



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

City of Kenmore
City Council Regular & Special Joint Planning Commission Meeting

7:00 p.m., Monday, January 13, 2014

Kenmore City Hall, Council Chambers
18120 68th Ave. NE, Kenmore, WA 98028

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

I. CALL MEETING TO ORDER

II. ROLL CALL

III. FLAG SALUTE

IV. AGENDA APPROVAL

V. CITIZEN COMMENTS

- A. This is an opportunity to express your views on issues that are important to you and to the community. Please limit your comments to three (3) minutes.

VI. CONSENT AGENDA

- A. Adopt Minutes for the November 25, 2013 Special & Regular Meeting; December 2, 2013 Special Meeting; and December 9, 2013 Regular Meeting.
[DRAFT 11-25-2013 Minutes.pdf](#)
[DRAFT 12-2-2014 Minutes.pdf](#)
[DRAFT 12-9-2013 Minutes.pdf](#)
- B. Receive and File October 2013 Financial Report
[October Financial Report](#)
- C. Receive and File November 2013 Financial Report
[November Financial Report](#)
- D. Authorize Acceptance of Surface Water Grant Funds from Department of Ecology for SR 522 West A
[Agenda Bill - Ecology Grant/SR 522 West A](#)
- E. Approve Contract No. 13-C1237 with Olympic Environmental Resources for 2014-15 Recycling Event Project Management
[Agenda Bill - Recycling Project Management Contract](#)

- F. Cancel City Council Regular Meeting for Tuesday, January 21, 2014

VII. PUBLIC HEARING

- A. Public Hearing to Receive Public Testimony Regarding Ordinance No. 14-0372, Extending the Moratorium on Medical Cannabis Collective Gardens
[Agenda Bill - Ord. No. 14-0372 Medical Cannabis Moratorium](#)

VIII. BUSINESS AGENDA

- A. Adopt Ordinance No. 14-0372, Extending the Moratorium on Medical Cannabis Collective Gardens - Debbie Bent, Community Development Director
[Agenda Bill - Ord. No. 14-0372 Medical Cannabis Moratorium](#)
- B. Approve Contract No.13-C1214 with HDR for SR 522 West A Design & Right-of-Way Services - Kris Overleese, Engineering & Environmental Services Director
[Agenda Bill - SR 522 West A HDR Contract](#)

IX. PLANNING COMMISSION

- A. Discussion of Preliminary Recommendations on the Vision and Permitted/Prohibited Uses in the Regional Business Zone - Debbie Bent, Community Development Director
[Agenda Bill - Regional Business Zone Discussion](#)

X. STAFF REPORT

XI. COUNCILMEMBER REPORTS & COMMENTS

XII. COUNCILMEMBER INITIATIVES

XIII. ADJOURNMENT

Upcoming Meetings:

Monday, January 20, 2014 CITY HALL CLOSED for Martin Luther King Holiday
Tuesday, January 21, 2014 Planning Commission Regular Meeting 7:00 p.m.
Monday, January 27, 2014 City Council Regular Meeting 7:00 p.m.

**City of Kenmore, Washington
City Council Special & Regular Meeting
Minutes
November 25, 2013**

CALL TO ORDER – The special meeting of the Kenmore City Council was called to order by Mayor David Baker at 5:30 p.m.

EXECUTIVE SESSION

Mayor Baker recessed the special meeting at 5:30 p.m. to an executive session to discuss Property Disposition, pursuant to RCW 42.30.110(1)(c), and Potential Litigation, pursuant to RCW 42.30.110(1)(i). He stated that the executive session will last for approximately 90 minutes and that no action is anticipated when the meeting is reconvened.

ADJOURNMENT – Mayor Baker adjourned the special meeting at 7:00 p.m.

CALL TO ORDER – Mayor Baker called the regular meeting to order at 7:03 p.m.

Councilmembers present: Mayor David Baker, Deputy Mayor Bob Hensel, and Councilmembers Brent Smith, Laurie Sperry, Allan Van Ness, Milton Curtis, and Glenn Rogers

Staff present: Rob Karlinsey, City Manager; Joanne Gregory, Finance & Administration Director; Kris Overleese, Engineering & Environmental Services Director; Debbie Bent, Director of Community Development; Marc Connelly, Parks Projects Manager; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

FLAG SALUTE

Boy Scout Troop 582 led the flag salute.

AGENDA APPROVAL

It was Council consensus to approve the agenda as submitted.

CITIZEN COMMENTS

Alene Fisher, 5506 NE 190th Street, Kenmore, was present to thank the Council for their support of the new parks plan and to express her support for building a new boathouse.

Dave Crawford, 7534 NE 175th Street, Kenmore, was present to state his concerns regarding executive sessions and the effect on Kenmore Air when the President is in the area.

Kate Donaldson, 6401 NE 181st Street, Kenmore, was present to state her concerns regarding monitoring of fumes at the Cemex plant.

Elizabeth Mooney, 5934 NE 201st Street, Kenmore, was present was present to state her concerns regarding monitoring of fumes at the Cemex plant.

Berit McAlister, 5830 NE Arrowhead Drive, Kenmore, was present to express her support for building a new boathouse.

Debra Srebnik, 18521 63rd Avenue NE, Kenmore, was present to thank the Council for their support of the new parks plan and to express her support for building a new boathouse.

Mayor Baker thanked the citizens for their comments. He noted that Council has visited with the Congressional Oversight Office, the Secret Service, and the City's lobbyists regarding problems caused for Kenmore Air by Presidential visits.

CONSENT AGENDA

Councilmember Rogers moved to approve the consent agenda as submitted.
Councilmember Sperry seconded the motion to Adopt the Minutes of the October 28, 2013 City Council Regular Meeting. The motion passed unanimously.

PUBLIC HEARING

Public Hearing to Receive Public Testimony Regarding Ordinance No. 13-0365, 2014 Property Tax Levy – Joanne Gregory, Finance & Administration Director, was present to provide a PowerPoint presentation, including slides showing how various property tax scenarios would affect a homeowner. She discussed revenue sources which contribute to the General Fund and how they relate to property taxes. She was also available to answer any questions.

Mayor Baker opened the public hearing to receive public testimony on this issue at 7:36 p.m.

The following citizen spoke:

Dave Crawford, 7534 NE 175th Street, Kenmore, was present to state his concerns about properties in Kenmore which are currently empty.

As there was no further testimony, Mayor Baker closed the public hearing at 7:38 p.m.

Public Hearing to Receive Public Testimony Regarding Ordinance No. 13-0366, 2013-2014 Mid-Biennium Budget Amendment - Joanne Gregory, Finance & Administration Director, was present to provide a PowerPoint presentation in which she detailed the proposed adjustments. She also available to answer any questions.

Mayor Baker opened the public hearing to receive public testimony on this issue at 7:49 p.m.

The following citizen spoke:

Dave Crawford, 7534 NE 175th Street, Kenmore, was present to state his concerns regarding taxes, surface water management fees, and water franchise fees.

As there was no further testimony, Mayor Baker closed the public hearing at 7:52 p.m.

BUSINESS AGENDA

Resolution No. 13-228 in Support of Upcoming Northshore School Board Levy – Rob Karlinsey, City Manager, and Janet Quinn, of Citizens for Northshore Schools, were present to give a brief report regarding the Northshore School Board Levy. They were also available to answer any questions. Janet Quinn distributed a Fall 2013 Northshore School District newsletter to Council.

Mayor Baker opened a public comment period to receive public testimony on this issue at 8:00 p.m.

As there were no citizens wishing to speak, Mayor Baker closed the public comment period at 8:00 p.m.

Councilmember Sperry moved to Adopt Resolution No. 13-228 in Support of the Upcoming Northshore School Board Levy. Councilmember Curtis seconded the motion. The motion passed 7-0.

Ordinance No. 13-0368 – Parks, Recreation and Open Space (PROS) Plan & Amendments to the Comprehensive Plan – Debbie Bent, Community Development Director, and Marc Connelly, Parks Projects Manager, were present to give a brief staff report explaining what passage of this ordinance would mean. They were also available to answer any questions.

Councilmember Rogers moved to Adopt Ordinance No. 13-0368, Parks, Recreation and Open Space (PROS) Plan & Amendments to the Comprehensive Plan. Councilmember Curtis seconded the motion. The motion passed 7-0.

STUDY SESSION AGENDA

Review of Capital Improvement Program (CIP) Amendments - Joanne Gregory, Finance & Administration Director, was present to review the CIP and highlight the proposed changes. She was available to answer any questions. Rob Karlinsey, City Manager; Kris Overleese, Engineering & Environmental Services Director; Debbie Bent, Community Development Director; and Marc Connelly, Parks Projects Manager, were also available to answer questions.

Review of 2013-2014 Mid-Biennium Budget Amendment, Ordinance No. 13-0366 - Joanne Gregory, Finance & Administration Director, was present to review the recommended budget adjustments. She was also available to answer any questions.

Councilmember Curtis moved to remove the acquisition of a digital reader board at City Hall, a proposed one-time Equipment Replacement Fund expense of \$25,000, from the 2013-2014 Mid-Biennium Budget Amendments. Mayor Baker seconded the motion. The motion passed 6-1, with Councilmember Smith voting no.

STAFF REPORT

City Manager Karlinsey stated that there will be no one-on-one meetings with Councilmembers this week due to the Thanksgiving holiday.

CITY COUNCILMEMBER REPORTS & COMMENTS

Councilmember Van Ness gave a report on the recent Economic Development Council Board Retreat. He stated that they are optimistic on all fronts, with housing values and rentals increasing and drivers' licenses increasing, and are supportive of the development of a natural health sciences industry cluster in Kenmore.

Councilmember Curtis stated his concerns regarding a proposed joint letter in support of light rail due to the cost of light rail.

Councilmember Smith stated that he sat in on the recent audit exit interview and enjoyed hearing how well our City is being managed financially.

Councilmember Rogers thanked Finance & Administration Director Gregory for all her work.

Mayor Baker stated that he went on a Transportation Commission bus tour recently, and he brought them through Kenmore to show them what is happening here. He stated that he will meet with the Governor in the morning.

Mayor Baker adjourned the regular meeting at 10:04 p.m.

David Baker, Mayor

ATTEST:

Patty Safrin, City Clerk

City of Kenmore, Washington
City Council Special Meeting
Minutes
December 2, 2013

CALL TO ORDER – The special meeting of the Kenmore City Council was called to order by Mayor David Baker at 6:00 p.m.

EXECUTIVE SESSION

Mayor Baker recessed the special meeting to an executive session at 6:00 p.m. to discuss Property Disposition, pursuant to RCW 42.30.110(1)(c). He stated that the executive session will last for approximately 60 minutes and that no action is anticipated when the meeting is reconvened.

CALL TO ORDER – Mayor Baker reconvened the meeting at 7:00 p.m.

Councilmembers present: Mayor David Baker, Deputy Mayor Bob Hensel and Councilmembers Brent Smith, Laurie Sperry, Milton Curtis, Allan Van Ness and Glenn Rogers

Staff present: Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Kris Overleese, Engineering & Environmental Services Director; Debbie Bent, Community Development Director; Bryan Hampson, Development Services Director; Lauri Anderson, Senior Planner; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

FLAG SALUTE

Mayor Baker led the flag salute.

AGENDA APPROVAL

It was Council consensus to amend the agenda to allow a vote on adoption of Ordinance No. 13-0370 (Business Item No. X.E.) immediately following the public hearing on that agenda item. It was Council consensus to approve the agenda as amended.

CITIZEN COMMENTS

Patty Byhre, 18102 80th Avenue NE, Kenmore, was not present but submitted her comments prior to the meeting stating her concerns regarding parking on 80th Avenue near her home.

CONSENT AGENDA

Councilmember Curtis moved to approve the consent agenda as submitted.
Councilmember Van Ness seconded the motion to Approve Check Nos. 28997 - 29096 in the Amount of \$704,538.48 and Electronically Transferred Payroll Funds Totaling \$64,213.37 for the Period Ending November 22, 2013; Amendment No. 2 to Contract No. 06-C537 with

Stewart Beall MacNichols & Harmell, Inc. for Public Defender Services; Amendment No. 3 to Contract No. 09-C780 with Alcalde and Fay for Federal Government Relations Service; and Amendment No. 3 to Contract No. 09-C816 with Gordon Thomas Honeywell Government Affairs for State Government Relations Service. The motion passed unanimously.

PUBLIC HEARING

Public Hearing to Receive Public Testimony on Ordinance No. 13-0370, Extending the Moratorium on Marijuana Businesses and Operations Under Washington State Initiative 502 – Lauri Anderson, Senior Planner, was present to provide a brief report. She stated that the current moratorium will expire on December 24, 2103 and that this extension, if adopted, would expire on May 12, 2014. The purpose is to give the City time to continue to review the Liquor Control Board final rules and the Liquor Control Board’s review of medical marijuana and how that will coordinate with control of recreational marijuana businesses. She was also available to answer any questions.

Mayor Baker opened the public hearing to receive public testimony on this issue at 7:05 p.m. As there were no citizens wishing to testify, Mayor Baker closed the public hearing at 7:05 p.m.

Public Hearing to Receive Public Testimony on Ordinance No. 13-0369, Interim Zoning Regulation Making Marijuana Business a Prohibited Use in the R-1, R-4 and R-6 Single-Family Residential Zoning Districts - Lauri Anderson, Senior Planner, was present to provide a brief report. She stated that the purpose of this public hearing is to take public testimony and then consider whether further findings should be adopted justifying the interim regulation that the City Council put in place on November 12, 2013. Staff does not recommend revising the findings or adopting additional findings. She was also available to answer any questions.

Mayor Baker opened the public hearing to receive public testimony on this issue at 7:08 p.m. As there were no citizens wishing to testify, Mayor Baker closed the public hearing at 7:08 p.m.

BUSINESS AGENDA

Electronic Permitting Update – Bryan Hampson, Development Services Director, was present to give a brief update. He stated that as of July 2013 the City offers electronic permitting for all permits that can be done at the counter; however, it does not coordinate with the current permit tracking software system, which the department is planning to replace during this biennium budget. Electronic permitting is done through MyBuildingPermit.com, which also provides the ability to check permit status and schedule inspections. A customer kiosk is installed in City Hall and can be used by the public. He was also available to answer any questions.

IT Strategic Plan Update – Joanne Gregory, Finance & Administration Director; Tarak Shah, Vice President for RNR Consulting; and Abhijit Verekar (“AV”), President of RNR Consulting, were present to give a brief report. Director Gregory stated that they anticipate the final IT plan, provided in the agenda packet, will help the City transition to a more efficient and effective IT

environment over the next three to five years, in keeping with Council goals. They were also available to answer any questions.

City of Kenmore 2014 Federal Legislative Agenda – Nancy Ousley, Assistant City Manager, was present to give a brief report. She stated that the proposed agenda continues the City’s emphasis on funding for Kenmore Navigation Channel dredging and transportation infrastructure. It has more of an emphasis on funding options for the Sammamish River Bridge project; grant funding opportunities and other economic development issues; and work on temporary flight restriction issues created for Kenmore Air when the President of the United States comes to the area. She was also available to answer any questions.

Rob Karlinsey, City Manager, noted that SR 522 funding is not on this legislative agenda due to the Sammamish River Bridge being a higher priority for federal funding at this time.

Councilmember Sperry moved to Approve the City of Kenmore 2014 Federal Legislative Agenda. Councilmember Van Ness seconded the motion. The motion passed unanimously.

City of Kenmore 2014 State Legislative Agenda – Nancy Ousley, Assistant City Manager, was present to give a brief report. She stated that the changes in this agenda reflect the successes the City had in 2013, including approval of freeway signage for Kenmore and capital funding for a Kenmore Village Town Green. On this agenda transportation is the main focus, including adding funding for the Sammamish River Bridge. It also includes capital funding to renovate the Hopelink Kenmore family shelter. She noted that the City’s delegates are very appreciative of our crisp and clear statements of priority. She was also available to answer any questions.

It was Council consensus to add language in support of State legislation on property tax relief for low income individuals and bring this item back for approval at the next meeting.

Adopt Ordinance No. 13-0370, Extending the Moratorium on Marijuana Businesses and Operations Under Washington State Initiative 502 – (This item was voted on immediately following the public hearing.)

Councilmember Rogers moved to Adopt Ordinance No. 13-0370, Extending the Moratorium on Marijuana Businesses and Operations Under Washington State Initiative 502. Deputy Mayor Hensel seconded the motion. The motion passed 7-0.

Adopt Ordinance No. 13-0365, Relating to the 2014 Regular Property Tax – Joanne Gregory, Finance & Administration Director, was present to give a brief report. She stated that the proposed 2014 Property Tax Levy would have a 0% increase over 2013, except for the addition of new construction. She was also available to answer any questions.

Councilmember Rogers moved to Adopt Ordinance No. 13-0365, Relating to the 2014 Regular Property Tax, adjusted with a 1% increase in the property tax levy instead of the proposed 0% increase. Councilmember Curtis seconded the motion. The motion passed 4-3, with Councilmembers Smith and Van Ness and Mayor Baker voting no.

Adopt Ordinance No. 13-0366, Amending the 2013-2014 Biennial Budget – Joanne Gregory, Finance & Administration Director, was present to give a brief report. She stated that the only

changes in the amendments since last week are the removal of the Queue Jump project, which did not receive grant funding, and removal of the digital reader board project. She was also available to answer any questions.

Deputy Mayor Hensel moved to Adopt Ordinance No. 13-0366, Amending the 2013-2014 Biennial Budget. Councilmember Curtis seconded the motion. The motion passed 7-0.

Adopt Ordinance No. 13-0367, Updating the 2013-2018 Capital Improvements Program (CIP) for Surface Water, Parks and Transportation – Joanne Gregory, Finance & Administration Director, was present to give a brief report. She stated that the only changes made to the CIP from previous discussions were to reschedule the Queue Jump project to keep it in its original time slot of 2016-2018 and, because of unsuccessful sidewalk grant applications, to revert back to the original sidewalk funding scheme of setting aside \$100,000 per year over the next five years. She was also available to answer any questions.

Councilmember Van Ness moved to Adopt Ordinance No. 13-0367, Updating the 2013-2018 Capital Improvements Program (CIP) for Surface Water, Parks and Transportation. Councilmember Curtis seconded the motion. The motion passed 7-0.

STAFF REPORT

SR 522 Gateway Signs – Kris Overleese, Engineering & Environmental Services Director, was present to give a PowerPoint presentation. She stated that she has worked with the design team to verify sizes of signs needed, looked at the signs we currently have, and had some renderings made of proposed signs. The goal is to construct the signs in 2014. The signs will have lighting and irrigation. The signs are intended to break and give way if hit, which is required for signs located this close to the road. The west sign will probably be permanent; however, the east sign will probably get moved as Bothell does their SR 522 improvements. City Manager Karlinsey stated that the signs are in keeping with our wayfinding brand and that changing them would be a departure from our branding.

It was Council consensus that staff bring back some additional options for Council to review, including a three-dimensional aspect and making the base more substantial while still remaining safe.

City Manager Karlinsey stated that staff needs Council's direction before the end of the year on the boathouse project, since costs are substantially higher than anticipated. Staff has written a draft business plan, including costs.

It was Council consensus to add the boathouse as a study session at 6:00 p.m. for the December 9th meeting.

CITY COUNCILMEMBER REPORTS & COMMENTS

Mayor Baker stated that he had an opportunity to talk to the Governor last week and that he is very interested in our boathouse project and may be here to cut the ribbon when we complete the project.

ADJOURNMENT

Mayor Baker adjourned the meeting at 8:44 p.m.

David Baker, Mayor

ATTEST:

Patty Safrin, City Clerk

DRAFT

**City of Kenmore, Washington
City Council Regular Meeting with Study Session
Minutes
December 9, 2013**

CALL TO ORDER – Mayor Baker called the regular meeting study session to order at 6:00 p.m.

Councilmembers present: Mayor David Baker and Councilmembers Brent Smith, Laurie Sperry, Allan Van Ness, Milton Curtis, and Glenn Rogers

Councilmembers excused: Deputy Mayor Bob Hensel

Staff present: Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Kris Overleese, Engineering & Environmental Services Director; Debbie Bent, Director of Community Development; Bryan Hampson, Development Services Director; Marc Connelly, Parks Projects Manager; Andrew Bauer, Associate Planner; Zack Richardson, Civil Engineer; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

FLAG SALUTE

Mayor Baker led the flag salute.

STUDY SESSION AGENDA

Proposed Boathouse, Boardwalk and Dock at Rhododendron Park – Rob Karlinsey, City Manager; Debbie Bent, Community Development Director; and Marc Connelly, Parks Projects Manager, were present to provide a brief staff report. They were also available to answer any questions. The design of the boathouse and boardwalk is at 30%; however, a larger boathouse is being requested by the community. In addition, soil conditions of the site make the costs much higher than originally estimated. The local Muckleshoot Tribe has not approved the proposed dock, but the City is continuing to work with them to try to get approval.

It was Council consensus to suspend the Council Rules regarding speakers during this Study Session in order to allow comments from the audience regarding the proposed boathouse, boardwalk and dock.

Councilmember Rogers moved that the City continue to move forward with the boardwalk at this time. Mayor Baker seconded the motion. The motion failed 3-3.

It was Council consensus to continue with the permitting only for the boardwalk, to continue discussions with the Muckleshoot Tribe, and to continue to look into a backup plan for the boathouse in case the dock at Rhododendron Park is not approved.

CALL TO ORDER – Mayor Baker reconvened the meeting at 7:16 p.m. after a short break.

AGENDA APPROVAL

It was Council consensus to amend the agenda by pulling Consent Agenda Item VII. D., Weisband Consulting contract amendment, from the Consent Agenda and adding it to the

Business Agenda as Item IX. D., making 2014 Proposed Legislative Agenda new Business Item IX. E.; and adding Business Item IX. F., El-Sharawy Settlement Agreement and Release.

It was Council consensus to approve the agenda as amended.

CITIZEN COMMENTS

Dave Crawford, 7534 NE 175th Street, Kenmore, was present to state his concerns regarding the 1% property tax increase approved by Council for 2014.

Mayor Baker thanked the citizen for his comments.

CONSENT AGENDA

Councilmember Sperry moved to approve the consent agenda as amended. Councilmember Rogers seconded the motion to Adopt the Minutes of the November 12, 2013 and November 18, 2013 Special and Regular Meetings; Approve Amendment No. 1 to Contract No. 12-C1057 with Joyce Ziker Parkinson for Environmental Legal Services; Approve Amendment No. 1 to Contract No. 12-C1081 with Osborn Consulting for Surface Water Services; Approve Amendment No. 2 to Contract No. 12-C1014, City Manager's Employment Contract; and Cancel Regular Council Meetings for December 16 and December 23, 2013. The motion passed unanimously.

PUBLIC HEARING

Public Hearing to Receive Public Testimony Regarding Ordinance No. 13-0371, Kenmore Village Residential Development Agreement with Main Street Property Group, LLC – Rob Karlinsey, City Manager; Bryan Hampson, Development Services Director; and Andrew Bauer, Associate Planner, were present to provide a PowerPoint presentation giving an overview of the project, highlights of the development agreement, the public process to date, and next steps. They also presented a more detailed overview of Phase I of the project. They were also available to answer any questions.

City Manager Karlinsey noted that it has only been five months since the City selected them to do the project and we already have a full site plan for the property. Kelly Price, President of Main Street Property Group, LLC; Kim Faust, Director of Development; and a project architect and engineer were present in the audience.

Mayor Baker opened the public hearing to receive public testimony on this issue at 7:54 p.m.

The following citizen spoke:

Dave Crawford, 7534 NE 175th Street, Kenmore, was present to comment.

As there was no further testimony, Mayor Baker closed the public hearing at 7:56 p.m.

BUSINESS AGENDA

Adopt Ordinance No. 13-0371 Approving Contract No. 13-C1198, Kenmore Village Residential Development Agreement with Main Street Property Group, LLC – Rob Karlinsey, City Manager, and Andrew Bauer, Associate Planner, were available to answer any additional questions.

Councilmember Van Ness moved to Adopt Ordinance No. 13-0371 Approving Contract No. 13-C1198, Kenmore Village Residential Development Agreement with Main Street Property Group, LLC. Councilmember Rogers seconded the motion. The motion passed 6-0.

Adopt Resolution No. 13-229 Approving Amendment No. 3 to Contract No. 13-C1170, Purchase & Sale Agreement with Main Street Property Group, LLC – Rob Karlinsey, City Manager, was present to review the reasons for the amendment. He was also available to answer any questions.

Councilmember Rogers moved to Adopt Resolution No. 13-229 Approving Amendment No. 3 to Contract No. 13-C1170, Purchase & Sale Agreement with Main Street Property Group, LLC. Councilmember Curtis seconded the motion. The motion passed 6-0.

The meeting was briefly recessed to allow the City Manager and Kelly Price, President of Main Street Property Group, to sign the documents.

Economic Development Strategy Implementation Update – Nancy Ousley, Assistant City Manager, and Consultant Barry Weisband were present to provide a PowerPoint presentation. They presented some metrics regarding incubator participation and detailed the program budget and program revenue as well as next steps for the program. They were also available to answer any questions.

Approve Amendment No. 1 to Contract No. 12-C1062 with Weisband Consulting for Business Incubator – Nancy Ousley, Assistant City Manager, and Consultant Barry Weisband were available to answer any questions.

Councilmember Van Ness moved to approve Amendment No. 1 to Contract No. 12-C1062 with Weisband Consulting and to authorize the City Manager to execute it following approval as to form by the City Attorney's office. Councilmember Curtis seconded the motion. The motion passed 6-0.

Approve City of Kenmore 2014 Proposed State Legislative Agenda – Nancy Ousley, Assistant City Manager, was present to provide additional background information based on a request from Council at their December 2, 2013 meeting. She stated that the Mayor had expressed interest in adding support for legislation providing for increasing the property tax thresholds for disabled individuals who are either retired or veterans of the Armed Forces to the policy action section of the State Legislative Agenda. The statute was last updated in 2004 and needs to be adjusted to reflect inflation over the last decade. She was also available to answer any questions.

Councilmember Rogers moved to add this item to the State Legislative Agenda in a supportive role only. Mayor Baker seconded the motion. The motion failed 3-3, with Councilmembers Curtis, Sperry, and Smith voting no.

Councilmember Curtis moved to Approve the City of Kenmore 2014 Proposed State Legislative Agenda. Councilmember Van Ness seconded the motion. The motion passed 5-1, with Mayor Baker voting no.

El-Sharawy Settlement and Release Agreement, Contract No. 13-C1240 – Rod Kaseguma, City Attorney was present to give Council the background of the claim for damages regarding a landslide on the El-Sharawy property. He and Kris Overleese, City Engineer, were also available to answer any questions. He stated that the Washington Cities Insurance Association (WCIA) defended the City on all points, and there is no payment of City money to the plaintiff through this settlement. Insurance defense attorney Stephanie Kroll has recommended the settlement.

Councilmember Van Ness moved to approve the Settlement Agreement and Release between the City of Kenmore and Guirguis El-Sharawy and Haidy El-Sharawy dated December 9, 2013, and authorize the City Manager to sign it. Councilmember Curtis seconded the motion. The motion passed 6-0.

STAFF REPORT

Employee Benefit Review Team Report – Joanne Gregory, Finance & Administration Director, was present to review the goals of the team and to provide a status report. She stated that the team will likely recommend that the City maintain current health options and add a high-deductible plan option. She detailed the next steps for the team and was available to answer any questions.

City Manager Karlinsey noted that January will be a busy month for Council and reviewed some of the upcoming events. He wished everyone a Merry Christmas and Happy New Year.

CITY COUNCILMEMBER COMMENTS/REPORTS

Mayor Baker reported on a Local Economic Development Initiatives presentation that he and Assistant City Manager Ousley made at a recent Sound Cities meeting. He and Ousley also met with the Army Corps of Engineers, Seattle District, today to try to get on a work plan for 2014.

ADJOURNMENT

Mayor Baker adjourned the regular meeting at 9:39 p.m.

David Baker, Mayor

ATTEST:

Patty Safrin, City Clerk



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: October 2013 Financial Report	For Council Meeting Agenda of: January 13, 2014 Department: Finance and Administration Prepared by: Joanne Gregory Approved by Department Head: <u>Joanne Gregory</u> 12/26/13 Approved by City Attorney: Approved by Finance Director: <u>Joanne Gregory</u> 12/26/13 Approved by City Manager: <u>DJK</u>	
Proposed Council Action/Motion: Receive and File October 2013 Financial Report for the City of Kenmore, Washington	Exhibits/Attachments: October 2013 Financial Report for the City of Kenmore, Washington.	
Expenditure Required N/A	Amount Budgeted \$47,793,286 Revenues \$49,274,877 Expenditures	Appropriation Required N/A
<u>INFORMATION/BACKGROUND:</u> The October monthly financial report is presented for Council review. This provides the opportunity for the City Council and the community to receive information on the City of Kenmore's biennium to date revenues and expenditures in comparison to the City's 2013-2014 amended biennial budget. The adopted budget was amended on March 25, 2013 and this report reflects the amended appropriations. It also provides an opportunity to identify any potential variances or fluctuations from the budget.		
<u>FISCAL CONSIDERATION:</u> October marks the tenth month of the 24 month 2013-2014 biennium. The monthly schedules attached include the Transportation Benefit District Fund for informational purposes although it is a separate entity. On the national level, the unemployment rate was 7.3% in October, up from 7.2% in September. Dow Jones rose to 15,545 from its September close of 15,129. The mid biennium budget review was conducted in October and November and a budget amendment ordinance was adopted by the City Council on December 2, 2013. The December monthly financial report will include the amendments to the budget.		
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> 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.		



MEMORANDUM

TO: Rob Karlinsey, City Manager
FROM: Joanne Gregory, Finance Director
DATE: December 13, 2013
RE: October 2013 Financial Reports for the City of Kenmore, Washington

October 2013 financial information is presented for your review and delivery to the City Council. Attached you will find the following reports:

- General Fund Summary
- General Fund Revenue Graphs
- General Fund Expenditure Graphs
- All Funds Cash Summary
- Other Funds Monthly Activity
- Cash and Investment Report
- Schedule of Investments
- Sales Tax Receipts by Business Type
- Retail Sales and Use Tax Distribution
- Real Estate Excise Tax Report
- Monthly Report for Kenmore Village
- Monthly Report for Transportation Benefit District
- SR 522 Phase I Revenue and Expenditure History
- SR 522 Phase II Revenue and Expenditure History

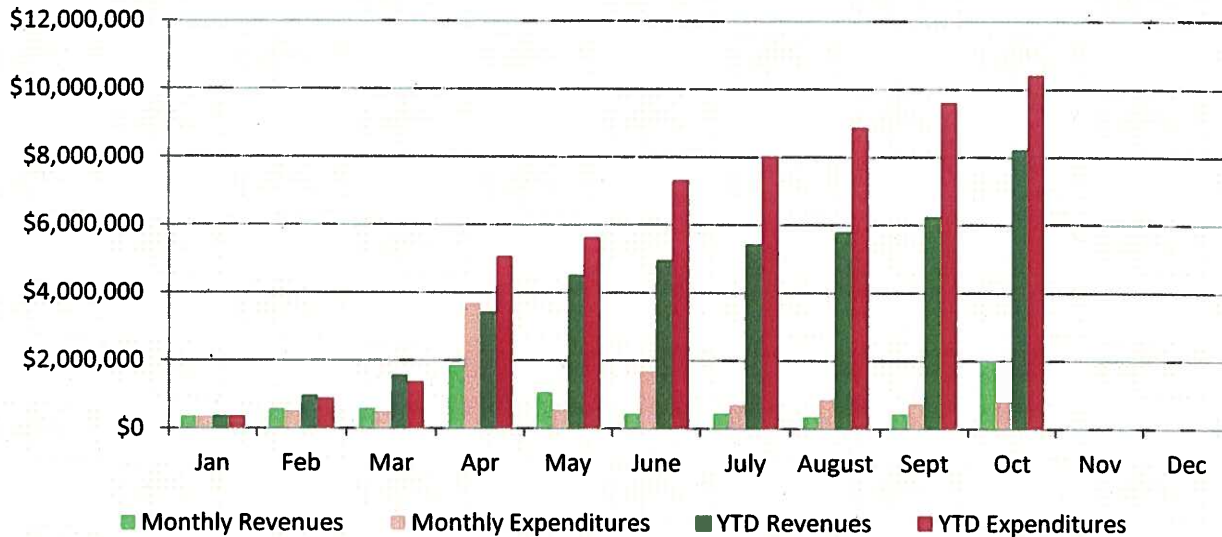
If you would like additional information or have any questions regarding the financial reports, please feel free to contact me.

