	2,260	430,770
Expenditures	154,645	0	690	35,528
Ending Cash	247,209	247,209		395,242
Total Uses	401,854	247,209	690	430,770
TOTALS				
Beginning Cash	17,507,613	15,330,369		15,330,369
Interfund Loan	0	0		1,200,000
Revenues	32,986,301	54,170,147	3,758,798	39,226,253
Total Sources	50,493,914	69,500,516	3,758,798	55,756,622
Interfund Loans	1,200,000	0		1,200,000
Expenditures	34,970,092	56,136,793	4,494,426	36,919,805
Ending Cash	15,325,713	13,363,723		17,636,817
Total Uses	51,495,805	69,500,516	4,494,426	55,756,622

I:\Admin & Finance\Monthly Reports\2014\Sept.xlsx All Funds

**City of Kenmore, Washington
Street Fund Summary Report
September 30, 2014**



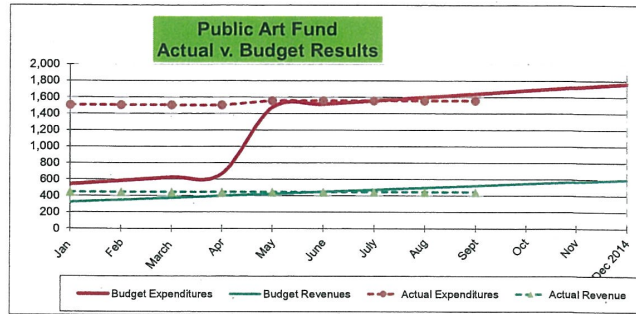
	MONTH <u>September 2014</u>	BIENNIUM TO DATE <u>2013-2014</u>	% of <u>BUDGET</u>	BUDGET <u>2013-2014</u>
REVENUES				
Beginning Fund Balance		1,512,154		1,513,938
Fuel Tax	39,871	756,867	89.8%	843,072
FEMA Assistance	0	100	-	0
Brightwater Mitigation	0	250,000	-	250,000
Investment Interest	0	11,941	59.7%	20,000
Miscellaneous	1,326	1,788	-	0
Transfer from General Fund	138,000	874,000	59.2%	1,476,101
Transfer from REET	0	400,000	100.0%	400,000
Transfer from TBD	458,000	458,000	87.2%	525,000
Total Revenues	637,197	2,752,696	78.3%	3,514,173
Total Revenues & Beginning Fund Balance		4,264,850		5,028,111

	MONTH <u>September</u>	BIENNIUM TO DATE <u>2013-2014</u>	% of <u>BUDGET</u>	BUDGET <u>2013-2014</u>
EXPENDITURES				
Salary and Benefits	17,161	319,945	85.1%	375,821
Maintenance & Operations	105,005	1,339,313	84.7%	1,581,305
Overlay	122,441	486,404	35.1%	1,386,000
Capital	96	139,064	347.7%	40,000
Transfer to Transportation Capital	86,000	86,000	100.0%	86,000
Transfer to Surface Water Mgt.	0	25,000	100.0%	25,000
Total Expenditures	330,703	2,395,725	68.6%	3,494,126
Ending Fund Balance		1,869,125		1,533,985
Total Expenditures and Ending Fund Balance		4,264,850		5,028,111

**City of Kenmore, Washington
Other Funds Monthly Activity
September 30, 2014**

PUBLIC ART FUND

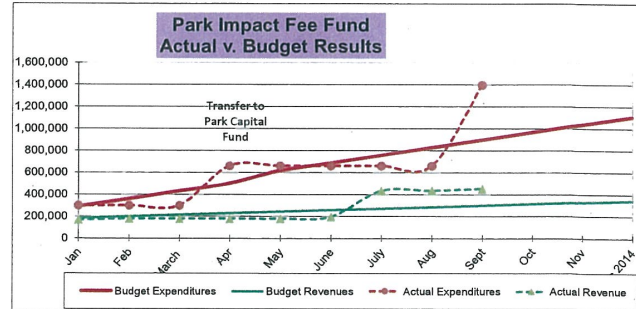
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	500	1,507	300	447
Jan	542	1,507	325	447
Feb	583	1,507	350	447
March	625	1,507	375	447
Apr	667	1,507	400	447
May	1,474	1,557	425	447
June	1,516	1,557	450	447
July	1,558	1,557	475	447
Aug	1,599	1,557	500	447
Sept	1,641	1,557	525	447
Oct	1,683		550	
Nov	1,724		575	
Dec 2014	1,766		600	
2013-2014	1,000		600	
Total Actual to Date vs Total Budget		156%		75%



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

PARK IMPACT FEE FUND

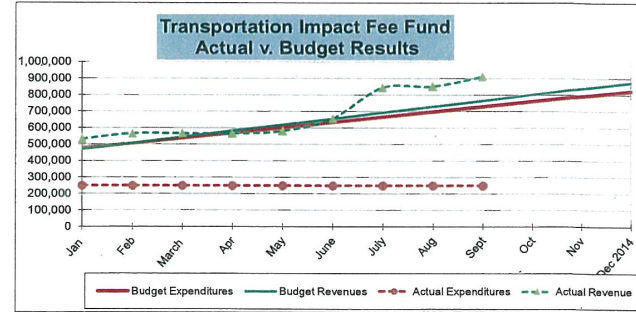
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	220,000	297,921	172,214	145,576
Jan	289,917	297,921	186,743	170,556
Feb	359,833	297,921	201,273	180,704
March	429,750	297,921	215,802	180,704
Apr	499,667	659,000	230,332	180,704
May	615,583	659,000	244,861	180,704
June	685,500	659,000	259,391	198,463
July	755,417	659,000	273,920	435,089
Aug	825,333	659,000	288,449	437,626
Sept	895,250	1,396,000	302,979	455,385
Oct	965,167		317,508	
Nov	1,035,083		332,038	
Dec 2014	1,105,000		346,567	
2013-2014	1,059,000		346,567	
Total Actual to Date vs Total Budget		132%		131%



This fund accounts for City imposed park impact fees on new development. Expenditures are for public park acquisitions and improvements. In the 2011-2012 budget, expenditures represent transfers to Municipal Capital Fund for improvements to City parks.

TRANSPORTATION IMPACT FEE FUND

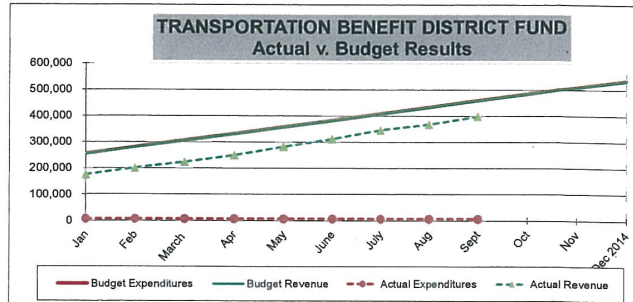
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	442,500	248,000	435,973	423,858
Jan	474,167	248,000	472,698	532,620
Feb	505,833	248,000	509,423	566,356
March	537,500	248,000	546,147	566,356
Apr	569,167	248,000	582,872	566,356
May	600,833	248,000	619,597	581,691
June	632,500	248,000	656,322	656,063
July	664,167	248,000	693,046	845,017
Aug	695,833	248,000	729,771	853,451
Sept	727,500	248,000	766,496	912,489
Oct	759,167		803,221	
Nov	790,833		839,945	
Dec 2014	822,500		876,670	
2013-2014	822,500		876,670	
Total Actual to Date vs Total Budget		30%		104%



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

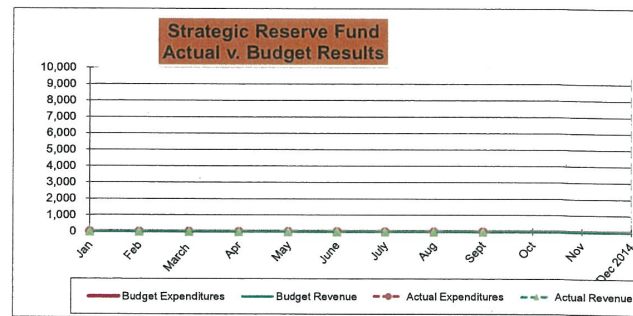
**City of Kenmore, Washington
Other Funds Monthly Activity
September 30, 2014**

TRANSPORTATION BENEFIT DISTRICT FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	230,000	5,000	230,000	151,178
Jan	255,417	7,500	255,417	175,714
Feb	280,833	7,500	280,833	201,632
March	306,250	7,500	306,250	224,211
Apr	331,667	7,500	331,667	250,268
May	357,083	7,500	357,083	282,106
June	382,500	7,500	382,500	312,341
July	407,917	7,500	407,917	346,060
Aug	433,333	7,500	433,333	368,652
Sept	458,750	7,500	458,750	398,669
Oct	484,167		484,167	
Nov	509,583		509,583	
Dec 2014	535,000		535,000	
2013-2014	535,000		535,000	
Total Actual to Date vs Total Budget		1%		75%



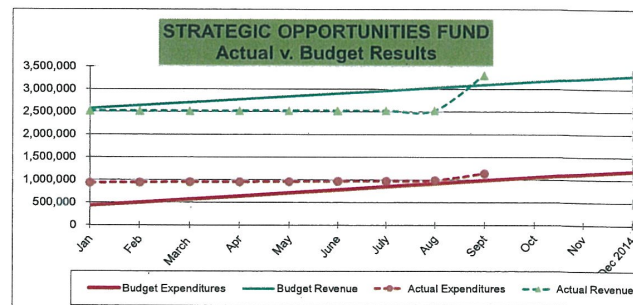
The Transportation Benefit District fund accounts for the \$20 vehicle license tab fees levied on vehicles located in the Kenmore city limits. The revenue generated will be used in maintaining the City's transportation system.

STRATEGIC RESERVE FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	0	0	0	0
Jan	0	0	0	0
Feb	0	0	0	0
March	0	0	0	0
Apr	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
Aug	0	0	0	0
Sept	0	0	0	0
Oct	0		0	
Nov	0		0	
Dec 2014	0		0	
2013-2014	0		0	
Total Actual to Date vs Total Budget		0%		0%



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

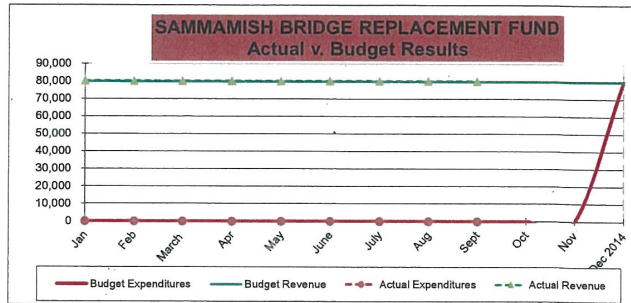
STRATEGIC OPPORTUNITIES FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	364,100	928,553	2,512,500	2,521,694
Jan	433,000	932,712	2,578,280	2,522,844
Feb	501,900	941,850	2,644,060	2,523,544
March	570,800	953,684	2,709,841	2,525,844
Apr	639,700	952,558	2,775,621	2,527,934
May	708,600	957,849	2,841,401	2,529,084
June	777,500	965,388	2,907,181	2,530,934
July	846,400	969,831	2,972,961	2,532,434
Aug	915,300	984,227	3,038,741	2,534,534
Sept	984,200	1,137,748	3,104,522	3,312,864
Oct	1,053,100		3,170,302	
Nov	1,122,000		3,236,082	
Dec 2014	1,190,900		3,301,862	
2013-2014	1,190,900		3,301,862	
Total Actual to Date vs Total Budget		96%		100%



The purpose of the Strategic Opportunities Fund is to have funds available for the City to make key investments or take advantage of strategic opportunities as they present themselves. For 2013-14, the Business Incubator expenditures are budgeted in this fund.

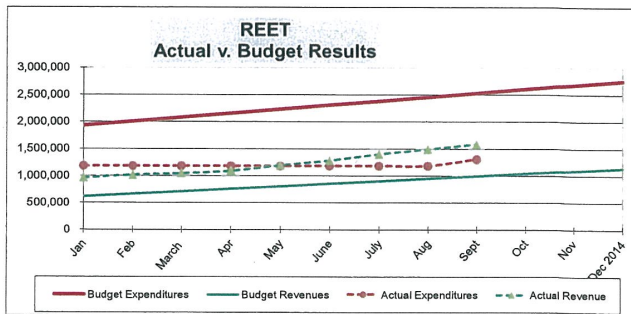
City of Kenmore, Washington
Other Funds Monthly Activity
September 30, 2014

SAMMAMISH BRIDGE REPLACEMENT FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	0	0	80,000	80,264
Jan	0	0	80,000	80,264
Feb	0	0	80,000	80,264
March	0	0	80,000	80,264
Apr	0	0	80,000	80,264
May	0	0	80,000	80,264
June	0	0	80,000	80,264
July	0	0	80,000	80,264
Aug	0	0	80,000	80,264
Sept	0	0	80,000	80,264
Oct	0	0	80,000	
Nov	0	0	80,000	
Dec 2014	80,000		80,000	
2013-2014	80,000		80,000	
Total Actual to Date vs Total Budget		0%		100%



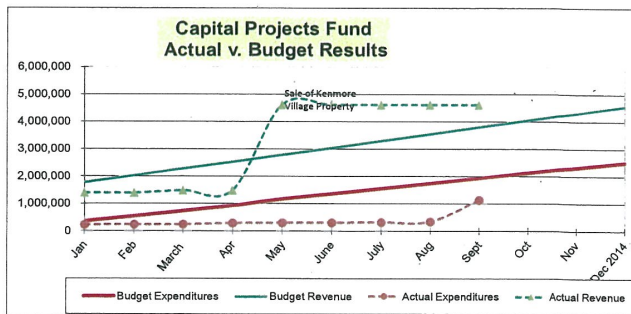
The Sammamish Bridge Replacement fund is a fund used to put money aside for the replacement of the West Sammamish bridge.

REAL ESTATE EXCISE TAX FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	1,852,050	1,181,929	569,468	894,198
Jan	1,927,467	1,181,929	617,622	966,304
Feb	2,002,883	1,181,929	665,776	1,020,343
March	2,078,300	1,181,929	713,930	1,050,769
Apr	2,153,717	1,181,929	762,084	1,095,886
May	2,229,133	1,181,929	810,238	1,198,143
June	2,304,550	1,181,929	858,393	1,286,214
July	2,379,967	1,181,929	906,547	1,403,072
Aug	2,455,383	1,181,929	954,701	1,496,004
Sept	2,530,800	1,305,100	1,002,855	1,587,816
Oct	2,606,217		1,051,009	
Nov	2,681,633		1,099,163	
Dec 2014	2,757,050		1,147,317	
2013-2014	2,757,050		1,147,317	
Total Actual to Date vs Total Budget		47%		138%



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

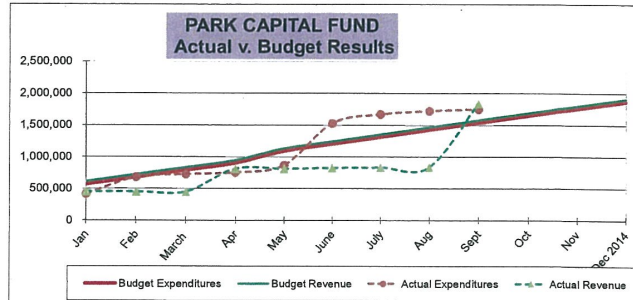
KENMORE VILLAGE FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	161,600	223,689	1,523,020	1,403,543
Jan	352,357	228,343	1,777,477	1,403,543
Feb	543,114	232,785	2,031,933	1,404,293
March	733,872	240,111	2,286,390	1,495,043
Apr	924,629	287,786	2,540,847	1,496,055
May	1,165,346	300,610	2,795,303	1,496,943
June	1,356,103	303,418	3,049,760	1,496,943
July	1,546,860	317,360	3,304,217	1,496,943
Aug	1,737,617	340,640	3,558,673	1,496,943
Sept	1,928,375	1,131,262	3,813,130	1,496,943
Oct	2,119,132		4,067,587	
Nov	2,309,889		4,322,043	
Dec 2014	2,500,646		4,576,500	
2013-2014	2,450,686		4,576,500	
Total Actual to Date vs Total Budget		46%		101%



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

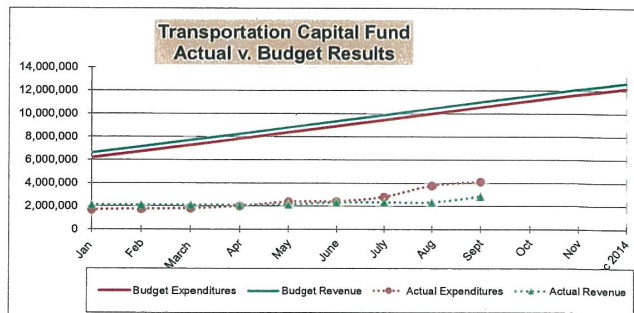
**City of Kenmore, Washington
Other Funds Monthly Activity
September 30, 2014**

PARK CAPITAL FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	460,000	416,605	503,534	435,869
Jan	571,417	416,605	614,951	453,684
Feb	682,833	681,756	726,367	453,684
March	794,250	727,532	837,784	453,684
Apr	905,667	754,427	949,201	814,763
May	1,093,083	867,757	1,136,617	814,763
June	1,204,500	1,528,642	1,248,034	830,479
July	1,315,917	1,671,991	1,359,451	839,148
Aug	1,427,333	1,724,670	1,470,867	839,365
Sept	1,538,750	1,751,979	1,582,284	1,845,536
Oct	1,650,167		1,693,701	
Nov	1,761,583		1,805,117	
Dec 2014	1,873,000		1,916,534	
2013-2014	1,797,000		1,840,534	
Total Actual to Date vs Total Budget		97%		100%



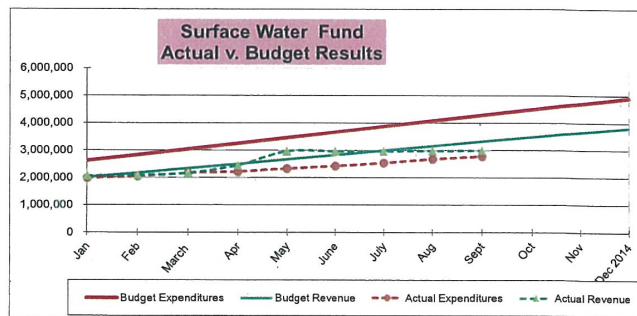
The Park Capital fund will account for Park Capital Projects formerly included in the Municipal Capital fund. In addition, distributions from the King County Proposition 2 Parks Expansion Levy will be receipted into this fund

TRANSPORTATION CAPITAL FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	5,635,750	1,671,348	6,081,950	2,127,659
Jan	6,179,174	1,679,339	6,629,860	2,127,659
Feb	6,722,598	1,739,110	7,177,771	2,127,659
March	7,266,022	1,794,315	7,725,681	2,127,659
Apr	7,809,446	1,990,022	8,273,592	2,127,659
May	8,352,870	2,365,172	8,821,502	2,166,383
June	8,896,294	2,401,009	9,369,413	2,370,522
July	9,439,717	2,790,845	9,917,323	2,370,522
Aug	9,983,141	3,770,300	10,465,233	2,370,522
Sept	10,526,565	4,109,800	11,013,144	2,882,401
Oct	11,069,989		11,561,054	
Nov	11,613,413		12,108,965	
Dec 2014	12,156,837		12,656,875	
2013-2014	12,156,837		12,656,875	
Total Actual to Date vs Total Budget		34%		23%



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

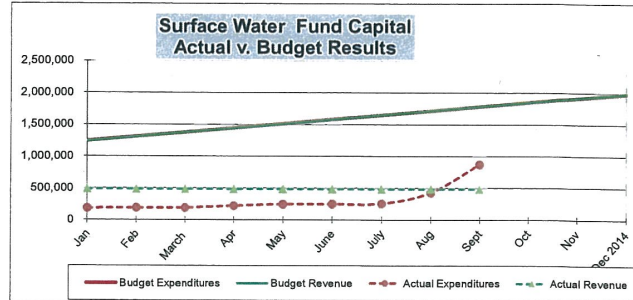
SURFACE WATER MANAGEMENT FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	2,407,615	1,947,517	1,859,138	2,068,281
Jan	2,616,054	1,984,043	2,022,891	2,072,887
Feb	2,824,494	2,048,468	2,186,644	2,100,032
March	3,032,933	2,174,549	2,350,398	2,180,736
Apr	3,241,372	2,214,282	2,514,151	2,460,553
May	3,449,812	2,328,898	2,677,904	2,975,029
June	3,658,251	2,419,536	2,841,657	2,979,292
July	3,866,690	2,533,957	3,005,410	2,985,256
Aug	4,075,130	2,671,431	3,169,163	2,989,826
Sept	4,283,569	2,771,677	3,332,917	3,003,984
Oct	4,492,008		3,496,670	
Nov	4,700,448		3,660,423	
Dec 2014	4,908,887		3,824,176	
2013-2014	4,908,887		3,824,176	
Total Actual to Date vs Total Budget		56%		79%



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.

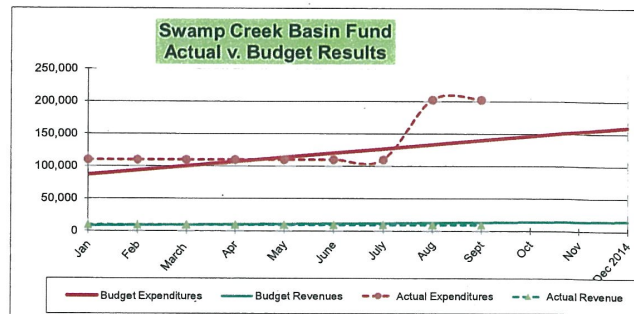
**City of Kenmore, Washington
Other Funds Monthly Activity
September 30, 2014**

SURFACE WATER CAPITAL FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	1,175,250	178,118	1,175,250	493,045
Jan	1,243,001	186,350	1,243,001	493,045
Feb	1,310,752	192,993	1,310,752	493,045
March	1,378,503	193,047	1,378,503	493,045
Apr	1,446,254	224,776	1,446,254	493,045
May	1,514,005	249,094	1,514,005	493,045
June	1,581,756	252,775	1,581,756	493,045
July	1,649,506	258,815	1,649,506	493,045
Aug	1,717,257	430,915	1,717,257	493,045
Sept	1,785,008	877,998	1,785,008	493,045
Oct	1,852,759		1,852,759	
Nov	1,920,510		1,920,510	
Dec 2014	1,988,261		1,988,261	
2013-2014	1,988,261		1,988,261	
Total Actual to Date vs Total Budget		44%		25%



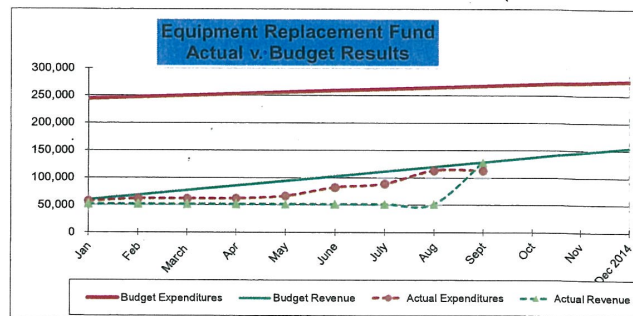
This fund accounts for the expenditures for Surface Water Capital Improvements. Revenue sources for this fund include a variety of federal, state, or local grants, surface water management fees transferred from the Surface Water Management Fund and real estate excise taxes.

SWAMP CREEK BASIN FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	80,000	109,873	8,200	10,057
Jan	86,667	109,873	8,850	10,057
Feb	93,333	109,873	9,500	10,057
March	100,000	109,873	10,150	10,057
Apr	106,667	109,873	10,800	10,057
May	113,333	109,873	11,450	10,057
June	120,000	109,873	12,100	10,057
July	126,667	109,873	12,750	10,057
Aug	133,333	202,366	13,400	10,057
Sept	140,000	202,366	14,050	10,057
Oct	146,667		14,700	
Nov	153,333		15,350	
Dec 2014	160,000		16,000	
2013-2014	160,000		16,000	
Total Actual to Date vs Total Budget		126%		63%



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

EQUIPMENT REPLACEMENT FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	241,250	57,389	51,850	52,858
Jan	244,167	57,389	60,458	52,858
Feb	247,083	61,687	69,065	52,858
March	250,000	61,687	77,673	52,858
Apr	252,917	62,104	86,281	52,858
May	255,833	66,341	94,888	52,858
June	258,750	81,873	103,496	52,858
July	261,667	88,682	112,104	52,858
Aug	264,583	112,989	120,711	52,858
Sept	267,500	112,989	129,319	128,678
Oct	270,417		137,927	
Nov	273,333		146,534	
Dec 2014	276,250		155,142	
2013-2014	276,250		155,142	
Total Actual to Date vs Total Budget		41%		83%



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
September 30, 2014



Fund	Beg. Cash & Inv.	Monthly	Monthly	End. Cash & Inv.
	from Prev. Mo.	Revenues	Expenditures	Current Month
General	\$3,564,427	\$534,358	\$906,580	3,192,205
Street	1,562,940	637,197	330,703	1,869,434
Transportation Capital	19,546	511,879	339,500	191,924
Public Art	67,431	0	0	67,431
Park Impact Fee	1,393,724	17,759	737,000	674,483
Transportation Impact Fee	845,987	59,038	0	905,025
Swamp Creek Basin	1,388,759	0	0	1,388,759
Transportation Benefit District	361,152	30,017	458,000	(66,832)
Sammamish Bridge Replacement	80,264	0	80,000	264
Real Estate Excise Tax	1,291,135	91,812	123,171	1,259,776
Kenmore Village	3,239,757	0	790,622	2,449,135
Park Capital	-885,305	1,006,171	27,309	93,557
Surface Water Management	1,739,575	14,158	100,246	1,653,487
Surface Water Capital	62,130	0	447,083	(384,953)
Strategic Reserve	1,264,465	0	0	1,264,465
Strategic Opportunities	1,550,307	778,330	153,520	2,175,116
Equipment Replacement	430,470	75,820	0	506,290
Trust & Agency	393,668	2,260	690	395,238
Totals	\$18,370,434	\$3,758,798	\$4,494,426	\$17,634,806

Fund	Cash, Savings,	(> One Year)	
	Local Govt Investment Pool	Fixed Investments	Total
General	-\$2,274,007	\$5,479,894	3,205,887
Street	1,019,434	850,000	1,869,434
Transportation Capital	-799,858	0	(799,858)
Public Art	52,431	15,000	67,431
Park Impact Fee	-260,174	930,000	669,826
Transportation Impact Fee	875,026	30,000	905,026
Swamp Creek Basin	-11,241	1,400,000	1,388,759
Transportation Benefit District	-66,832	0	(66,832)
Sammamish Bridge Replacement	264	0	264
Real Estate Excise Tax	2,248,520	0	2,248,520
Kenmore Village	1,997,348	450,000	2,447,348
Park Capital	93,557	0	93,557
Surface Water Management	1,141,700	510,000	1,651,700
Surface Water Capital	-384,953	0	(384,953)
Strategic Reserve	414,465	850,000	1,264,465
Strategic Opportunities	2,175,116	0	2,175,116
Equipment Replacement	56,290	450,000	506,290
Trust & Agency	295,238	100,000	395,238
Totals	\$6,572,327	\$11,064,894	\$17,637,220

City of Kenmore, Washington
Schedule of Investments
September 30, 2014



			Average Yield to Maturity-Securities				Overall Average Yield			0.68%
Report by Security	Investment #	Type	Maturity Date	Purchase Date	Rate	Yield	Possible Call Date	Principal or Balance	Yield Equivalents	
Piper Jaffray										
	313371PC4	FHLB	12/12/2014	6/7/2011	0.88%	0.88%	no call	991,238.90	8,722.90	
	31771J4M9	FICO	9/26/2017	8/14/2012	1.13%	1.13%	non callable	894,731.88	10,137.31	
Total Piper Jaffrey Purchases								1,885,970.78	18,860.21	
Time Value Investments										
	3136G1BT5	FNMA	8/7/2017	7/2/2013	1.30%	1.30%	8/7/2013	982,099.00	12,767.29	
	3135G0XK4	FNMA	5/25/2018	11/25/2013	1.38%	1.38%	2/25/2014	985,750.00	13,583.64	
	3135G0XK4	FNMA	5/25/2018	2/27/2014	1.30%	1.30%	2/25/2014	989,691.00	12,865.98	
	3134G43V8	FHLB	5/15/2018	7/23/2014	1.36%	1.36%	8/15/2014	988,450.00	13,462.69	
	3133EA5T1	FFCB	1/23/2019	7/23/2014	1.59%	1.59%	7/28/2014	984,270.00	15,689.26	
	31359MEL3	FNMA	4/22/2017	10/22/2012	0.86%	0.86%	no call	999,468.08	8,595.43	
Total TVI Purchases								5,929,728.08	76,964.28	
Banner Bank CD's										
	5740005425	CD	2/6/2016	2/6/2014	0.32%	0.32%		1,000,000.00	3,200.00	
Total Banner Bank CD's								1,000,000.00	3,200.00	
Sound Community Bank CD's										
	18299229	CD	2/11/2016	2/14/2014	0.80%	0.80%		1,000,000.00	8,000.00	
Total Sound Community Bank CD's								1,000,000.00	8,000.00	
Opus Bank CD's										
	280140042	CD	3/16/2015	3/15/2011	1.15%	1.15%		249,194.49	2,865.74	
	11495975	CD	8/10/2015	2/10/2014	0.35%	0.35%		1,000,000.00	3,500.00	
Total Cascade Bank CD's								1,249,194.49	6,365.74	
TOTAL ALL SECURITIES								\$ 11,064,893.35	\$ 113,390.23	
Banner Checking and Savings						0.07% Banner		827,495.78	579.25	
Cash								1,005.00	-	
Local Government Investment Pool						0.09% LGIP		5,743,824.46	5,416.43	
Total Accounts								\$ 17,637,218.59	119,385.91	