GENERAL FUND

The first section of the monthly financial report is a review of the General Fund. This fund accounts for operational activities and includes all financial resources except those required or elected to be accounted for in another fund. Revenues include various taxes, per capita distributions from the State, fines and forfeitures, permits and licenses, and fees for service. In the context of the biennial budget, October is the tenth month (42%) of the 2013-2014 biennial budget period. For the month of October, revenues exceeded expenditures in the General Fund by \$1,169,357.

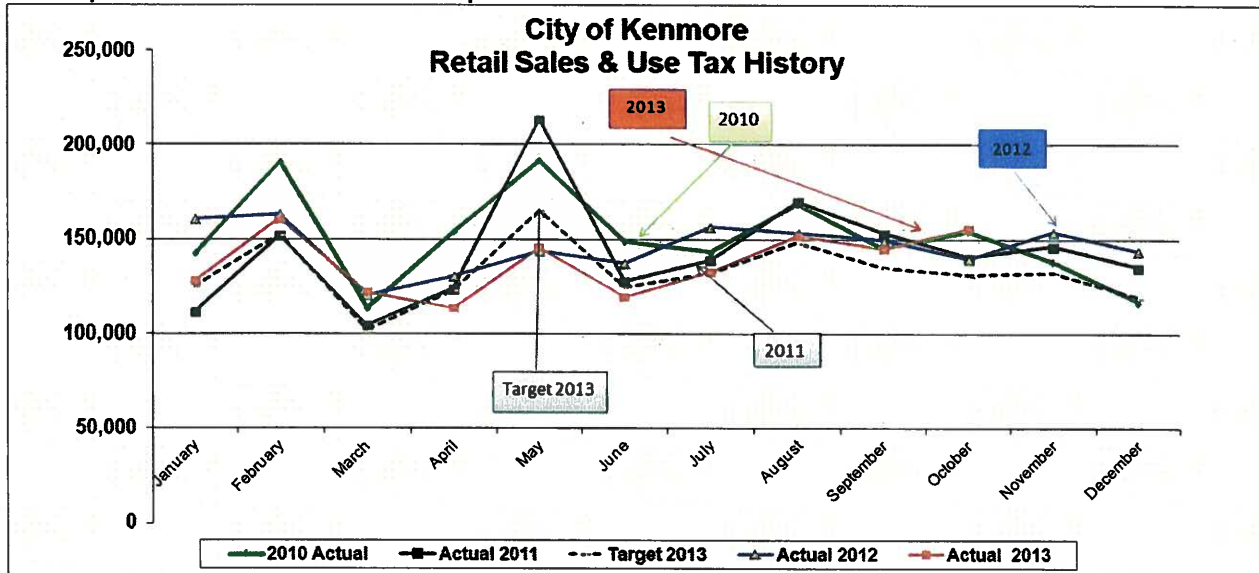
The following chart illustrates the monthly revenue and expenditure activity in the General Fund through October 2013.

City of Kenmore, Washington
Monthly Financial Report
October 2013



Total **revenues** for the month were **\$1,975,332**. Biennium to date revenues are \$8,234,584, which is 42.8% of the budgeted revenues of \$19,241,695. Primary sources of revenue for the month included property taxes in the amount of \$1,437,527, development fees & permits in the amount of \$81,559, retail sales and use taxes in the amount of \$155,927, franchise fees in the amount of \$71,462, and utility taxes in the amount of \$91,519.

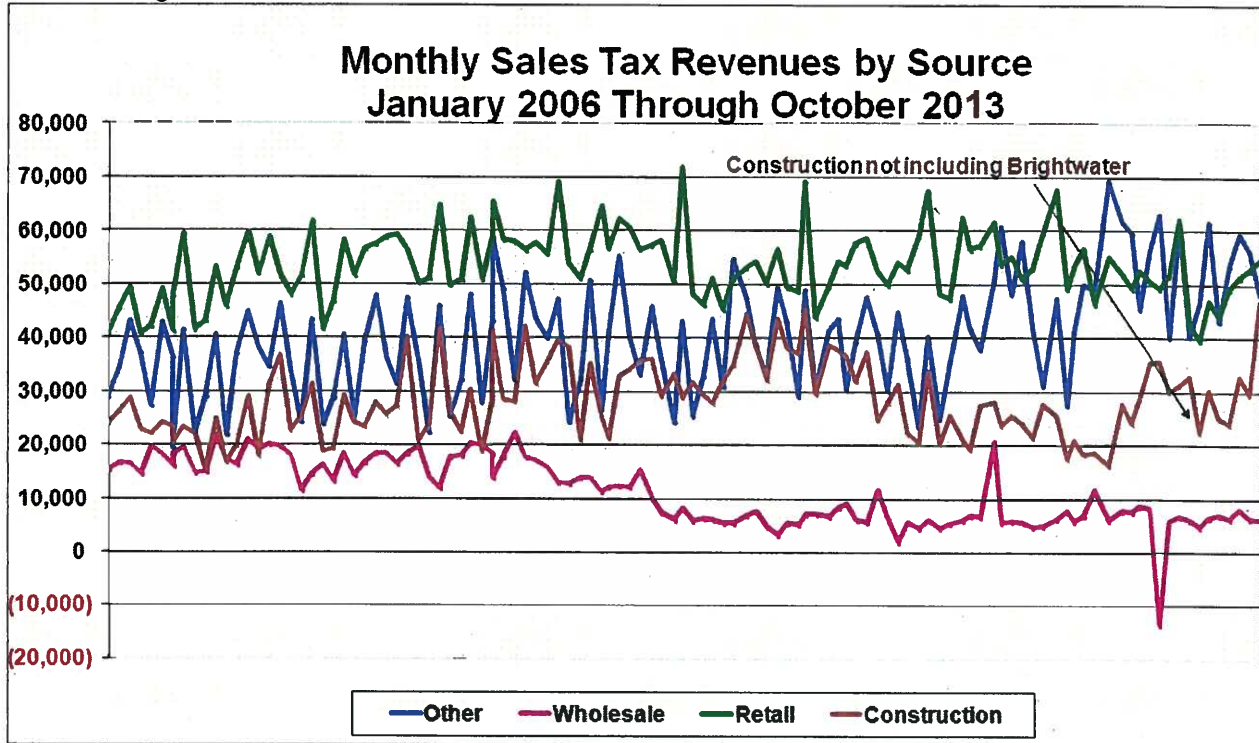
A summary of sales tax revenues received in October is attached. These receipts are based on August sales activity. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted Target 2013 line is a monthly average of actual receipts by month during 2010, 2011, and 2012. The Orange line represents 2013 actual receipts.



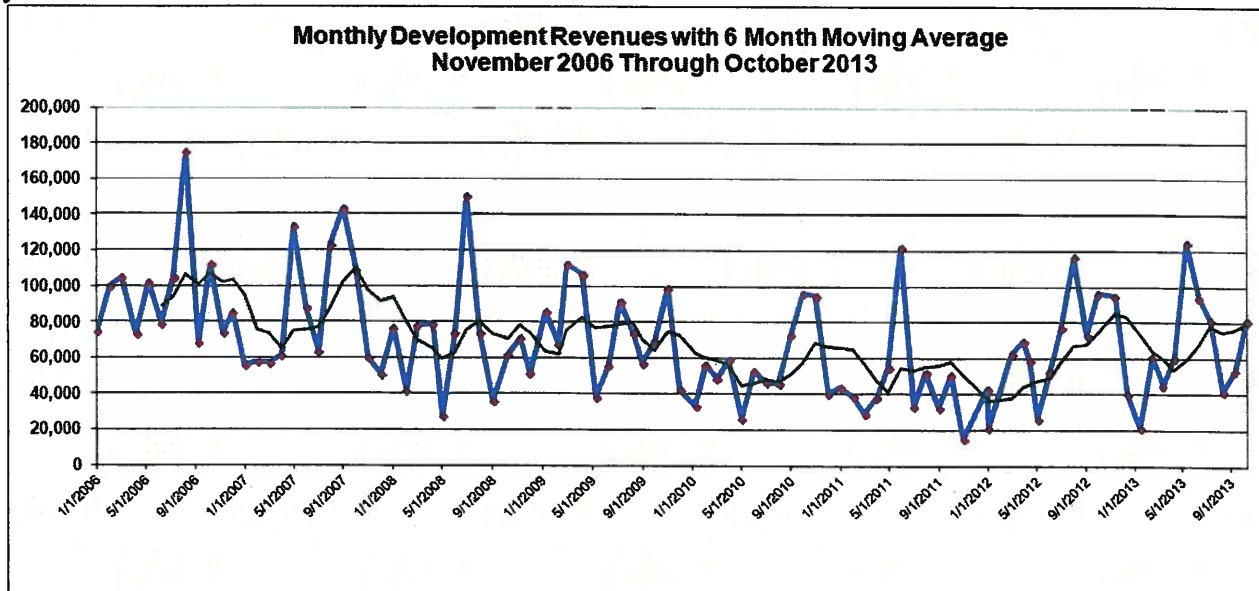
The following chart illustrates the historical trends of sales tax receipts from the major segments: construction, retail, wholesale, other (agriculture, services, manufacturing, transportation and utilities) from January 2006 through October 2013. Construction sales taxes are shown without the benefit of the Brightwater construction project. This

City of Kenmore, Washington
 Monthly Financial Report
 October 2013

category previously had the benefit of the city hall, Bastyr dorms, fire station and library construction projects which have been completed. The construction segment and "Other" (includes agriculture, services, manufacturing, transportation and utilities) are showing a positive trend of improvement recently. In December, \$20,000 was deducted from the City's sales tax receipts by Department of Revenue to correct a prior error (see the dip in the wholesale line). The \$20k adjustment was related to a refund request received by the Department of Revenue to reclassify income from retailing to wholesaling.



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



City of Kenmore, Washington
 Monthly Financial Report
 October 2013

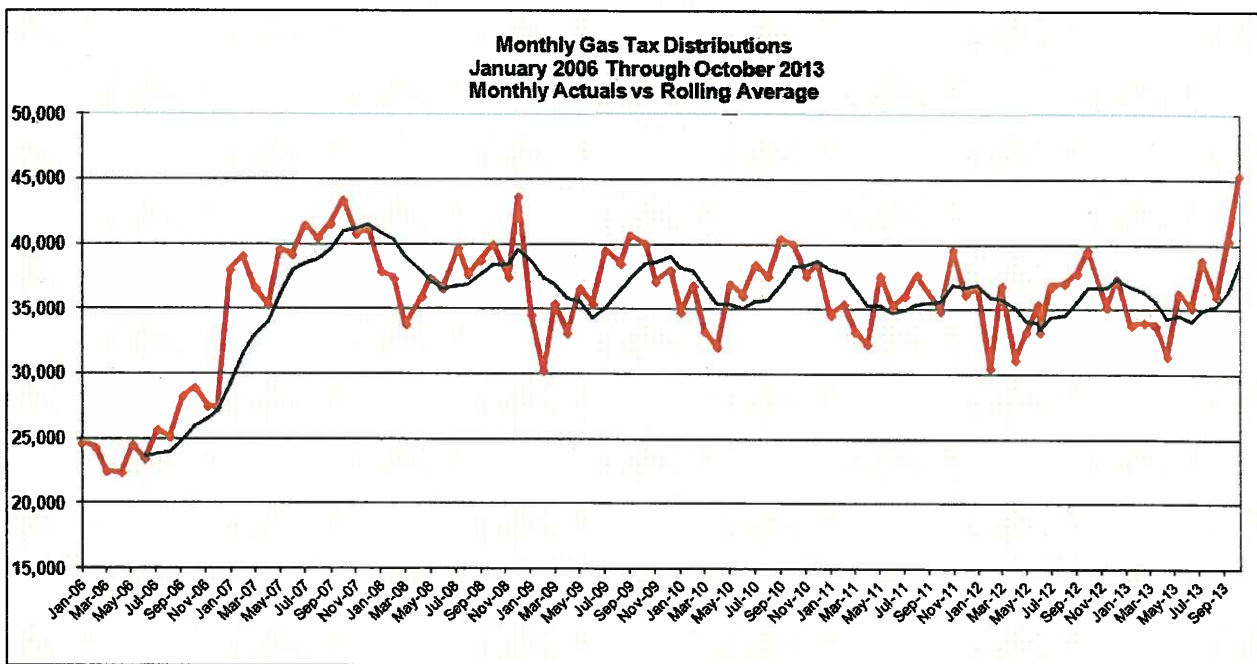
October 2013 expenditures were \$805,975. Biennium to date expenditures are \$10,410,650, which is 47.6% of the amended budget expenditures of \$21,857,666, a high percentage due to the \$3M interfund transfers recorded in April.

OTHER FUNDS

The October cash activity for all funds is presented on the attached All Funds Cash Summary. Total City cash and investments, at the end of October, totaled \$17,951,488. The Other Funds Monthly Activity graphs compare biennium to date revenues and expenditures to the 2013-2014 biennial budget.

The following transactions and activities were of note during the month of October. Total non-General Fund revenues were \$813,290 and total non-General Fund expenditures were \$294,407.

In the **Street Fund** revenue from gas tax distributions was \$45,359, highest month ever. The following chart shows recent gas tax receipts through October 2013.

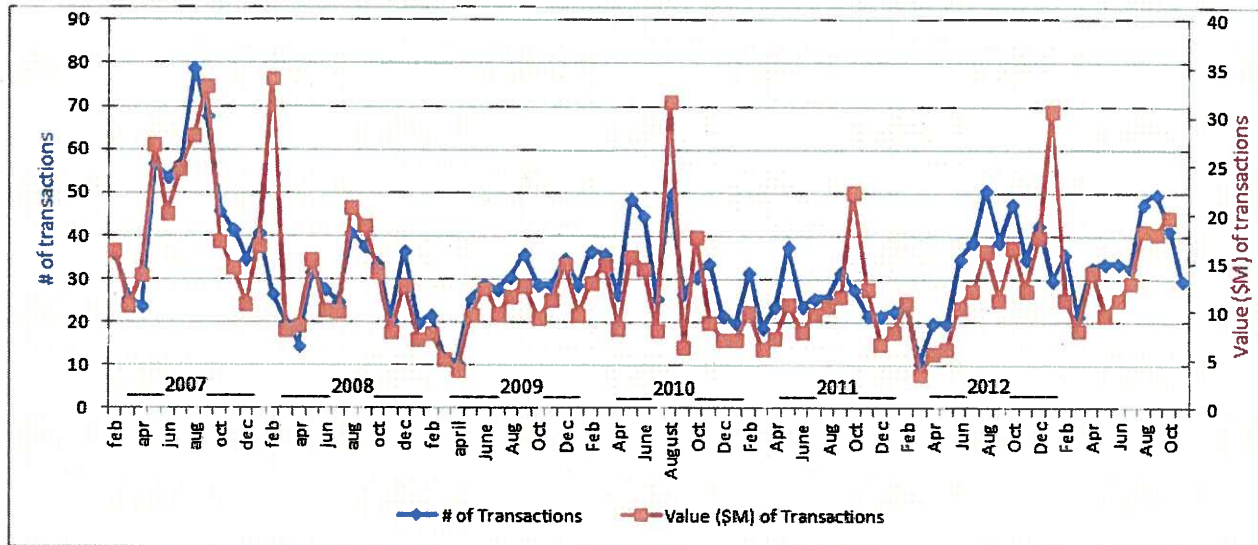


In the **Transportation Capital** fund, the revenues consisted of \$96,691 in Federal grant reimbursements for the SR 522 West A Project (61st Ave NE – 65th Ave. NE). The fund also had \$111,729 in expenses for this project during the month.

The **Real Estate Excise Tax** Fund received \$65,596 of real estate excise taxes (REET) in October from sales activity that occurred in September. 30 transactions were reported this month.

City of Kenmore, Washington
 Monthly Financial Report
 October 2013

The attached Real Estate Excise Tax Report shows the monthly activity since 2007. Below is a chart that shows both the number of real estate transactions and the value of those transactions for the years 2007, 2008, 2009, 2010, 2011, 2012, and 2013.



The **Transportation Benefit District Fund** received \$25,205 in vehicle license fees during the month.

SUMMARY

This concludes the financial report for the City of Kenmore as of **October 31, 2013**. 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
October 31, 2013**



	CURRENT PERIOD 2013-2014				PRIOR PERIOD 2011-2012			
	MONTH	BIENNIUM TO DATE	% of	BUDGET	MONTH	BIENNIUM TO DATE	% of	BIENNIUM BUDGET
	<u>October 2013</u>	<u>2013-2014</u>	<u>BUDGET</u>	<u>2013-2014</u>	<u>October 2011</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	1,437,527	3,798,018	44.8%	8,469,973	836,291	3,126,873	37.9%	8,254,387
Sales and Use Taxes	196,519	1,760,958	44.5%	3,960,331	174,606	1,783,436	41.1%	4,339,202
Utility Taxes	91,519	1,135,950	38.6%	2,942,395	93,027	1,196,226	39.8%	3,002,082
Other Taxes	8,686	44,807	73.1%	61,300	603	22,014	21.1%	104,104
Development Fees & Permits	81,559	667,984	54.4%	1,227,303	51,032	498,819	34.7%	1,439,095
Franchise Fees	71,462	297,371	22.7%	1,309,591	57,135	387,556	59.6%	650,588
Intergovernmental and Grants	41,333	303,762	47.5%	639,866	60,570	325,794	42.8%	761,476
Investment Interest	10,357	99,671	170.7%	58,400	5,605	64,676	115.5%	56,000
Fines and Forfeitures	-327	-1,026	0.0%	0	0	664	n/a	0
Transfers and Other Revenues	36,697	127,090	22.2%	572,536	2,408	18,386	5.4%	338,662
Total Revenues	1,975,332	8,234,584	42.8%	19,241,695	1,281,276	7,424,444	39.2%	18,945,596
Total Revenues & Beginning Fund Balance		13,774,538		24,580,637				23,887,480

	CURRENT PERIOD 2013-2014				PRIOR PERIOD 2011-2012			
	MONTH	BIENNIUM TO DATE	% of	BUDGET	MONTH	BIENNIUM TO DATE	% of	BIENNIUM BUDGET
	<u>October</u>	<u>2013-2014</u>	<u>BUDGET</u>	<u>2013-2014</u>	<u>October</u>	<u>2011-2012</u>	<u>BUDGET</u>	<u>2011-2012</u>
EXPENDITURES								
Cost Center								
City Council	9,352	85,810	40.1%	213,950	7,735	89,916	41.3%	217,644
City Manager	141,658	935,087	43.9%	2,129,379	59,919	734,016	40.9%	1,796,600
City Clerk	7,341	86,436	35.6%	243,139	18,740	207,900	38.8%	536,261
Finance	24,048	260,547	35.4%	735,429	29,210	226,184	35.4%	639,213
Legal	12,009	243,155	56.5%	430,000	20,378	224,658	45.5%	494,285
Non-Departmental	72,669	680,272	44.4%	1,533,487	7,430	540,467	35.3%	1,532,818
Interfund Transfers	0	3,316,000	81.8%	4,056,101	0	600,000	38.4%	1,564,000
Public Safety	328,034	2,866,591	38.0%	7,553,348	288,400	2,575,066	35.9%	7,179,563
Engineering	62,031	509,094	37.4%	1,361,385	40,250	401,955	38.4%	1,045,741
Planning & Community Dev	37,299	392,626	41.8%	939,441	25,636	267,567	37.5%	712,632
Land Dev & Permitting	55,114	503,495	38.6%	1,304,736	43,201	449,396	29.9%	1,501,147
Parks & Facility Maintenance	56,421	531,537	39.2%	1,357,271	-33,062	570,902	33.7%	1,695,042
Total Expenditures	805,975	10,410,650	47.6%	21,857,666	507,838	6,888,028	36.4%	18,914,946
Ending Fund Balance		3,363,888		2,722,971			0.0%	4,972,534
Total Expenditures and Ending Fund Balance		13,774,538		24,580,637				23,887,480

**City of Kenmore, Washington
General Fund Revenue Graphs
October 31, 2013**

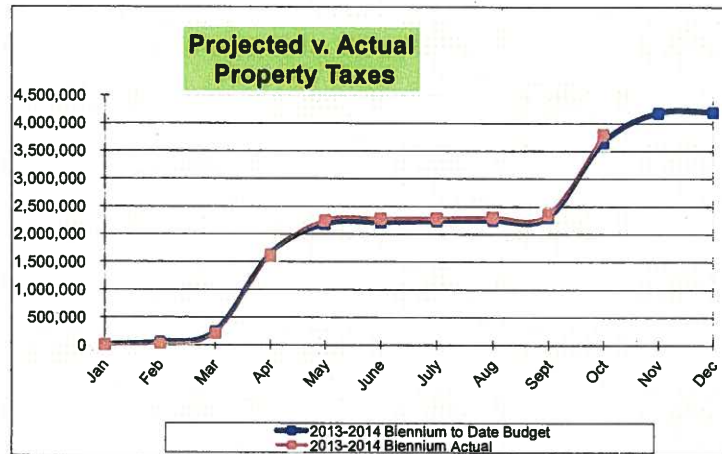
PROPERTY TAXES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	11,954	5,892
Feb	59,028	34,243
Mar	251,297	220,879
Apr	1,644,997	1,622,899
May	2,193,491	2,254,841
June	2,218,132	2,282,513
July	2,245,638	2,289,283
Aug	2,253,168	2,306,878
Sept	2,313,416	2,360,492
Oct	3,661,593	3,798,018
Nov	4,194,035	
Dec	4,213,917	
2013	4,213,917	

Year To Date

Actual v. Projected

104%



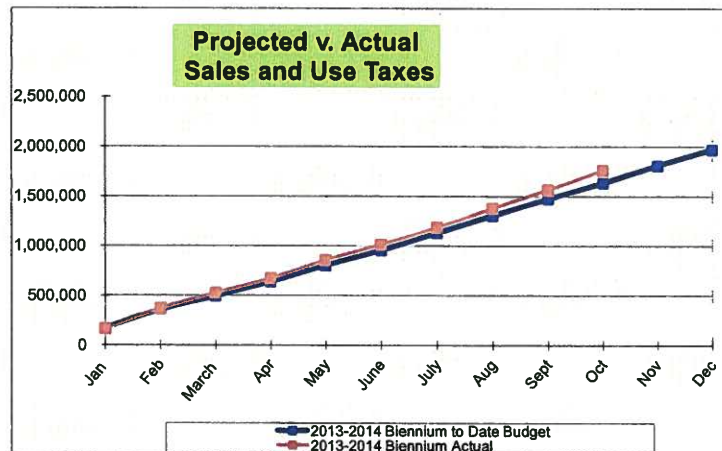
SALES, USE, CRIM JUSTICE TAXES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	174,942	165,280
Feb	361,685	371,653
March	497,400	527,785
Apr	643,196	674,402
May	805,908	858,526
June	959,342	1,014,013
July	1,133,164	1,185,231
Aug	1,306,744	1,377,962
Sept	1,475,984	1,564,438
Oct	1,637,030	1,760,958
Nov	1,811,890	
Dec	1,975,227	
2013	1,975,227	

Year To Date

Actual v. Projected

108%



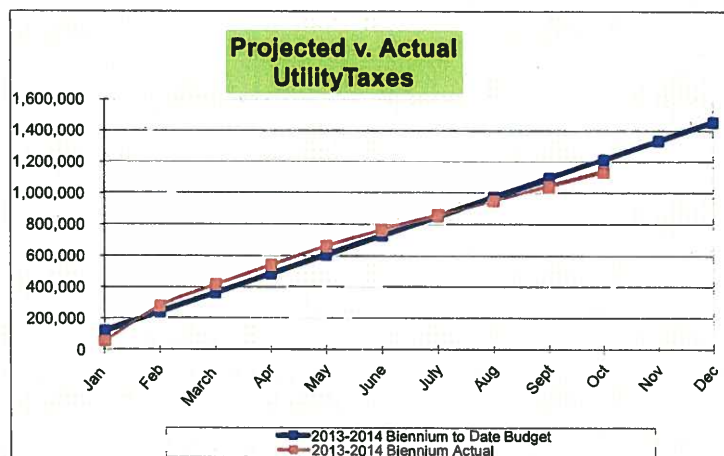
UTILITY TAXES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	121,532	56,742
Feb	243,065	281,331
March	364,597	417,703
Apr	486,130	540,614
May	607,662	662,265
June	729,195	764,596
July	850,727	858,001
Aug	972,259	952,855
Sept	1,093,792	1,044,431
Oct	1,215,324	1,135,950
Nov	1,336,857	
Dec	1,458,389	
2013	1,458,389	

Year To Date

Actual v. Projected

93%



**City of Kenmore, Washington
General Fund Revenue Graphs
October 31, 2013**

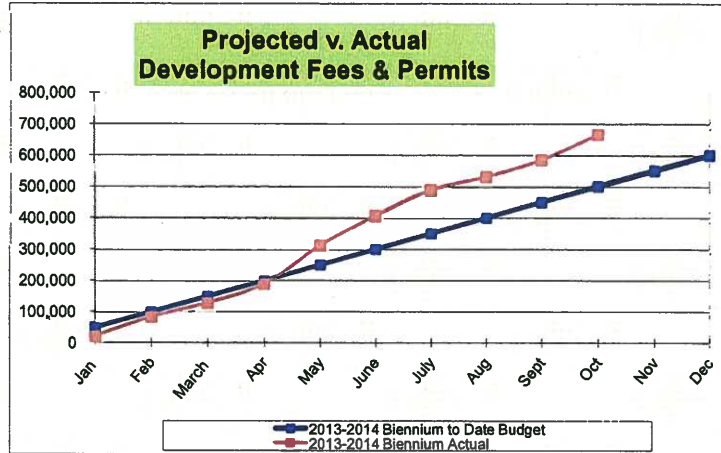
DEVELOPMENT FEES & PERMITS

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	50,371	21,332
Feb	100,742	82,718
March	151,113	128,247
Apr	201,484	189,092
May	251,855	314,404
June	302,227	408,466
July	352,598	490,433
Aug	402,969	532,694
Sept	453,340	586,424
Oct	503,711	667,984
Nov	554,082	
Dec	604,453	
2013	604,453	

Year To Date

Actual v. Projected

133%



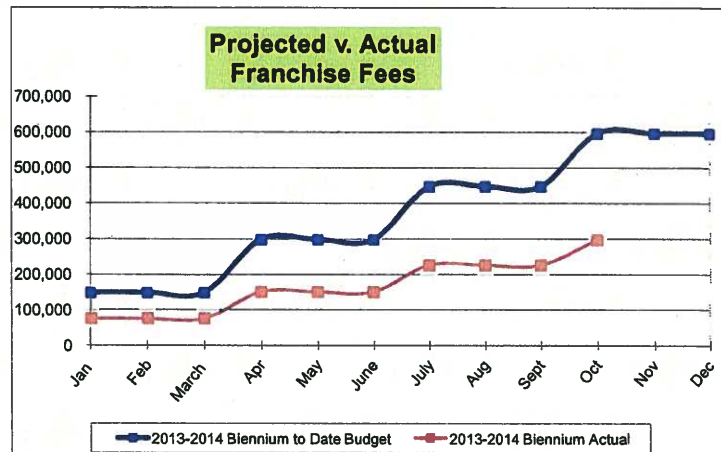
FRANCHISE FEES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	149,431	75,656
Feb	149,431	75,656
March	149,431	75,656
Apr	298,862	150,633
May	298,862	150,633
June	298,862	150,633
July	448,292	225,909
Aug	448,292	225,909
Sept	448,292	225,909
Oct	597,723	297,371
Nov	597,723	
Dec	597,723	
2013	597,723	

Year To Date

Actual v. Projected

50%



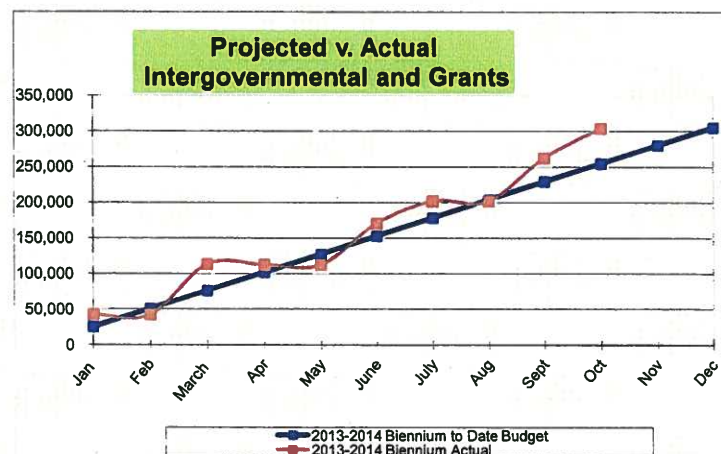
INTERGOVERNMENTAL & GRANTS

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	25,490	42,428
Feb	50,980	42,428
March	76,471	113,326
Apr	101,961	112,627
May	127,451	112,627
June	152,941	170,380
July	178,431	201,722
Aug	203,921	201,722
Sept	229,412	262,429
Oct	254,902	303,762
Nov	280,392	
Dec	305,882	
2013	305,882	

Year To Date

Actual v. Projected

119%



**City of Kenmore, Washington
General Fund Revenue Graphs
October 31, 2013**

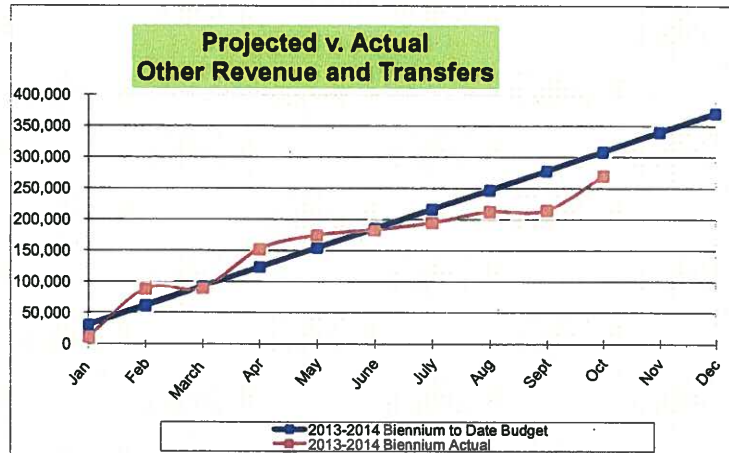
OTHER REVENUES AND TRANSFERS

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	30,992	11,617
Feb	61,984	87,759
March	92,975	89,956
Apr	123,967	152,398
May	154,959	174,826
June	185,951	183,258
July	216,942	194,627
Aug	247,934	212,534
Sept	278,926	215,129
Oct	309,918	270,542
Nov	340,909	
Dec	371,901	
2013	371,901	

Year To Date

Actual v. Projected

87%



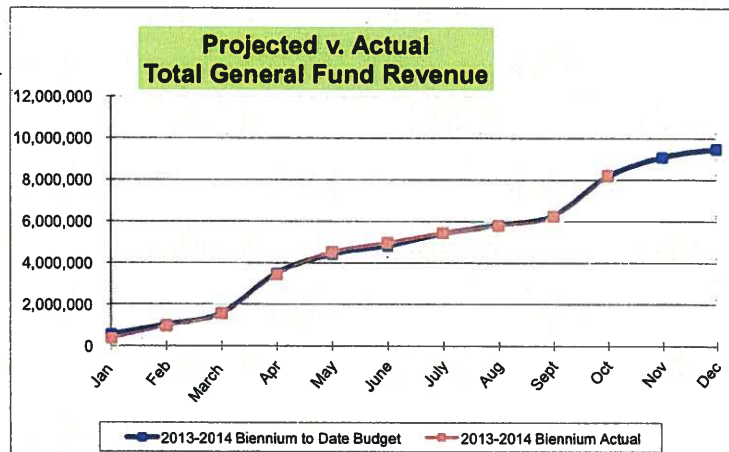
TOTAL GENERAL FUND REVENUE

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	564,712	378,947
Feb	1,026,915	975,789
March	1,583,284	1,573,552
Apr	3,500,596	3,442,666
May	4,440,187	4,528,121
June	4,846,648	4,973,858
July	5,425,792	5,445,205
Aug	5,835,288	5,810,554
Sept	6,293,161	6,259,252
Oct	8,180,200	8,234,584
Nov	9,115,888	
Dec	9,527,491	
2013	9,527,491	