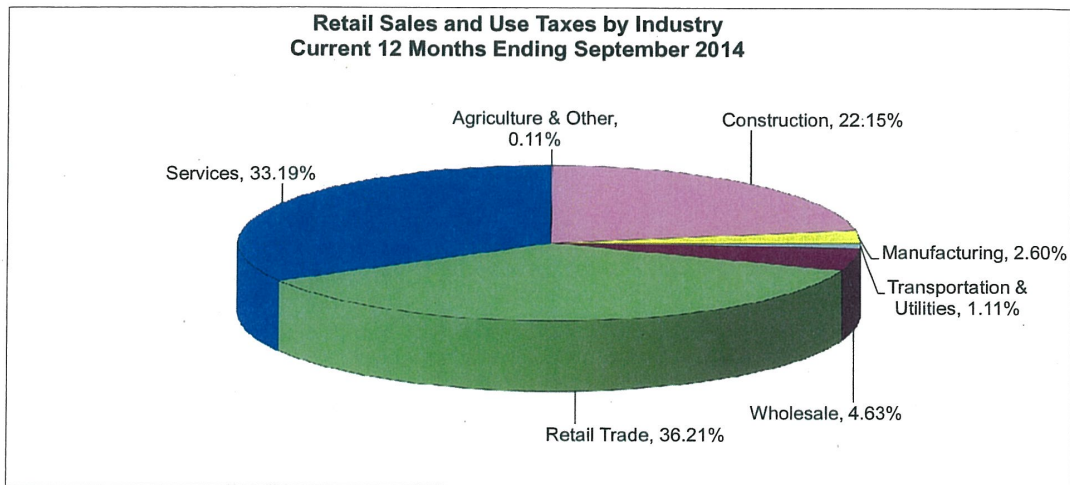
City of Kenmore, Washington
SALES TAX RECEIPTS BY BUSINESS TYPE
 September 2014

	SALES TAX	USE TAX	TOTAL	PERCENT
AGRICULTURE & OTHER	153.84	0.00	153.84	0.1%
CONSTRUCTION	37,808.89	192.95	38,001.84	22.5%
MANUFACTURING	2,404.17	0.37	2,404.54	1.4%
TRANSPORTATION & UTILITIES	1,115.07	1,941.39	3,056.46	1.8%
WHOLESALE	8,175.11	53.61	8,228.73	4.9%
RETAIL TRADE	61,787.43	115.47	61,902.90	36.6%
SERVICES	44,225.08	467.77	44,692.85	26.4%
INFORMATION	7,680.24	73.12	7,753.35	4.6%
PUBLIC SERVICES	14.08	2,875.94	2,890.01	1.7%
	<u>163,363.91</u>	<u>5,720.62</u>	<u>169,084.53</u>	<u>100.0%</u>

City of Kenmore, Washington
Retail Sales and Use Tax Distribution
September 30, 2014

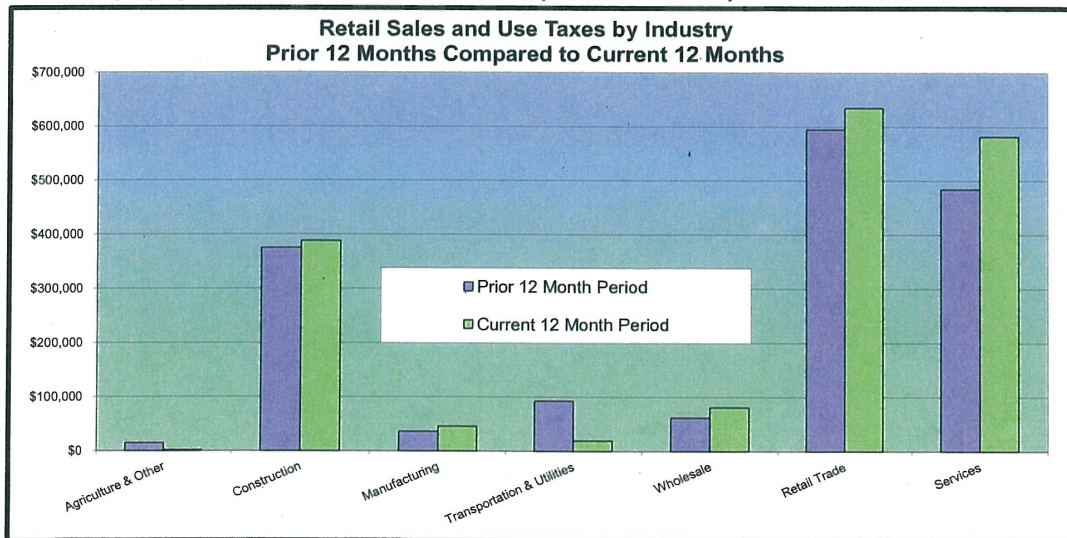


Industry	Prior 12 Months ending September 2013	Current 12 Months ending September 2014	% Increase/ (Decrease)	% of Total
Agriculture & Other (Landscaping, Animal Hospitals)	\$14,605	\$1,869	-87.20%	0.11%
Construction	374,815	388,142 *	3.56%	22.15%
Manufacturing (Printing, Publishing, Other Manuf.)	36,167	45,582	26.03%	2.60%
Transp/Comm/Utilities (Telecomm., Air Transport.)	92,614	19,530	-78.91%	1.11%
Wholesale (Lumber, Other Wholesale)	61,869	81,082	31.06%	4.63%
Retail Trade (Eating, Merchandise, Food Stores)	594,715	634,653	6.72%	36.21%
Services (Auction, Recreation, Auto Repair, Financial)	484,126	581,653	20.14%	33.19%
Totals	\$1,658,910	\$1,752,511	5.64%	100%
Increase/(Decrease)		\$93,601	5.64%	



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

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



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City of Kenmore, Washington
Real Estate Excise Tax Report
September 30, 2014

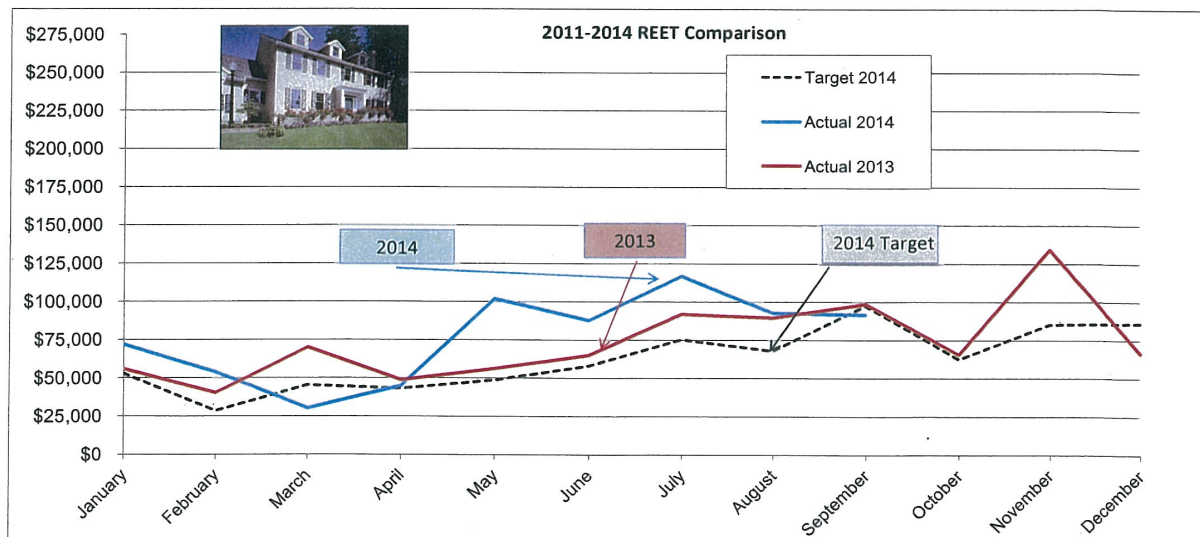


Real Estate Excise Taxes (REET) 2011 - 2014 Monthly Receipts					
	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Target 2014
January	48,679	54,359	55,801	72,106	52,921
February	27,294	18,064	40,281	54,038	28,533
March	36,507	29,691	69,946	30,426	45,360
April	50,463	30,662	48,671	45,118	43,245
May	37,671	52,575	56,178	102,257	48,785
June	48,938	60,408	64,938	88,070	58,067
July	53,012	81,316	91,779	116,858	75,333
August	57,471	56,626	89,496	92,932	67,832
September	111,107	82,785	98,573	91,812	97,442
October	61,805	60,265	65,596		62,525
November	33,475	88,057	134,286		85,232
December	39,510	152,262	66,342		85,997
	\$605,931	\$767,070	\$881,886		\$751,629

For 2014, REET is \$77,955 more than the same period last year and more than the 2014 target by \$176,100

* NOTE THE 2014 target is computed on a 3 year average (2011-2013) of actual receipts

Real Estate Excise Taxes (REET) 2011 - 2014 Property Sales > \$500,000 (The sales actually occur in the prior month; there is a 30 day lag between sales and when the City receives the revenue)								
Taxes from > \$500,000 Sale Amounts								
	2011	2012	2013	2014	2011	2012	2013	2014
January	1,046,085	5,515,283	3,380,165	4,699,850	5,178	27,301	16,732	23,264
February	547,257	1,152,000	3,417,500	3,930,920	2,709	5,702	16,917	19,458
March	1,100,000	750,000	3,514,000	2,175,430	5,445	3,713	17,394	10,768
April	1,075,000	870,000	1,570,450	4,266,725	5,321	4,307	7,774	21,120
May	2,372,000	2,796,250	3,634,210	12,347,730	11,741	13,841	17,989	61,121
June	2,605,000	1,215,000	2,761,500	7,353,999	12,895	6,014	13,669	36,402
July	3,354,950	4,196,500	8,478,706	15,071,601	16,607	20,773	41,970	74,604
August	3,045,950	1,756,200	6,131,455	5,882,306	15,077	8,693	30,351	29,117
September	15,691,044	4,859,500	10,911,500	8,437,700	77,671	24,055	54,012	41,767
October	7,873,950	3,087,500	5,568,400		38,976	15,283	27,564	0
November	875,000	8,334,960	18,620,230		4,331	41,258	92,170	0
December	2,189,000	23,033,200	4,606,450		10,836	114,014	22,802	0
	\$41,775,236	\$57,566,393	\$72,594,566	\$64,166,261	206,787	284,954	359,344	317,621



City of Kenmore, Washington
Monthly Report for Kenmore Village Fund
September 30, 2014



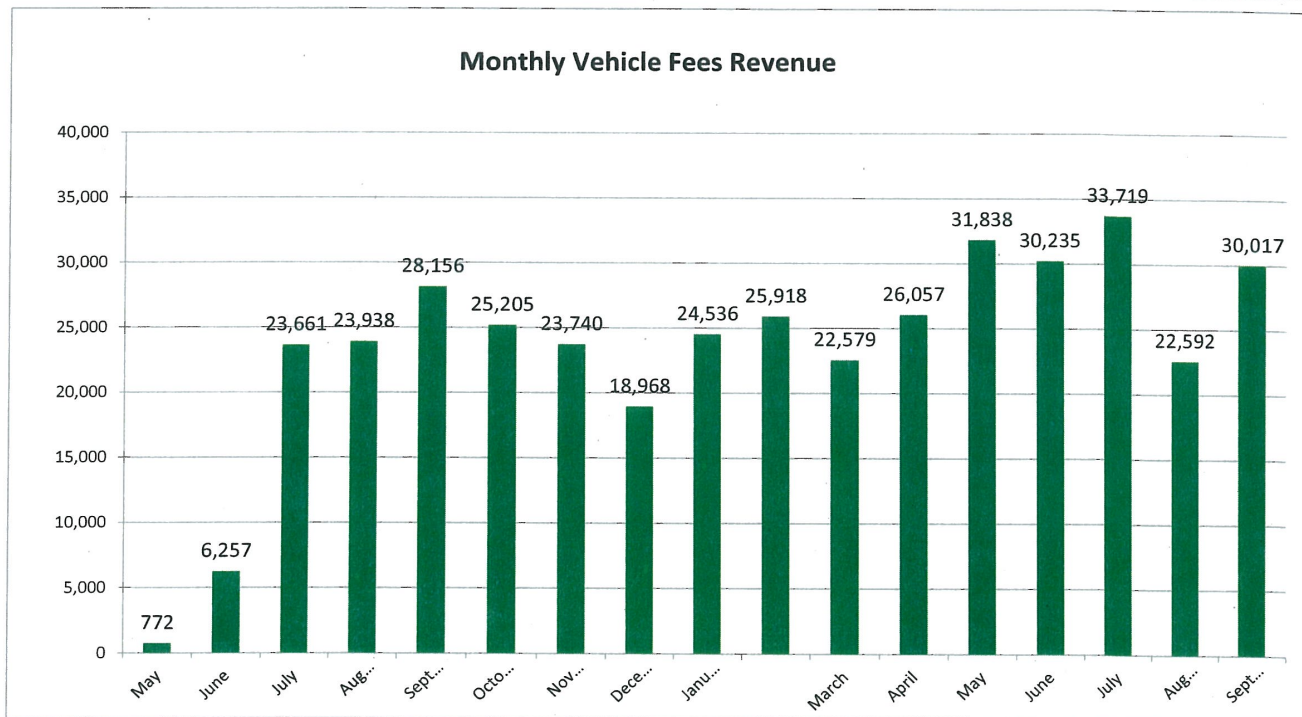
<u>Revenues</u>	<u>September 2014</u>	<u>Biennium-to- Date</u>	<u>Biennium Budget</u>
Lease Income (USPS & Kenmore Village)	0	50,750	102,100
Return of Security Deposit	0	0	0
Other Rent Income	0	15,100	15,000
Landlord Expense (CAM*) Reimbursement	0	0	0
Investment Interest	0	933	4,500
Sale of Property	0	4,555,922	4,440,000
Leasehold Excise Returned	0	4,820	14,900
Total Revenues	0	4,627,525	4,576,500
<u>Expenditures</u>			
6700 Building Improvements	0	0	11,000
Downtown Plan Services	13,822	250,314	228,168
Property Management	0	3,263	43,200
Utilities and Insurance - Kenmore Village	0	44,965	6,600
Repairs, Maintenance, Other Services	0	39,497	34,918
Transfers to Other Funds	776,800	776,800	926,800
Total Expenditures	790,622	1,114,839	1,250,686
 Net Income (Loss)	 -790,622	 3,512,687	 3,325,814

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

Kenmore Transportation Benefit District
Monthly Report
September 30, 2014



<u>Revenues</u>	<u>September 2014</u>	<u>Biennium-to- Date</u>	<u>Biennium Budget</u>
Vehicle Fees			
Total Revenues	\$ 30,017	\$398,188	\$535,000
<u>Expenditures</u>			
WCIA Insurance	0	7,500	10,000
Reimbursement to Street Fund	458,000	458,000	525,000
Total Expenditures	458,000	465,500	535,000
Net Income (Loss)		-\$67,312	\$0





City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: PUBLIC HEARING ON 2015-2016 PROPOSED PRELIMINARY BIENNIAL BUDGET AND 2015- 2020 CAPITAL IMPROVEMENT PROGRAM Proposed Council Action/Motion: PUBLIC HEARING ON 2015-2016 PROPOSED PRELIMINARY BIENNIAL BUDGET AND 2015- 2020 CAPITAL IMPROVEMENT PROGRAM	For Council Meeting Agenda of: November 3, 2014 Department: Finance and Administration Prepared by: Joanne Gregory To Be Presented By: N/A <u>Initial & Date</u> Approved by Department Head: <u> </u> Approved by City Attorney: <u> </u> Approved by Finance Director: <u> </u> Approved by City Manager: <u> </u> Exhibits/Attachments: Agenda Item October 20, 2014 Capital Project description sheets
Expenditure Required None Amount Budgeted N/A Appropriation Required N/A	
<u>INFORMATION/BACKGROUND:</u> A Public Hearing will be held November 3, 2014 on the 2015-2016 proposed preliminary budget and the 2015-2020 Capital Improvement Program (CIP). These documents were distributed to the City Council on October 27, 2014 (Budget) and October 20, 2014 (CIP) and are also available at City Hall, the Library, and at www.kenmorewa.gov/finance.	
<u>FISCAL CONSIDERATION:</u> None	
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> RCW 35A.33.055 The legislative body must schedule hearings on the budget or parts of the budget prior to the final approval (on or before December 8, 2014).	