Year To Date

Actual v. Projected

101%



City of Kenmore, Washington
General Fund Expenditure Graphs
October 31, 2013

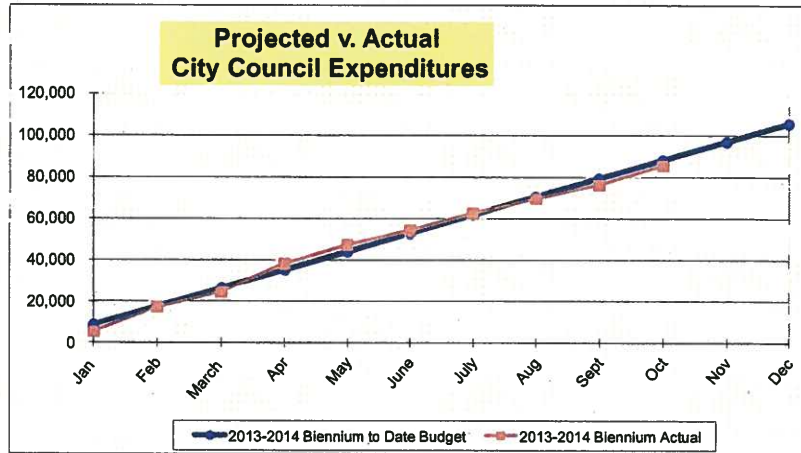
CITY COUNCIL

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	8,843	5,410
Feb	17,686	17,346
March	26,529	24,746
Apr	35,371	38,240
May	44,214	47,402
June	53,057	54,296
July	61,900	62,704
Aug	70,743	69,838
Sept	79,586	76,458
Oct	88,428	85,810
Nov	97,271	
Dec	106,114	
2013	106,114	

Year To Date

Actual v. Projected

97%



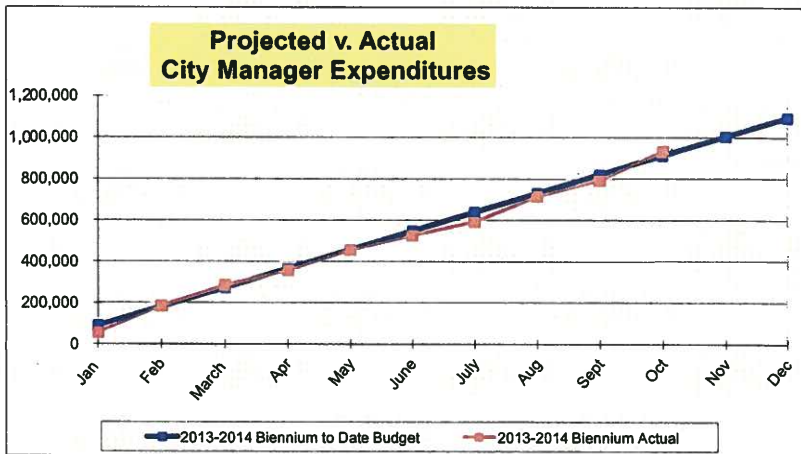
CITY MANAGER

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	91,491	56,142
Feb	182,983	185,503
March	274,474	285,244
Apr	365,965	358,096
May	457,456	456,223
June	548,948	526,145
July	640,439	592,412
Aug	731,930	716,589
Sept	823,421	793,429
Oct	914,913	935,087
Nov	1,006,404	
Dec	1,097,895	
2013	1,097,895	

Year To Date

Actual v. Projected

102%



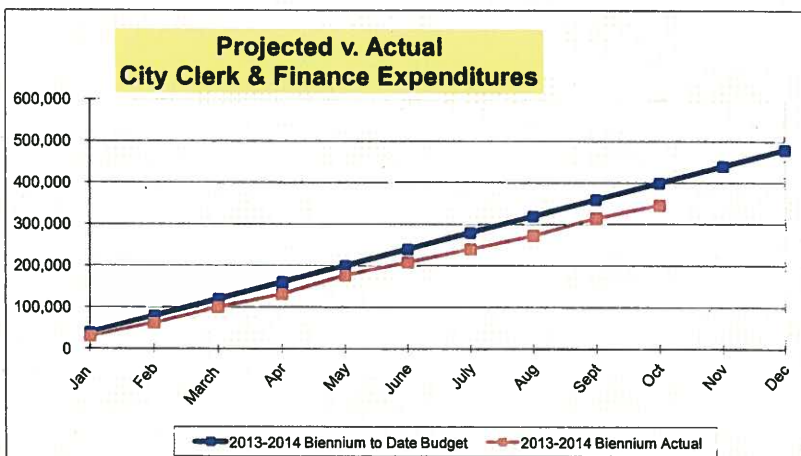
CITY CLERK & FINANCE

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	40,054	30,652
Feb	80,108	62,343
March	120,163	100,274
Apr	160,217	132,079
May	200,271	177,097
June	240,325	208,229
July	280,379	240,545
Aug	320,433	273,147
Sept	360,488	315,594
Oct	400,542	346,983
Nov	440,596	
Dec	480,650	
2013	480,650	

Year To Date

Actual v. Projected

87%



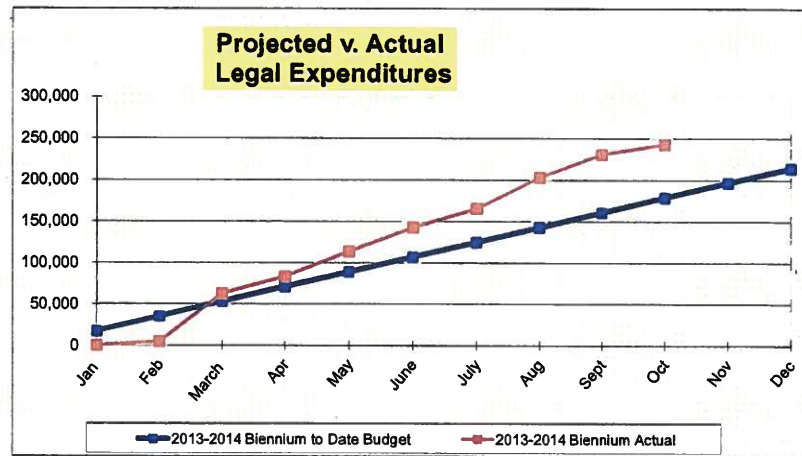
City of Kenmore, Washington
General Fund Expenditure Graphs
October 31, 2013

LEGAL

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	17,917	0
Feb	35,833	4,956
March	53,750	62,981
Apr	71,667	83,627
May	89,583	113,901
June	107,500	143,005
July	125,417	165,919
Aug	143,333	203,315
Sept	161,250	231,146
Oct	179,167	243,155
Nov	197,083	
Dec	215,000	
2013	215,000	

Year To Date
 Actual v. Projected

136%

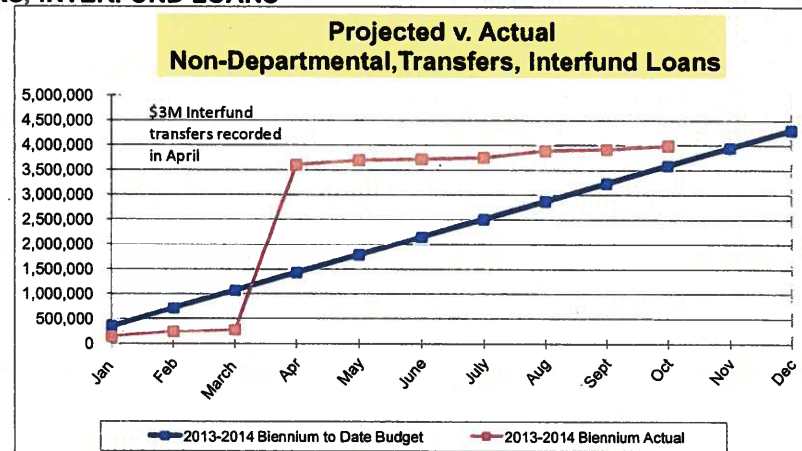


NON-DEPARTMENTAL, TRANSFERS, INTERFUND LOANS

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	359,856	142,864
Feb	719,713	240,538
March	1,079,569	277,232
Apr	1,439,425	3,606,644
May	1,799,282	3,700,514
June	2,159,138	3,723,691
July	2,518,994	3,757,978
Aug	2,878,851	3,895,621
Sept	3,238,707	3,923,603
Oct	3,598,563	3,996,272
Nov	3,958,420	
Dec	4,318,276	
2013	4,318,276	

Year To Date
 Actual v. Projected

111%

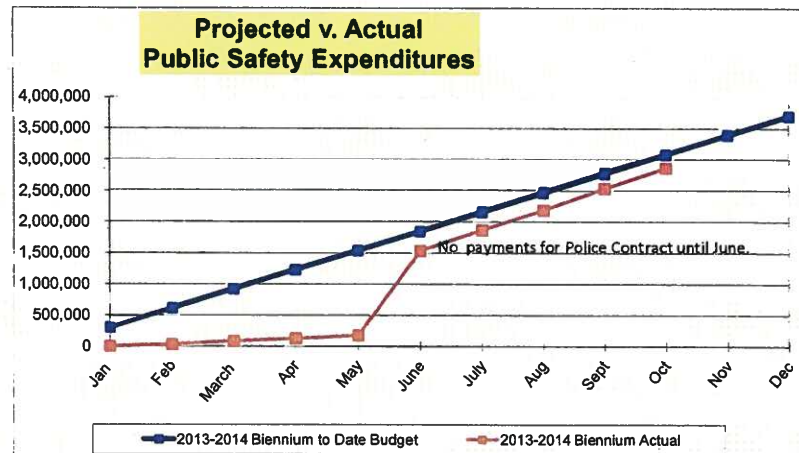


PUBLIC SAFETY

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	308,950	537
Feb	617,900	35,598
March	926,850	87,710
Apr	1,235,799	130,739
May	1,544,749	183,224
June	1,853,699	1,537,280
July	2,162,649	1,872,670
Aug	2,471,599	2,191,937
Sept	2,780,549	2,538,557
Oct	3,089,498	2,866,591
Nov	3,398,448	
Dec	3,707,398	
2013	3,707,398	

Year To Date
 Actual v. Projected

93%



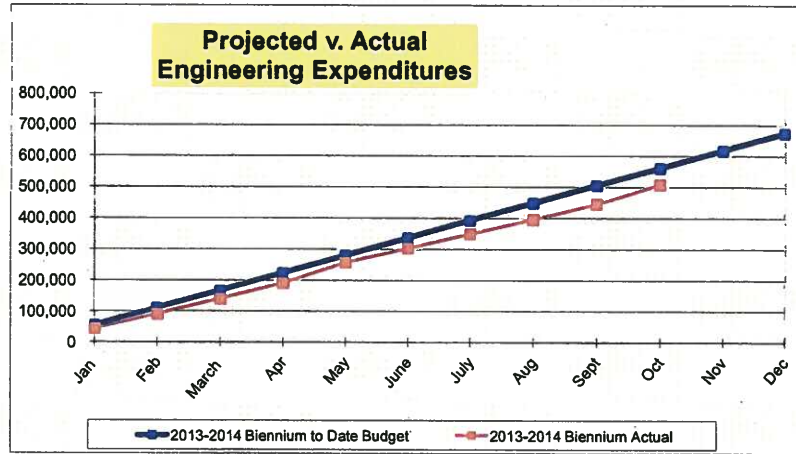
City of Kenmore, Washington
General Fund Expenditure Graphs
October 31, 2013

ENGINEERING

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	56,346	45,402
Feb	112,692	92,037
March	169,038	141,604
Apr	225,384	192,328
May	281,730	258,476
June	338,076	304,242
July	394,421	350,457
Aug	450,767	396,489
Sept	507,113	447,063
Oct	563,459	509,094
Nov	619,805	
Dec	676,151	
2013	676,151	

Year To Date
 Actual v. Projected

90%

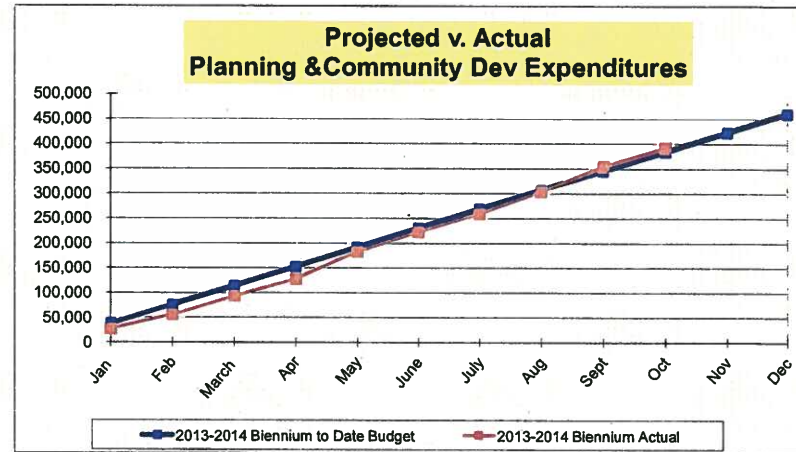


PLANNING & COMMUNITY DEV

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	38,540	27,290
Feb	77,080	56,350
March	115,621	94,369
Apr	154,161	128,628
May	192,701	183,613
June	231,241	223,359
July	269,781	260,218
Aug	308,321	305,073
Sept	346,862	355,327
Oct	385,402	392,626
Nov	423,942	
Dec	462,482	
2013	462,482	

Year To Date
 Actual v. Projected

102%

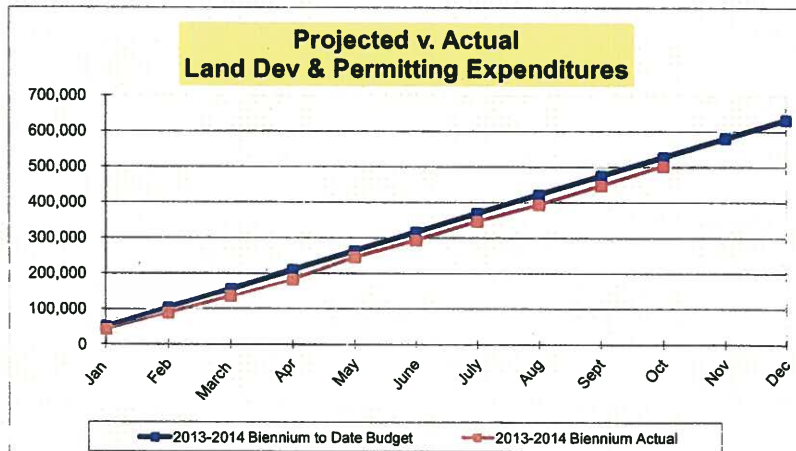


LAND DEV & PERMITTING

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	52,883	43,452
Feb	105,766	89,527
March	158,650	137,049
Apr	211,533	184,360
May	264,416	247,076
June	317,299	294,559
July	370,182	347,687
Aug	423,065	394,658
Sept	475,949	448,382
Oct	528,832	503,495
Nov	581,715	
Dec	634,598	
2013	634,598	

Year To Date
 Actual v. Projected

95%



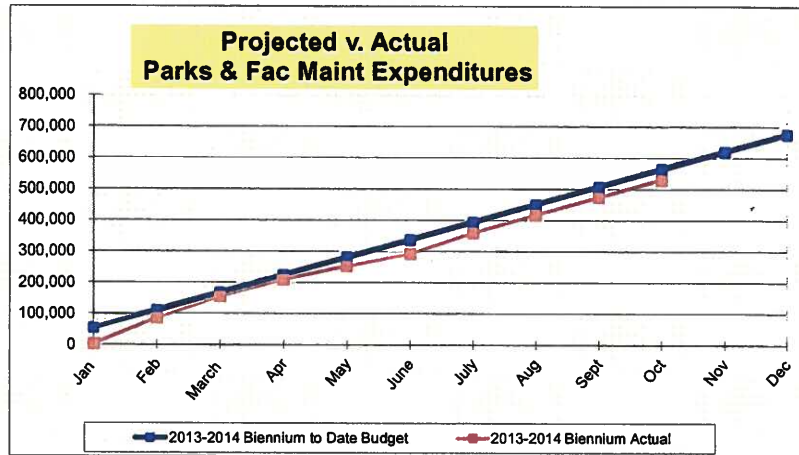
**City of Kenmore, Washington
General Fund Expenditure Graphs
October 31, 2013**

PARKS & FACILITY MAINT

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	56,544	3,386
Feb	113,088	87,019
March	169,633	156,047
Apr	226,177	210,704
May	282,721	253,744
June	339,265	293,489
July	395,809	361,014
Aug	452,353	418,836
Sept	508,898	475,116
Oct	565,442	531,537
Nov	621,986	
Dec	678,530	
2013	678,530	

Year To Date
Actual v. Projected

94%

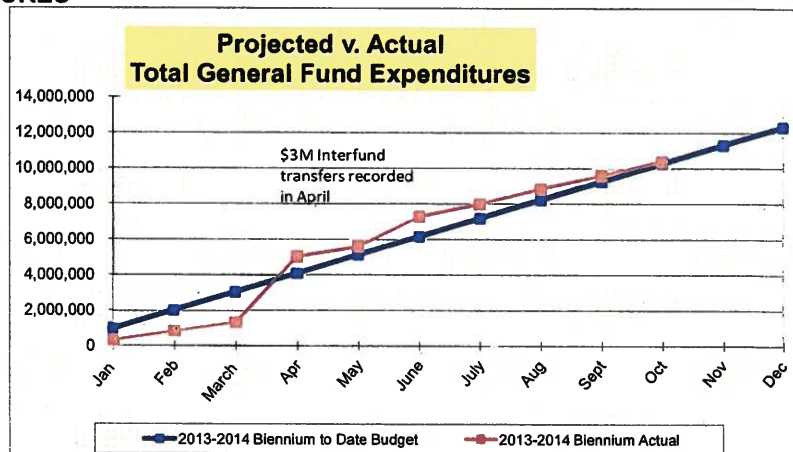


TOTAL GENERAL FUND EXPENDITURES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	1,031,425	355,135
Feb	2,062,849	871,215
March	3,094,274	1,367,258
Apr	4,125,698	5,065,445
May	5,157,123	5,621,271
June	6,188,547	7,308,294
July	7,219,972	8,011,606
Aug	8,251,396	8,865,502
Sept	9,282,821	9,604,675
Oct	10,314,245	10,410,650
Nov	11,345,670	
Dec	12,377,094	
2013	12,377,094	

Year To Date
Actual v. Projected

101%





	2011-2012 BIENNIUM TO DATE	BUDGET	OCTOBER	2013-2014 BIENNIUM TO DATE
GENERAL FUND				
Beginning Cash	4,941,884	4,351,224		4,351,224
Interfund Loan Repayment	0	0		1,200,000
Revenues	18,860,927	19,241,694	1,975,332	8,234,584
Total Sources	23,802,811	23,592,918	1,975,332	13,785,808
Interfund Loans	1,200,000	0		0
Expenditures	18,262,857	21,857,666	805,975	10,410,650
Ending Cash	4,339,954	1,735,252		3,375,158
Total Uses	23,802,811	23,592,918	805,975	13,785,808
STREET FUND				
Beginning Cash	2,040,582	1,512,463		1,512,463
Interfund Loan	0	0		0
Revenues	2,144,716	3,264,173	45,403	1,751,888
Total Sources	4,185,298	4,776,636	45,403	3,264,351
Expenditures	2,672,835	3,279,126	53,591	972,842
Ending Cash	1,512,463	1,497,510		2,291,509
Total Uses	4,185,298	4,776,636	53,591	3,264,351
TRANSPORTATION CAPITAL FUND				
Beginning Cash	1,209,197	427,539		427,539
Revenues	4,657,682	11,600,750	115,191	1,922,647
Total Sources	5,866,879	12,028,289	115,191	2,350,186
Expenditures	4,447,557	11,665,837	135,377	1,406,553
Ending Cash	1,419,322	362,452		943,633
Total Uses	5,866,879	12,028,289	135,377	2,350,186
PUBLIC ART FUND				
Beginning Cash	68,244	68,540		68,540
Revenues	1,296	600	0	0
Total Sources	69,540	69,140	0	68,540
Expenditures	1,000	1,000	740	1,507
Ending Cash	68,540	68,140		67,034
Total Uses	69,540	69,140	740	68,540
PARK IMPACT FEE FUND				
Beginning Cash	1,354,455	1,610,440		1,610,440
Revenues	285,604	346,567	0	98,943
Total Sources	1,640,059	1,957,007	0	1,709,383
Expenditures	24,963	220,000	0	190,000
Ending Cash	1,615,096	1,737,007		1,519,383
Total Uses	1,640,059	1,957,007	0	1,709,383
TRANSPORTATION IMPACT FEE FUND				
Beginning Cash	545,655	240,535		240,535
Revenues	916,135	876,670	0	328,927
Total Sources	1,461,790	1,117,205	0	569,462
Expenditures	1,221,255	822,500	0	248,000
Ending Cash	240,535	294,705		321,462
Total Uses	1,461,790	1,117,205	0	569,462
SWAMP CREEK BASIN FUND				
Beginning Cash	1,762,640	1,581,067		1,581,067
Revenues	16,536	16,000	0	0
Total Sources	1,779,176	1,597,067	0	1,581,067
Expenditures	198,109	160,000	0	109,873
Ending Cash	1,581,067	1,437,067		1,471,194
Total Uses	1,779,176	1,597,067	0	1,581,067
TRANSPORTATION BENEFIT DISTRICT FUND				
Beginning Cash	0	0		0
Revenues	0	535,000	25,205	107,989
Total Sources	0	535,000	25,205	107,989
Expenditures	0	535,000	0	5,000
Ending Cash	0	0		102,989
Total Uses	0	535,000	0	107,989
SAMMAMISH BRIDGE REPLACEMENT FUND				
Beginning Cash	0	0		0
Revenues	0	80,000	0	80,000
Total Sources	0	80,000	0	80,000
Expenditures	0	0		0
Ending Cash	0	80,000	0	80,000
Total Uses	0	80,000	0	80,000

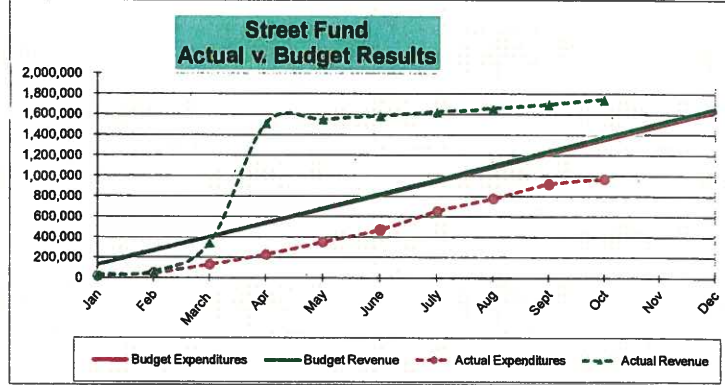


	2011-2012 BIENNIUM TO DATE	BUDGET	OCTOBER	2013-2014 BIENNIUM TO DATE
REAL ESTATE EXCISE TAX FUND				
Beginning Cash	1,866,318	1,965,806		1,965,806
Revenues	1,497,557	1,147,317	65,596	681,259
Total Sources	3,363,874	3,113,123	65,596	2,647,064
Expenditures	2,386,812	2,365,050	0	1,076,956
Ending Cash	977,062	748,073		1,570,109
Total Uses	3,363,874	3,113,123	0	2,647,064
KENMORE VILLAGE FUND				
Beginning Cash	60,725	151,088		151,088
Interfund Loan	1,200,000			0
Revenues	555,153	1,692,340	750	1,349,555
Total Sources	1,815,878	1,843,428	750	1,500,643
Interfund Loans	0	0		1,200,000
Expenditures	1,663,002	339,200	4,784	150,080
Ending Cash	152,875	1,504,228		150,564
Total Uses	1,815,878	1,843,428	4,784	1,500,643
PARK CAPITAL FUND				
Beginning Cash	0	0		0
Revenues	0	678,534	2,800	216,119
Total Sources	0	678,534	2,800	216,119
Expenditures	0	635,000	28,231	150,023
Ending Cash	0	43,534		66,097
Total Uses	0	678,534	28,231	216,119
SURFACE WATER MANAGEMENT FUND				
Beginning Cash	1,590,280	1,419,392		1,419,392
Revenues	3,739,336	3,799,176	540,875	1,848,326
Total Sources	5,329,616	5,218,568	540,875	3,267,718
Expenditures	3,908,437	4,919,887	61,869	1,254,534
Ending Cash	1,421,179	298,681		2,013,184
Total Uses	5,329,616	5,218,568	61,869	3,267,718
SURFACE WATER CAPITAL FUND				
Beginning Cash	0	0		0
Revenues	0	2,369,261	0	492,011
Total Sources	0	2,369,261	0	492,011
Expenditures	0	2,369,261	0	170,027
Ending Cash	0	0		321,984
Total Uses	0	2,369,261	0	492,011
STRATEGIC RESERVE FUND				
Beginning Cash	1,264,464	1,264,464		1,264,464
Interfund Loan Repayment	0			0
Revenues	0	0	0	0
Total Sources	1,264,464	1,264,464	0	1,264,464
Interfund Loans	0			0
Expenditures	0	0	0	0
Ending Cash	1,264,464	1,264,464		1,264,464
Total Uses	1,264,464	1,264,464	0	1,264,464
STRATEGIC OPPORTUNITIES FUND				
Beginning Cash	0	0		0
Revenues	0	2,525,062	1,850	2,510,762
Total Sources	0	2,525,062	1,850	2,510,762
Expenditures	0	364,100	4,070	883,219
Ending Cash	0	2,160,962		1,627,542
Total Uses	0	2,525,062	4,070	2,510,762
EQUIPMENT REPLACEMENT FUND				
Beginning Cash	524,310	490,603		490,603
Revenues	188,365	155,142	0	0
Total Sources	712,675	645,745	0	490,603
Expenditures	222,072	276,250	4,507	48,795
Ending Cash	490,603	369,495		441,808
Total Uses	712,675	645,745	4,507	490,603
TRUST AND AGENCY (NON BUDGETED FUND)*				
Beginning Cash	278,859	247,209		247,209
Revenues	122,994	0	15,620	83,994
Total Sources	401,854	247,209	15,620	331,203
Expenditures	154,645	0	1,238	8,228
Ending Cash	247,209	247,209		322,975
Total Uses	401,854	247,209	1,238	331,203
TOTALS				
Beginning Cash	17,507,613	15,330,369		15,330,369
Interfund Loan	0	0	0	1,200,000
Revenues	32,986,301	48,328,286	2,788,622	19,707,004
Total Sources	50,493,914	63,658,655	2,788,622	36,237,373
Interfund Loans	1,200,000	0	0	1,200,000
Expenditures	34,965,435	49,809,877	1,100,382	17,086,286
Ending Cash	15,330,370	13,848,778		17,951,087
Total Uses	35,965,435	49,809,877	1,100,382	36,237,373

City of Kenmore, Washington
Other Funds Monthly Activity
October 31, 2013

STREET FUND

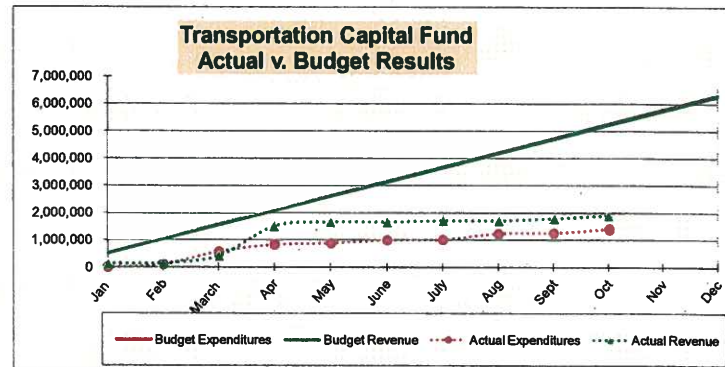
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	136,066	20,826	138,310	33,895
Feb	272,131	50,658	276,620	67,931
March	408,197	135,152	414,931	351,822
Apr	544,263	232,266	553,241	1,519,322
May	680,328	355,188	691,551	1,555,856
June	816,394	475,859	829,861	1,591,157
July	952,460	656,994	968,171	1,630,035
Aug	1,088,525	781,453	1,106,481	1,666,097
Sept	1,224,591	919,252	1,244,792	1,706,485
Oct	1,360,657	972,842	1,383,102	1,751,888
Nov	1,496,722		1,521,412	
Dec	1,632,788		1,659,722	
2013-2014	3,279,126		3,264,173	
Total Actual to Date vs Total Budget		30%		54%



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

TRANSPORTATION CAPITAL FUND

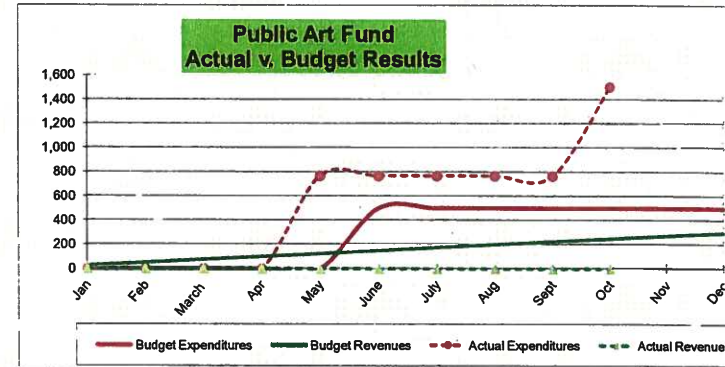
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	525,903	0	524,563	143,512
Feb	1,051,806	108,258	1,049,125	166,545
March	1,577,709	580,440	1,573,688	428,039
Apr	2,103,612	830,508	2,098,250	1,531,290
May	2,629,515	887,923	2,622,813	1,681,290
June	3,155,419	1,002,868	3,147,375	1,681,290
July	3,681,322	1,022,496	3,671,938	1,733,008
Aug	4,207,225	1,246,115	4,196,500	1,733,008
Sept	4,733,128	1,271,176	4,721,063	1,807,456
Oct	5,259,031	1,406,553	5,245,625	1,922,647
Nov	5,784,934		5,770,188	
Dec	6,310,837		6,294,750	
2013-2014	11,575,837		11,600,750	
Total Actual to Date vs Total Budget		12%		17%



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.

PUBLIC ART FUND

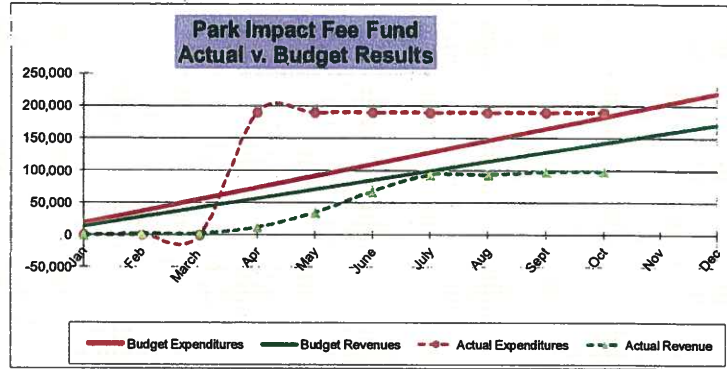
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	0	0	25	0
Feb	0	0	50	0
March	0	0	75	0
Apr	0	0	100	0
May	0	767	125	0
June	500	767	150	0
July	500	767	175	0
Aug	500	767	200	0
Sept	500	767	225	0
Oct	500	1,507	250	0
Nov	500		275	
Dec	500		300	
2013-2014	1,000		600	
Total Actual to Date vs Total Budget		151%		0%



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

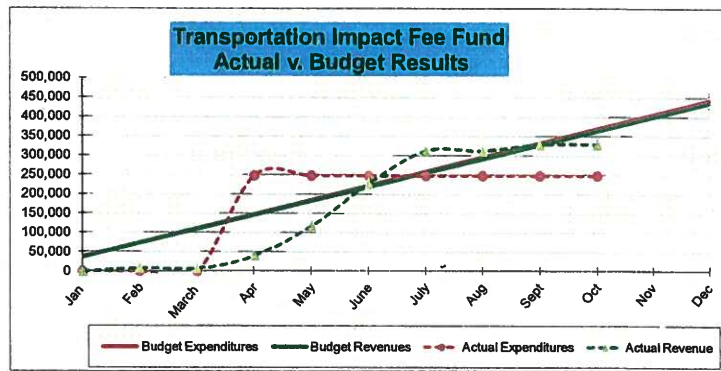
City of Kenmore, Washington
Other Funds Monthly Activity
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PARK IMPACT FEE FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	18,333	0	14,351	0
Feb	36,667	0	28,702	2,537
March	55,000	0	43,054	2,537
Apr	73,333	190,000	57,405	12,685
May	91,667	190,000	71,756	35,518
June	110,000	190,000	86,107	68,499
July	128,333	190,000	100,458	93,869
Aug	146,667	190,000	114,809	93,869
Sept	165,000	190,000	129,161	98,943
Oct	183,333	190,000	143,512	98,943
Nov	201,667		157,863	
Dec	220,000		172,214	
2013-2014	220,000		346,567	
Total Actual to Date vs Total Budget		86%		29%



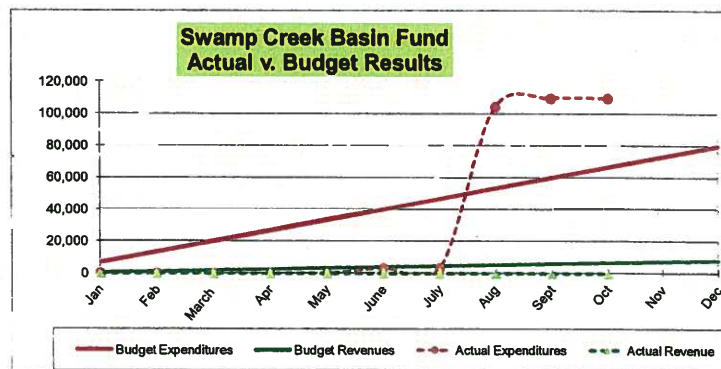
This fund accounts for City imposed park impact fees on new development. Expenditures are for public park acquisitions and improvements.
 In the 2011-2012 budget, expenditures represent transfers to Municipal Capital Fund for improvements to City parks.

TRANSPORTATION IMPACT FEE FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	36,875	0	36,331	0
Feb	73,750	0	72,662	8,434
March	110,625	0	108,993	8,434
Apr	147,500	248,000	145,324	42,170
May	184,375	248,000	181,655	118,076
June	221,250	248,000	217,987	227,719
July	258,125	248,000	254,318	312,059
Aug	295,000	248,000	290,649	312,059
Sept	331,875	248,000	326,980	328,927
Oct	368,750	248,000	363,311	328,927
Nov	405,625		399,642	
Dec	442,500		435,973	
2013-2014	822,500		876,670	
Total Actual to Date vs Total Budget		30%		38%



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

SWAMP CREEK BASIN FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	6,667	0	683	0
Feb	13,333	0	1,367	0
March	20,000	0	2,050	0
Apr	26,667	0	2,733	0
May	33,333	0	3,417	0
June	40,000	3,483	4,100	0
July	46,667	3,483	4,783	0
Aug	53,333	104,553	5,467	0
Sept	60,000	109,873	6,150	0
Oct	66,667	109,873	6,833	0
Nov	73,333		7,517	
Dec	80,000		8,200	
2013-2014	160,000		16,000	
Total Actual to Date vs Total Budget		69%		0%

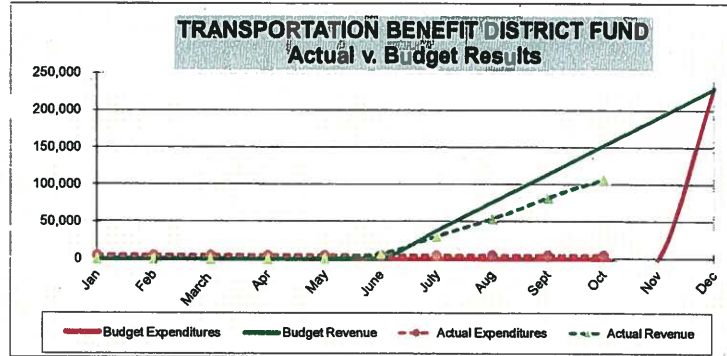


This fund accounts for the Memorandum of Agreement with King County which provided funds reserved for surface water projects, improvements, and maintenance within the Swamp Creek Basin.

**City of Kenmore, Washington
Other Funds Monthly Activity
October 31, 2013**

TRANSPORTATION BENEFIT DISTRICT FUND

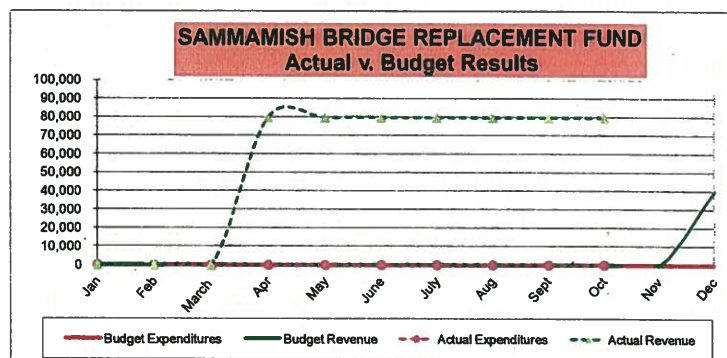
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	0	5,000	0	0
Feb	0	5,000	0	0
March	0	5,000	0	0
Apr	0	5,000	0	0
May	0	5,000	0	772
June	0	5,000	0	7,029
July	0	5,000	38,333	30,690
Aug	0	5,000	76,666	54,628
Sept	0	5,000	114,999	82,784
Oct	0	5,000	153,332	107,989
Nov	0		191,665	
Dec	230,000		230,000	
2013-2014	535,000		535,000	
Total Actual to Date vs Total Budget		1%		20%



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.

SAMMAMISH BRIDGE REPLACEMENT FUND

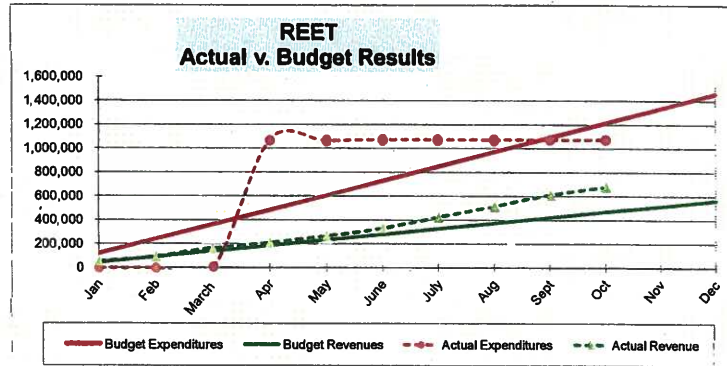
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	0	0	0	0
Feb	0	0	0	0
March	0	0	0	0
Apr	0	0	0	80,000
May	0	0	0	80,000
June	0	0	0	80,000
July	0	0	0	80,000
Aug	0	0	0	80,000
Sept	0	0	0	80,000
Oct	0	0	0	80,000
Nov	0		0	
Dec	0		40,000	
2013-2014	0		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
Jan	121,671	0	47,456	55,801
Feb	243,342	0	94,911	96,082
March	365,013	9,610	142,367	166,028
Apr	486,683	1,070,100	189,823	214,700
May	608,354	1,070,100	237,278	270,878
June	730,025	1,076,956	284,734	335,816
July	851,696	1,076,956	332,190	427,594
Aug	973,367	1,076,956	379,645	517,090
Sept	1,095,038	1,076,956	427,101	615,663
Oct	1,216,708	1,076,956	474,557	681,259
Nov	1,338,379		522,012	
Dec	1,460,050		569,468	
2013-2014	2,365,050		1,147,317	
Total Actual to Date vs Total Budget		46%		59%



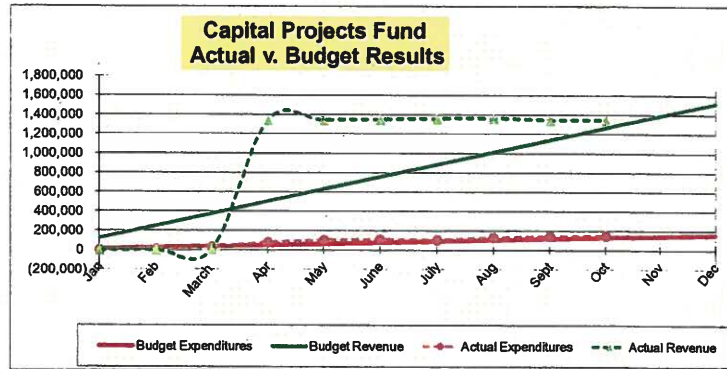
The Real Estate Excise Tax Fund accounts for the 1/2% real estate excise taxes levied by the City which are restricted to capital projects and improvements. Expenditures include park improvements and transfers to the Transportation Capital Fund for transportation improvements.

City of Kenmore, Washington
Other Funds Monthly Activity
October 31, 2013

KENMORE VILLAGE FUND

	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	13,467	3,120	126,918	2,050
Feb	26,933	14,302	253,837	4,650
March	40,400	38,391	380,755	9,641
Apr	53,867	82,954	507,673	1,347,548
May	67,333	105,120	634,592	1,348,848
June	80,800	112,981	761,510	1,353,497
July	94,267	108,461	888,428	1,360,779
Aug	107,733	131,984	1,015,347	1,365,020
Sept	121,200	145,296	1,142,265	1,348,805
Oct	134,667	150,080	1,269,183	1,349,555
Nov	148,133		1,396,102	
Dec	161,600		1,523,020	
2013-2014	339,200		1,692,340	
Total Actual to Date vs Total Budget		44%		80%

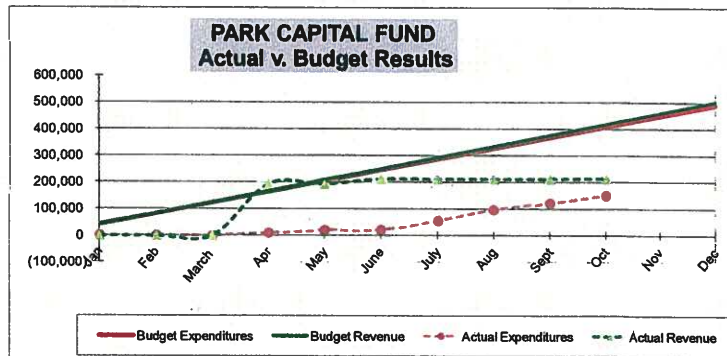
The Kenmore Village Fund accounts for leasing activity within Kenmore Village



PARK CAPITAL FUND

	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	40,833	0	41,961	0
Feb	81,667	0	83,922	340
March	122,500	0	125,884	340
Apr	163,333	9,952	167,845	194,803
May	204,167	20,823	209,806	194,803
June	245,000	21,888	251,767	212,810
July	285,833	56,492	293,728	212,810
Aug	326,667	96,559	335,689	213,319
Sept	367,500	121,792	377,651	213,319
Oct	408,333	150,023	419,612	216,119
Nov	449,167		461,573	
Dec	490,000		503,534	
2013-2014	650,000		663,534	
Total Actual to Date vs Total Budget		23%		33%

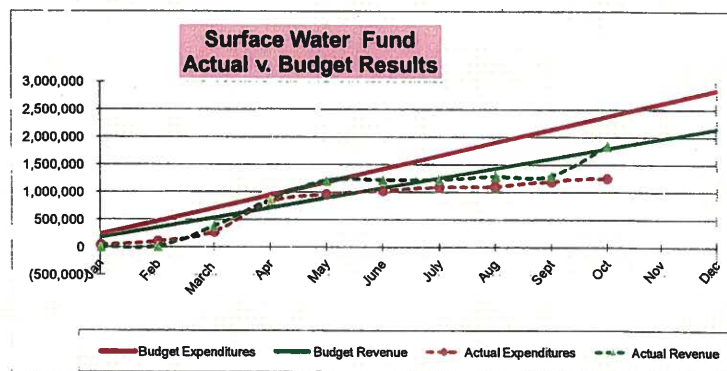
The Park Capital fund will account for Park Capital Projects formerly included in the Municipal Capital fund. In addition, distributions from the King County Proposition 2 Parks Expansion Levy will be receipted into this fund



SURFACE WATER MANAGEMENT FUND

	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	237,469	40,806	179,928	11,144
Feb	474,938	109,357	359,856	20,625
March	712,407	284,556	539,784	384,041
Apr	949,875	829,064	719,712	869,859
May	1,187,344	964,357	899,640	1,216,519
June	1,424,813	1,030,493	1,079,569	1,230,077
July	1,662,282	1,092,286	1,259,497	1,233,370
Aug	1,899,751	1,103,730	1,439,425	1,291,532
Sept	2,137,220	1,192,665	1,619,353	1,307,451
Oct	2,374,688	1,254,534	1,799,281	1,848,326
Nov	2,612,157		1,979,209	
Dec	2,849,626		2,159,137	
2013-2014	4,919,887		3,799,176	
Total Actual to Date vs Total Budget		25%		49%

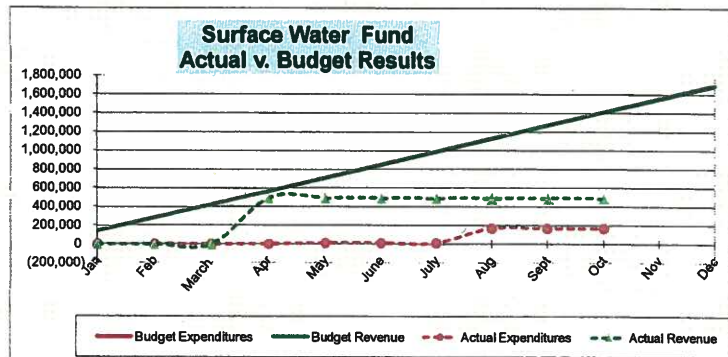
This fund accounts for receipts from surface water assessments. The assessments are collected through the property tax billings; the majority of the receipts are collected in May and November. Expenditures are for surface water maintenance activities such as sweeping and drainage as well as capital improvements.



**City of Kenmore, Washington
Other Funds Monthly Activity
October 31, 2013**

SURFACE WATER CAPITAL FUND

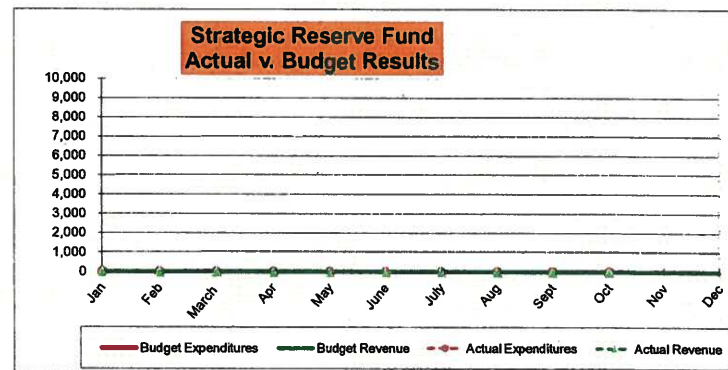
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	141,438	0	141,438	0
Feb	282,877	0	282,877	0
March	424,315	632	424,315	0
Apr	565,754	632	565,754	492,011
May	707,192	11,686	707,192	492,011
June	848,631	11,686	848,631	492,011
July	990,069	11,686	990,069	492,011
Aug	1,131,507	170,027	1,131,507	492,011
Sept	1,272,946	170,027	1,272,946	492,011
Oct	1,414,384	170,027	1,414,384	492,011
Nov	1,555,823		1,555,823	
Dec	1,697,261		1,697,261	
2013-2014	2,369,261		2,369,261	
Total Actual to Date vs Total Budget		7%		21%



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.

STRATEGIC RESERVE FUND

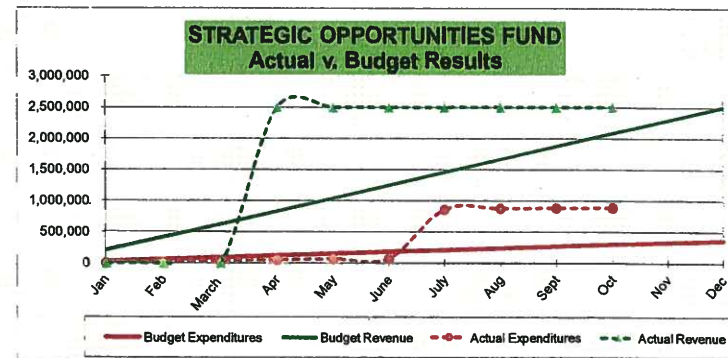
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	0	0	0	0
Feb	0	0	0	0
March	0	0	0	0
Apr	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
Aug	0	0	0	0
Sept	0	0	0	0
Oct	0	0	0	0
Nov	0		0	
Dec	0		0	
2013-2014	0		0	
Total Actual to Date vs Total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

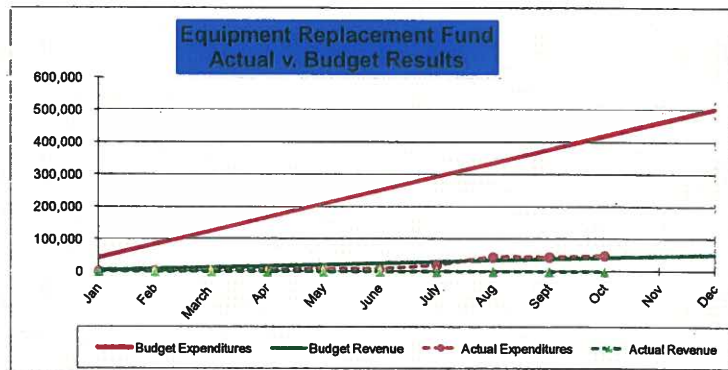
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	30,342	2,856	209,375	0
Feb	60,683	16,847	418,750	1,502
March	91,025	40,110	628,125	1,502
Apr	121,367	51,688	837,500	2,502,352
May	151,708	69,644	1,046,875	2,503,552
June	182,050	77,510	1,256,250	2,504,402
July	212,392	860,293	1,465,625	2,505,602
Aug	242,733	871,509	1,675,000	2,507,162
Sept	273,075	879,149	1,884,375	2,508,912
Oct	303,417	883,219	2,093,750	2,510,762
Nov	333,758		2,303,125	
Dec	364,100		2,512,500	
2013-2014	364,100		2,525,062	
Total Actual to Date vs Total Budget		243%		99%



The purpose of the Strategic Opportunities Fund is to have funds available for "rainy days" and 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
October 31, 2013

EQUIPMENT REPLACEMENT FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	41,883	0	4,321	0
Feb	83,767	1,948	8,642	0
March	125,650	1,948	12,963	0
Apr	167,534	4,145	17,283	0
May	209,417	8,191	21,604	0
June	251,301	8,191	25,925	0
July	293,184	19,708	30,246	0
Aug	335,067	43,616	34,567	0
Sept	376,951	44,287	38,888	0
Oct	418,834	48,795	43,208	0
Nov	460,718		47,529	
Dec	502,601		51,850	
2013-2014	276,250		155,142	
Total Actual to Date vs Total Budget		18%		0%



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
October 31, 2013**



<u>Fund</u>	<u>Beg. Cash & Inv. from Prev. Mo.</u>	<u>Monthly Revenues</u>	<u>Monthly Expenditures</u>	<u>End. Cash & Inv. Current Month</u>
General	\$2,192,523	\$1,975,332	\$805,975	3,361,880
Street	2,299,696	45,403	53,591	2,291,508
Transportation Capital	1,955,603	115,191	135,377	1,935,417
Public Art	67,775	0	740	67,035
Park Impact Fee	1,524,041	0	0	1,524,041
Transp Impact Fee	321,463	0	0	321,463
Swamp Creek Basin	1,471,194	0	0	1,471,194
Transportation Benefit District	77,784	25,205	0	102,989
Sammamish Bridge Replacement	80,000	0	0	80,000
Real Estate Excise Tax	515,768	65,596	0	581,363
Kenmore Village	156,382	750	4,784	152,348
Park Capital	91,527	2,800	28,231	66,097
Surface Water Management	1,535,965	540,875	61,869	2,014,972
Surface Water Capital	321,984	0	0	321,984
Strategic Reserve	1,264,465	0	0	1,264,465
Strategic Opportunities	1,629,763	1,850	4,070	1,627,542
Equipment Replacement	446,315	0	4,507	441,807
Trust & Agency	308,589	15,620	1,238	322,971
Totals	\$16,260,836	\$2,788,622	\$1,100,382	\$17,949,076

<u>Fund</u>	<u>Cash, Savings, Local Govt Investment Pool</u>	<u>(> One Year) Fixed Investments</u>	<u>Total</u>
General	-\$1,347,760	\$4,723,321	3,375,561
Street	1,441,508	850,000	2,291,508
Transportation Capital	943,634	0	943,634
Public Art	52,034	15,000	67,034
Park Impact Fee	589,385	930,000	1,519,385
Transp Impact Fee	291,464	30,000	321,464
Swamp Creek Basin	71,195	1,400,000	1,471,195
Transportation Benefit District	102,989	0	102,989
Sammamish Bridge Replacement	80,000	0	80,000
Real Estate Excise Tax	1,570,107	0	1,570,107
Kenmore Village	-299,439	450,000	150,561
Park Capital	66,097	0	66,097
Surface Water Management	1,503,185	510,000	2,013,185
Surface Water Capital	321,984	0	321,984
Strategic Reserve	414,465	850,000	1,264,465
Strategic Opportunities	1,627,542	0	1,627,542
Equipment Replacement	-8,192	450,000	441,808
Trust & Agency	222,971	100,000	322,971
Totals	\$7,643,169	\$10,308,321	\$17,951,490

City of Kenmore, Washington
Schedule of Investments
October 31, 2013



Report by Security	Investment #	Type	Average Yield to Maturity-Securities				Possible Call Date	Overall Average Yield	0.53%
			Maturity Date	Purchase Date	Rate	Yield		Principal or Balance	Yield Equivalents
Piper Jaffray									
	313371PC4	FHLB	12/12/2014	6/7/2011	0.88%	0.88%	no call	991,238.90	8,722.90
	3136G0QY0	FNMA	7/25/2017	7/25/2012	0.75%	0.75%	7/25/2013	1,000,000.00	7,500.00
	31771J4M9	FICO	9/26/2017	8/14/2012	1.13%	1.13%	non callable	894,731.88	10,137.31
Total Piper Jaffray Purchases								2,885,970.78	26,360.21
Morgan Stanley									
								-	-
								-	-
								-	-
Time Value Investments									
	313586QR3	FNMA	7/5/2014	6/7/2011	1.00%	compounds	no call	998,858.37	9,988.58
	3136G1BT5	FNMA	8/7/2017	7/2/2013	1.30%	1.30%	8/7/2013	982,099.00	12,767.29
	3135GOVB6	FNMA	3/28/2016	7/1/2013	0.70%	0.70%	8/28/2013	998,644.00	6,990.51
	3136G1T25	FNMA	8/26/2016	8/26/2013	0.90%	0.90%	2/26/2014	998,500.00	8,986.50
	31359MEL3	FNMA	4/22/2017	10/22/2012	0.86%	0.86%	no call	999,468.08	8,595.43
Total TVI Purchases								4,977,569.45	47,328.30
Banner Bank CD's									
	5740005425	CD	2/6/2014	2/6/2013	0.45%	0.45%		1,195,585.97	5,380.14
Total Banner Bank CD's								1,195,585.97	5,380.14
Sound Community Bank CD's									
	18299229	CD	2/11/2014	8/17/2012	0.65%	0.65%		1,000,000.00	6,500.00
Total Sound Community Bank CD's								1,000,000.00	6,500.00
Opus Bank CD's									
	280140042	CD	3/16/2015	3/15/2011	1.15%	1.15%		249,194.49	2,865.74
Total Cascade Bank CD's								249,194.49	2,865.74
TOTAL ALL SECURITIES								\$ 10,308,320.69	\$ 88,434.39
		Banner Checking and Savings			0.07%	Banner		6,389,820.32	4,472.87
		Opus Bank			0.20%			11,095.99	22.19
		Cash						1,005.00	-
		Local Government Investment Pool			0.13%	LGIP		1,241,246.33	1,664.51
								-	-
		Total Accounts						\$ 17,951,488.33	94,593.97

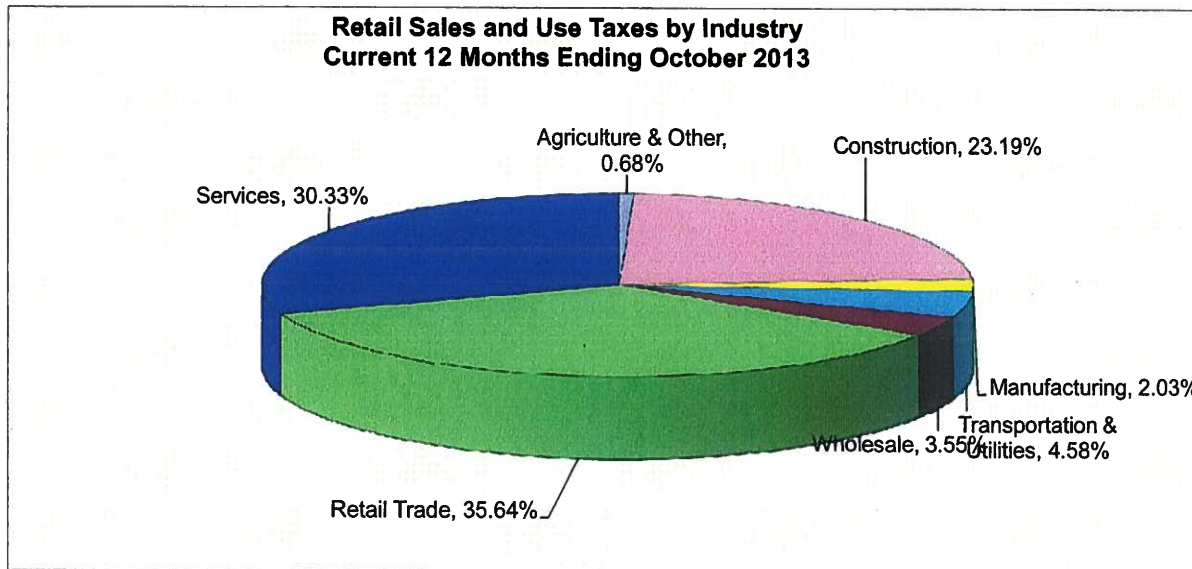
City of Kenmore, Washington
SALES TAX RECEIPTS BY BUSINESS TYPE
 October 2013

	SALES TAX	USE TAX	TOTAL	PERCENT
AGRICULTURE & OTHER	131.16	0.00	131.16	0.1%
CONSTRUCTION	45,868.82	893.35	46,762.16	30.0%
MANUFACTURING	2,176.82	0.57	2,177.40	1.4%
TRANSPORTATION & UTILITIES	1,292.02	1,928.14	3,220.17	2.1%
WHOLESALE	6,163.90	35.68	6,199.58	4.0%
RETAIL TRADE	54,671.99	163.44	54,835.42	35.2%
SERVICES	31,659.75	465.16	32,124.91	20.6%
INFORMATION	8,126.51	47.72	8,174.23	5.2%
PUBLIC SERVICES	4.13	2,298.07	2,302.20	1.5%
	<u>150,095.10</u>	<u>5,832.14</u>	<u>155,927.24</u>	<u>100.0%</u>

City of Kenmore, Washington
Retail Sales and Use Tax Distribution
October 31, 2013



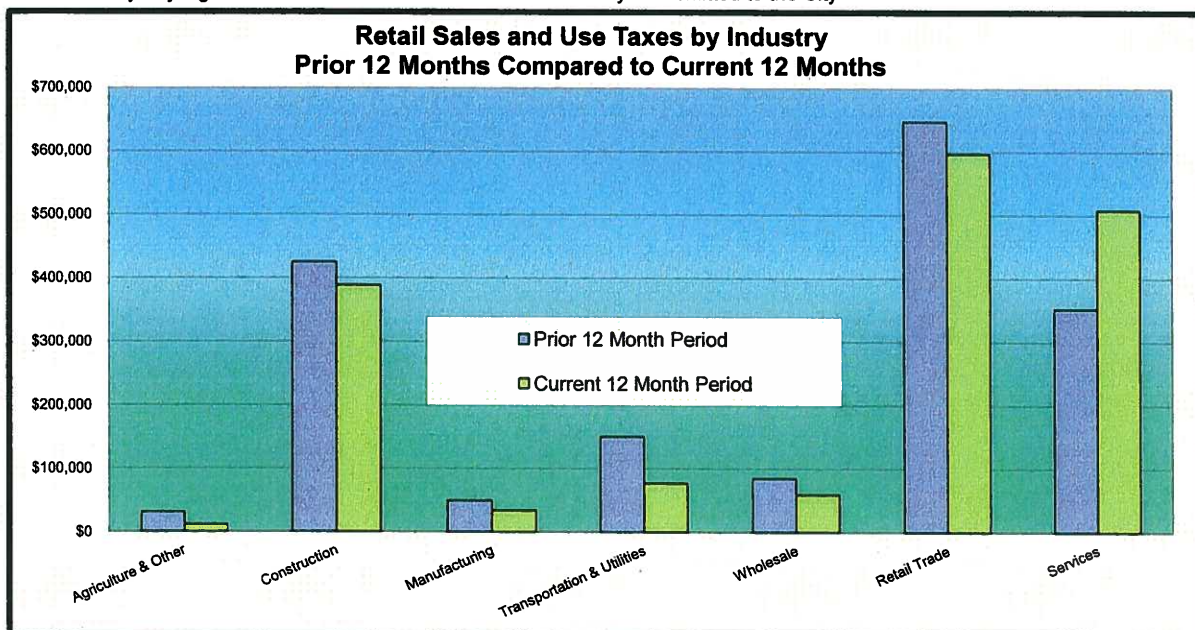
<u>Industry</u>	<u>Prior 12 Months ending Oct 2012</u>	<u>Current 12 Months ending Oct 2013</u>	<u>% Increase/ (Decrease)</u>	<u>% of Total</u>
Agriculture & Other (Landscaping, Animal Hospitals)	\$30,874	\$11,429	-62.98%	0.68%
Construction	424,926	388,401 *	-8.60%	23.19%
Manufacturing (Printing, Publishing, Other Manuf.)	49,353	34,070	-30.97%	2.03%
Transp/Comm/Utilities (Telecomm., Air Transport.)	150,293	76,766	-48.92%	4.58%
Wholesale (Lumber, Other Wholesale)	84,711	59,405	-29.87%	3.55%
Retail Trade (Eating, Merchandise, Food Stores)	647,482	596,817	-7.83%	35.64%
Services (Auction, Recreation, Auto Repair, Financial)	352,234	507,913	44.20%	30.33%
Totals	\$1,739,874	\$1,674,801	-3.74%	100%
Increase/(Decrease)		(\$65,073)	-3.74%	



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

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

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



City of Kenmore, Washington
Real Estate Excise Tax Report
October 31, 2013



Real Estate Excise Taxes (REET)
2009 - 2013 Monthly Receipts

	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Target 2013
January	64,792	48,679	54,359	55,801	55,943
February	73,383	27,294	18,064	40,281	39,580
March	41,445	36,507	29,691	69,946	35,881
April	78,233	50,463	30,662	48,671	53,119
May	71,622	37,671	52,575	56,178	53,956
June	38,919	48,938	60,408	64,938	49,422
July	158,221	53,012	81,316	91,779	97,516
August	23,033	57,471	56,626	89,496	45,710
September	87,734	111,107	82,785	98,573	93,875
October	57,761	61,805	60,265	65,596	59,944
November	35,585	33,475	88,057		52,372
December	32,962	39,510	152,262		74,911
	\$763,689	\$605,931	\$767,070	\$681,259	\$712,230