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

Subject/Topic: 2015-2020 Capital Improvement Program for Surface Water, Parks, and Transportation Proposed Council Action/Motion: Review and Provide Direction on Ordinance 14-0387 Approving the 2015-2020 Capital Improvement Program for Surface Water, Parks, and Transportation	For Council Meeting Agenda of: October 20, 2014 Departments: City Manager, Finance and Administration, Community Development, Engineering & Environmental Services, Public Works Operations Prepared by: Rob Karlinsey, City Manager Joanne Gregory, Finance and Administration Director Debbie Bent, Community Development Director Kris Overleese, Engineering and Environmental Services Director Jennifer Gordon, Public Works Operations Manager Richard Sawyer, Surface Water Program Manager <table border="0"> <tr> <td></td> <td align="right"><u>Initial & Date</u></td> </tr> <tr> <td>Approved by Department Head:</td> <td align="right">[Signature] 10/17/14</td> </tr> <tr> <td>Approved by City Attorney:</td> <td align="right">[Signature]</td> </tr> <tr> <td>Approved by Finance Director:</td> <td align="right">[Signature] 10/17/14</td> </tr> <tr> <td>Approved by City Manager:</td> <td align="right">[Signature]</td> </tr> </table> Exhibits/Attachments: Draft Ordinance 14-0387 Attachment 1: Park Capital Improvement Program Attachment 2: Transportation Capital Improvement Program Attachment 3: Surface Water Capital Improvement Program Attachment 4: Cash Flow Projections for Park Impact Fees, Transportation Impact Fees, Real Estate Excise Tax, Surface Water Management Fund Project Description Sheets will be distributed on or before the October 20, 2014 meeting		<u>Initial & Date</u>	Approved by Department Head:	[Signature] 10/17/14	Approved by City Attorney:	[Signature]	Approved by Finance Director:	[Signature] 10/17/14	Approved by City Manager:	[Signature]
	<u>Initial & Date</u>										
Approved by Department Head:	[Signature] 10/17/14										
Approved by City Attorney:	[Signature]										
Approved by Finance Director:	[Signature] 10/17/14										
Approved by City Manager:	[Signature]										
Expenditure Required \$41,654,672 for 2015-2020	<table border="0"> <tr> <td>Amount Budgeted/Adopted \$0</td> <td>Appropriation Required \$41,654,672 for 2015-2020</td> </tr> </table>	Amount Budgeted/Adopted \$0	Appropriation Required \$41,654,672 for 2015-2020								
Amount Budgeted/Adopted \$0	Appropriation Required \$41,654,672 for 2015-2020										
INFORMATION/BACKGROUND: A six year update for the period 2015-2020, of the entire Capital Improvement Program (CIP), is now presented											

for the City Council's review and discussion prior to the Public Hearing on November 3, and adoption of the CIP scheduled for December 8, 2014. Updates and changes to the status of projects, as well as new projects, are based on staff recommendations.

One project not currently programmed in the six-year Parks CIP is a potential waterfront property acquisition on the Sammamish River near Squires Landing Park. Further investigation and analysis is needed on terms, financing, and other details prior to bringing this proposal forward and including it in the Parks CIP.

Also, the Transportation CIP currently shows the City (Bothell Way) Gateways as a project (T36) but does not allocate funding to it. The City Manager's recommendation is to evaluate the outcome of the 2014 budget and recommend whether additional funding could be available for at least one of the gateway signs.

FISCAL CONSIDERATION:

The City's goal is to adopt and maintain a fiscally balanced Capital Improvement Program that can be used by staff to prioritize and pursue projects. The CIP balances City resources including Park and Transportation Impact Fees, Real Estate Excise Tax, General Fund revenues, Surface Water Utility fees, and grant funds. While a project may show need in future years for grant funds to complete, the project and budget is considered "balanced" and provides a tool to pursue outside funding. The CIP should be considered a programming document with the City of Kenmore adopted budget being the document that actually appropriates funds for project expenditures.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

The proposed Capital Improvement Program is consistent with Council Goals, specifically:

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

To continue to seek transportation funding and mitigation for State impacts on the City's transportation system, air and water quality, and noise, including but not limited to, SR 522, Sammamish River Bridge, local roads and Lake Washington sediment depths.

To accelerate implementation of the Sidewalk Plan by determining various funding options.

To advance the public's access and connection to the waterfront.

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 14-0387**

**AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON,
ADOPTING A SIX-YEAR CAPITAL IMPROVEMENT PROGRAM;
PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN
EFFECTIVE DATE.**

WHEREAS, a Proposed 2015-2020 Six-Year Capital Improvement Program was submitted to the City Council and the City Clerk on October 20, 2014; and

WHEREAS, the City Council scheduled and held a Public Hearing on the Proposed 2015-2020 Six-Year Capital Improvement Program on October 27, 2014;

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

Section 1. Adoption of City of Kenmore, Washington, Capital Improvement Program. The City of Kenmore hereby adopts a new City of Kenmore, Washington, Capital Improvement Program, attached as Exhibit "A."

Section 2. City of Kenmore, Washington, Capital Improvement Program. To the extent the City of Kenmore, Washington, Capital Improvement Program ("Capital Improvement Program") is different from the Capital Facilities Element of the City's Comprehensive Plan, including but not limited to the Capital Facilities Plan portion thereof ("Capital Facilities Element"), the Capital Improvement Program shall supersede and amend the Capital Facilities Element accordingly.

Section 3. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 4. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 27th DAY OF OCTOBER 2014.

CITY OF KENMORE

Mayor David Baker

Six-Year Capital Improvement Program

ATTEST/AUTHENTICATED:

Patty Safrin, City Clerk

Approved as to form:

Rod P. Kaseguma, City Attorney

EXHIBIT A

**CITY OF KENMORE, WASHINGTON
CAPITAL IMPROVEMENT PROGRAM
FOR THE YEARS 2015-2020**

EXPENDITURES	2015 Proposed	2016 Proposed	2017 Proposed	2018 Proposed	2019 Proposed	2020 Proposed	2015-2020 Totals
PARKS							
Parks Project Manager	\$99,000	\$64,000	\$65,000	\$0	\$0	\$0	\$228,000
P 1 Twin Springs Interim Use Plan	40,000	0	0	0	0	0	40,000
P 2 Tolt Pipeline Trail Phase One	210,000	0	0	0	0	0	210,000
P 6 Moorlands Park Improvements	10,000	20,000	224,000	1,170,000	0	0	1,424,000
P 11 Log Boom Park Pedestrian New Bridge	200,000	0	0	0	0	0	200,000
P 13 City Hall Park Ph I: Skate Park Improvements	350,000	0	0	0	0	0	350,000
P18a Rhododendron Park Float	30,000	115,000	0	0	0	0	145,000
P 26 Twedt Property	35,000	65,000	0	0	0	0	100,000
Total Parks	\$974,000	\$264,000	\$289,000	\$1,170,000	\$0	\$0	\$2,697,000
TRANSPORTATION							
T 6 SR 522 West A 61st to 65th	\$7,434,850	\$3,551,407	\$0	\$0	\$0	\$0	\$10,986,257
T 8 SR 522 West B 57th to 61st with BGT Wall	0	0	0	0	0	450,000	450,000
T 27 Sidewalk Program	85,960	9,955	100,000	100,000	100,000	100,000	495,915
181st St Sidewalk	104,000	667,000	0	0	0	0	771,000
Sidewalk Gaps	160,000	0	0	0	0	0	160,000
T 35 Overlay	585,000	585,000	450,000	450,000	450,000	450,000	2,970,000
T 36 City Gateway West End Unfunded	0	0	0	0	0	0	0
T 37 West Samm Bridge	1,270,000	2,280,000	1,140,000	7,630,000	7,630,000	50,000	20,000,000
T 38 175th St/ Swamp Creek Bridge Study	75,000	0	0	0	0	0	75,000
T 39 Neighborhood Traffic Calming Improvements	250,000	100,000	0	0	0	0	350,000
Total Transportation	\$9,964,810	\$7,193,362	\$1,690,000	\$8,180,000	\$8,180,000	\$1,050,000	\$36,258,172
SURFACE WATER							
SW 8 61st Ave NE Sidewalk Embankment Repair	\$383,470	\$727,530	\$0	\$0	\$0	\$0	\$1,111,000
SW 8 Trust Fund Loan Repayment	0	0	140,000	140,000	140,000	140,000	560,000
SW 19 NE 192nd ST Culvert Replacement	122,796	272,204	0	0	0	0	395,000
T 6 Surface Water Component of SR 522 West A	0	633,500	0	0	0	0	633,500
Total Surface Water	\$506,266	\$1,633,234	\$140,000	\$140,000	\$140,000	\$140,000	\$2,699,500
TOTAL EXPENDITURES	\$11,445,076	\$9,090,596	\$2,119,000	\$9,490,000	\$8,320,000	\$1,190,000	\$41,654,672
REVENUES	2015 Proposed	2016 Proposed	2017 Proposed	2018 Proposed	2018 Proposed	2018 Proposed	2013-2018 Totals
Real Estate Excise Tax (Transportation)	\$1,667,250	\$944,469	\$450,000	\$450,000	\$450,000	\$650,000	\$4,611,719
Real Estate Excise Tax - West Samm Bridge	74,000	307,000	78,000	0	0	0	459,000
Real Estate Excise Tax - Set Aside Sidewalks	100,000	100,000	100,000	100,000	100,000	100,000	600,000
Transportation Impact Fee Revenue	1,704,780	655,220	0	0	0	250,000	2,610,000
Transportation Impact Fee Revenue - West Samm Bridge	200,000	200,000	200,000	330,000	330,000	50,000	1,310,000
Transportation Benefit District	135,000	0	0	0	0	0	135,000
State/TIB	2,969,680	1,462,678	0	0	0	0	4,432,358
Park Impact Fee Revenue	325,000	165,000	289,000	100,000	0	0	879,000
Real Estate Excise Tax (Parks)	350,000	0	0	380,000	0	0	730,000
King County Levy	269,000	44,000	0	40,000	0	0	353,000
Parks Grants	0	0	0	500,000	0	0	500,000
Surface Water Utility Funds	890,611	532,389	140,000	140,000	140,000	140,000	1,983,000
King County Flood District Grant	0	300,000	0	0	0	0	300,000
Federal Grants/Allocations	1,713,755	1,410,955	0	0	0	0	3,124,710
Other Agencies Reimbursements	20,000	0	0	0	0	0	20,000
Public Works Trust Fund Loan	0	1,000,000	0	0	0	0	1,000,000
General Fund	0	140,885	0	0	0	0	140,885
Strategic Opportunity Fund	30,000	55,000	0	150,000	0	0	235,000
Unfunded West Samm Bridge Replacement Resources	996,000	1,773,000	862,000	7,300,000	7,300,000	0	18,231,000
TOTAL REVENUES	\$11,445,076	\$9,090,596	\$2,119,000	\$9,490,000	\$8,320,000	\$1,190,000	\$41,654,672

**CITY OF KENMORE, WASHINGTON
PARK CAPITAL IMPROVEMENT PROGRAM
FOR THE YEARS 2015-2020**

Project Description	2015 Proposed	2016 Proposed	2017 Proposed	2018 Proposed	2019 Proposed	2020 Proposed	2015-2020 Totals
Parks Project Manager*	\$99,000	\$64,000	\$65,000	\$0	\$0	\$0	\$228,000
P 1 Twin Springs Interim Use Plan	40,000	0	0	0	0	0	40,000
P 2 Tolt Pipeline Trail Phase One	210,000	0	0	0	0	0	210,000
P 6 Moorlands Park Improvements	10,000	20,000	224,000	1,170,000	0	0	1,424,000
P 11 Log Boom Park New Pedestrian Bridge	200,000	0	0	0	0	0	200,000
P 13 City Hall Park Ph I: Skate Park Improvements	350,000	0	0	0	0	0	350,000
P 18a Rhododendron Park Float	30,000	115,000	0	0	0	0	145,000
P 26 Twedt Property	35,000	65,000	0	0	0	0	100,000
Total Project Costs	\$974,000	\$264,000	\$289,000	\$1,170,000	\$0	\$0	\$2,697,000

Funding As Proposed:

Park Impact Fees	\$325,000	\$165,000	\$289,000	\$100,000	\$0	\$0	\$879,000
Real Estate Excise Tax	350,000	0	0	380,000	0	0	730,000
Strategic Opportunity Fund	30,000	55,000	0	150,000	0	0	235,000
Grants	0	0	0	500,000	0	0	500,000
King County Trail Levy	185,000	0	0	0	0	0	185,000
King County Park Levy	84,000	44,000	0	40,000	0	0	168,000
Total Project Funding	\$974,000	\$264,000	\$289,000	\$1,170,000	\$0	\$0	\$2,697,000

* A portion of Parks Project Mgr funding is already included in Tolt, and Log Boom Ped Bridge
The balance will be allocated to other budgeted projects.