For 2013, REET is \$154,507 more than the same period last year and more than the 2013 target by \$96,313

* NOTE THE 2013 target is computed on a 3 year average (2010-2012) of actual receipts

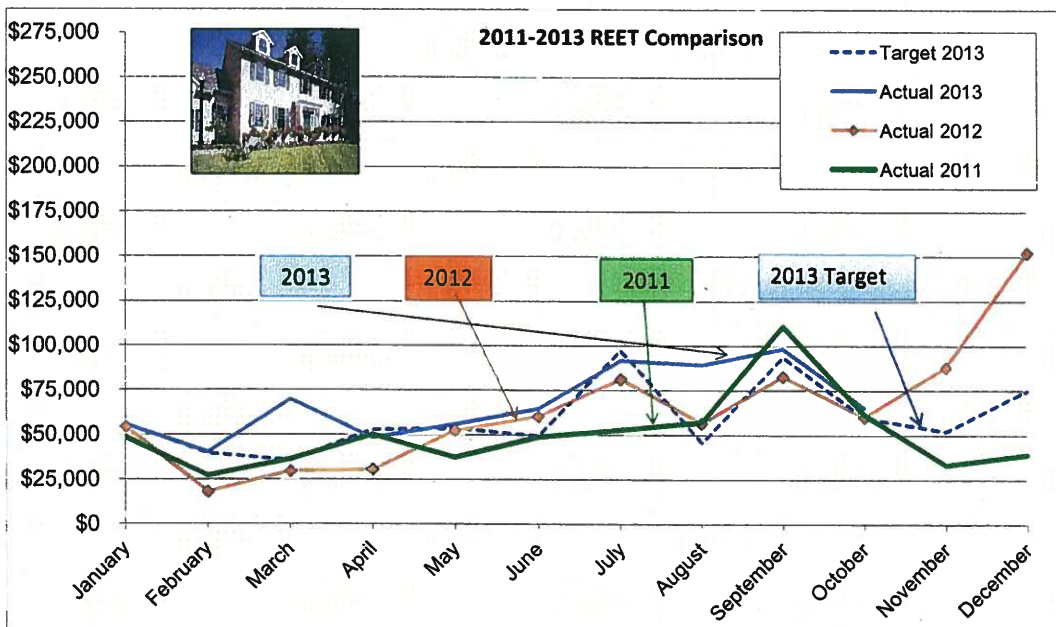
Real Estate Excise Taxes (REET)
2010 - 2013 Property Sales > \$500,000

sales actually occur in the prior month; there is a 30 day lag between sales and when the City receives the rev:

	Taxes from > \$500,000 Sale Amounts			
	2010	2011	2012	2013
January	3,790,500	1,046,085	5,515,283	3,380,165
February	4,805,000	547,257	1,152,000	3,417,500
March	1,149,000	1,100,000	750,000	3,514,000
April	1,779,000	1,075,000	870,000	1,570,450
May	1,859,000	2,372,000	2,796,250	3,634,210
June	540,000	2,605,000	1,215,000	2,761,500
July	18,013,000	3,354,950	4,196,500	8,478,706
August	1,020,000	3,045,950	1,756,200	6,131,455
September	11,276,760	15,691,044	4,859,500	10,911,500
October	610,000	7,873,950	3,087,500	5,568,400
November	1,020,000	875,000	8,334,960	
December	2,178,000	2,189,000	23,033,200	
	\$48,040,260	\$41,775,236	\$57,566,393	\$49,367,886

Taxes from > \$500,000 Sale Amounts

	2010	2011	2012	2013
January	18,763	5,178	27,301	16,732
February	23,785	2,709	5,702	16,917
March	5,688	5,445	3,713	17,394
April	8,806	5,321	4,307	7,774
May	9,202	11,741	13,841	17,989
June	2,673	12,895	6,014	13,669
July	89,164	16,607	20,773	41,970
August	5,049	15,077	8,693	30,351
September	55,820	77,671	24,055	54,012
October	3,020	38,976	15,283	27,564
November	5,049	4,331	41,258	0
December	10,781	10,836	114,014	0
	237,800	206,787	284,954	244,372



**City of Kenmore, Washington
Monthly Report for Kenmore Village
October 31, 2013**

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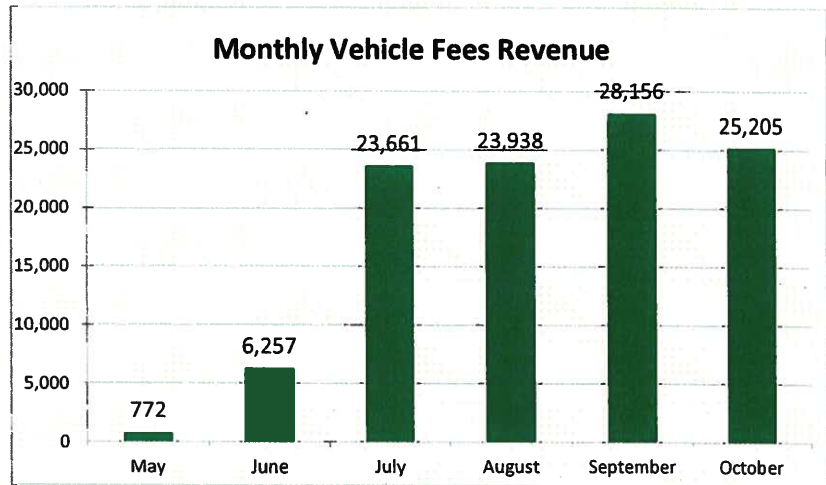
<u>Revenues</u>	<u>October 2013</u>	<u>Biennium-to- Date</u>	<u>Biennium Budget</u>
Lease Income (USPS & Kenmore Village)	0	0	\$ 317,940
Return of Security Deposit	0	0	0
Other Rent Income	750	12,400	15,000
Landlord Expense (CAM*) Reimbursement	0	0	0
Insurance Proceeds	0	0	0
Sale of Property	0	1,335,034	1,250,000
Leasehold Excise Returned	0	2,121	14,900
Total Revenues	750	1,349,556	1,597,840
<u>Expenditures</u>			
6700 Building Improvements	0	0	11,000
Property Management	0	3,263	43,200
Utilities and Insurance - Kenmore Village	0	32,006	103,400
Repairs, Maintenance, Other Services	0	0	
Total Expenditures	0	35,269	157,600
Net Income (Loss)		1,314,287	\$ 1,440,240

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
Quarterly Report
October 31, 2013**



<u>Revenues</u>	<u>October 2013</u>	<u>Biennium-to- Date</u>	<u>Biennium Budget</u>
Vehicle Fees			
Total Revenues	<u>\$ 25,205</u>	<u>\$107,989</u>	<u>\$535,000</u>
<u>Expenditures</u>			
WCIA Insurance	0	5,000	10,000
Reimbursement to Street Fund	0	0	525,000
Total Expenditures	<u>0</u>	<u>5,000</u>	<u>535,000</u>
Net Income (Loss)	<u>\$ 25,205</u>	<u>\$102,990</u>	<u>\$0</u>



City of Kenmore, Washington
SR 522 Phase I Revenue and Expenditure History
as of October 31, 2013

Phase I		**Actuals Received on Cash Basis**							
Stage 3 Burke Gilman Trail @ 73rd Ave NE-nearing completion									
Stage 1 SR 522 Central Segment 65th to 73rd and other improvements, in construction									
Stage 2 SR 522 West Segment 57th to 65th and other improvements, pending funding									
		Cumulative through 2008	2009	2010	2011	Year to Date 2012	October 2013	Year to Date 2013	Life to Date
Revenues:									
Secured:									
Wa State Transportation Improve. Board:									
to Street Fund	5,047,000	851,786	0	0	0	0	0	0	851,786
to Arterial Street Fund	0	148,214	2,545,308	1,501,692	0	0	0	0	4,195,214
Wa State Gas Tax	4,863,620	3,119,047	1,765,416	0	0	0	0	0	4,884,463
Federal Surface Transportation Prog	12,045,444	1,708,895	8,535,460	1,781,817	0	55	0	0	12,026,227
Brightwater	15,000	15,000	0	0	0	0	0	0	15,000
Federal: Wa State Dept of Trans Signal	357,914	0	0	546,862	0	0	0	0	546,862
King County Parks	906,500	514,616	201,467	0	0	0	0	0	716,083
King County Roads	350,000	350,000	0	0	0	0	0	0	350,000
Northshore Utility District Reimb	432,400	80,559	0	0	0	259,387	0	0	339,946
Puget Sound Energy Reimb	264,100	0	0	0	0	0	0	0	0
Northshore School Dist Reimb	22,258	0	0	0	0	0	0	0	0
Library Reimb	10,000	0	0	0	0	0	0	0	0
Comcast Reimb	168,800	88,620	0	0	0	113,383	0	0	202,003
Urban Partners	75,000	0	25,000	54,438	0	0	0	0	79,438
Fire District Reim	49,000	0	0	0	0	63,245	0	0	63,245
City Art Fund	126,486	0	0	0	0	0	0	0	0
BWR St. 1 Ph. 1 Settlement		0	0	0	0	0	0	0	0
HDR St. 1 Ph. 1 Settlement		0	0	0	0	0	0	150,000	150,000
U of WA IT Reimbursement		0	0	0	0	26,113	0	0	26,113
City Light Reimbursement		0	0	0	0	0	0	23,033	23,033
City Funds:	5,807,250	0	0	0	0	200,000	0	0	200,000
Transfer from REET Muni Cap		1,083,250	0	3,290,000	0	0	0	0	4,373,250
Transfer from Street Fund		0	0	521,870	0	0	0	0	521,870
Stage 1/181st		0	334,000	0	0	0	0	0	334,000
Transfer from REET Muni Cap		0	334,000	0	0	0	0	0	334,000
Stage 2	700,000	0	700,000	0	470,174	157,468	0	0	1,327,642
Transfer from REET Muni Cap		0	700,000	0	470,174	157,468	0	0	1,327,642
Transfer from Trans Impact Fees		900,000	0	0	0	0	0	0	900,000
								0	0
Total Revenues	30,840,772	8,859,987	14,106,651	7,696,679	470,174	819,651	0	173,033	32,126,175
Expenditures:									
Street Fund		15,148,961	1,090	0	0	0	0	0	15,150,051
Street-Interfund Loan Interest		0	0	0	0	0	0	0	0
1% Art Fund		0	0	0	0	0	0	0	0
Arterial Street Fund		253,860	11,708,313	2,874,519	154,162	418,047	0	11,082	15,419,983
Stage 2 Design			483,830	435,358	132,834	102,132	0	1,108	1,155,263
Arterial Street Fund			483,830	435,358	132,834	102,132	0	1,108	1,155,263
Muni Cap Fund		46,782	0	0	0	0	0	0	46,782
Total Expenditures		15,449,603	12,193,233	3,309,877	352,046	520,179	0	12,191	31,772,079

City of Kenmore, Washington
SR 522 Phase II Revenue and Expenditure History
as of October 31, 2013

Phase II

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

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

		Cumulative through 2008	2009	2010	2011	2012	October 2013	Year to Date 2013	Life to Date
Revenues:	Secured:								
Wa State Transportation Improve. Board:	3,450,000	3,145,975	131,526	172,500	0	0	0	0	3,450,000
Sound Transit	8,192,307	8,192,307	0	0	0	0	0	0	8,192,307
Brightwater	250,000	0	0	0	0	0	0	250,000	250,000
Federal Grant via WSDOT	697,312	578,381	91,120	0	6,683	0	0	0	676,184
Federal: WSDOT Signal/Overlay	683,608	185,272	498,322	0	0	0	0	0	683,594
Regional Mobility WSDOT	1,800,000	1,441,827	358,173	0	0	0	0	0	1,800,000
King County Metro	400,000	0	0	400,000	0	0	0	0	400,000
Wa State Gas Tax Grant	8,336,380	4,636,717	2,951,182	439,620	0	0	0	0	8,027,519
Comcast Reimb	147,770	92,680	0	55,090	0	0	0	0	147,770
Northshore Utility District Reimb	1,621,486	1,024,376	441,836	0	0	112,124	0	11,494	1,701,954
Northshore School District Reimb	28,914	0	0	0	2,694	2,444	0	0	5,138
PSE Reimbursement	150,000	0	0	0	0	0	0	0	0
Integra Reimbursement		0	0	0	0	9,144	0	0	9,144
City: Art Fund	161,006	0	0	0	0	0	0	0	0
City:	2,870,793								
Investment Earnings		92,191	15,331	2,532	0	0	0	0	110,054
Fuel Tax		274,153	0	0	0	0	0	0	274,153
Transfer of Trans Impact Fees		512,000	430,698	450,000	387,500	0	0	0	1,392,698
Transfer from Street Fund		0	0	1,000,000	0	0	0	0	1,000,000
Transfer of REET		1,096,420	0	0	215,307	0	0	0	1,096,420
Total Revenues	28,789,576	21,272,299	4,918,188	2,519,742	612,184	123,712	0	261,494	29,216,936
Expenditures:									
Arterial Street		22,497,211	4,671,626	1,068,152	1,403,237	48,234	5,193	43,624	29,732,083
Interfund Loan Interest		127,175	0	0	0	0	0	0	127,175
Art 1%		0	0	0	0	0	0	0	0
Transportation Impact Fee Fund		100,000	0	0	0	0	0	0	100,000
Total Expenditures		22,724,386	4,671,626	1,068,152	1,403,237	48,234	5,193	43,624	29,959,258



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

Subject/Topic: November 2013 Financial Report	For Council Meeting Agenda of: January 13, 2014 Department: Finance and Administration Prepared by: Joanne Gregory <table style="width: 100%;"><tr><td style="width: 70%;">Approved by Department Head:</td><td style="width: 30%; text-align: center;"><u>Initial & Date</u> JMG 12/27/13</td></tr><tr><td>Approved by City Attorney:</td><td></td></tr><tr><td>Approved by Finance Director:</td><td>JMG 12/27/13</td></tr><tr><td>Approved by City Manager:</td><td>LOV 12/27/13</td></tr></table>	Approved by Department Head:	<u>Initial & Date</u> JMG 12/27/13	Approved by City Attorney:		Approved by Finance Director:	JMG 12/27/13	Approved by City Manager:	LOV 12/27/13
Approved by Department Head:	<u>Initial & Date</u> JMG 12/27/13								
Approved by City Attorney:									
Approved by Finance Director:	JMG 12/27/13								
Approved by City Manager:	LOV 12/27/13								
Proposed Council Action/Motion: Receive and File November 2013 Financial Report for the City of Kenmore, Washington	Exhibits/Attachments: November 2013 Financial Report for the City of Kenmore, Washington.								
Expenditure Required N/A	Amount Budgeted \$47,793,286 Revenues \$49,274,877 Expenditures	Appropriation Required N/A							
<u>INFORMATION/BACKGROUND:</u> The November monthly financial report is presented for Council review. This provides the opportunity for the City Council and the community to receive information on the City of Kenmore's biennium to date revenues and expenditures in comparison to the City's 2013-2014 amended biennial budget. The adopted budget was amended on March 25, 2013 and this report reflects the amended appropriations. It also provides an opportunity to identify any potential variances or fluctuations from the budget.									
<u>FISCAL CONSIDERATION:</u> November marks the 11th month of the 24 month 2013-2014 biennium. The monthly schedules attached include the Transportation Benefit District Fund for informational purposes although it is a separate entity. On the national level, the unemployment rate dropped to 7.0% in November from 7.3% in October. This is the lowest reported rate since November 2008 of 6.8%. Dow Jones rose to 16,086 from its October close of 15,545. The mid biennium budget review was conducted in October and November and a budget amendment ordinance was adopted by the City Council on December 2, 2013. The December monthly financial report will include the amendments to the budget.									
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> 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.									



MEMORANDUM

TO: Rob Karlinsey, City Manager
FROM: Joanne Gregory, Finance Director
DATE: December 18, 2013
RE: November 2013 Financial Reports for the City of Kenmore, Washington

November 2013 financial information is presented for your review and delivery to the City Council. Attached you will find the following reports:

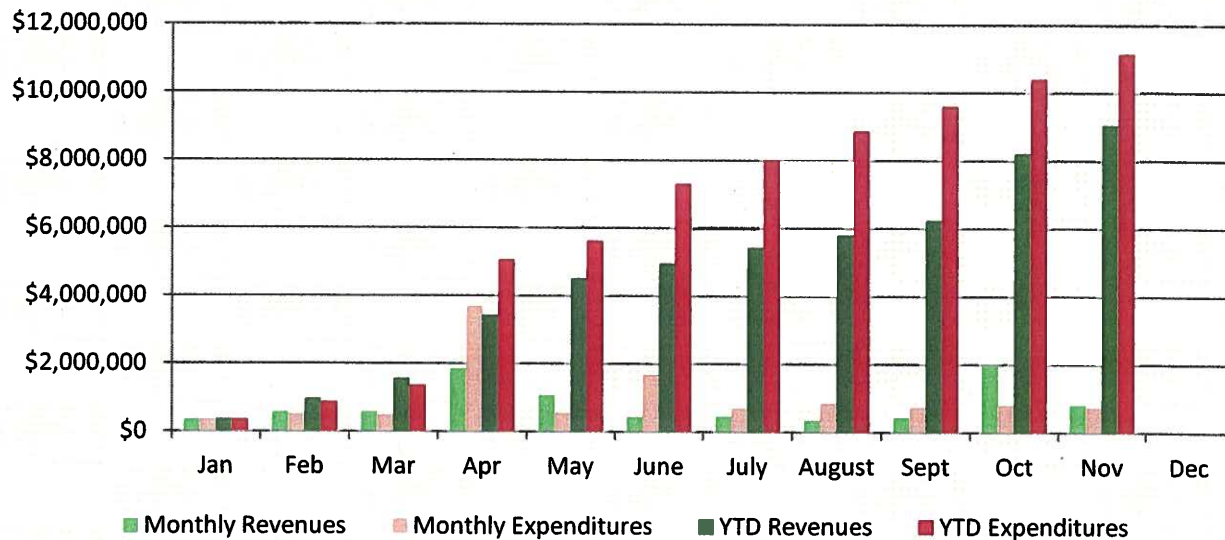
- General Fund Summary
- General Fund Revenue Graphs
- General Fund Expenditure Graphs
- All Funds Cash Summary
- Other Funds Monthly Activity
- Cash and Investment Report
- Schedule of Investments
- Sales Tax Receipts by Business Type
- Retail Sales and Use Tax Distribution
- Real Estate Excise Tax Report
- Monthly Report for Kenmore Village
- Monthly Report for Transportation Benefit District
- SR 522 Phase I Revenue and Expenditure History
- SR 522 Phase II Revenue and Expenditure History

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

GENERAL FUND

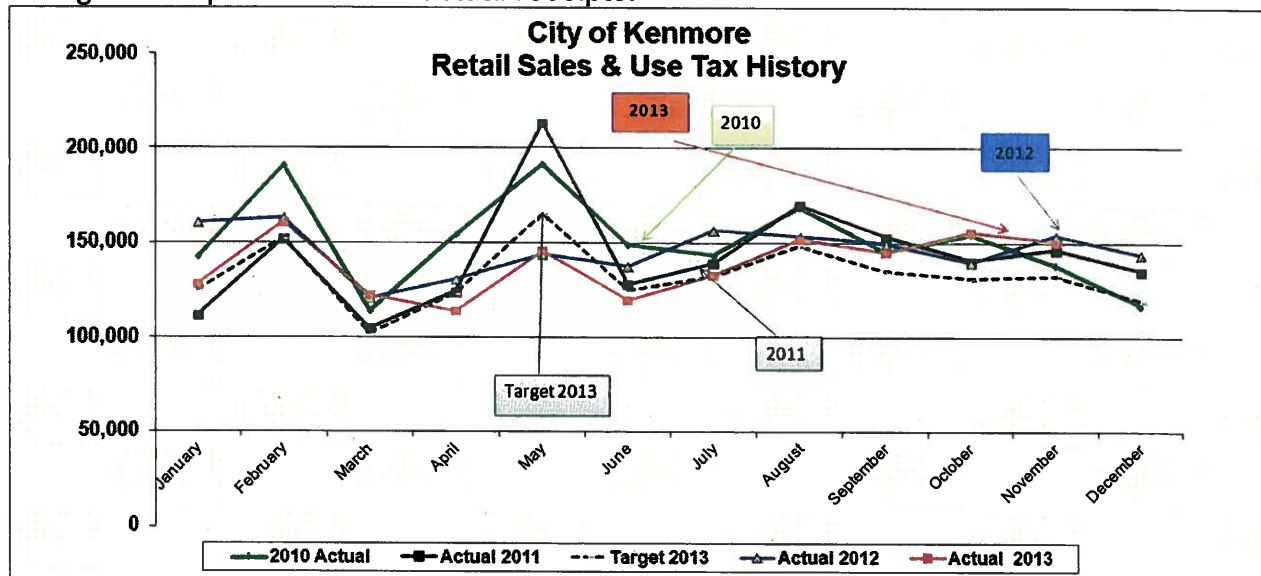
The first section of the monthly financial report is a review of the General Fund. This fund accounts for operational activities and includes all financial resources except those required or elected to be accounted for in another fund. Revenues include various taxes, per capita distributions from the State, fines and forfeitures, permits and licenses, and fees for service. In the context of the biennial budget, November is the eleventh month (46%) of the 2013-2014 biennial budget period. For the month of November, revenues exceeded expenditures in the General Fund by \$81,515.

The following chart illustrates the monthly revenue and expenditure activity in the General Fund through November 2013.



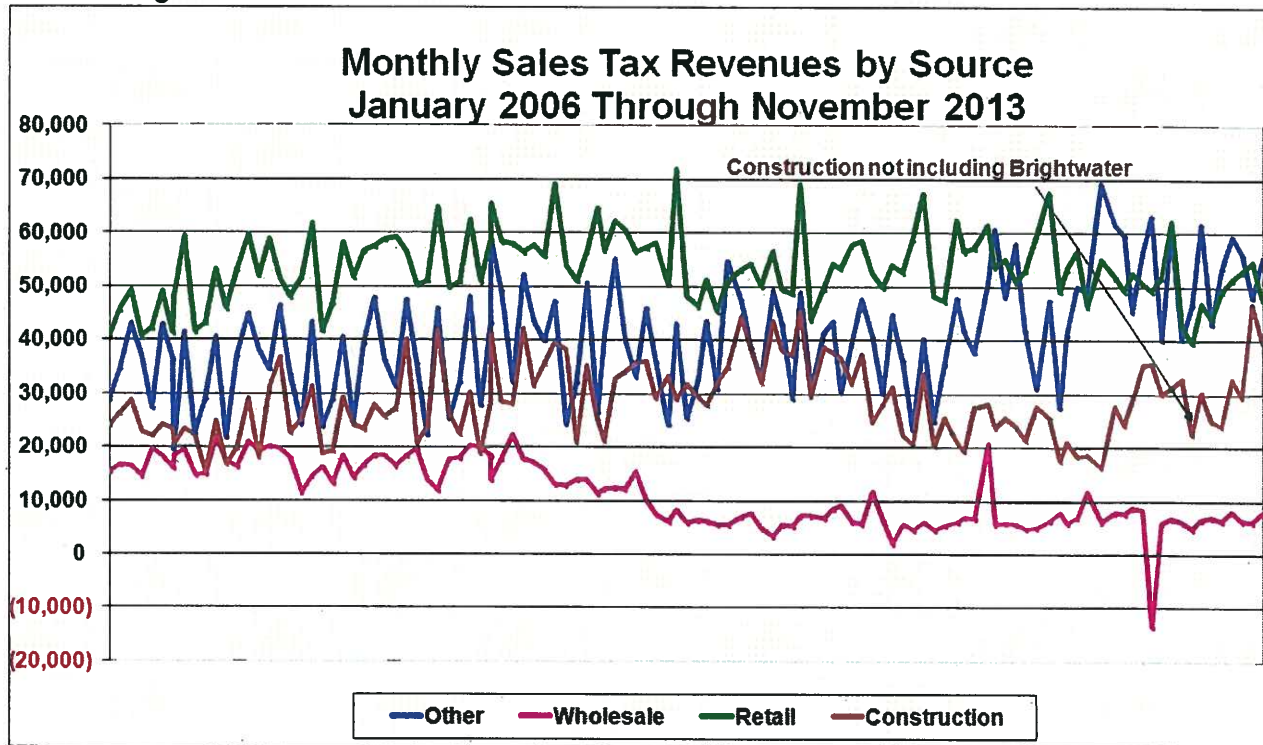
Total **revenues** for the month were **\$829,510**. Biennium to date revenues are \$9,064,094 which is 47.1% of the budgeted revenues of \$19,241,695. Primary sources of revenue for the month included property taxes in the amount of \$462,852, development fees & permits in the amount of \$59,507, retail sales and use taxes in the amount of \$150,782, franchise fees in the amount of \$5,848, and utility taxes in the amount of \$98,380.

A summary of sales tax revenues received in November is attached. These receipts are based on September sales activity. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted Target 2013 line is a monthly average of actual receipts by month during 2010, 2011, and 2012. The Orange line represents 2013 actual receipts.

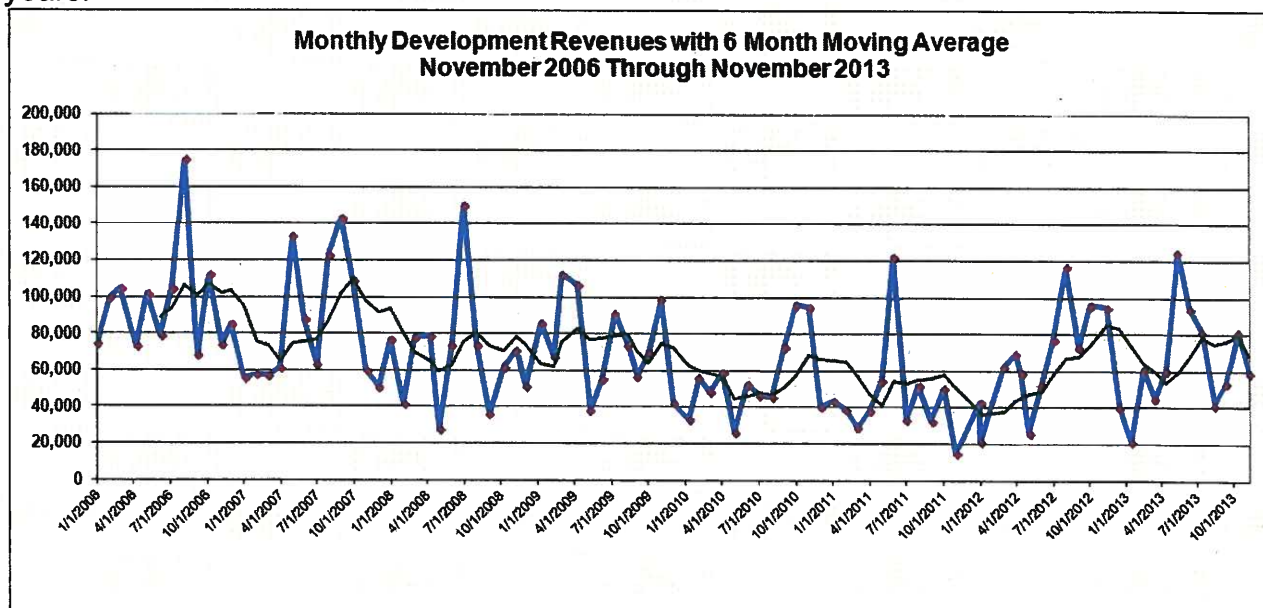


The following chart illustrates the historical trends of sales tax receipts from the major segments: construction, retail, wholesale, other (agriculture, services, manufacturing, transportation and utilities) from January 2006 through November 2013. Construction sales taxes are shown without the benefit of the Brightwater construction project. This

category previously had the benefit of the city hall, Bastyr dorms, fire station and library construction projects which have been completed. The construction segment and "Other" (includes agriculture, services, manufacturing, transportation and utilities) are showing a positive trend of improvement recently. In December, \$20,000 was deducted from the City's sales tax receipts by Department of Revenue to correct a prior error (see the dip in the wholesale line). The \$20k adjustment was related to a refund request received by the Department of Revenue to reclassify income from retailing to wholesaling.



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



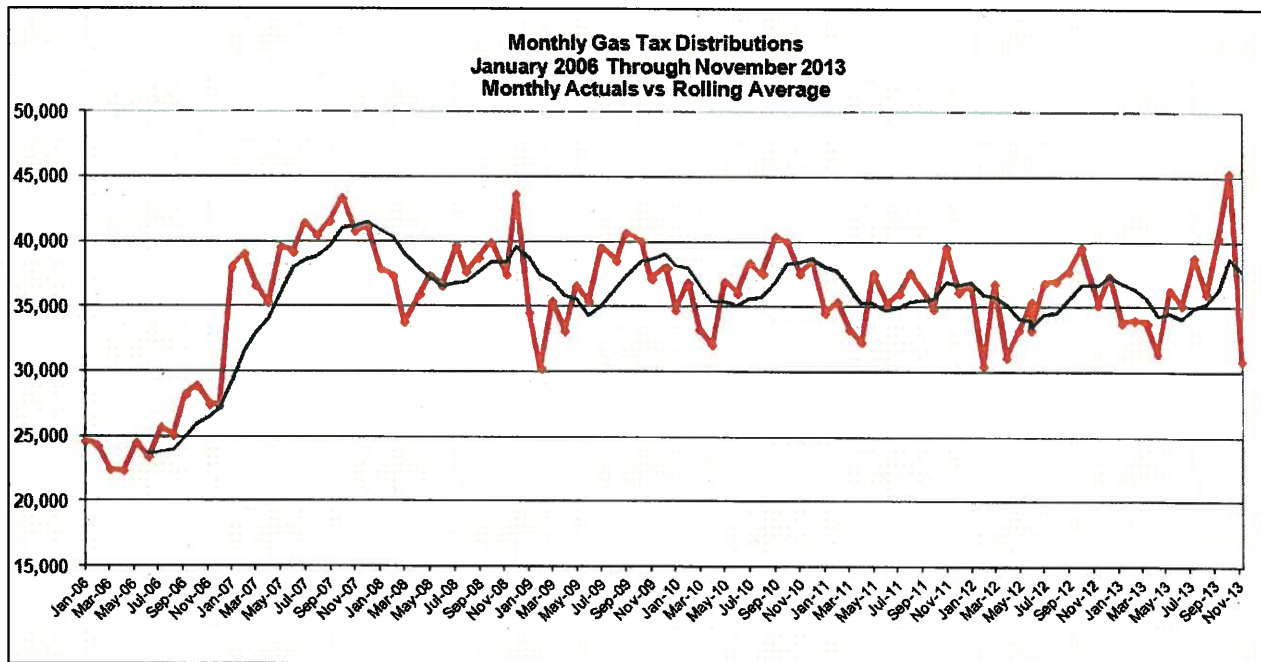
November 2013 expenditures were **\$747,995**. Biennium to date expenditures are \$11,158,644, which is 51.1% of the amended budget expenditures of \$21,857,666, a high percentage due to the \$3M interfund transfers recorded in April.

OTHER FUNDS

The November cash activity for all funds is presented on the attached All Funds Cash Summary. Total City cash and investments, at the end of November, totaled \$18,027,206. The Other Funds Monthly Activity graphs compare biennium to date revenues and expenditures to the 2013-2014 biennial budget.

The following transactions and activities were of note during the month of November. Total non-General Fund revenues were \$441,546 and total non-General Fund expenditures were \$447,343.

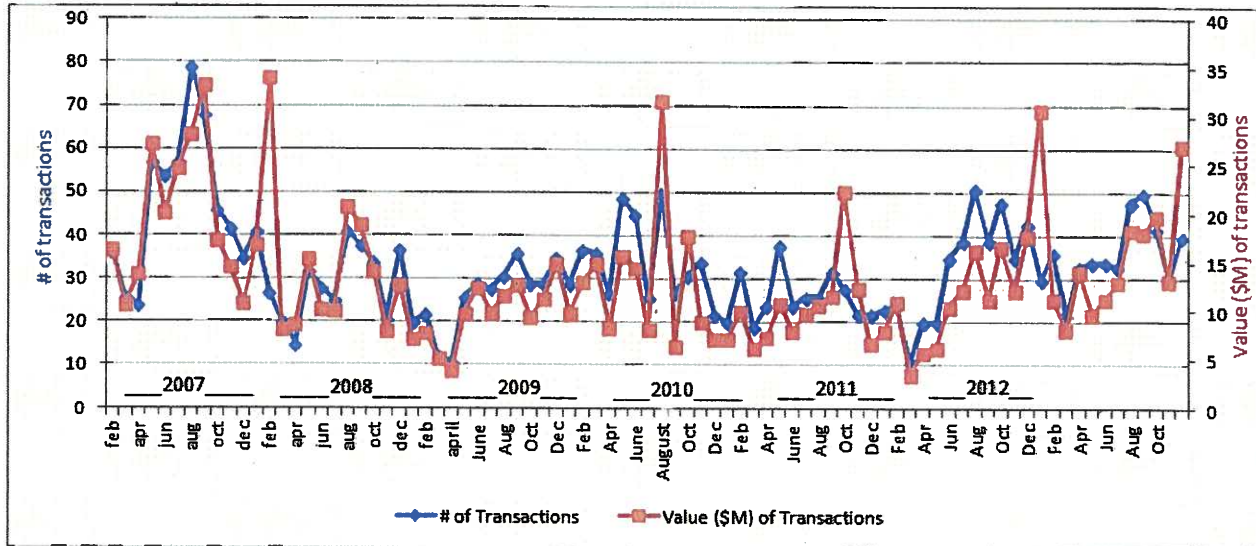
In the **Street Fund** revenue from gas tax distributions was \$30,977. The following chart shows recent gas tax receipts through November 2013. The revenues reflect economizing by the public and increased use of fuel efficient vehicles.



In the **Transportation Capital** fund, the revenues consisted of \$21,415 in TIB grant reimbursements for the 68th Ave. NE Sidewalk project. The fund also had \$44,999 in expenses for the SR 522 West A project.

The **Real Estate Excise Tax** Fund received \$134,286 of real estate excise taxes (REET) in November from sales activity that occurred in October. 40 transactions were reported this month.

The attached Real Estate Excise Tax Report shows the monthly activity since 2007. Below is a chart that shows both the number of real estate transactions and the value of those transactions for the years 2007, 2008, 2009, 2010, 2011, 2012, and 2013.



The **Transportation Benefit District** Fund received \$23,740 in vehicle license fees during the month.

SUMMARY

This concludes the financial report for the City of Kenmore as of **November 30, 2013**. 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
November 30, 2013



	CURRENT PERIOD 2013-2014				PRIOR PERIOD 2011-2012			
	MONTH	BIENNIUM TO DATE	% of	BUDGET	MONTH	BIENNIUM TO DATE	% of	BIENNIUM BUDGET
	November 2013	2013-2014	BUDGET	2013-2014	November 2011	2011-2012	BUDGET	2011-2012
REVENUES								
Beginning Fund Balance		5,539,954		5,338,942				4,941,884
Property Taxes	462,852	4,260,870	50.3%	8,469,973	1,005,463	4,132,336	50.1%	8,254,387
Sales and Use Taxes	193,121	1,954,079	49.3%	3,960,331	181,078	1,964,514	45.3%	4,339,202
Utility Taxes	98,380	1,234,330	41.9%	2,942,395	97,625	1,293,851	43.1%	3,002,082
Other Taxes	4,812	49,619	80.9%	61,300	5,567	27,582	26.5%	104,104
Development Fees & Permits	59,507	727,491	59.3%	1,227,303	15,296	514,115	35.7%	1,439,095
Franchise Fees	5,848	303,218	23.2%	1,309,591	6,808	394,363	60.6%	650,588
Intergovernmental and Grants	0	303,762	47.5%	639,866	5,282	331,076	43.5%	761,476
Investment Interest	3,470	103,141	176.6%	58,400	15,855	80,531	143.8%	56,000
Fines and Forfeitures	-86	-1,112	0.0%	0	0	664	n/a	0
Transfers and Other Revenues	1,606	128,697	22.5%	572,536	5,493	23,879	7.1%	338,662
Total Revenues	829,510	9,064,094	47.1%	19,241,695	1,338,468	8,762,911	46.3%	18,945,596
Total Revenues & Beginning Fund Balance		14,604,048		24,580,637				23,887,480

	CURRENT PERIOD 2013-2014				PRIOR PERIOD 2011-2012			
	MONTH	BIENNIUM TO DATE	% of	BUDGET	MONTH	BIENNIUM TO DATE	% of	BIENNIUM BUDGET
	November	2013-2014	BUDGET	2013-2014	November	2011-2012	BUDGET	2011-2012
EXPENDITURES								
Cost Center								
City Council	9,919	95,729	44.7%	213,950	25,738	115,653	53.1%	217,644
City Manager	103,272	1,038,360	48.8%	2,129,379	74,002	808,018	45.0%	1,796,600
City Clerk	9,687	96,123	39.5%	243,139	19,188	227,089	42.3%	536,261
Finance	33,904	294,450	40.0%	735,429	26,653	252,838	39.6%	639,213
Legal	13,983	257,138	59.8%	430,000	20,270	244,928	49.6%	494,285
Non-Departmental	48,846	729,118	47.5%	1,533,487	106,350	646,818	42.2%	1,532,818
Interfund Transfers	0	3,316,000	81.8%	4,056,101	0	600,000	38.4%	1,564,000
Public Safety	291,703	3,158,293	41.8%	7,553,348	278,157	2,853,223	39.7%	7,179,563
Engineering	66,546	575,640	42.3%	1,361,385	40,992	442,947	42.4%	1,045,741
Planning & Community Dev	50,701	443,327	47.2%	939,441	27,057	294,624	41.3%	712,632
Land Dev & Permitting	69,640	573,135	43.9%	1,304,736	42,469	491,865	32.8%	1,501,147
Parks & Facility Maintenance	49,793	581,330	42.8%	1,357,271	66,283	637,185	37.6%	1,695,042
Total Expenditures	747,995	11,158,644	51.1%	21,857,666	727,158	7,615,187	40.3%	18,914,946
Ending Fund Balance		3,445,404		2,722,871			0.0%	4,972,534
Total Expenditures and Ending Fund Balance		14,604,048		24,580,637				23,887,480

**City of Kenmore, Washington
General Fund Revenue Graphs
November 30, 2013**

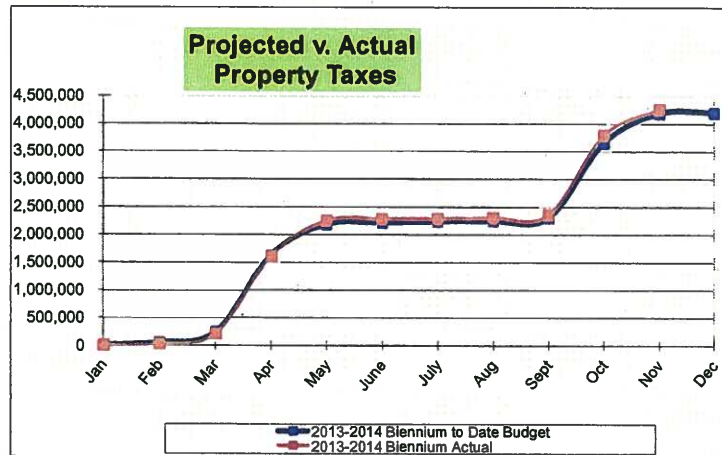
PROPERTY TAXES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	11,954	5,892
Feb	59,028	34,243
Mar	251,297	220,879
Apr	1,644,997	1,622,899
May	2,193,491	2,254,841
June	2,218,132	2,282,513
July	2,245,638	2,289,283
Aug	2,253,168	2,306,878
Sept	2,313,416	2,360,492
Oct	3,661,593	3,798,018
Nov	4,194,035	4,260,870
Dec	4,213,917	
2013	4,213,917	

Year To Date

Actual v. Projected

102%



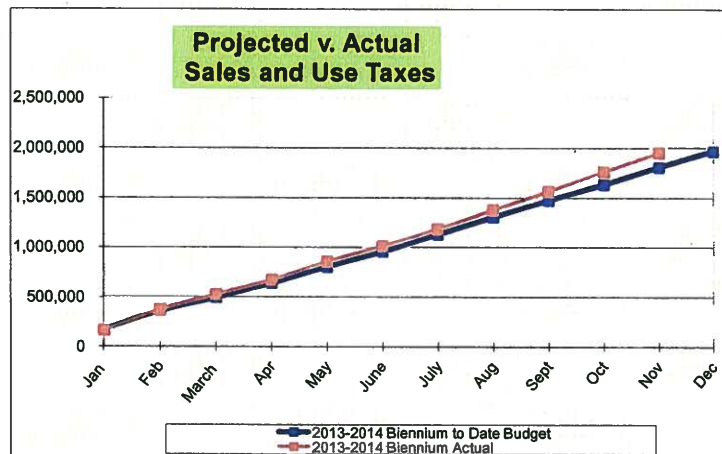
SALES, USE, CRIM JUSTICE TAXES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	174,942	165,280
Feb	361,685	371,653
March	497,400	527,785
Apr	643,196	674,402
May	805,908	858,526
June	959,342	1,014,013
July	1,133,164	1,185,231
Aug	1,306,744	1,377,962
Sept	1,475,984	1,564,438
Oct	1,637,030	1,760,958
Nov	1,811,890	1,954,079
Dec	1,975,227	
2013	1,975,227	

Year To Date

Actual v. Projected

119%



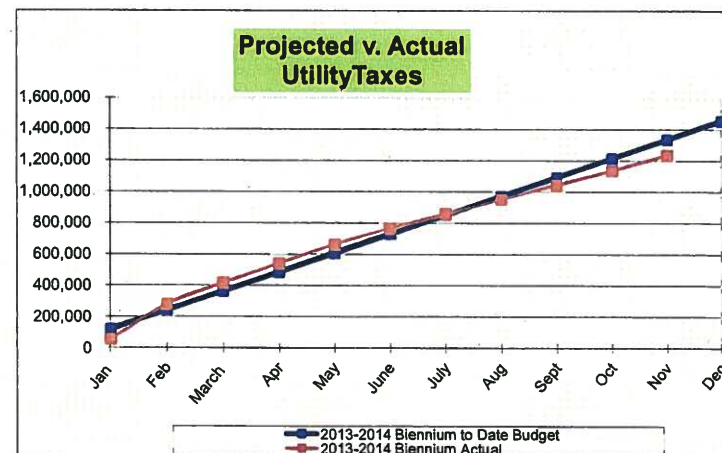
UTILITY TAXES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	121,532	56,742
Feb	243,065	281,331
March	364,597	417,703
Apr	486,130	540,614
May	607,662	662,265
June	729,195	764,596
July	850,727	858,001
Aug	972,259	952,855
Sept	1,093,792	1,044,431
Oct	1,215,324	1,135,950
Nov	1,336,857	1,234,330
Dec	1,458,389	
2013	1,458,389	

Year To Date

Actual v. Projected

92%



**City of Kenmore, Washington
General Fund Revenue Graphs
November 30, 2013**

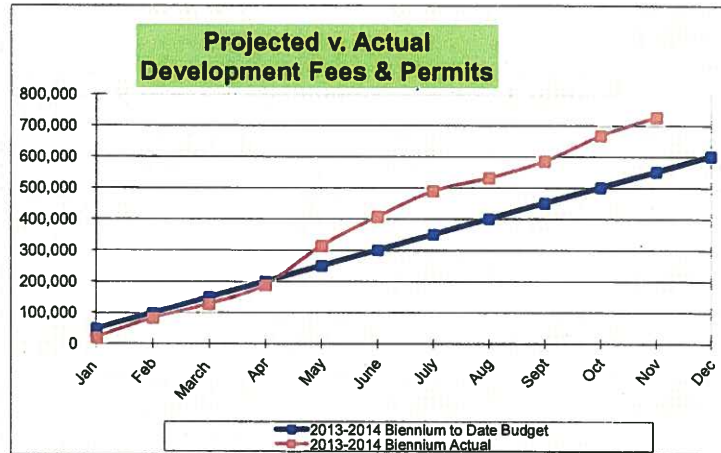
DEVELOPMENT FEES & PERMITS

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	50,371	21,332
Feb	100,742	82,718
March	151,113	128,247
Apr	201,484	189,092
May	251,855	314,404
June	302,227	408,466
July	352,598	490,433
Aug	402,969	532,694
Sept	453,340	586,424
Oct	503,711	667,984
Nov	554,082	727,491
Dec	604,453	
2013	604,453	

Year To Date

Actual v. Projected

131%



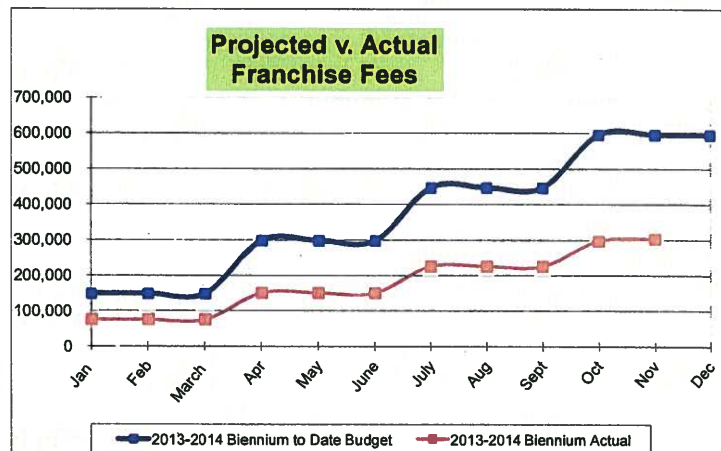
FRANCHISE FEES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	149,431	75,656
Feb	149,431	75,656
March	149,431	75,656
Apr	298,862	150,633
May	298,862	150,633
June	298,862	150,633
July	448,292	225,909
Aug	448,292	225,909
Sept	448,292	225,909
Oct	597,723	297,371
Nov	597,723	303,218
Dec	597,723	
2013	597,723	

Year To Date

Actual v. Projected

51%



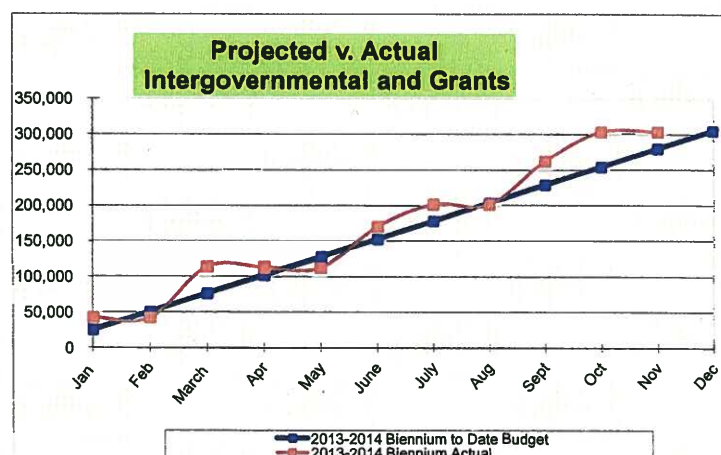
INTERGOVERNMENTAL & GRANTS

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	25,490	42,428
Feb	50,980	42,428
March	76,471	113,326
Apr	101,961	112,627
May	127,451	112,627
June	152,941	170,380
July	178,431	201,722
Aug	203,921	201,722
Sept	229,412	262,429
Oct	254,902	303,762
Nov	280,392	303,762
Dec	305,882	
2013	305,882	

Year To Date

Actual v. Projected

108%



**City of Kenmore, Washington
General Fund Revenue Graphs
November 30, 2013**

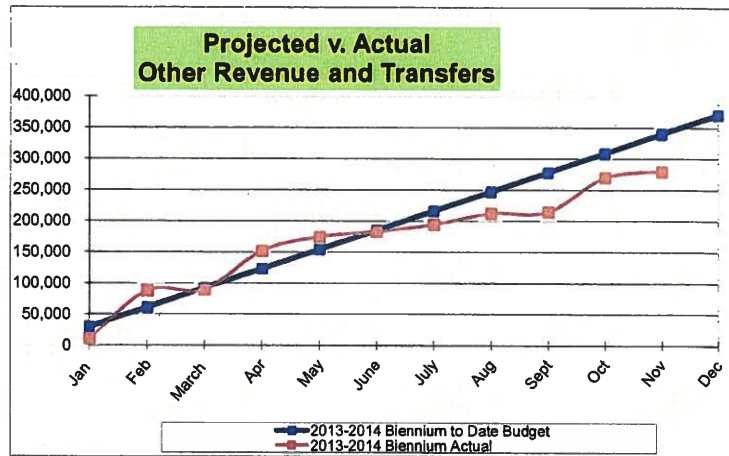
OTHER REVENUES AND TRANSFERS

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	30,992	11,617
Feb	61,984	87,759
March	92,975	89,956
Apr	123,967	152,398
May	154,959	174,826
June	185,951	183,258
July	216,942	194,627
Aug	247,934	212,534
Sept	278,926	215,129
Oct	309,918	270,542
Nov	340,909	280,344
Dec	371,901	
2013	371,901	

Year To Date

Actual v. Projected

82%



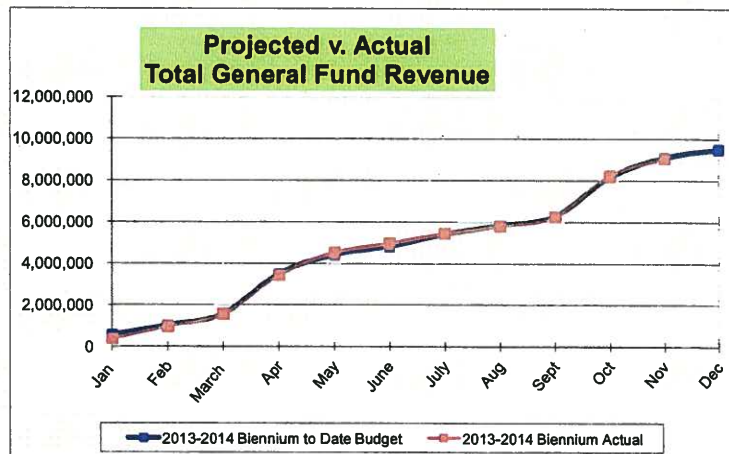
TOTAL GENERAL FUND REVENUE

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	564,712	378,947
Feb	1,026,915	975,789
March	1,583,284	1,573,552
Apr	3,500,596	3,442,666
May	4,440,187	4,528,121
June	4,846,648	4,973,858
July	5,425,792	5,445,205
Aug	5,835,288	5,810,554
Sept	6,293,161	6,259,252
Oct	8,180,200	8,234,584
Nov	9,115,888	9,064,094
Dec	9,527,491	
2013	9,527,491	

Year To Date

Actual v. Projected

99%



**City of Kenmore, Washington
General Fund Expenditure Graphs
November 30, 2013**

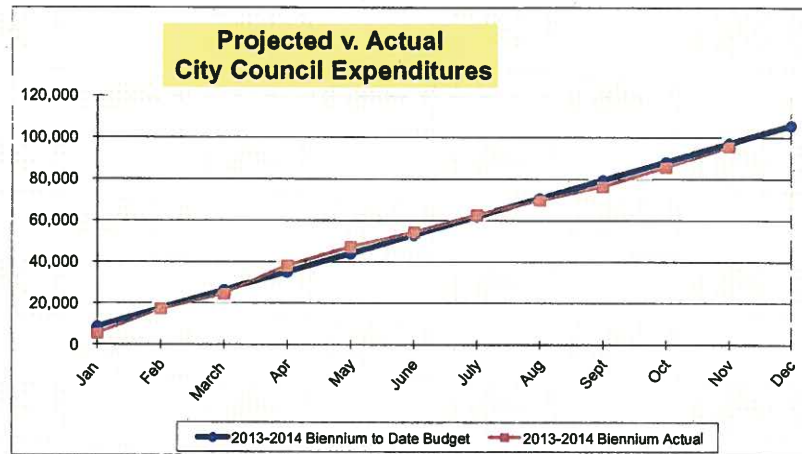
CITY COUNCIL

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	8,843	5,410
Feb	17,686	17,346
March	26,529	24,746
Apr	35,371	38,240
May	44,214	47,402
June	53,057	54,296
July	61,900	62,704
Aug	70,743	69,838
Sept	79,586	76,458
Oct	88,428	85,810
Nov	97,271	95,729
Dec	106,114	
2013	106,114	

Year To Date

Actual v. Projected

98%



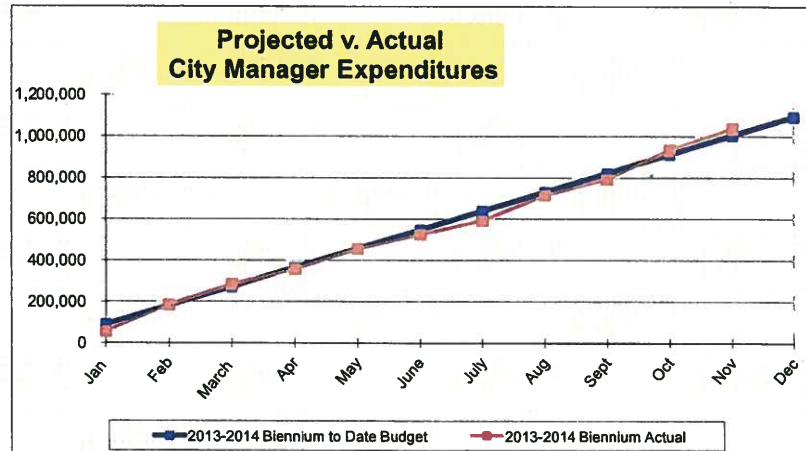
CITY MANAGER

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	91,491	56,142
Feb	182,983	185,503
March	274,474	285,244
Apr	365,965	358,096
May	457,456	456,223
June	548,948	526,145
July	640,439	592,412
Aug	731,930	716,589
Sept	823,421	793,429
Oct	914,913	935,087
Nov	1,006,404	1,038,360
Dec	1,097,895	
2013	1,097,895	

Year To Date

Actual v. Projected

103%



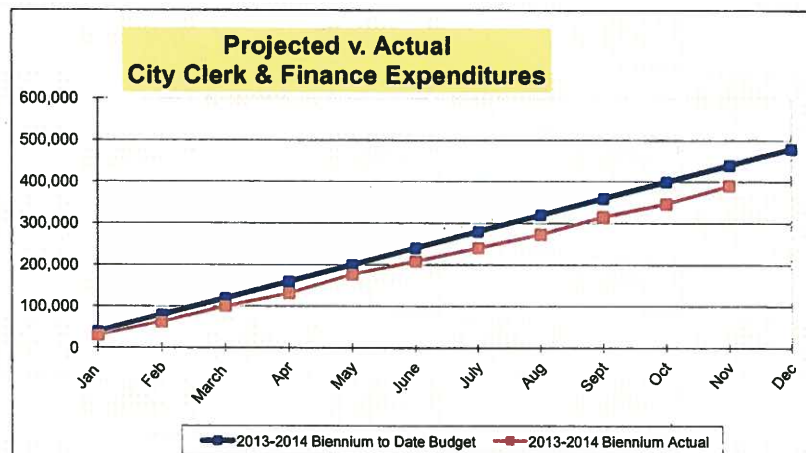
CITY CLERK & FINANCE

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	40,054	30,652
Feb	80,108	62,343
March	120,163	100,274
Apr	160,217	132,079
May	200,271	177,097
June	240,325	208,229
July	280,379	240,545
Aug	320,433	273,147
Sept	360,488	315,594
Oct	400,542	346,983
Nov	440,596	390,574
Dec	480,650	
2013	480,650	

Year To Date

Actual v. Projected

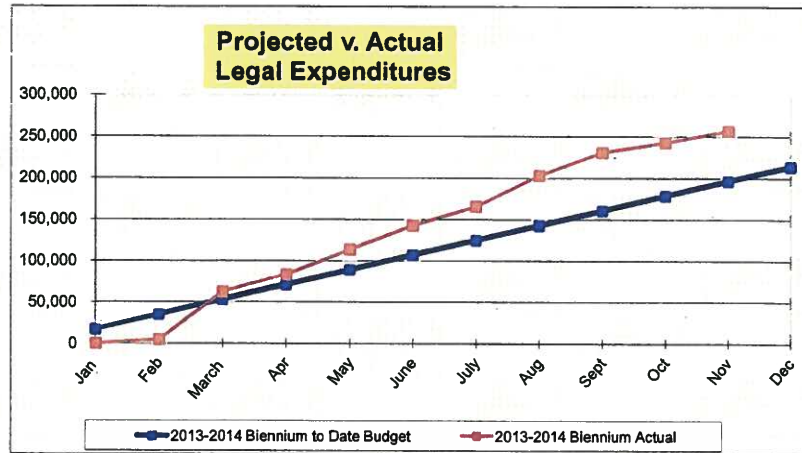
89%



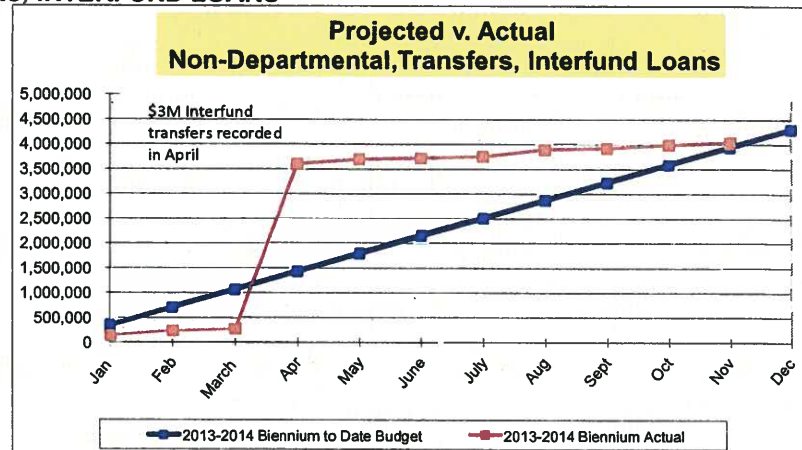
**City of Kenmore, Washington
General Fund Expenditure Graphs
November 30, 2013**

LEGAL

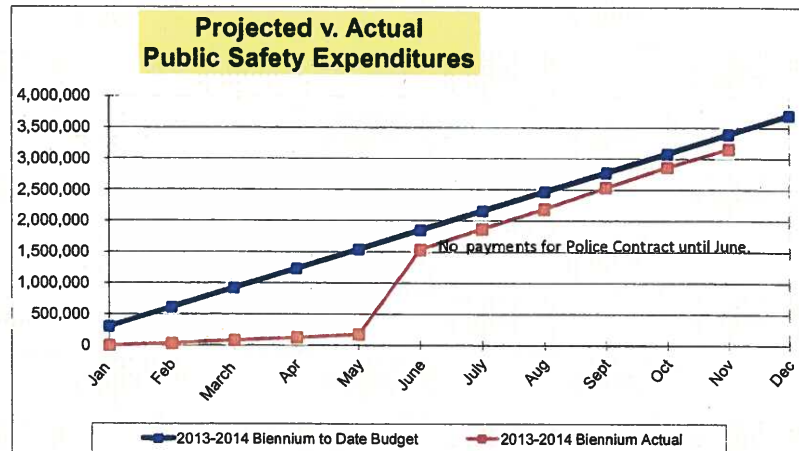
	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	17,917	0
Feb	35,833	4,956
March	53,750	62,981
Apr	71,667	83,627
May	89,583	113,901
June	107,500	143,005
July	125,417	165,919
Aug	143,333	203,315
Sept	161,250	231,146
Oct	179,167	243,155
Nov	197,083	257,138
Dec	215,000	
2013	215,000	
Year To Date Actual v. Projected		
		130%

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

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	359,856	142,864
Feb	719,713	240,538
March	1,079,569	277,232
Apr	1,439,425	3,606,644
May	1,799,282	3,700,514
June	2,159,138	3,723,691
July	2,518,994	3,757,978
Aug	2,878,851	3,895,621
Sept	3,238,707	3,923,603
Oct	3,598,563	3,996,272
Nov	3,958,420	4,045,118
Dec	4,318,276	
2013	4,318,276	
Year To Date Actual v. Projected		
		102%

**PUBLIC SAFETY**

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	308,950	537
Feb	617,900	35,598
March	926,850	87,710
Apr	1,235,799	130,739
May	1,544,749	183,224
June	1,853,699	1,537,280
July	2,162,649	1,872,670
Aug	2,471,599	2,191,937
Sept	2,780,549	2,538,557
Oct	3,089,498	2,866,591
Nov	3,398,448	3,158,293
Dec	3,707,398	
2013	3,707,398	
Year To Date Actual v. Projected		
		93%



**City of Kenmore, Washington
General Fund Expenditure Graphs
November 30, 2013**

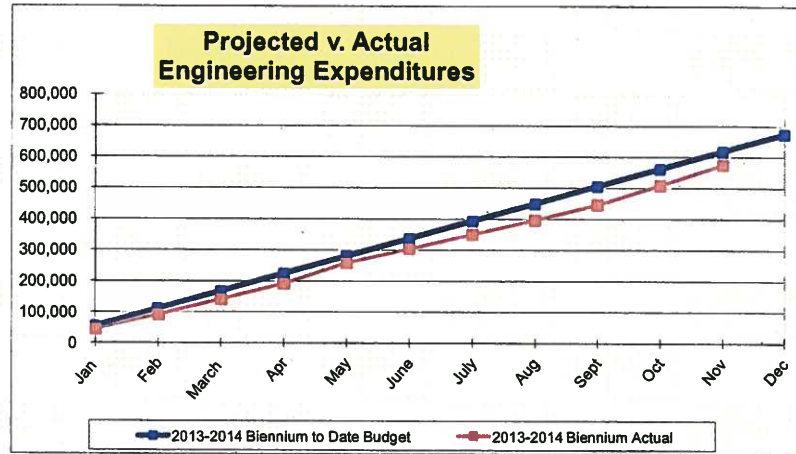
ENGINEERING

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	56,346	45,402
Feb	112,692	92,037
March	169,038	141,604
Apr	225,384	192,328
May	281,730	258,476
June	338,076	304,242
July	394,421	350,457
Aug	450,767	396,489
Sept	507,113	447,063
Oct	563,459	509,094
Nov	619,805	575,640
Dec	676,151	
2013	676,151	

Year To Date

Actual v. Projected

93%



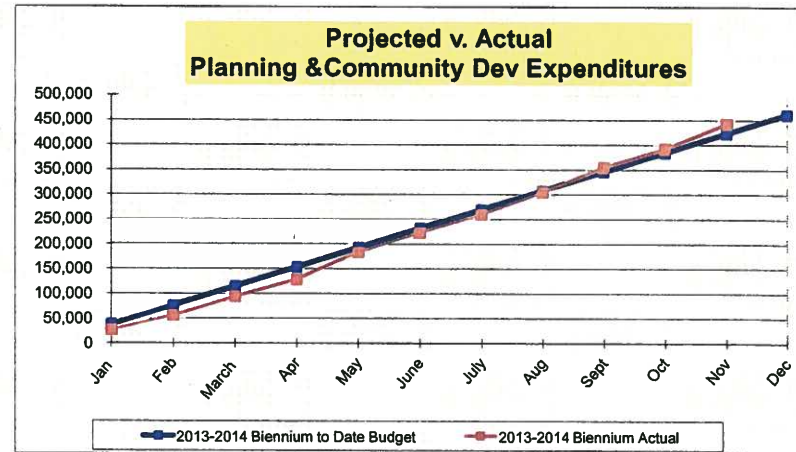
PLANNING & COMMUNITY DEV

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	38,540	27,290
Feb	77,080	56,350
March	115,621	94,369
Apr	154,161	128,628
May	192,701	183,613
June	231,241	223,359
July	269,781	260,218
Aug	308,321	305,073
Sept	346,862	355,327
Oct	385,402	392,626
Nov	423,942	443,327
Dec	462,482	
2013	462,482	