Unfunded Park Needs:

P 1 Twin Springs ~ \$1,000,000
P 17 Tolt Pipeline Trail Phase Two ~ \$220K
P 18 Rhododendron Park Boathouse and Boardwalk TBD
P 19 Log Boom Park Waterfront TBD
P 22 City Hall Park Plaza TBD
P 23 Squires Landing Trail & Restoration TBD
Park Land Opportunity ~ TBD
Rhododendron Boat Storage Facility ~ \$640 - \$920,000
Lakepointe Park ~ TBD
Water Walk Conceptual Plan ~ \$200K
Linwood Park Improvements ~ \$76MP, \$511 Const
Rhododendron Park Irrigation System Revamp \$100K

**CITY OF KENMORE, WASHINGTON
TRANSPORTATION CAPITAL IMPROVEMENT PROGRAM
FOR THE YEARS 2015-2020**

Project Description	2015 Proposed	2016 Proposed	2017 Proposed	2018 Proposed	2019 Proposed	2020 Proposed	2015-2020 Totals
T 6 SR 522 West A 61st to 65th	\$7,434,850	\$3,551,407	\$0	\$0	\$0	\$0	\$10,986,257
T 8 SR 522 West B 57th to 61st with BGT Wall	0	0	0	0	0	450,000	450,000
T 27 Sidewalk Program	85,960	9,955	100,000	100,000	100,000	100,000	495,915
181st St Sidewalk	104,000	667,000	0	0	0	0	771,000
Sidewalk Gaps	160,000	0	0	0	0	0	160,000
T 35 Overlay	585,000	585,000	450,000	450,000	450,000	450,000	2,970,000
T 36 City Gateway West End-Unfunded	0	0	0	0	0	0	0
T 37 West Samm Bridge	1,270,000	2,280,000	1,140,000	7,630,000	7,630,000	50,000	20,000,000
T 38 175th St/ Swamp Creek Bridge Study	75,000	0	0	0	0	0	75,000
T 39 Neighborhood Traffic Calming Improvements	250,000	100,000					350,000
Total Project Costs	\$9,964,810	\$7,193,362	\$1,690,000	\$8,180,000	\$8,180,000	\$1,050,000	\$36,258,172
Funding as Proposed:							
Real Estate Excise Tax	\$1,667,250	\$944,469	\$450,000	\$450,000	\$450,000	\$650,000	\$4,611,719
Real Estate Excise Tax - Set Aside Sidewalks	100,000	100,000	100,000	100,000	100,000	100,000	600,000
Impact Fee Revenue	1,704,780	655,220	0	0	0	250,000	2,610,000
Transportation Benefit District	135,000	0	0	0	0	0	135,000
State/TIB	2,969,680	1,462,678	0	0	0	0	4,432,358
Federal Transportation Funding 61st Signal	737,000	363,000	0	0	0	0	1,100,000
General Fund	0	140,885	0	0	0	0	140,885
Surface Water Fund	404,345	199,155	0	0	0	0	603,500
Federal Preservation Grant	0	471,000	0	0	0	0	471,000
DOE Grant SR 522 West A	427,875	0	0	0	0	0	427,875
Federal TAPP Grant-Sidewalk	89,960	576,955	0	0	0	0	666,915
SR 522 Federal Allocation ROW	458,920	0	0	0	0	0	458,920
Transportation Impact Fee Revenue for West Samm Bridge	200,000	200,000	200,000	330,000	330,000	50,000	1,310,000
Real Estate Excise Tax for West Samm Bridge	74,000	307,000	78,000	0	0	0	459,000
Unfunded West Samm Bridge Replacement Resources	996,000	1,773,000	862,000	7,300,000	7,300,000	0	18,231,000
Total Project Funding	\$9,964,810	\$7,193,362	\$1,690,000	\$8,180,000	\$8,180,000	\$1,050,000	\$36,258,172

**CITY OF KENMORE, WASHINGTON
SURFACE WATER CAPITAL IMPROVEMENT PROGRAM
FOR THE YEARS 2015-2020**

Project Description	2015 Proposed	2016 Proposed	2017 Proposed	2018 Proposed	2019 Proposed	2020 Proposed	2015-2020 Totals
SW 8 61st Ave NE Sidewalk Embankment Repair	\$383,470	\$727,530	\$0	\$0	\$0	\$0	\$1,111,000
SW 8 Trust Fund Loan Repayment	0	0	140,000	140,000	140,000	140,000	560,000
SW 19 NE 192nd ST Culvert Replacement	122,796	272,204	0	0	0	0	395,000
T 6 Surface Water Component of SR 522 West A	0	633,500	0	0	0	0	633,500
Total Project Costs	\$506,266	\$1,633,234	\$140,000	\$140,000	\$140,000	\$140,000	\$2,699,500
Funding As Proposed:							
KC Flood Control District Grant (SW19) Secured	0	300,000	0	0	0	0	300,000
Reimbursement from Other Agencies	20,000	0	0	0	0	0	20,000
Public Works Trust Fund 10Year Loan (SW8)	0	1,000,000	0	0	0	0	1,000,000
Surface Water Utility Funds	486,266	333,234	140,000	140,000	140,000	140,000	1,379,500
Total Project Funding	\$506,266	\$1,633,234	\$140,000	\$140,000	\$140,000	\$140,000	\$2,699,500



City of Kenmore Capital Improvement Program

Twin Springs Park – Interim Use

Project P-1

Project Location: Brightwater Portal site east of 80th Ave NE just north of NE 192nd Street. 19228 80th Ave NE, Kenmore, WA.

Project Manager: Community Development Director/Parks Project Manager

Project Description: In 2015 prepare an interim park use plan. Interim park uses are temporary uses that would remain until the City can fund a master plan to identify long-term park improvements in accordance with the adopted Park Recreation and Open Space (PROS) Plan. Interim use would allow public use of the site but the intent is to minimize the cost of improvements and maintenance.

Background: King County estimates completion of the Portal 44 project by year end 2014 or Spring 2015. King County will retain approximately 1 acre or the 26 acre site of the site for their facilities and deed the remaining property to the City for a future park. On 4/2/07 the Council authorized execution of the property transfer agreement. The wetlands on the western portion of the property and the steep slopes on the eastern portion of the property will remain. A level graded bench will remain in the middle of the property. The 2013 adopted Park and Recreation Open Space (PROS) plan identified the site as a future Neighborhood Park which could include for example, parking, sports court, play equipment, open lawn area, trails, restroom, and site furniture. The PROS plan also identified this site as a potential Community Park (if feasible given site environmental constraints) which could include for example, a multi-purpose sports field, picnic shelter, or off-leash dog area. The site could also include Nature Park improvements, for example, interpretive trails, education, and habitat restoration. The PROS plan estimated \$165,000 to complete a master plan and design for a Neighborhood Park with an additional \$1.1m for permitting and construction. The PROS plan estimated \$330,000 to complete a master plan and design for a Community Park with an additional \$2.1 million for permitting and construction.

Environmental Review Status:

Exempt	DNS	EIS
☐	☒	☐

If impacts to wetlands or buffers can be avoided then the project could be exempt under SEPA depending on the quantity of grading work and/or drainage improvements.

Potential Project Issues: Site constrained by critical areas. No existing improved parking area.

Operations: Addition of a new park with interim use in 2015 will require maintenance starting in 2016. Depending on the type of interim use improvements, maintenance costs could include: maintenance of a parking area, park access, trash collection, fencing, mowing and other landscape costs. Annual maintenance cost estimate of \$15,000.





City of Kenmore Capital Improvement Program

Twin Springs Park – Interim

Project P-1

CURRENT DOLLARS

Year	Prior Years	2015	2016	2017	2018	2019	2020	Total 2015-2020
Expenses								
Pre Master Plan	\$ 11,000							
Design		\$ 40,000						\$ 40,000
Construction								
Total	\$ 11,000	\$ 40,000						\$ 40,000
Revenue								
Park Impact Fees	\$ 11,000							
KC levy		\$ 40,000						\$ 40,000
Total	\$ 11,000							

SCHEDULE

	2015				2016				2017				2018				2019				2020		
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Interim Plan																							
Permitting																							
Final Design																							
Construction																							
Closeout																							



City of Kenmore Capital Improvement Program
Tolt Pipeline Trail – Phase One
Project P-2

Project Location: Tolt pipeline between 68th Avenue NE to 73rd Avenue NE.

Project Manager: Community Development Director/Parks Project Manager

Project Description: Improve trail entrances at 68th Ave NE and 71st Ave NE and connections to existing paved sidewalk/trail.

Background: The 2013 Park Recreation and Open Space (PROS) Plan identifies Phase 1 as paved trail improvements between 68th and 73rd Ave NE. 90% design drawings were completed in 2014 (approximate cost of \$35,000). The estimated cost to construct a paved trail is \$354,000. Given the cost to complete the paved trail, Phase 1 will now focus on improving trail entrances.

Environmental Review Status:

Exempt	DNS	EIS
☐	☒	☐

The trail is adjacent to wetland areas and impact to these areas will trigger environmental review. If impacts to wetlands and buffers can be avoided than the project could be exempt under SEPA depending on the quantity of grading work and/or drainage improvements.

Potential Project Issues: The project will require an easement agreement with the City of Seattle for use of the property and concurrence on the proposed design and improvements.

Operations: Maintenance required starting in 2016 following completion of improvements. Depending on the type of improvements, maintenance could include: Maintenance of new paved surface at trail entrances, trash collection, weed control. Annual maintenance cost estimate of \$5,000.

68th Ave NE to 73rd Ave NE





City of Kenmore Capital Improvement Program

Tolt Pipeline Trail – Phase One

Project P-2

CURRENT DOLLARS

Year	Prior Years	2015	2016	2017	2018	2019	2020	Total
Expenses								
Design	\$35,000	\$ 10,000						\$ 45,000
Permitting		\$ 10,000						
Construction		\$190,000						\$ 190,000
Total	\$ 35,000	\$ 210,000						\$ 235,000
Revenue								
Park Impact Fees		\$25,000						\$ 25,000
Park Levy*	\$ 35,000	\$185,000						\$ 220,000
Total	\$ 35,000	\$ 210,000						\$ 245,000

*King County Proposition 2 Parks Expansion Levy Funds

SCHEDULE

	2015				2016				2017				2018				2019				2020		
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Pre-Design																							
Permitting																							
Final Design																							
Construction																							
Closeout																							



City of Kenmore Capital Improvement Program

Moorlands Park Improvements

Project P-6

Project Location: Moorlands Park located to the south of the intersection of NE 155th St and 84th Ave NE. 15221 84th Ave NE, Kenmore, WA.

Project Manager: Community Development Director/Parks Project Manager

Project Description: In 2015 and 2016 update grant application materials. In 2016 submit a grant application to the State Recreation Conservation Office in the amount of \$500,000 to assist with funding project improvements consistent with the adopted master plan. Project construction in 2017 and 2018, assuming grant funding is received. A new agreement with Northshore School District regarding park maintenance will need to be negotiated in 2016 if the project receives grant funding and moves forward.

Background: The Moorlands Park master plan was adopted 3/27/06. Design and construction documents for Phase 1 improvements were almost completed in 2008 including renovation of the existing youth sport field, trail improvements, fencing and landscaping. The project was put on hold in 2009 to address maintenance issues with the Northshore School District and the priority for ballfield improvements was refocused to Bastyr University. The 2013 adopted Park Recreation and Open Space (PROS) identifies Moorlands as a Neighborhood park and estimated \$929,000 to complete improvements. In 2014 the City applied for a \$450,000 grant through the State Recreation and Conservation Office (RCO) to assist with funding the completion of all park improvements consistent with the adopted master plan. The City did not receive a grant award in 2014 so the project did not move forward.



Environmental Review Status:

Exempt	DNS	EIS
☐	☒	☐

Environmental review required based on likely quantity of grading work and drainage review and other proposed improvements.

Potential Project Issues: Negotiating a maintenance agreement with Northshore School District regarding maintenance of park improvements. Project completion dependent on receiving a grant award.

Operations: Completing park improvements in 2018 will require maintenance costs starting in 2019 related to upkeep of a new public amenity and associated improvements. This will be a significant increase in maintenance costs if all maintenance is transferred to the City from the Northshore School District. An annual estimate of \$25,000 per but this could be substantially higher if the City is responsible for all maintenance.



City of Kenmore Capital Improvement Program
Moorlands Park Improvements
Project P-6

CURRENT DOLLARS

Year	Prior Years	2015	2016	2017	2018	2019	2020	Total
Expenses								
Grant prep		\$10,000	\$ 20,000					\$ 30,000
Design				\$ 224,000				\$ 224,000
Permitting								
Construction					\$1,170,000			\$ 1,170,000
Total		\$ 10,000	\$ 20,000	\$ 224,000	\$1,170,000			\$ 1,424,000
Revenue								
REET					\$380,000			\$ 380,000
Strategic					\$ 150,000			\$ 150,000
KC Levy					\$ 40,000			\$ 40,000
RCO Grant					\$ 500,000			\$ 500,000
Park Impact Fees		\$ 10,000	\$ 20,000	\$ 224,000	\$ 100,000			\$ 354,000
Total		\$ 10,000	\$ 20,000	\$ 224,000	\$1,170,000			\$ 1,424,000

SCHEDULE

	2015				2016				2017				2018				2019				2020		
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
grant																							
materials/application																							
Permitting																							
Final Design																							
Construction																							
Closeout																							





City of Kenmore Capital Improvement Program
Logboom Park New Pedestrian Bridge
Project P-11

CURRENT DOLLARS

Year	Prior Years	2015	2016	2017	2018	2019	2020	Total
Expenses								
Pre-Design								
Design	\$ 60,000							\$ 60,000
Permitting		\$ 10,000						\$ 10,000
Construction		\$ 190,000						\$ 190,000
Total	\$ 60,000	\$ 200,000						\$ 260,000
Revenue								
REET								
TIB								
Grant								
Private								
Park Impact Fees		\$ 200,000						\$ 200,000
Total		\$ 200,000						\$ 200,000

SCHEDULE

	2015				2016				2017				2018				2019				2020		
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Permitting																							
Final Design																							
Construction																							
Closeout																							



City of Kenmore Capital Improvement Program

City Hall Park Phase 1: Skate Park Improvements

Project P-13

Project Location: City Hall, 18120 68th Ave NE

Project Manager: Community Development Director/Parks Project Manager

Project Description: In 2015 complete the design, permitting and construction for a new approximate 5800 square foot skate court facility.

Background: In 2006 the city constructed a "temporary" skate park on the former park & ride property on the west side of 68th Ave NE. On 3/7/14 the Council declared the skate structures as surplus property as the structures needed to be removed before the property was transferred and redeveloped. The structures were demolished in April 2014. In April 2014 the City contracted with Hewitt Architects to prepare schematic drawings. Public workshops were held in June and July to obtain feedback on a skate court design. The final design was presented and approved by Council on 9/21/14. The skate court is the first phase of a park on the city hall site. The adopted 2013 Park Recreation and Open Space (PROS) Plan identifies the potential for a new neighborhood/community park on the city hall site and also developing a skate park facility in an existing or new park.



Environmental Review Status:

Exempt	DNS	EIS
☐	☒	☐

Environmental review likely required due to grading work and drainage requirements.

Potential Project Issues: Accommodating parking and city hall use during construction and ongoing parking demand with city hall use following construction.

Operations: Maintenance costs related to upkeep of a new amenity. Estimate of \$15,000 per year starting in 2016.



City of Kenmore Capital Improvement Program
City Hall Park Phase 1: Skate Park Improvements
Project P-13

CURRENT DOLLARS

Year	Prior Years	2015	2016	2017	2018	2019	2020	Total
Expenses								
Pre-Design	\$7,500							\$ 7,500
Design		\$40,400						\$ 40,400
Permitting		\$ 3,100						\$ 3,100
Construction		\$299,000						\$ 299,000
Total	\$ 7,500	\$ 342,500						\$ 350,000
Revenue								
REET		\$350,000						\$ 350,000
TIB								
Federal Grants								
Park Impact Fees								
Total		\$ 350,000						\$ 350,000

SCHEDULE

	2015				2016				2017				2018				2019				2020		
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Design																							
Permitting																							
Construction																							
Closeout																							



City of Kenmore Capital Improvement Program
Rhododendron Park Dock/Float
Project P-18a

Project Location: Rhododendron Park, located at the northeast intersection of NE 170th St (Simonds Rd) and 68th Ave NE (Juanita Drive). 6910 NE 170th Street, Kenmore WA.

Project Manager: Community Development Director/Parks Project Manager

Project Description: In 2015 complete the final design, permitting and construction of a new dock.

Background: In February 2014 the City contracted with Marine Floats to prepare a design for a new dock/float serving handcarry watercraft on the southern shoreline of the Sammamish River on park property. In August 2014 shoreline permits were submitted for a 4'x36' ramp and 10'x40' "L" shaped dock. A park master plan was adopted 3/27/06. Improvements completed to date include: 2008 Phase 1 improvements of parking lot and access improvements, new picnic shelter, great lawn renovation, relocation and new playground equipment, and landscaping; 2009 new restroom; and 2010 new basketball court.



Environmental Review Status: Exempt ☐ DNS ☒ EIS ☐
 SEPA and shoreline permits under review as of October 2014.

Potential Project Issues: Critical area and shoreline compliance issues.

Operations: Addition of new dock in 2015 will require maintenance starting in 2016. \$2500 annual maintenance costs estimated that will increase as facility ages.



City of Kenmore Capital Improvement Program
Rhododendron Park Dock/Float
Project P-18a

CURRENT DOLLARS

Year	Prior Years	2015	2016	2017	2018	2019	2020	Total
Expenses								
Pre-Design								
Design		\$30,000						\$ 30,000
ROW/ Acquisition								
Construction			\$115,000					\$ 115,000
Total		\$ 30,000	\$ 115,000					\$ 145,000
Revenue								
REET								
Strategic		\$ 30,000	\$ 55,000					\$ 85,000
Federal Grant								
Park Impact Fees			\$ 60,000					\$ 60,000
Total		\$ 30,000	\$ 115,000					\$ 145,000

SCHEDULE

	2015				2016				2017				2018				2019				2020		
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Pre-Design																							
Permitting																							
Final Design																							
Construction																							
Closeout																							



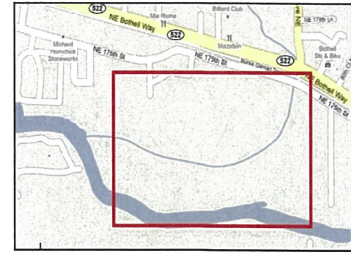
City of Kenmore Capital Improvement Program
Squires Landing (Twedt Property) Dock/Float
Project P-26

Project Location: Squires Landing Park, located south of NE 175th Street. 7353 NE 175th Street, Kenmore WA.

Project Manager: Community Development/Parks Project Manager

Project Description: In 2015 hire a consultant to complete the preliminary design for a new dock/float to replace the existing dock, to serve handcarry watercraft users. Permitting in 2015 with final design and construction in 2016.

Background: The City acquired the 0.65 acre Twedt property in June 2014 as an expansion to the adjoining Squires Landing park property. In 2014 the City applied for \$300,000 in grant funding to the State Recreation and Conservation Office to assist with property acquisition costs. The City did not receive a grant award. A master plan for Squires Landing was prepared in 2009 but was not adopted by Council in 2010 due to concern about total park construction costs. A three acre restoration project of wetland habitat was completed 2010/2011 partly funded by a \$100,000 King County Conservation grant.



Environmental Review Status: Exempt ☐ DNS ☒ EIS ☐
 Environmental review likely required due to critical area and shoreline issues.

Potential Project Issues: Compliance with critical area and shoreline regulations.

Operations: Maintenance costs related to upkeep of a new dock starting in 2016. Estimate \$2,500 annual cost that will increase as the facility ages.



City of Kenmore Capital Improvement Program
Squires Landing (Twedt Property) Dock/Float
Project P-26

CURRENT DOLLARS

Year	Prior Years	2015	2016	2017	2018	2019	2020	Total
Expenses								
design		\$25,000						\$ 25,000
Permitting		\$ 10,000						\$ 10,000
Construction			\$65,000					\$ 65,000
Total		\$ 35,000	\$ 65,000					\$ 100,000
Revenue								
REET								
TIB								
Federal								
Private								
Park Impact Fees		\$ 35,000	\$ 65,000					\$ 100,000
Total		\$ 35,000	\$ 65,000					\$ 100,000

SCHEDULE

	2015				2016				2017				2018				2019				2020		
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Design																							
Permitting																							
Final Design																							
Construction																							
Closeout																							



City of Kenmore Capital Improvement Program

Project Name: SR 522 West A (61st to 65th Avenues NE Including 61st Avenue NE approaches)
Project No. T- 6

Project Location: NE Bothell Way (SR 522) from 61st to 65th Avenues NE, including SR 522 / 61st Avenue NE north and south legs.

Project Manager: Kent Vaughan

Project Description: SR 522 West A project limits include SR 522 from 61st Avenue NE to 65th Avenue NE (0.5 Miles), and 61st Avenue NE from NE 175th Street to NE 181st Street. The West A project includes widened travel and Business Access and Transit (BAT) lanes, additional turning lanes at the key intersection (61st-522), signal improvements, illumination, access management, retaining walls, center medians from 62nd Avenue NE to 65th Avenue NE, re-channelized left/u turns at 61st, 64th and 65th Avenues, sidewalks, drainage improvements, landscaping, utility conversion from aerial to underground, and 61st Avenue NE street and channelization improvements.

Background: The SR 522 West project was previously known as the SR 522 Phase 1, Stage 2 Project. SR 522 West project limits are 57th Avenue NE to 65th Avenue NE (0.7 Miles) in the City of Kenmore. SR 522 West project is divided into two phases, West A and West B. SR 522 West improvements are intended to improve vehicle and pedestrian safety and reduce traffic delays throughout the corridor.

Funding Status:

The West A project is fully funded. Funding sources include \$1,100,000 in FHWA Discretionary funds (to complete signal upgrades at 61st Avenue NE), \$5,201,840 in TIB funds, \$2,500,000 in Federal STP(U) funds (for SR 522 West right-of-way acquisition), and \$475,125 in DOE funds (to improve the stormwater treatment facilities). Local funds include Transportation Impact Fees, REET and Surface Water Utility funds.

Environmental Review Status: Exempt ☐ Mitigated DNS ☐ EIS ☒

The SR 522 West NEPA document was updated and approved by FHWA in 2012. A SEPA addendum was completed and approved by the City in 2013.

Potential Project Issues: The \$475k in DOE funds must be expended by June 2015.

Operations: This project will result in increased street lighting electrical and maintenance costs, landscaping maintenance and storm water maintenance, and water for irrigation.





City of Kenmore Capital Improvement Program
Project Name: SR 522 West A (61st to 65th Avenues NE
Including 61st Avenue NE approaches)

CURRENT DOLLARS

Year	2013-14	2015	2016	2017	2018	2019	2020	Total
Expenses								
Project Administration		\$ 100,000	\$ 50,000					\$ 150,000
Design*	\$ 922,599							\$ 922,599
ROW/ Acquisition**	\$ 1,682,494	\$ 528,950						\$ 2,211,444
Construction		\$ 6,805,900	\$ 3,501,407					\$ 10,307,307
Total	\$ 2,605,093	\$ 7,434,850	\$ 3,551,407					\$ 13,591,350
Revenue								
REET	\$ 304,381	\$ 732,250	\$ 730,469					\$ 1,767,100
General			\$ 140,885					\$ 140,885
Impact Fees		\$ 1,704,780	\$ 655,220					\$ 2,360,000
State-DOE	\$ 47,250	\$ 427,875						\$ 475,125
TIB	\$ 769,482	\$ 2,969,680	\$ 1,462,678					\$ 5,201,840
SWM	\$ 30,000	\$ 404,345	\$ 199,155					\$ 633,500
Federal Discretionary		\$ 737,000	\$ 363,000					\$ 1,100,000
Federal STP(U) ROW	\$ 1,453,980	\$ 458,920						\$ 1,912,900
Total	\$ 2,605,093	\$ 7,434,850	\$ 3,551,407	\$ -	\$ -	\$ -	\$ -	\$ 13,591,350

* Includes \$91,900 in 2013-14 project administration cost.

** Includes \$58,100 in 2013-14 project administration cost.

SCHEDULE

	2013				2014				2015				2016				2017				2018			
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Right of Way																								
Final Design																								
Construction																								
Closeout																								

**DRAFT**

City of Kenmore Capital Improvement Program
Project Name: SR 522 West B (57th to 61st including Burke-Gilman Trail Wall)
Project No. T-8

Project Location: SR 522 from 57th Avenue NE to 61st Avenue NE.

Project Manager: To Be Determined

Project Description: This project would widen Highway 522 west of 61st Avenue NE to the south to provide dual eastbound to northbound left turn lanes at the 522/61st Avenue NE signal. The widening would require construction of a retaining wall along the north side of the Burke-Gilman Trail.

Background: This project is one of the components of the larger SR 522 West (a.k.a. Phase 1, Stage 2 Corridor Improvement) Project; now called **West B**. The addition of dual east to north turn lanes at the 522/61st Avenue NE signal would increase efficiency for all legs. 522 improvements include: sidewalk, undergrounding utilities, stormwater system facilities, illumination, and rechannelization.

The West A Segment (NE 61st to 65th Streets including north and south approaches) should be completed first. Right of way acquisition generally consists of utility and temporary construction easements and will be conducted once the design is confirmed and construction funding is reasonably secured.

Funding Status:

The City will provide available Transportation Impact Fee, Surface Water Utility, and REET resources to the project, but other funds are needed to finish design and construction. A low interest Public Works Trust Fund Loan may be considered.

Environmental Review Status:

	Exempt	Mitigated DNS	EIS
	☐	☐	☒

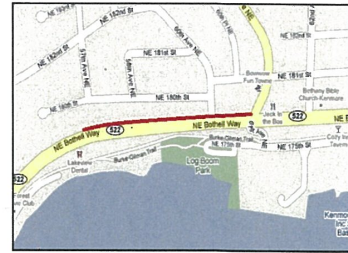
An environmental impact statement has been completed and approved by WSDOT and FHWA in 2012. It is likely that the NEPA document will need to be updated in 2020 when funds are programmed for this project.

Potential Project Issues:

Significant funds need to be acquired to construct this project. The construction phase is estimated to cost approximately \$11.5M, which is currently unfunded.

Operations:

This project will result in increased street lighting electrical and maintenance costs.



**DRAFT****City of Kenmore Capital Improvement Program****Project Name: SR 522 West B (57th to 61st including Burke Gilman Trail Wall)****Project No. T-8****CURRENT DOLLARS**

Year	2015	2016	2017	2018	2019	2020	Total
Expenses							
Project Administration						\$ 25,000	\$ 25,000
Design						\$ 425,000	\$ 425,000
ROW/ Acquisition						\$ 120,000	\$ 120,000
Construction (2021-22)							\$ -
Total						\$ 570,000	\$ 570,000
Revenue							
REET						\$ 450,000	\$ 450,000
SWM							\$ -
Impact Fees							\$ -
Federal						\$ 120,000	\$ 120,000
Federal Unfunded							\$ -
PWTF Loan							\$ -
Total						\$ 570,000	\$ 570,000

SCHEDULE

	2015				2016				2017				2018				2019				2020			
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Design																								
Right-of-way																								
Construction																								
Closeout																								



DRAFT

City of Kenmore Capital Improvement Program

Project Name: NE 181st Street Sidewalk

Project No. T- 27 Sidewalk Program

Project Location: NE 181st Street (south side) between 68th Avenue NE and 73rd Avenue NE.

Project Manager: Kent Vaughan

Project Description: This project will complete the sidewalk gap (approx. 700 feet) between 68th Avenue NE and 73rd Avenue NE on the south side of the roadway. The project will include an 8 foot wide sidewalk, street and pedestrian illumination, drainage improvements, street trees, landscaping and utility conversion from aerial to underground.

Background: As the City's downtown grows, this corridor continues to see more and more pedestrian and non-motorized use. In 2008, the City's SR 522 improvements project realigned the 68th Avenue NE and NE 181st Street intersection and completed sidewalk improvements to the eastern limits of the realigned NE 181st Street roadway. This project will continue those improvements to the east and match into frontage improvements completed by new development in the early 2000s to complete a pedestrian path on the south side of NE 181st Street from 73rd Avenue NE to the City's Downtown.

Funding Status:

In July 2014, the City was awarded 93k in federal funds through PSRC's 2014 Supplemental Funding to design the sidewalk project. Local match funds consist of Real Estate Excise Tax revenue set aside for the City's sidewalk program. The construction phase is currently unfunded but the City is hopeful that additional PSRC or CDBG funds will become available in 2015 to allow construction of the project in 2016.

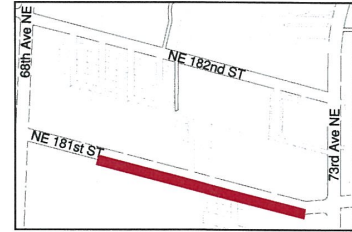
Environmental Review Status:

Exempt	Mitigated DNS	EIS
☒	☐	☐

Since this is a federally funded project, NEPA, in addition to SEPA will be completed in 2015.

Potential Project Issues: Depending on available funding, it may be necessary to reduce the scope of work. Possible scope reductions would include the deletion of utility conversion from aerial to underground, and new street and pedestrian illumination elements.

Operations: This project will result in increased street lighting electrical and maintenance costs, landscaping maintenance and storm water maintenance, and water for irrigation.