Year To Date

Actual v. Projected

105%



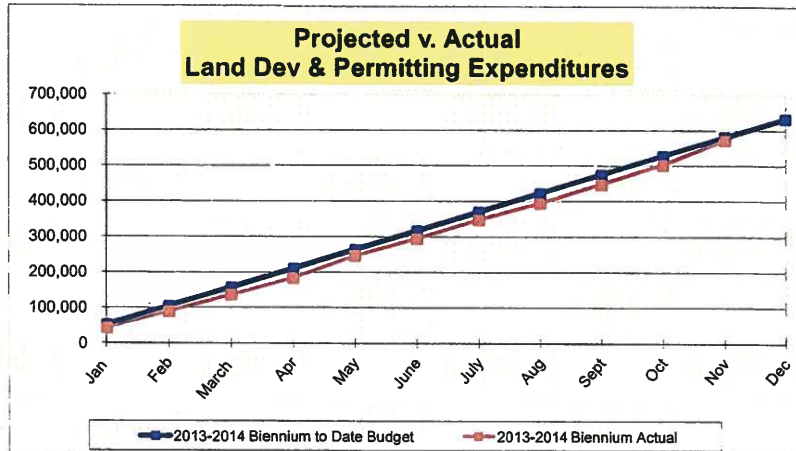
LAND DEV & PERMITTING

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	52,883	43,452
Feb	105,766	89,527
March	158,650	137,049
Apr	211,533	184,360
May	264,416	247,076
June	317,299	294,559
July	370,182	347,687
Aug	423,065	394,658
Sept	475,949	448,382
Oct	528,832	503,495
Nov	581,715	573,135
Dec	634,598	
2013	634,598	

Year To Date

Actual v. Projected

99%



**City of Kenmore, Washington
General Fund Expenditure Graphs
November 30, 2013**

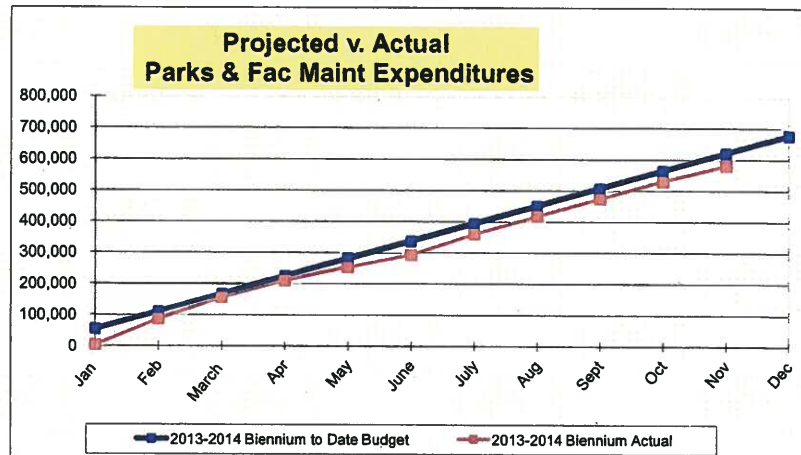
PARKS & FACILITY MAINT

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	56,544	3,386
Feb	113,088	87,019
March	169,633	156,047
Apr	226,177	210,704
May	282,721	253,744
June	339,265	293,489
July	395,809	361,014
Aug	452,353	418,836
Sept	508,898	475,116
Oct	565,442	531,537
Nov	621,986	581,330
Dec	678,530	
2013	678,530	

Year To Date

Actual v. Projected

93%



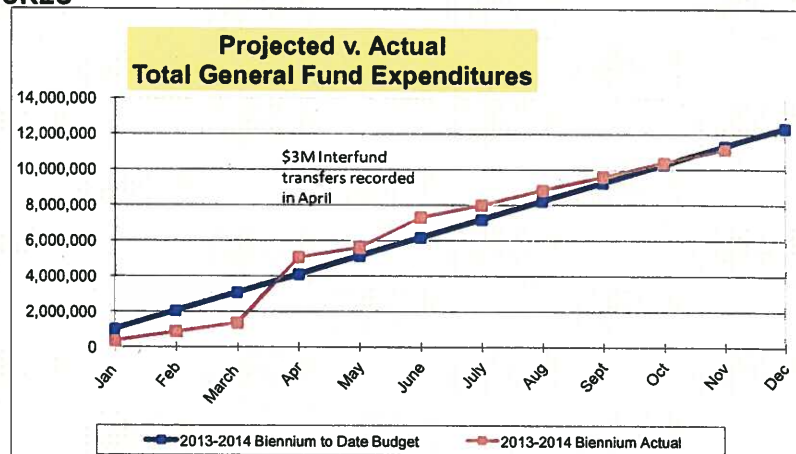
TOTAL GENERAL FUND EXPENDITURES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	1,031,425	355,135
Feb	2,062,849	871,215
March	3,094,274	1,367,258
Apr	4,125,698	5,065,445
May	5,157,123	5,621,271
June	6,188,547	7,308,294
July	7,219,972	8,011,606
Aug	8,251,396	8,865,502
Sept	9,282,821	9,604,675
Oct	10,314,245	10,410,650
Nov	11,345,670	11,158,644
Dec	12,377,094	
2013	12,377,094	

Year To Date

Actual v. Projected

98%





	2011-2012 BIENNIUM TO DATE	BUDGET	NOVEMBER	2013-2014 BIENNIUM TO DATE
GENERAL FUND				
Beginning Cash	4,941,884	4,351,224		4,351,224
Interfund Loan Repayment	0	0		1,200,000
Revenues	18,860,927	19,241,694	829,510	9,064,094
Total Sources	23,802,811	23,592,918	829,510	14,615,318
Interfund Loans	1,200,000	0		0
Expenditures	18,262,857	21,857,666	747,995	11,158,644
Ending Cash	4,339,954	1,735,252		3,456,673
Total Uses	23,802,811	23,592,918	747,995	14,615,318
STREET FUND				
Beginning Cash	2,040,582	1,512,463		1,512,463
Interfund Loan	0	0		0
Revenues	2,144,716	3,264,173	30,977	1,782,865
Total Sources	4,185,298	4,776,636	30,977	3,295,328
Expenditures	2,672,835	3,279,126	96,771	1,069,613
Ending Cash	1,512,463	1,497,510		2,225,714
Total Uses	4,185,298	4,776,636	96,771	3,295,328
TRANSPORTATION CAPITAL FUND				
Beginning Cash	1,209,197	427,539		427,539
Revenues	4,657,682	11,600,750	21,415	1,944,062
Total Sources	5,866,879	12,028,289	21,415	2,371,601
Expenditures	4,447,557	11,665,837	94,180	1,500,733
Ending Cash	1,419,322	362,452		870,868
Total Uses	5,866,879	12,028,289	94,180	2,371,601
PUBLIC ART FUND				
Beginning Cash	68,244	68,540		68,540
Revenues	1,296	600	0	0
Total Sources	69,540	69,140	0	68,540
Expenditures	1,000	1,000	0	1,507
Ending Cash	68,540	68,140		67,034
Total Uses	69,540	69,140	0	68,540
PARK IMPACT FEE FUND				
Beginning Cash	1,354,455	1,610,440		1,610,440
Revenues	285,604	346,567	7,611	106,554
Total Sources	1,640,059	1,957,007	7,611	1,716,994
Expenditures	24,963	220,000	0	190,000
Ending Cash	1,615,096	1,737,007		1,526,994
Total Uses	1,640,059	1,957,007	0	1,716,994
TRANSPORTATION IMPACT FEE FUND				
Beginning Cash	545,655	240,535		240,535
Revenues	916,135	876,670	25,302	354,229
Total Sources	1,461,790	1,117,205	25,302	594,764
Expenditures	1,221,255	822,500	0	248,000
Ending Cash	240,535	294,705		346,764
Total Uses	1,461,790	1,117,205	0	594,764
SWAMP CREEK BASIN FUND				
Beginning Cash	1,762,640	1,581,067		1,581,067
Revenues	16,536	16,000	0	0
Total Sources	1,779,176	1,597,067	0	1,581,067
Expenditures	198,109	160,000	0	109,873
Ending Cash	1,581,067	1,437,067		1,471,194
Total Uses	1,779,176	1,597,067	0	1,581,067
TRANSPORTATION BENEFIT DISTRICT FUND				
Beginning Cash	0	0		0
Revenues	0	535,000	23,740	131,729
Total Sources	0	535,000	23,740	131,729
Expenditures	0	535,000	0	5,000
Ending Cash	0	0		126,729
Total Uses	0	535,000	0	131,729
SAMMAMISH BRIDGE REPLACEMENT FUND				
Beginning Cash	0	0		0
Revenues	0	80,000	0	80,000
Total Sources	0	80,000	0	80,000
Expenditures	0	0	0	0
Ending Cash	0	80,000		80,000
Total Uses	0	80,000	0	80,000

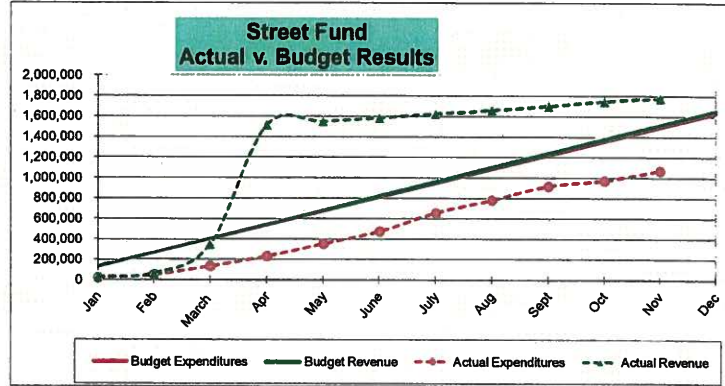


	2011-2012 BIENNIUM TO DATE	BUDGET	NOVEMBER	2013-2014 BIENNIUM TO DATE
REAL ESTATE EXCISE TAX FUND				
Beginning Cash	1,866,318	1,965,806		1,965,806
Revenues	1,497,557	1,147,317	134,286	815,544
Total Sources	3,363,874	3,113,123	134,286	2,781,350
Expenditures	2,386,812	2,365,050	0	1,076,956
Ending Cash	977,062	748,073		1,704,394
Total Uses	3,363,874	3,113,123	0	2,781,350
KENMORE VILLAGE FUND				
Beginning Cash	60,725	151,088		151,088
Interfund Loan	1,200,000			0
Revenues	555,153	1,692,340	1,950	1,351,505
Total Sources	1,815,878	1,843,428	1,950	1,502,593
Interfund Loans	0	0		1,200,000
Expenditures	1,663,002	339,200	14,098	164,178
Ending Cash	152,875	1,504,228		138,416
Total Uses	1,815,878	1,843,428	14,098	1,502,593
PARK CAPITAL FUND				
Beginning Cash	0	0		0
Revenues	0	678,534	0	216,119
Total Sources	0	678,534	0	216,119
Expenditures	0	635,000	11,986	162,009
Ending Cash	0	43,534		54,110
Total Uses	0	678,534	11,986	216,119
SURFACE WATER MANAGEMENT FUND				
Beginning Cash	1,590,280	1,419,392		1,419,392
Revenues	3,739,336	3,799,176	189,530	2,037,857
Total Sources	5,329,616	5,218,568	189,530	3,457,248
Expenditures	3,908,437	4,919,887	182,126	1,436,660
Ending Cash	1,421,179	298,681		2,020,588
Total Uses	5,329,616	5,218,568	182,126	3,457,248
SURFACE WATER CAPITAL FUND				
Beginning Cash	0	0		0
Revenues	0	2,369,261	0	492,011
Total Sources	0	2,369,261	0	492,011
Expenditures	0	2,369,261	0	170,027
Ending Cash	0	0		321,984
Total Uses	0	2,369,261	0	492,011
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	2,525,062	1,150	2,511,912
Total Sources	0	2,525,062	1,150	2,511,912
Expenditures	0	364,100	33,352	916,571
Ending Cash	0	2,160,962		1,595,340
Total Uses	0	2,525,062	33,352	2,511,912
EQUIPMENT REPLACEMENT FUND				
Beginning Cash	524,310	490,603		490,603
Revenues	188,365	155,142	0	0
Total Sources	712,675	645,745	0	490,603
Expenditures	222,072	276,250	6,869	55,664
Ending Cash	490,603	369,495		434,939
Total Uses	712,675	645,745	6,869	490,603
TRUST AND AGENCY (NON BUDGETED FUND)*				
Beginning Cash	278,859	247,209		247,209
Revenues	122,994	0	5,585	89,579
Total Sources	401,854	247,209	5,585	336,788
Expenditures	154,645	0	7,961	16,189
Ending Cash	247,209	247,209		320,599
Total Uses	401,854	247,209	7,961	336,788
TOTALS				
Beginning Cash	17,507,613	15,330,369		15,330,369
Interfund Loan	0	0	0	1,200,000
Revenues	32,986,301	48,328,286	1,271,056	20,978,060
Total Sources	50,493,914	63,658,655	1,271,056	37,508,429
Interfund Loans	1,200,000	0	0	1,200,000
Expenditures	34,965,435	49,809,877	1,195,338	18,281,625
Ending Cash	15,330,370	13,848,778		18,026,805
Total Uses	36,195,435	49,809,877	1,195,338	37,508,429

**City of Kenmore, Washington
Other Funds Monthly Activity
November 30, 2013**

STREET FUND

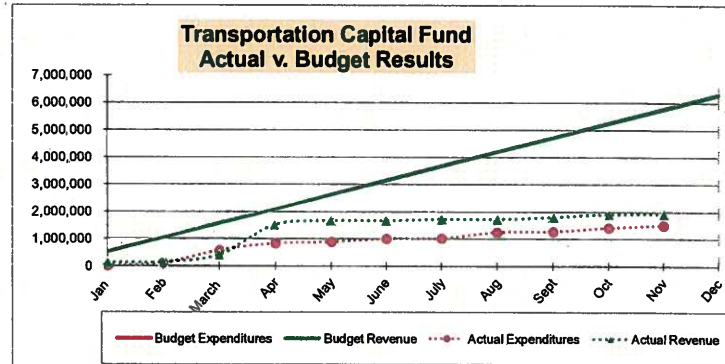
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	136,066	20,826	138,310	33,895
Feb	272,131	50,658	276,620	67,931
March	408,197	135,152	414,931	351,822
Apr	544,263	232,266	553,241	1,519,322
May	680,328	355,188	691,551	1,555,856
June	816,394	475,859	829,861	1,591,157
July	952,460	656,994	968,171	1,630,035
Aug	1,088,525	781,453	1,106,481	1,666,097
Sept	1,224,591	919,252	1,244,792	1,706,485
Oct	1,360,657	972,842	1,383,102	1,751,888
Nov	1,496,722	1,069,613	1,521,412	1,782,865
Dec	1,632,788		1,659,722	
2013-2014	3,279,126		3,264,173	
Total Actual to Date vs Total Budget		33%		55%



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

TRANSPORTATION CAPITAL FUND

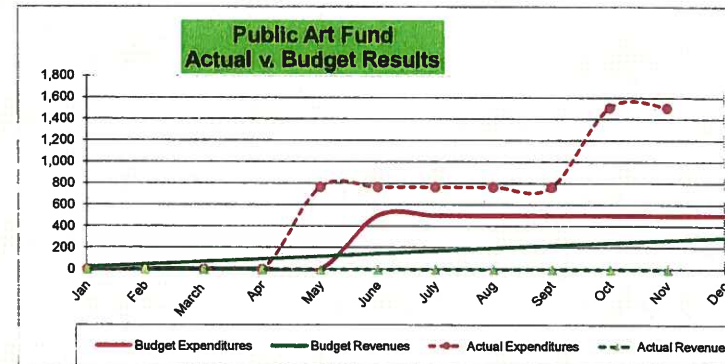
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	525,903	0	524,563	143,512
Feb	1,051,806	108,258	1,049,125	166,545
March	1,577,709	580,440	1,573,688	428,039
Apr	2,103,612	830,508	2,098,250	1,531,290
May	2,629,515	887,923	2,622,813	1,681,290
June	3,155,419	1,002,868	3,147,375	1,681,290
July	3,681,322	1,022,496	3,671,938	1,733,008
Aug	4,207,225	1,246,115	4,196,500	1,733,008
Sept	4,733,128	1,271,176	4,721,063	1,807,456
Oct	5,259,031	1,406,553	5,245,625	1,922,647
Nov	5,784,934	1,500,733	5,770,188	1,944,062
Dec	6,310,837		6,294,750	
2013-2014	11,575,837		11,600,750	
Total Actual to Date vs Total Budget		13%		17%



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.

PUBLIC ART FUND

	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	0	0	25	0
Feb	0	0	50	0
March	0	0	75	0
Apr	0	0	100	0
May	0	767	125	0
June	500	767	150	0
July	500	767	175	0
Aug	500	767	200	0
Sept	500	767	225	0
Oct	500	1,507	250	0
Nov	500	1,507	275	0
Dec	500		300	
2013-2014	1,000		600	
Total Actual to Date vs Total Budget		151%		0%

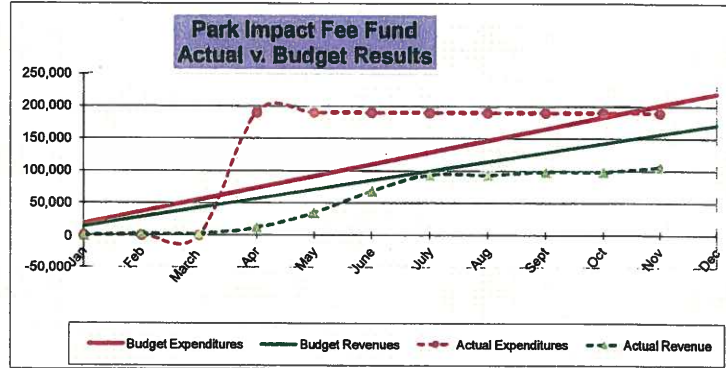


This fund accounts for public art authorized by Ordinance 01-0115. One percent (1%) of public project construction contracts is contributed to this fund to provide for public art displays or performing arts events as authorized by the City Council.

**City of Kenmore, Washington
Other Funds Monthly Activity
November 30, 2013**

PARK IMPACT FEE FUND

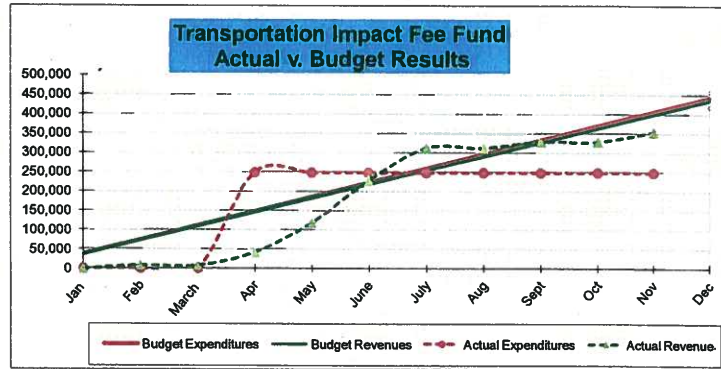
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	18,333	0	14,351	0
Feb	36,667	0	28,702	2,537
March	55,000	0	43,054	2,537
Apr	73,333	190,000	57,405	12,685
May	91,667	190,000	71,756	35,518
June	110,000	190,000	86,107	68,499
July	128,333	190,000	100,458	93,869
Aug	146,667	190,000	114,809	93,869
Sept	165,000	190,000	129,161	98,943
Oct	183,333	190,000	143,512	98,943
Nov	201,667	190,000	157,863	106,554
Dec	220,000		172,214	
2013-2014	220,000		346,567	
Total Actual to Date vs Total Budget		86%		31%



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

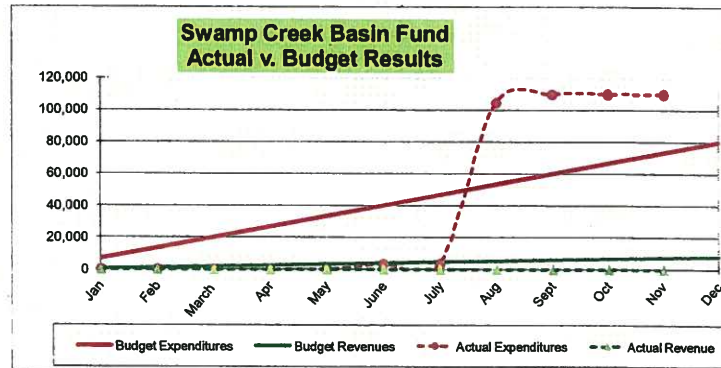
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	36,875	0	36,331	0
Feb	73,750	0	72,662	8,434
March	110,625	0	108,993	8,434
Apr	147,500	248,000	145,324	42,170
May	184,375	248,000	181,655	118,076
June	221,250	248,000	217,987	227,719
July	258,125	248,000	254,318	312,059
Aug	295,000	248,000	290,649	312,059
Sept	331,875	248,000	326,980	328,927
Oct	368,750	248,000	363,311	328,927
Nov	405,625	248,000	399,642	354,229
Dec	442,500		435,973	
2013-2014	822,500		876,670	
Total Actual to Date vs Total Budget		30%		40%



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

SWAMP CREEK BASIN FUND

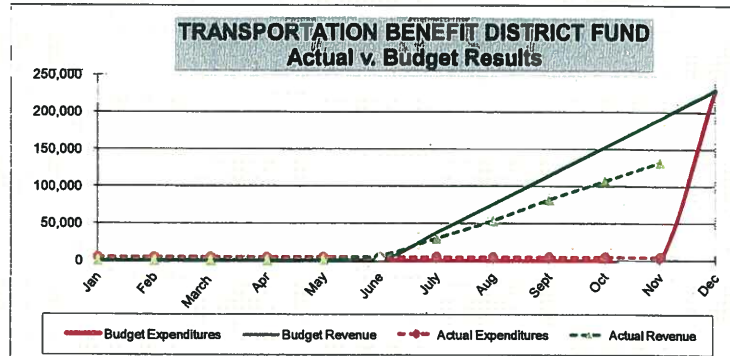
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	6,667	0	683	0
Feb	13,333	0	1,367	0
March	20,000	0	2,050	0
Apr	26,667	0	2,733	0
May	33,333	0	3,417	0
June	40,000	3,483	4,100	0
July	46,667	3,483	4,783	0
Aug	53,333	104,553	5,467	0
Sept	60,000	109,873	6,150	0
Oct	66,667	109,873	6,833	0
Nov	73,333	109,873	7,517	0
Dec	80,000		8,200	
2013-2014	160,000		16,000	
Total Actual to Date vs Total Budget		69%		0%



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

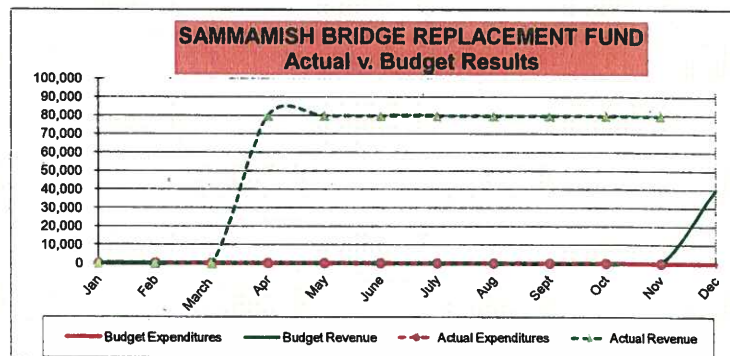
**City of Kenmore, Washington
Other Funds Monthly Activity
November 30, 2013**

TRANSPORTATION BENEFIT DISTRICT FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	0	5,000	0	0
Feb	0	5,000	0	0
March	0	5,000	0	0
Apr	0	5,000	0	0
May	0	5,000	0	772
June	0	5,000	0	7,029
July	0	5,000	38,333	30,690
Aug	0	5,000	76,666	54,628
Sept	0	5,000	114,999	82,784
Oct	0	5,000	153,332	107,989
Nov	0	5,000	191,665	133,291
Dec	230,000		230,000	
2013-2014	535,000		535,000	
Total Actual to Date vs Total Budget		1%		25%



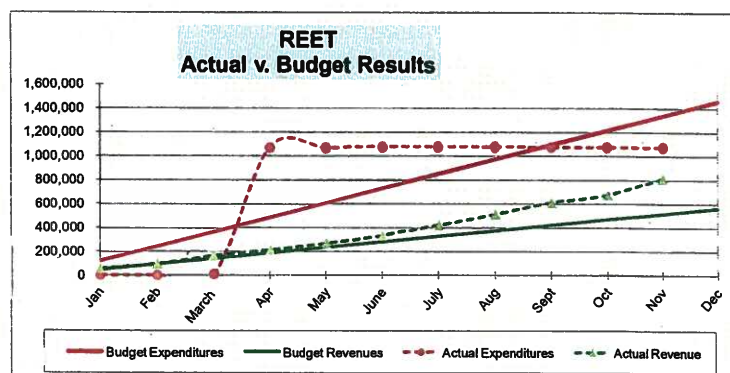
The Transportation Benefit District fund accounts for the \$20 vehicle license tab fees levied on vehicles located in the Kenmore city limits. The revenue generated will be used in maintaining the City's transportation system.

SAMMAMISH BRIDGE REPLACEMENT FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	0	0	0	0
Feb	0	0	0	0
March	0	0	0	0
Apr	0	0	0	80,000
May	0	0	0	80,000
June	0	0	0	80,000
July	0	0	0	80,000
Aug	0	0	0	80,000
Sept	0	0	0	80,000
Oct	0	0	0	80,000
Nov	0	0	0	80,000
Dec	0	0	40,000	
2013-2014	0		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
Jan	121,671	0	47,456	55,801
Feb	243,342	0	94,911	96,082
March	365,013	9,610	142,367	166,028
Apr	486,683	1,070,100	189,823	214,700
May	608,354	1,070,100	237,278	270,878
June	730,025	1,076,956	284,734	335,816
July	851,696	1,076,956	332,190	427,594
Aug	973,367	1,076,956	379,645	517,090
Sept	1,095,038	1,076,956	427,101	615,663
Oct	1,216,708	1,076,956	474,557	681,259
Nov	1,338,379	1,076,956	522,012	815,544
Dec	1,460,050		569,468	
2013-2014	2,365,050		1,147,317	
Total Actual to Date vs Total Budget		46%		71%



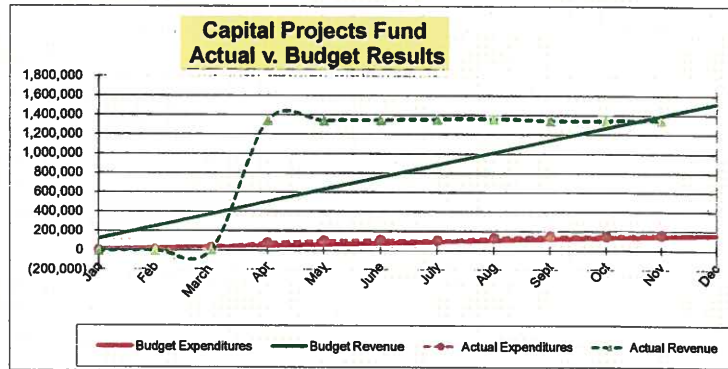
The Real Estate Excise Tax Fund accounts for the 1/2% real estate excise taxes levied by the City which are restricted to capital projects and improvements. Expenditures include park improvements and transfers to the Transportation Capital Fund for transportation improvements.

**City of Kenmore, Washington
Other Funds Monthly Activity
November 30, 2013**

KENMORE VILLAGE FUND

	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	13,467	3,120	126,918	2,050
Feb	26,933	14,302	253,837	4,650
March	40,400	38,391	380,755	9,641
Apr	53,867	82,954	507,673	1,347,548
May	67,333	105,120	634,592	1,348,848
June	80,800	112,981	761,510	1,353,497
July	94,267	108,461	888,428	1,360,779
Aug	107,733	131,984	1,015,347	1,365,020
Sept	121,200	145,296	1,142,265	1,348,805
Oct	134,667	150,080	1,269,183	1,349,555
Nov	148,133	164,178	1,396,102	1,351,505
Dec	161,600		1,523,020	
2013-2014	339,200		1,692,340	
Total Actual to Date vs Total Budget		48%		80%

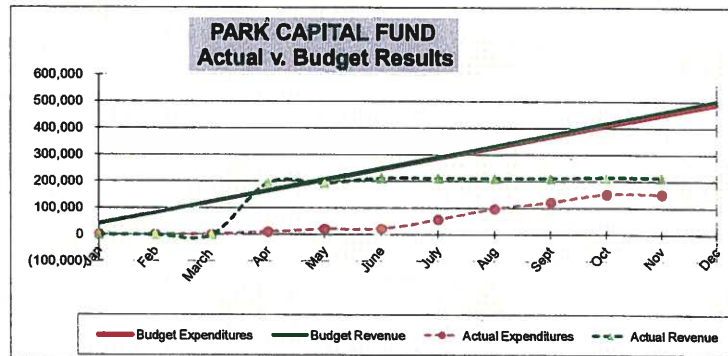
The Kenmore Village Fund accounts for leasing activity within Kenmore Village



PARK CAPITAL FUND

	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	40,833	0	41,961	0
Feb	81,667	0	83,922	340
March	122,500	0	125,884	340
Apr	163,333	9,952	167,845	194,803
May	204,167	20,823	209,806	194,803
June	245,000	21,888	251,767	212,810
July	285,833	56,492	293,728	212,810
Aug	326,667	96,559	335,689	213,319
Sept	367,500	121,792	377,651	213,319
Oct	408,333	150,023	419,612	216,119
Nov	449,167	150,023	461,573	216,119
Dec	490,000		503,534	
2013-2014	650,000		663,534	
Total Actual to Date vs Total Budget		23%		33%

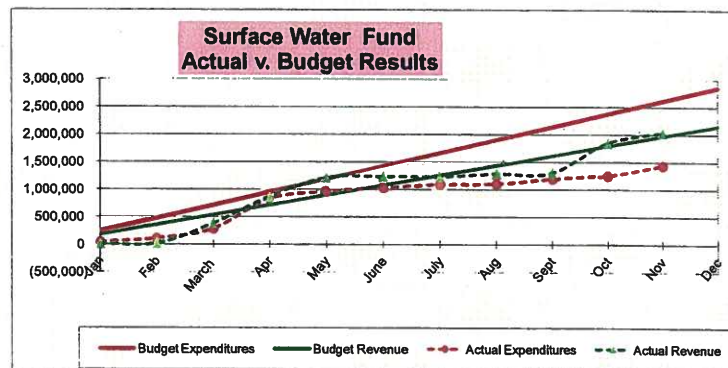
The Park Capital fund will account for Park Capital Projects formerly included in the Municipal Capital fund. In addition, distributions from the King County Proposition 2 Parks Expansion Levy will be receipted into this fund



SURFACE WATER MANAGEMENT FUND

	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	237,469	40,806	179,928	11,144
Feb	474,938	109,357	359,856	20,625
March	712,407	284,556	539,784	384,041
Apr	949,875	829,064	719,712	869,859
May	1,187,344	964,357	899,640	1,216,519
June	1,424,813	1,030,493	1,079,569	1,230,077
July	1,662,282	1,092,286	1,259,497	1,233,370
Aug	1,899,751	1,103,730	1,439,425	1,291,532
Sept	2,137,220	1,192,665	1,619,353	1,307,451
Oct	2,374,688	1,254,534	1,799,281	1,848,326
Nov	2,612,157	1,436,660	1,979,209	2,037,857
Dec	2,849,626		2,159,137	
2013-2014	4,919,887		3,799,176	
Total Actual to Date vs Total Budget		29%		54%

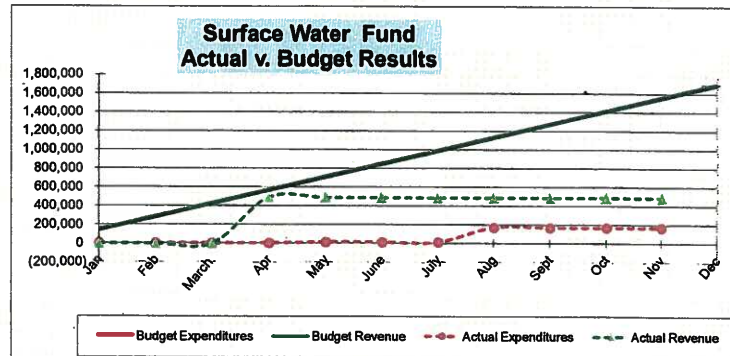
This fund accounts for receipts from surface water assessments. The assessments are collected through the property tax billings; the majority of the receipts are collected in May and November. Expenditures are for surface water maintenance activities such as sweeping and drainage as well as capital improvements.