DRAFT

City of Kenmore Capital Improvement Program

Project Name: NE 181st Street Sidewalk

Project No. T- 27 Sidewalk Program

CURRENT DOLLARS

Year	2015	2016	2017	2018	2019	2020	Total
Expenses							
Project Administration	\$ 7,000	\$ 8,000					\$ 15,000
Design	\$ 89,000	\$ 18,500					\$ 107,500
ROW/ Acquisition	\$ 8,000						\$ 8,000
Construction		\$ 640,500					\$ 640,500
Total	\$ 104,000	\$ 667,000	\$ -	\$ -	\$ -	\$ -	\$ 771,000
Revenue							
REET	\$ 27,015	\$ 10,515					\$ 37,530
Federal	\$ 76,985	\$ 15,985					\$ 92,970
Federal Unfunded		\$ 640,500					\$ 640,500
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total	\$ 104,000	\$ 667,000	\$ -	\$ -	\$ -	\$ -	\$ 771,000

SCHEDULE

	2015				2016				2017				2018				2019				2020			
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Design																								
Right-of-way																								
Construction*																								
Closeout																								

*Dependent on funding



DRAFT

City of Kenmore Capital Improvement Program

Project Name: Sidewalk Gaps

Project No. T- 27 Sidewalk Program

Project Location(s):

68th Avenue NE approach to Boat Launch (west side);
72nd Avenue NE approach to NE 170th Street (west side);
NE 155th Street approach to Simonds Road NE (south side).

Project Manager: Zack Richardson

Project Description: These projects are intended to complete gaps in existing sidewalk at the identified locations. Typical projects include 5-6 foot wide sidewalk and ADA ramp improvements.

Background: The City Manager's office has identified these straight forward, low cost sidewalk connections to be made in high pedestrian use areas (school zones, arterials, etc.).

Funding Status:

These projects are locally funded using REET funds set aside for the City's sidewalk program.

Environmental Review Status:

N/A

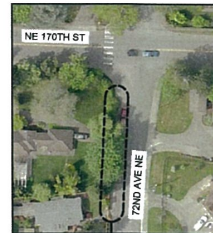
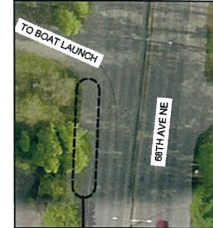
Exempt
☒

Mitigated DNS
☐

EIS
☐

Potential Project Issues: None at this time.

Operations: These projects will require minimal maintenance upon completion.



**DRAFT****City of Kenmore Capital Improvement Program****Project Name: Sidewalk Gaps****Project No. T- 27 Sidewalk Program****CURRENT DOLLARS**

Year	2013-14	2015	2016	2017	2018	2019	2020	Total
Expenses								
Project Administration	\$ 2,500	\$ 5,000						\$ 7,500
Design	\$ 28,000							\$ 28,000
ROW/ Acquisition								
Construction		\$ 155,000						\$ 155,000
Total	\$ 30,500	\$ 160,000	\$ -	\$ -				\$ 190,500
Revenue								
REET	\$ 30,500	\$ 160,000						\$ 190,500
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
Total	\$ 30,500	\$ 160,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,500

SCHEDULE

	2015				2016				2017				2018				2019				2020			
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Design - 2014																								
Right-of-way - N/A																								
Construction																								
Closeout																								

**DRAFT**

City of Kenmore Capital Improvement Program
Simonds Road Overlay
Project No. T-35

Project Location: Simonds Road Overlay (68th Avenue NE to NE 165th Street)

Project Manager: Jennifer Gordon

Project Description: The project will reshape pavement by grinding and then overlaying with new HMA on Simonds Road (68th Avenue NE to NE 165th Street). The project will include protecting and resetting affected utility covers, lids and inlets and upgrading sidewalks where required to meet ADA requirements. The project will provide appropriate traffic control and field inspection during construction, and re-establish pavement markings when the paving is complete.

Environmental Review Status: Exempt ☐ Mitigated DNS ☒ EIS ☐

Potential Project Issues: NA

Operations: NA

CURRENT DOLLARS

Year	Prior Years	2015	2016	2017	2018	2019	2020	Total
Expenses								
Project Administration								
Design								
ROW								
Construction								
Total								\$ -
Revenue								
REET		\$ 450,000	\$ 114,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 2,364,000
TBD		\$ 135,000	\$ 471,000					\$ 606,000
Federal								
Other								
Total		\$ 585,000	\$ 585,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 2,970,000



DRAFT

City of Kenmore Capital Improvement Program
Juanita Drive/68th Avenue NE Overlay
Project No. T-35

SCHEDULE

	2013				2014				2015				2016				2017				2018		
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Design																							
Construction																							



DRAFT

City of Kenmore Capital Improvement Program

Project Name: West Sammamish River Bridge Replacement Project No. T- 37

Project Location: 68th Avenue NE (NE 170th to NE 175th Street). Structure replacement is for southbound structure only.

Project Manager: Kris Overleese

Project Description: Replace the West Sammamish River Bridge (southbound traffic) that crosses the Sammamish River on 68th Avenue NE. The project will also include improvements to the 68th/NE 170th Street and 68th/NE 175th Street intersections. Between the two intersections, pedestrian and bicycle safety will be improved with a wider facility.

Background: The West Sammamish River Bridge was constructed in the 1930s and is at the end of its life. It is considered to be structurally obsolete. To date (over the last biennium), the City has completed a load rating analysis, geotechnical analysis, replace vs. rehabilitation review, and scour analysis on the bridge. The bridge weight limits went into effect in 2014. An enhanced monitoring plan is in place and the City completed an additional underwater inspection in 2014.

Funding Status:

In 2014, the City applied for four grants to begin design to replace the structure. The City was not successful in acquiring funds through the spring Puget Sound Regional Council process to distribute federal funds. The City is waiting to hear about the Bridge Replacement Advisory Committee (BRAC) process for federal funding and the Transportation Improvement Board (TIB) application process. If funds are acquired, design would begin in 2015.

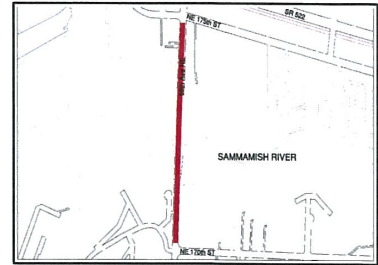
Environmental Review Status:

Exempt ☐ Mitigated DNS ☐ SEPA/NEPA ☒

SEPA will be required for the project as well as NEPA if federal funds are secured. The project will also be reviewed by a number of other agencies given its river impact.

Potential Project Issues: Design cannot begin until grant funds are secured.

Operations: This project will result in lower maintenance and inspection costs for structure review and repair. Costs would increase if additional landscaping is added for irrigation and vegetation maintenance.



**DRAFT****City of Kenmore Capital Improvement Program****Project Name: West Sammamish River Bridge Replacement****Project No. T- 37****CURRENT DOLLARS**

Year	2015	2016	2017	2018	2019	2020	Total
Expenses							
Project Administration	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 50,000	\$ 650,000
Design*	\$ 800,000	\$ 1,500,000	\$ 270,000				\$ 2,570,000
ROW/ Acquisition**	\$ 200,000	\$ 510,000	\$ 500,000				\$ 1,210,000
Construction				\$ 6,185,000	\$ 6,185,000		\$ 12,370,000
WSDOT	\$ 50,000	\$ 50,000	\$ 50,000	\$ 125,000	\$ 125,000		\$ 400,000
Contingency	\$ 100,000	\$ 100,000	\$ 200,000	\$ 1,200,000	\$ 1,200,000		\$ 2,800,000
Total	\$ 1,270,000	\$ 2,280,000	\$ 1,140,000	\$ 7,630,000	\$ 7,630,000	\$ 50,000	\$ 20,000,000
Revenue							
Impact Fees	\$ 200,000	\$ 200,000	\$ 200,000	\$ 330,000	\$ 330,000	\$ 50,000	\$ 1,310,000
REET	\$ 74,000	\$ 307,000	\$ 78,000				\$ 459,000
Unfunded	\$ 996,000	\$ 1,773,000	\$ 862,000	\$ 7,300,000	\$ 7,300,000		\$ 18,231,000
Total	\$ 1,270,000	\$ 2,280,000	\$ 1,140,000	\$ 7,630,000	\$ 7,630,000	\$ 50,000	\$ 20,000,000

SCHEDULE

	2015				2016				2017				2018				2019				2020			
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Design																								
Permitting																								
Right of Way																								
Construction																								
Closeout																								

City of Kenmore Capital Improvement Program

The map shows a section of SR 522 running diagonally from the top left to the bottom right. The Burke-Gilman Trail runs parallel to SR 522, just below it. 80th Avenue NE runs vertically across the top right of the map. A red rectangle is located on SR 522, between the Burke-Gilman Trail and 80th Avenue NE. The map also shows some water bodies and other roads.

Project Manager: Kris Overleese

Background: This structure is on NE 175th Street, adjacent to the Burke and crosses Swamp Creek. This structure currently is wide enough for two way vehicle traffic. The structure was not improved as part of the SR 522 project. The existing structure is routinely evaluated by the King County, our Bridge Engineering team. Maintenance is provided to the structure as needed.

The project is to evaluate the structure through a rehabilitation vs. replacement study.

Environmental Review Status: Exempt ☒ Mitigated DNS ☐ SEPA/NEPA ☐
The evaluation is exempt from SEPA, however, replacement and many maintenance activities would require additional permitting. NEPA would be required if federal funding was acquired to address the structure.

Potential Project Issues: NA

Operations: NA

**DRAFT****City of Kenmore Capital Improvement Program****Project Name: NE 175th Street/Swamp Creek Bridge Study****Project No. T- 38****CURRENT DOLLARS**

Year	2015	2016	2017	2018	2019	2020	Total
Expenses							
Project Administration	\$ 5,000						\$ 5,000
Pre-Design	\$ 70,000						\$ 70,000
ROW/ Acquisition							
Construction							
WSDOT							
Contingency							
Total	\$ 75,000	\$ -	\$ -				\$ 75,000
Revenue							
Impact Fees							\$ -
REET	\$ 75,000						\$ 75,000
Unfunded							\$ -
Total	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000

SCHEDULE

	2015				2016				2017				2018				2019				2020			
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Pre-Design																								
Permitting																								
Right of Way																								
Construction																								
Closeout																								

**DRAFT**

City of Kenmore Capital Improvement Program Neighborhood Transportation Improvements Project No. T-39

Project Location: Citywide in Residential Neighborhoods

Project Manager: Kris Overleese

Project Description: This project would utilize citizens within geographically defined areas of the City to develop pre-design documents and alternatives analysis for improvements in residential areas. The resulting improvements could include: short segments of sidewalk and/or trail, improved shoulders, ADA improvements, additional signage/stripping, speed bumps, traffic circles, and chicanes.

Background: The City's current Neighborhood Traffic Safety Program has been in place for several years and is reactive to community concerns. The community desires additional traffic calming measures and bicycle/pedestrian improvements in residential neighborhoods.

Funding Status:

The proposed resources would pay for design and construction. The City could utilize consultants to manage the program or utilize an in-house traffic engineer.

Environmental Review Status: Exempt ☒ Mitigated DNS ☐ EIS ☐

Potential Project Issues: There would be a significant level of community



CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Design		\$ 65,000	\$ 65,000					\$ 130,000
ROW								
Construction		\$ 185,000	\$ 35,000					\$ 220,000
Total		\$ 250,000	\$ 100,000					\$ 350,000
Revenue								
REET		\$ 250,000	\$ 100,000					\$ 350,000
Other								
Total		\$ 250,000	\$ 100,000					\$ 350,000

SCHEDULE



DRAFT

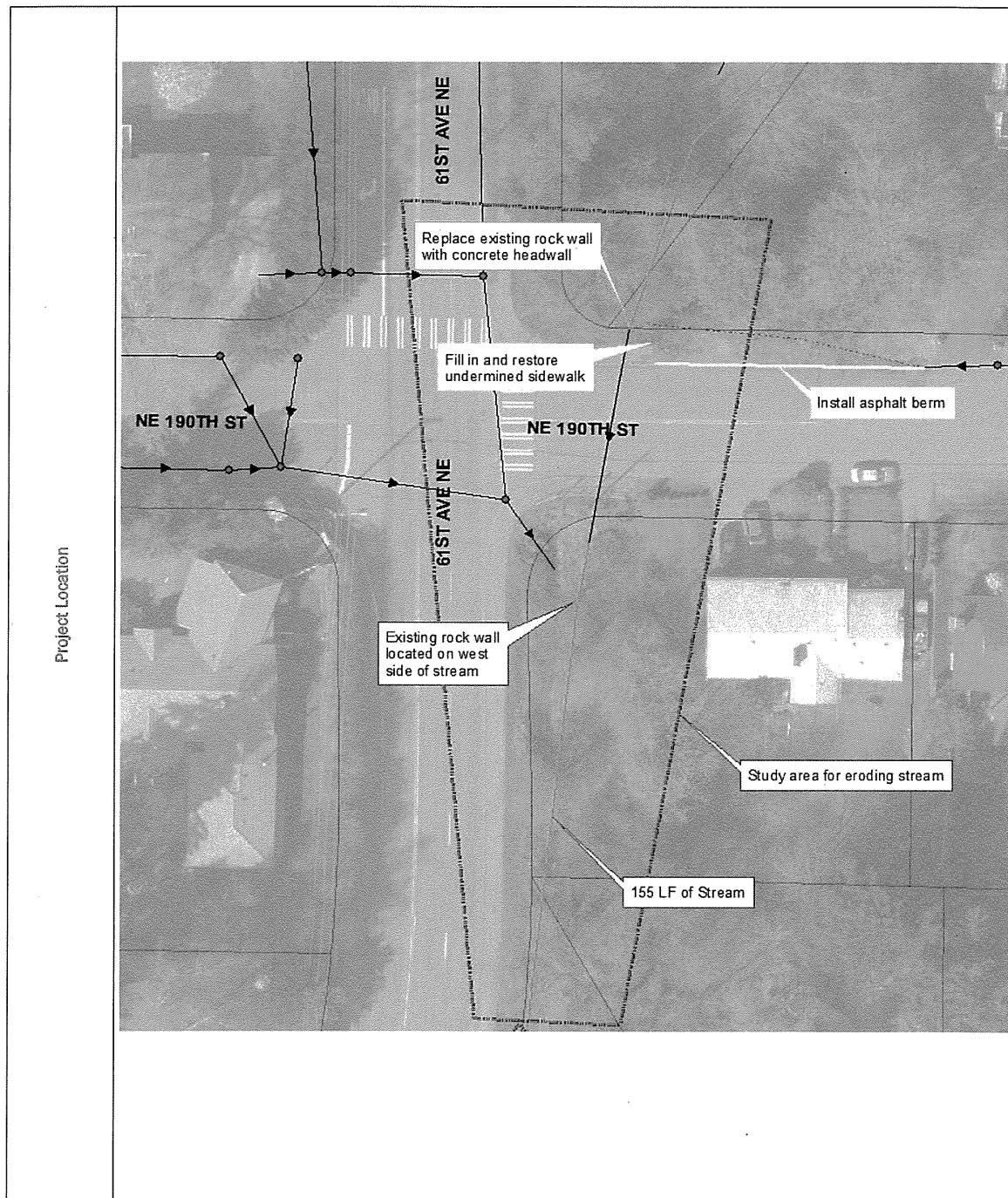
	2015				2016				2017				2018				2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Design																								
Construction																								

Project:	Tributary 0056 Erosion and Stream Repair		ID: SW-08
Location:	61 st Ave NE and NE 190 th St.	Basin:	Tributary 0056
Project Type:	☐ Water Quality ☒ Fish Passage ☐ Flow Control ☒ Erosion ☐ Drainage ☐ Flooding	Preliminary Project Cost:	\$1,111,000
Problem:	Stream eroding near roadway		
Narrative	Tributary 0056 flows from north to south along the east side 61st Ave NE. There are three problems where Tributary 0056 crosses NE 190th St.: 1. Stream channel bank erosion along a 155-LF section of rock wall has resulted in failed sections where rocks have fallen into the channel. Ground Penetrating Radar (GPR) indicates there is subsurface damage under the sidewalk. The full extent of the damage is unclear. 2. Rock wall headwalls are at the inlet and outlet of the culvert and protect 61st Ave NE from stream flow. Stream flows have eroded the existing slope and rock headwall north of NE 190th St. resulting in an unstable headwall. Stream flows have been observed bypassing the culvert. It is unknown where the piping water goes. 3. Sidewalk on the northeast side of NE 190th St. is being undermined by runoff from NE 190th St. Runoff concentrates where the sidewalk transitions to gravel, causing the sidewalk to be undermined. This project was identified by the City in 2013. A surface water field investigation report and recommendations was prepared by consultants in February 2013. The preferred solutions include: 1. Review GPR data to verify rock wall stabilization is necessary to protect 61st Ave NE. This CIP assumes 155-LF of rock wall improvements are needed, and stream improvements will be required for mitigation associated with stabilization of the rock wall, and will also serve to redirect flow away from the stream bank. Additional GPR investigations will be conducted as part of CIP SW-21 2. Replace the upstream culvert headwall with a concrete headwall in accordance with recommendations in the February 2013 surface water field investigation report. 3. Install an asphalt berm along NE 190th St. from the existing curb to the edge of the first driveway to direct runoff to the stormwater system on 61st Ave NE rather than the stream. Fill the void under the existing sidewalk with grout or concrete. Project benefits include protection of existing infrastructure (sidewalk and roadway) and improved stream habitat.		
Conceptual Design	1 & 2. Additional GPR will be collected and reviewed as part of CIP SW-21 to determine the full extent of rock wall repair and mitigation necessary to protect existing infrastructure. • The cost estimate assumes the entire 155-LF section of wall will need to be repaired. Geotechnical and structural evaluation will determine the actual amount of wall repair needed. • Wall repairs below the stream ordinary high water mark will likely require stream restoration mitigation. The assumed length for restoration is the full 155-LF. Stream restoration will include: modified channel cross section that includes a floodplain bench, removal of invasive plant species, and installation of large woody debris and riparian planting. • Resource agencies may encourage replacing the existing culvert with a wider, fish passable culvert if headwall repairs are proposed. Cost estimate below assumes both headwalls are repaired and a new culvert is installed. • Sidewalk ramps impacted by the culvert replacement shall be replaced in accordance with American with Disabilities Act (ADA) design standards. • The design schedule for stream restoration shall account for time to obtain temporary or permanent easements and in-water work permits from WDFW and the Army Corps. 4. Preferred Solution for the undermined sidewalk is to install an asphalt berm along the north side of NE 190th St. and fill in the undermined portion of the sidewalk with grout or concrete. A loss of parking will occur. This work is within City right of way and above the stream ordinary high water mark so can be designed and constructed faster than the in-water work described above.		
Considerations for Implementation	• Coordinate with CIP SW-21 – 61st Ave. NE Wall Evaluation and Design. • Recommend bundling all improvements with work below the ordinary high water mark as one project with one set of permit documents. • Vegetation removal is necessary, removing trees shall be avoided. If tree removal is necessary, a tree removal permit is required. Environmental permitting including SEPA checklist, WDFW HPA, Army Corps permits, and tribe coordination. • Temporary construction easements may be needed for work in stream along 61st Ave NE. Acquiring permanent easements will allow more flexibility in stream restoration design.		



Rocks from wall which fell into the stream.

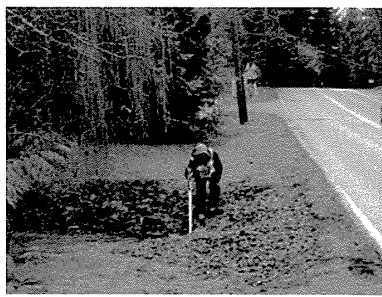
Undercut sidewalk at NE 190th St.

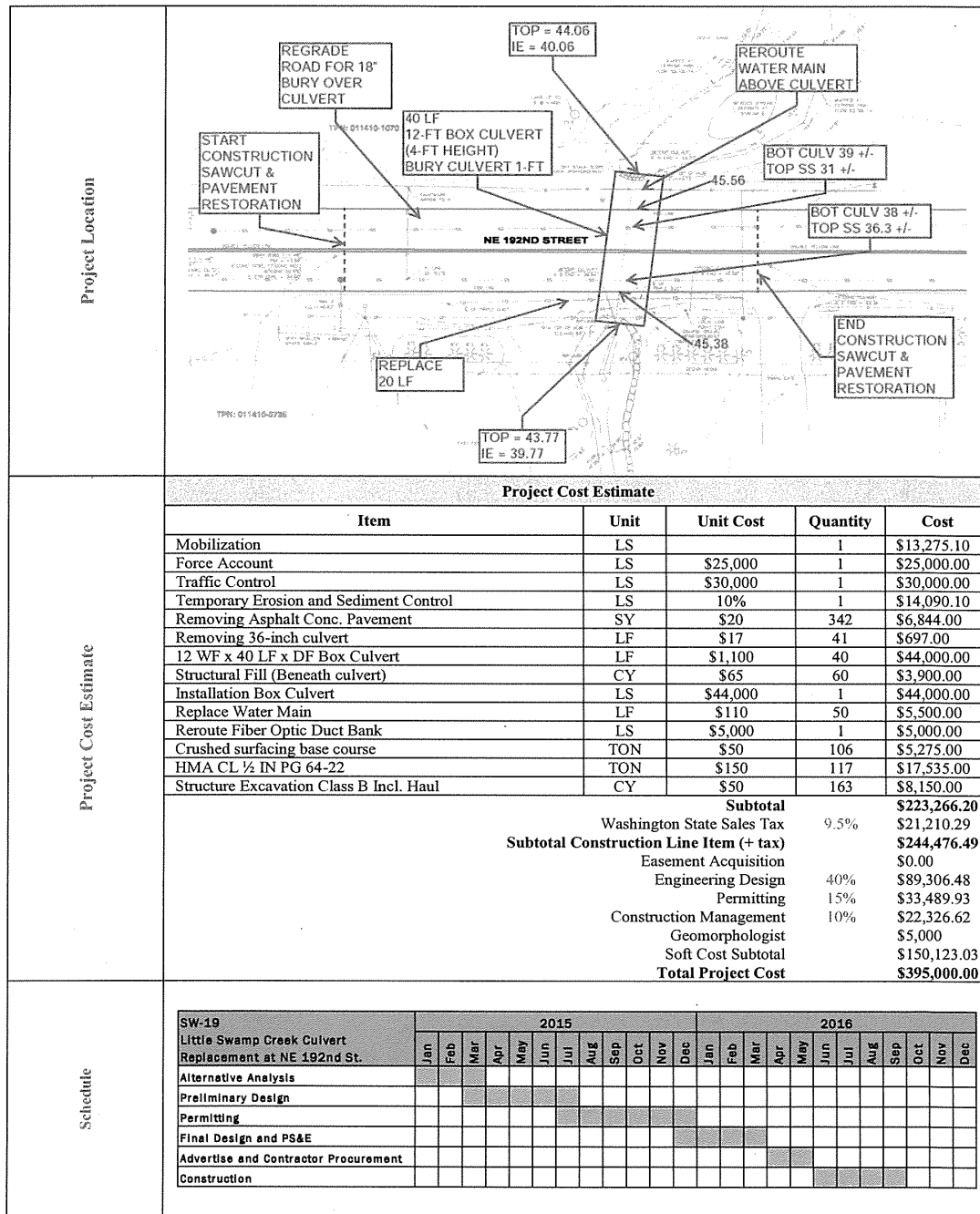


2015-2020 Surface Water Capital Program
SW-08

Project Cost Estimate	Project Cost Estimate: NE 190 th Extruded Curb																								
	Item	Unit	Unit Cost	Quantity	Cost																				
	Water Pollution/Erosion Control	%	5%		\$75																				
	Traffic Control	%	7%		\$100																				
	Clearing & Grubbing	SY	\$5	20	\$100																				
	Extruded Curb	LF	\$15	81	\$1,215																				
	Subtotal				\$1,490																				
	Contractor overhead, profit, and mobilization				10%	\$149																			
	Washington State Sales Tax				9.5%	\$142																			
	Construction Contingency				50%	\$745																			
	Subtotal construction costs					\$2,526																			
	City Staff Time				10%	\$253																			
Project Cost Estimate	Project Cost Estimate: Geotechnical and Structural Analysis																								
	Geotechnical and Structural Analysis				\$5,000																				
	Project Cost Estimate: Rock Wall and Stream Restoration																								
	Item	Unit	Unit Cost	Quantity	Cost																				
	Water Pollution/Erosion Control	%	5%		\$21,000																				
	SPCC Plan	LS	\$500	1	\$500																				
	Traffic Control	%	7%		\$29,000																				
	Rock wall repair (along 61st Ave NE)	LF	\$1,000	155	\$155,000																				
	Temporary Stream Bypass	LS	\$24,000	1	\$24,000																				
	Stream restoration	LF	\$460	155	\$71,300																				
	New Concrete Headwall	EA	\$50,000	2	\$100,000																				
	HMA CL ½ IN PG 64-22	TON	\$200	10	\$2,000																				
Fish Passage Culvert (83 IN x 53 IN)	LF	\$700	30	\$21,000																					
Subtotal					\$423,800																				
Contractor overhead, profit, and mobilization				10%	\$42,380																				
Washington State Sales Tax				9.5%	\$40,261																				
Construction Contingency				50%	\$211,900																				
Subtotal construction costs					\$718,341																				
City Staff Time				10%	\$71,834																				
Administration and engineering design				20%	\$143,668																				
Design Contingency				20%	\$143,668																				
Permitting					\$15,000																				
Land acquisition and easements				(Est. 1,860 SF @ \$5/SF)	\$9,300																				
Total cost					\$1,101,900																				
Schedule	SW-08	2015												2016											
	Tributary 0056 Erosion and Stream Repair	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	SW-21 GPR, Analysis and Engineering																								
	Alternative Analysis																								
	Preliminary Design																								
	Permitting																								
	Final Design and PS&E																								
	Advertise and Contractor Procurement																								
	Construction																								

2015-2020 Surface Water Capital Program
SW-08

Project:	Little Swamp Creek Culvert Replacement at NE 192 nd St.		ID:	SW-19
Location:	NE 192 nd St., west of 80 th Ave NE	Basin:	Little Swamp Creek	
Project Type:	☒ Water Quality ☒ Fish Passage ☐ Flow Control ☒ Erosion ☐ Drainage ☒ Flooding	Preliminary Project Cost:	\$395,000	
Problem:	Flooding at low point in road			
Narrative	Flooding occurs at the NE 192nd St. culvert carrying Little Swamp Creek at the low point in the road. Based on modeling results the road floods at the 25-year event because the culvert is undersized. Flooding was shown to be as high as 1-foot on the roadway in the models. This is the depth at which most cars and SUVs can float. This project was identified by the City in 2006. OCI was contracted in 2014 to develop an Options Analysis as part of the On-Call Contract with the City. (The report is titled "192nd Culvert Final Options Analysis Report, OCI, 2014.") Several options were considered: high-flow bypass, culvert replacement with fish passable culvert, raise the street elevation, and no-build. The preferred solution is to replace the existing culvert with a 12-ft x 3-ft fish passable culvert. Project benefits include flood reduction and improved fish passage. Additional modeling or analysis may need to be performed to determine impacts to downstream Swamp Creek.			
Conceptual Design	Preferred Solution: - Install a 12-foot x 3-foot box culvert in place of the existing culvert. - This size conveys the 100-year event without flooding or overtopping. Other Solutions Considered: High-flow bypass: - A 24-inch bypass culvert was considered in conjunction with a riser structure, which would convey flows in the 25-year event and higher. - This option will likely not be approved by WDFW because it does not meet code requirements for depth required in the culvert. Raise road elevation by 1-foot: - This option is not feasible because the water levels rise more than 5-feet during large storm events. No-build: - This option will allow flooding and debris blockage of the culvert to continue to occur.			
Considerations for Implementation	- Environmental permitting including SEPA checklist, WDFW HPA, and Army Corps permits are required. - A geomorphologic assessment is recommended. - A downstream analysis will be conducted to evaluate how or if downstream infrastructure or properties could be affected by improvements. - Temporary stream bypass and fish exclusion shall be used during construction. - Coordination with the upstream Little Swamp Creek Flooding CIP (included in the SWMP as CIP #7) will need to be conducted to ensure nothing is adversely affected. - No modeling or analysis has been performed to determine impacts of the preferred solution to the downstream system. - Traffic control will be needed. - Cost estimate is from the options analysis report discussed in the narrative above, with the addition of a geomorphologic analysis.			



2015-2020 Surface Water Capital Improvement Program
SW-19

Subject/Topic:
Review of Proposed Preliminary 2015-2016
Budget

Department: All Departments

Initial & Date

Approved by Department Head: [Signature] 10-23-14

Approved by City Attorney: _____

Approved by Finance Director: [Signature] 10-23-14

Approved by City Manager: [Signature]

Proposed Council Action/Motion:
Review and Discussion of Proposed
Preliminary 2015-2016 Budget for the City of
Kenmore, Washington

Presentations to occur at November 3, 2014 City Council meeting

Appropriation Required

The Proposed Preliminary 2015-2016 Budget for the City of Kenmore will be provided to the City Council at the October 27 City Council meeting. The November 3 meeting provides the first opportunity for the City Council and the community to receive information on the City of Kenmore's proposed preliminary 2015-2016 budget and financial program showing revenues, expenditures and programs for each department and fund.

A Priority Based Budgeting process, for development of the 2015-2016 biennial budget, has been underway since June, 2014. A Resource Alignment Diagnostic Tool was presented at the October 6 meeting which revealed prioritized City wide programs with associated program costs. General Fund department budgets and associated program information will be presented for review by the City Council along with other fund budgets as time allows.

Financial Policy 1a) The budget should be a performance, financing and spending plan, agreed to by a majority of the City Council. It should contain information and data regarding expected revenues, expected expenditures and expected performance.