**City of Kenmore, Washington
Other Funds Monthly Activity
November 30, 2013**

SURFACE WATER CAPITAL FUND

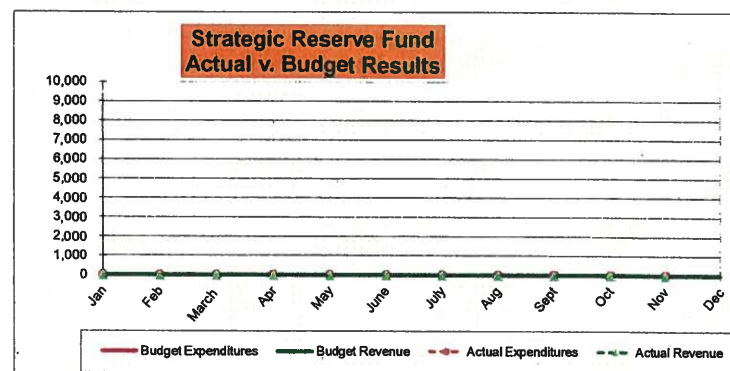
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	141,438	0	141,438	0
Feb	282,877	0	282,877	0
March	424,315	632	424,315	0
Apr	565,754	632	565,754	492,011
May	707,192	11,686	707,192	492,011
June	848,631	11,686	848,631	492,011
July	990,069	11,686	990,069	492,011
Aug	1,131,507	170,027	1,131,507	492,011
Sept	1,272,946	170,027	1,272,946	492,011
Oct	1,414,384	170,027	1,414,384	492,011
Nov	1,555,823	170,027	1,555,823	492,011
Dec	1,697,261		1,697,261	
2013-2014	2,369,261		2,369,261	
Total Actual to Date vs Total Budget		7%		21%



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.

STRATEGIC RESERVE FUND

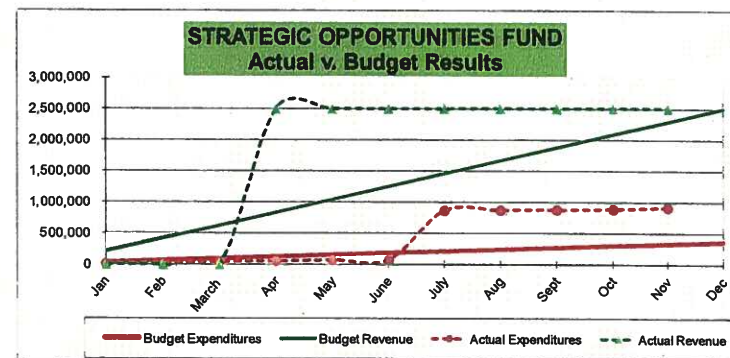
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	0	0	0	0
Feb	0	0	0	0
March	0	0	0	0
Apr	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
Aug	0	0	0	0
Sept	0	0	0	0
Oct	0	0	0	0
Nov	0	0	0	0
Dec	0	0	0	0
2013-2014	0	0	0	0
Total Actual to Date vs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



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

STRATEGIC OPPORTUNITIES FUND

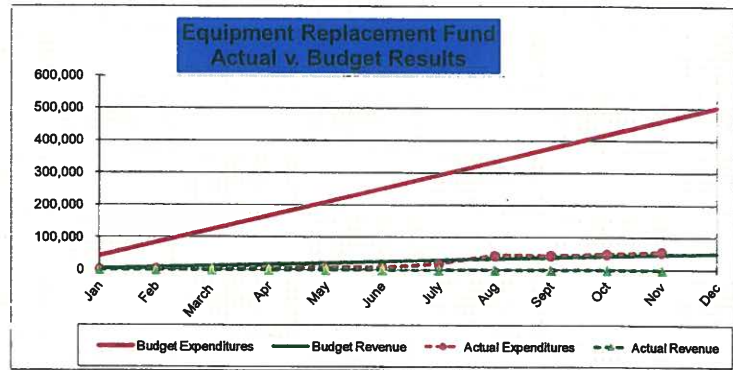
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	30,342	2,856	209,375	0
Feb	60,683	16,847	418,750	1,502
March	91,025	40,110	628,125	1,502
Apr	121,367	51,688	837,500	2,502,352
May	151,708	69,644	1,046,875	2,503,552
June	182,050	77,510	1,256,250	2,504,402
July	212,392	860,293	1,465,625	2,505,602
Aug	242,733	871,509	1,675,000	2,507,162
Sept	273,075	879,149	1,884,375	2,508,912
Oct	303,417	883,219	2,093,750	2,510,762
Nov	333,758	916,571	2,303,125	2,511,912
Dec	364,100		2,512,500	
2013-2014	364,100		2,525,062	
Total Actual to Date vs Total Budget		252%		99%



The purpose of the Strategic Opportunities Fund is to have funds available for "rainy days" and 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
November 30, 2013

EQUIPMENT REPLACEMENT FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
Jan	41,883	0	4,321	0
Feb	83,767	1,948	8,642	0
March	125,650	1,948	12,963	0
Apr	167,534	4,145	17,283	0
May	209,417	8,191	21,604	0
June	251,301	8,191	25,925	0
July	293,184	19,708	30,246	0
Aug	335,067	43,616	34,567	0
Sept	376,951	44,287	38,888	0
Oct	418,834	48,795	43,208	0
Nov	460,718	55,664	47,529	0
Dec	502,601		51,850	
2013-2014	276,250		155,142	
Total Actual to Date vs Total Budget		20%		0%



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
November 30, 2013**

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<u>Fund</u>	<u>Beg. Cash & Inv. from Prev. Mo.</u>	<u>Monthly Revenues</u>	<u>Monthly Expenditures</u>	<u>End. Cash & Inv. Current Month</u>
General	\$3,361,880	\$829,510	\$747,995	3,443,395
Street	2,291,508	30,977	96,771	2,225,713
Transportation Capital	1,935,417	21,415	94,180	1,862,652
Public Art	67,035	0	0	67,035
Park Impact Fee	1,524,041	7,611	0	1,531,652
Transp Impact Fee	321,463	25,302	0	346,765
Swamp Creek Basin	1,471,194	0	0	1,471,194
Transportation Benefit District	102,989	23,740	0	126,729
Sammamish Bridge Replacement	80,000	0	0	80,000
Real Estate Excise Tax	581,363	134,286	0	715,649
Kenmore Village	152,348	1,950	14,098	140,200
Park Capital	66,097	0	11,986	54,110
Surface Water Management	2,014,972	189,530	182,126	2,022,376
Surface Water Capital	321,984	0	0	321,984
Strategic Reserve	1,264,465	0	0	1,264,465
Strategic Opportunities	1,627,542	1,150	33,352	1,595,340
Equipment Replacement	441,807	0	6,869	434,938
Trust & Agency	322,971	5,585	7,961	320,595
Totals	\$17,949,076	\$1,271,056	\$1,195,338	\$18,024,794

<u>Fund</u>	<u>Cash, Savings, Local Govt Investment Pool</u>	<u>(> One Year) Fixed Investments</u>	<u>Total</u>
General	-\$1,253,350	\$4,710,427	3,457,077
Street	1,375,714	850,000	2,225,714
Transportation Capital	870,869	0	870,869
Public Art	52,034	15,000	67,034
Park Impact Fee	596,996	930,000	1,526,996
Transp Impact Fee	316,766	30,000	346,766
Swamp Creek Basin	71,195	1,400,000	1,471,195
Transportation Benefit District	126,729	0	126,729
Sammamish Bridge Replacement	80,000	0	80,000
Real Estate Excise Tax	1,704,393	0	1,704,393
Kenmore Village	-311,587	450,000	138,413
Park Capital	54,110	0	54,110
Surface Water Management	1,510,589	510,000	2,020,589
Surface Water Capital	321,984	0	321,984
Strategic Reserve	414,465	850,000	1,264,465
Strategic Opportunities	1,595,340	0	1,595,340
Equipment Replacement	-15,061	450,000	434,939
Trust & Agency	220,595	100,000	320,595
Totals	\$7,731,781	\$10,295,427	\$18,027,208

City of Kenmore, Washington
Schedule of Investments
November 30, 2013



			Average Yield to Maturity-Securities				Overall Average Yield		
Report by Security	Investment #	Type	Maturity Date	Purchase Date	Rate	Yield	Possible Call Date	Principal or Balance	0.56% Yield Equivalents
Piper Jaffray									
	313371PC4	FHLB	12/12/2014	6/7/2011	0.88%	0.88%	no call	991,238.90	8,722.90
	3136G0QY0	FNMA	7/25/2017	7/25/2012	0.75%	0.75%	7/25/2013	1,000,000.00	7,500.00
	31771J4M9	FICO	9/26/2017	8/14/2012	1.13%	1.13%	non callable	894,731.88	10,137.31
Total Piper Jaffrey Purchases								2,885,970.78	26,360.21
Morgan Stanley									
								-	-
								-	-
Time Value Investments									
	313586QR3	FNMA	7/5/2014	6/7/2011	1.00%	compounds	no call	998,858.37	9,988.58
	3136G1BT5	FNMA	8/7/2017	7/2/2013	1.30%	1.30%	8/7/2013	982,099.00	12,767.29
	3135G0XK4	FNMA	5/25/2018	11/25/2013	1.38%	1.38%	2/25/2014	985,750.00	13,583.64
	3136G1T25	FNMA	8/26/2016	8/26/2013	0.90%	0.90%	2/26/2014	998,500.00	8,986.50
	31359MEL3	FNMA	4/22/2017	10/22/2012	0.86%	0.86%	no call	999,468.08	8,595.43
Total TVI Purchases								4,964,675.45	53,921.43
Banner Bank CD's									
	5740005425	CD	2/6/2014	2/6/2013	0.45%	0.45%		1,195,585.97	5,380.14
Total Banner Bank CD's								1,195,585.97	5,380.14
Sound Community Bank CD's									
	18299229	CD	2/11/2014	8/17/2012	0.65%	0.65%		1,000,000.00	6,500.00
Total Sound Community Bank CD's								1,000,000.00	6,500.00
Opus Bank CD's									
	280140042	CD	3/16/2015	3/15/2011	1.15%	1.15%		249,194.49	2,865.74
Total Cascade Bank CD's								249,194.49	2,865.74
TOTAL ALL SECURITIES								\$ 10,295,426.69	\$ 95,027.52
Banner Checking and Savings						0.07%	Banner	6,478,312.60	4,534.82
Opus Bank						0.20%		11,097.31	22.19
Cash								1,005.00	-
Local Government Investment Pool						0.13%	LGIP	1,241,364.80	1,664.67
								-	-
Total Accounts								\$ 18,027,206.40	101,249.20

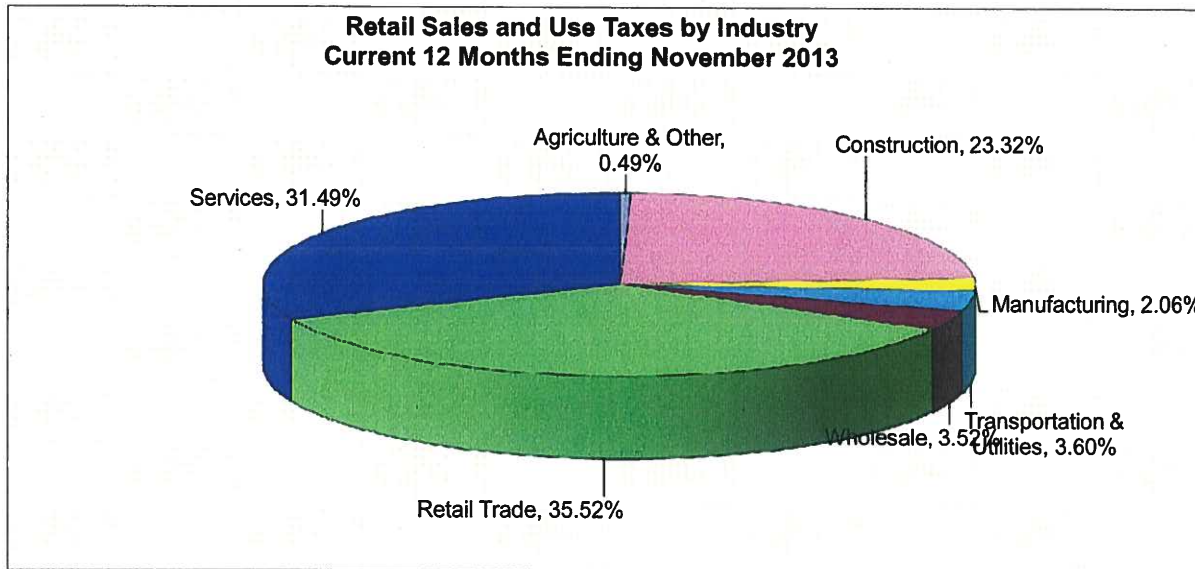
City of Kenmore, Washington
SALES TAX RECEIPTS BY BUSINESS TYPE
 November 2013

	SALES TAX	USE TAX	TOTAL	PERCENT
AGRICULTURE & OTHER	117.88	0.00	117.88	0.1%
CONSTRUCTION	38,613.76	1,283.51	39,897.27	26.5%
MANUFACTURING	3,570.33	5.35	3,575.68	2.4%
TRANSPORTATION & UTILITIES	793.14	897.65	1,690.79	1.1%
WHOLESALE	7,637.36	183.80	7,821.15	5.2%
RETAIL TRADE	46,993.71	679.84	47,673.55	31.6%
SERVICES	38,561.08	628.50	39,189.58	26.0%
INFORMATION	9,050.70	33.60	9,084.30	6.0%
PUBLIC SERVICES	2.93	1,728.55	1,731.48	1.1%
	<u>145,340.88</u>	<u>5,440.81</u>	<u>150,781.69</u>	<u>100.0%</u>

City of Kenmore, Washington
Retail Sales and Use Tax Distribution
November 30, 2013



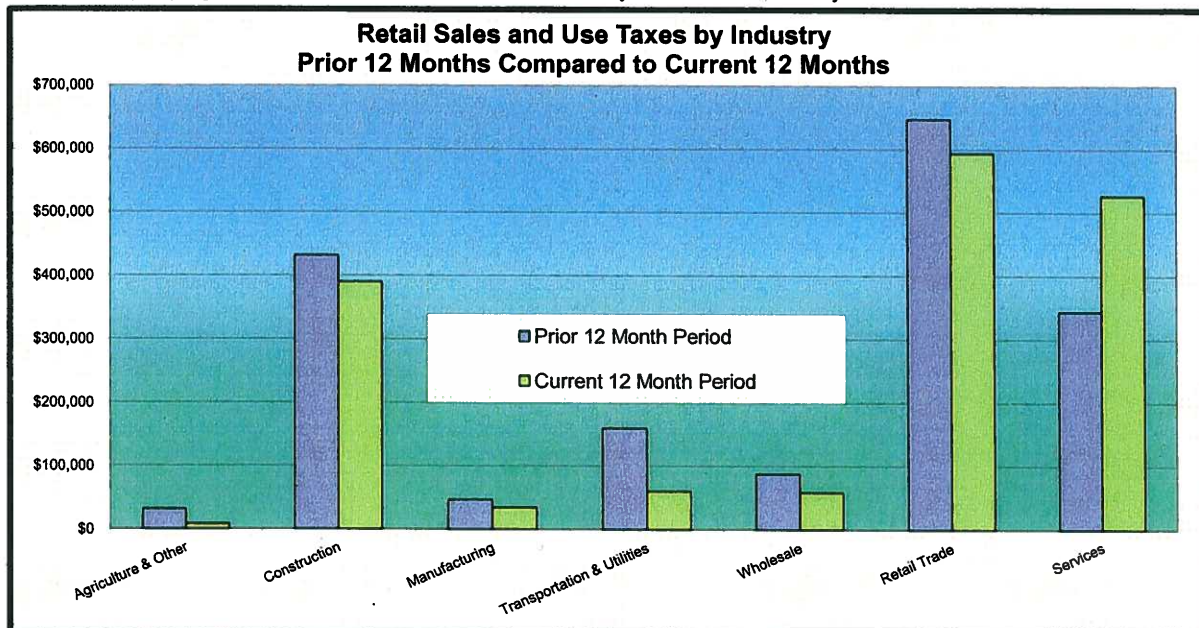
<u>Industry</u>	<u>Prior 12 Months ending Nov 2012</u>	<u>Current 12 Months ending Nov 2013</u>	<u>% Increase/ (Decrease)</u>	<u>% of Total</u>
Agriculture & Other (Landscaping, Animal Hospitals)	\$31,519	\$8,129	-74.21%	0.49%
Construction	431,594	389,845 *	-9.67%	23.32%
Manufacturing (Printing, Publishing, Other Manuf.)	46,442	34,407	-25.91%	2.06%
Transp/Comm/Utilities (Telecomm., Air Transport.)	159,633	60,108	-62.35%	3.60%
Wholesale (Lumber, Other Wholesale)	87,409	58,871	-32.65%	3.52%
Retail Trade (Eating, Merchandise, Food Stores)	647,097	593,707	-8.25%	35.52%
Services (Auction, Recreation, Auto Repair, Financial)	343,635	526,392	53.18%	31.49%
Totals	\$1,747,329	\$1,671,459	-4.34%	100%
Increase/(Decrease)		(\$75,870)	-4.34%	



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

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

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



**City of Kenmore, Washington
Real Estate Excise Tax Report
November 30, 2013**

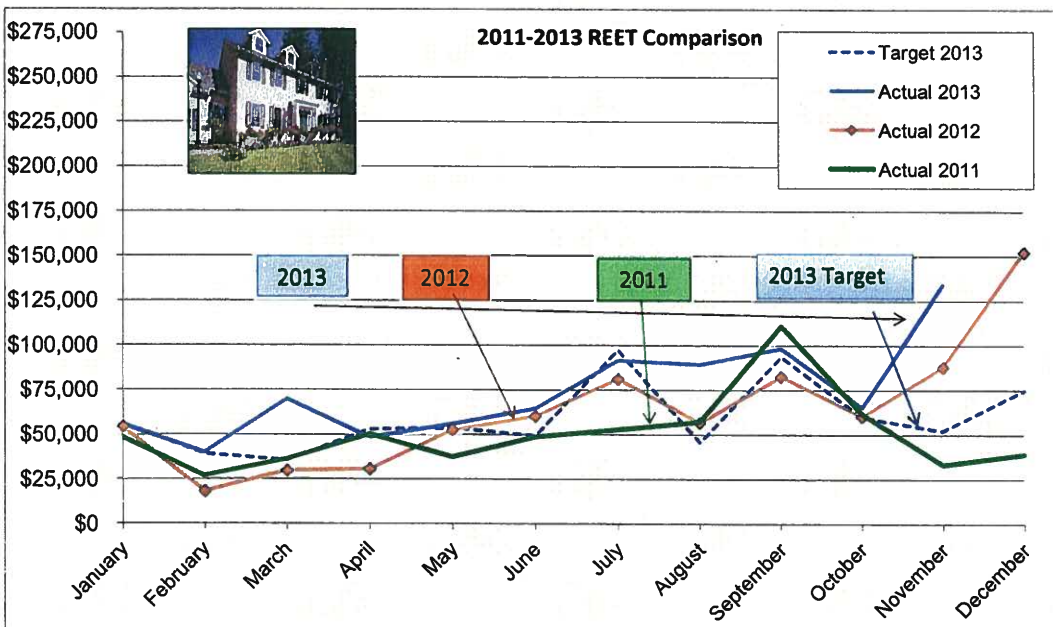


Real Estate Excise Taxes (REET) 2009 - 2013 Monthly Receipts					
	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Target 2013
January	64,792	48,679	54,359	55,801	55,943
February	73,383	27,294	18,064	40,281	39,580
March	41,445	36,507	29,691	69,946	35,881
April	78,233	50,463	30,662	48,671	53,119
May	71,622	37,671	52,575	56,178	53,956
June	38,919	48,938	60,408	64,938	49,422
July	158,221	53,012	81,316	91,779	97,516
August	23,033	57,471	56,626	89,496	45,710
September	87,734	111,107	82,785	98,573	93,875
October	57,761	61,805	60,265	65,596	59,944
November	35,585	33,475	88,057	134,286	52,372
December	32,962	39,510	152,262		74,911
	\$763,689	\$605,931	\$767,070	\$815,545	\$712,230

For 2013, REET is \$200,736 more than the same period last year and more than the 2013 target by \$178,227

* NOTE THE 2013 target is computed on a 3 year average (2010-2012) of actual receipts

Real Estate Excise Taxes (REET) 2010 - 2013 Property Sales > \$500,000					Taxes from > \$500,000 Sale Amounts			
	2010	2011	2012	2013	2010	2011	2012	2013
January	3,790,500	1,046,085	5,515,283	3,380,165	18,763	5,178	27,301	16,732
February	4,805,000	547,257	1,152,000	3,417,500	23,785	2,709	5,702	16,917
March	1,149,000	1,100,000	750,000	3,514,000	5,688	5,445	3,713	17,394
April	1,779,000	1,075,000	870,000	1,570,450	8,806	5,321	4,307	7,774
May	1,859,000	2,372,000	2,796,250	3,634,210	9,202	11,741	13,841	17,989
June	540,000	2,605,000	1,215,000	2,761,500	2,673	12,895	6,014	13,669
July	18,013,000	3,354,950	4,196,500	8,478,706	89,164	16,607	20,773	41,970
August	1,020,000	3,045,950	1,756,200	6,131,455	5,049	15,077	8,693	30,351
September	11,276,760	15,691,044	4,859,500	10,911,500	55,820	77,671	24,055	54,012
October	610,000	7,873,950	3,087,500	5,568,400	3,020	38,976	15,283	27,564
November	1,020,000	875,000	8,334,960	18,620,230	5,049	4,331	41,258	92,170
December	2,178,000	2,189,000	23,033,200		10,781	10,836	114,014	0
	\$48,040,260	\$41,775,236	\$57,566,393	\$67,988,116	237,800	206,787	284,954	336,542



City of Kenmore, Washington
Monthly Report for Kenmore Village
November 30, 2013

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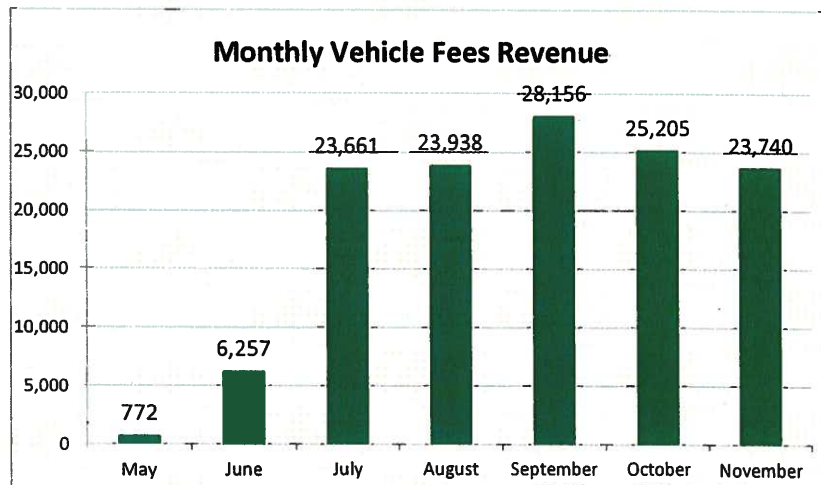
<u>Revenues</u>	<u>November 2013</u>	<u>Biennium-to- Date</u>	<u>Biennium Budget</u>
Lease Income (USPS & Kenmore Village)	0	0	317,940
Return of Security Deposit	0	0	0
Other Rent Income	1,950	14,350	15,000
Landlord Expense (CAM*) Reimbursement	0	0	0
Insurance Proceeds	0	0	0
Sale of Property	0	1,335,034	1,250,000
Leasehold Excise Returned	0	2,121	14,900
Total Revenues	<u>1,950</u>	<u>1,351,506</u>	<u>1,597,840</u>
<u>Expenditures</u>			
6700 Building Improvements	0	0	11,000
Property Management	0	3,263	43,200
Utilities and Insurance - Kenmore Village	0	32,006	103,400
Repairs, Maintenance, Other Services	0	0	
Total Expenditures	<u>0</u>	<u>35,269</u>	<u>157,600</u>
Net Income (Loss)	<u>1,950</u>	<u>1,316,237</u>	<u>1,440,240</u>

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
Quarterly Report
November 30, 2013**



<u>Revenues</u>	<u>November 2013</u>	<u>Biennium-to- Date</u>	<u>Biennium Budget</u>
Vehicle Fees			
Total Revenues	<u>\$ 23,740</u>	<u>\$131,729</u>	<u>\$535,000</u>
<u>Expenditures</u>			
WCIA Insurance	0	5,000	10,000
Reimbursement to Street Fund	0	0	525,000
Total Expenditures	<u>0</u>	<u>5,000</u>	<u>535,000</u>
Net Income (Loss)	<u>\$ 23,740</u>	<u>\$126,729</u>	<u>\$0</u>



City of Kenmore, Washington
SR 522 Phase I Revenue and Expenditure History
as of November 30, 2013

Phase I		**Actuals Received on Cash Basis**							
Stage 3 Burke Gilman Trail @73rd Ave NE-nearing completion									
Stage 1 SR 522 Central Segment 65th to 73rd and other improvements, in construction									
Stage 2 SR 522 West Segment 57th to 65th and other improvements, pending funding									
		Cumulative through 2008	2009	2010	2011	Year to Date 2012	November 2013	Year to Date 2013	Life to Date
Revenues:									
Secured:									
Wa State Transportation Improve. Board:									
to Street Fund	5,047,000	851,786	0	0	0	0	0	0	851,786
to Arterial Street Fund	0	148,214	2,545,308	1,501,692	0	0	0	0	4,195,214
Wa State Gas Tax	4,863,620	3,119,047	1,765,416	0	0	0	0	0	4,884,463
Federal Surface Transportation Prog	12,045,444	1,708,895	8,535,460	1,781,817	0	55	0	0	12,026,227
Brightwater	15,000	15,000	0	0	0	0	0	0	15,000
Federal: Wa State Dept of Trans Signal	357,914	0	0	546,862	0	0	0	0	546,862
King County Parks	908,500	514,616	201,467	0	0	0	0	0	716,083
King County Roads	350,000	350,000	0	0	0	0	0	0	350,000
Northshore Utility District Reimb	432,400	80,559	0	0	0	259,387	0	0	339,946
Puget Sound Energy Reimb	284,100	0	0	0	0	0	0	0	0
Northshore School Dist Reimb	22,258	0	0	0	0	0	0	0	0
Library Reimb	10,000	0	0	0	0	0	0	0	0
Comcast Reimb	168,800	88,620	0	0	0	113,383	0	0	202,003
Urban Partners	75,000	0	25,000	54,438	0	0	0	0	79,438
Fire District Reim	49,000	0	0	0	0	63,245	0	0	63,245
City Art Fund	128,488	0	0	0	0	0	0	0	0
BWR St. 1 Ph. 1 Settlement		0	0	0	0	0	0	0	0
HDR St. 1 Ph. 1 Settlement		0	0	0	0	0	0	150,000	150,000
U of WA IT Reimbursement		0	0	0	0	26,113	0	0	26,113
City Light Reimbursement		0	0	0	0	0	0	23,033	23,033
City Funds:	5,807,250	0	0	0	0	200,000	0	0	200,000
Transfer from REET Muni Cap		1,083,250	0	3,290,000	0	0	0	0	4,373,250
Transfer from Street Fund		0	0	521,870	0	0	0	0	521,870
Stage 1/181st		0	334,000	0	0	0	0	0	334,000
Stage 2		0	700,000	0	470,174	157,468	0	0	1,327,642
Transfer from REET Muni Cap	700,000	0	700,000	0	470,174	157,468	0	0	1,327,642
Transfer from Trans Impact Fees		900,000	0	0	0	0	0	0	900,000
								0	0
Total Revenues	30,840,772	8,859,987	14,106,651	7,696,679	470,174	819,651	0	173,033	32,126,175
Expenditures:									
Street Fund		15,148,961	1,090	0	0	0	0	0	15,150,051
Street-Interfund Loan Interest		0	0	0	0	0	0	0	0
1% Art Fund		0	0	0	0	0	0	0	0
Arterial Street Fund		253,860	11,708,313	2,874,519	154,162	418,047	0	11,082	15,419,983
Stage 2 Design			483,830	435,358	132,834	102,132	0	1,108	1,155,263
Arterial Street Fund									
Muni Cap Fund		46,782	0	0	0	0	0	0	46,782
Total Expenditures		15,449,603	12,193,233	3,309,877	352,046	520,179	0	12,191	31,772,079

City of Kenmore, Washington
SR 522 Phase II Revenue and Expenditure History
as of November 30, 2013

Phase II

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

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

		Cumulative through 2008	2009	2010	2011	2012	November 2013	Year to Date 2013	Life to Date
Revenues:									
Wa State Transportation Improve. Board:	Secured: 3,450,000	3,145,975	131,526	172,500	0	0	0	0	3,450,000
Sound Transit	8,192,307	8,192,307	0	0	0	0	0	0	8,192,307
Brightwater	250,000	0	0	0	0	0	0	250,000	250,000
Federal Grant via WSDOT	697,312	578,381	91,120	0	6,683	0	0	0	676,184
Federal: WSDOT Signal/Overlay	683,608	185,272	498,322	0	0	0	0	0	683,594
Regional Mobility WSDOT	1,800,000	1,441,827	358,173	0	0	0	0	0	1,800,000
King County Metro	400,000	0	0	400,000	0	0	0	0	400,000
Wa State Gas Tax Grant	8,336,380	4,636,717	2,951,182	439,620	0	0	0	0	8,027,519
Comcast Reimb	147,770	92,680	0	55,090	0	0	0	0	147,770
Northshore Utility District Reimb	1,621,486	1,024,376	441,836	0	0	112,124	0	11,494	1,701,954
Northshore School District Reimb	28,914	0	0	0	2,694	2,444	0	0	5,138
PSE Reimbursement	150,000	0	0	0	0	0	0	0	0
Integra Reimbursement		0	0	0	0	9,144	0	0	9,144
City: Art Fund	161,006	0	0	0	0	0	0	0	0
City:	2,870,793								0
Investment Earnings		92,191	15,331	2,532	0	0	0	0	110,054
Fuel Tax		274,153	0	0	0	0	0	0	274,153
Transfer of Trans Impact Fees		512,000	430,698	450,000	387,500	0	0	0	1,392,698
Transfer from Street Fund		0	0	1,000,000	0	0	0	0	1,000,000
Transfer of REET		1,096,420	0	0	215,307	0	0	0	1,096,420
Total Revenues	28,789,576	21,272,299	4,918,188	2,519,742	612,184	123,712	0	261,494	29,216,936
Expenditures:									
Arterial Street		22,497,211	4,671,626	1,068,152	1,403,237	48,234	0	43,624	29,732,083
Interfund Loan Interest		127,175	0	0	0	0	0	0	127,175
Art 1%		0	0	0	0	0	0	0	0
Transportation Impact Fee Fund		100,000	0	0	0	0	0	0	100,000
Total Expenditures		22,724,386	4,671,626	1,068,152	1,403,237	48,234	0	43,624	29,959,258



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: SR 522 West A: Department of Ecology Grant Acceptance.

For Council Meeting Agenda of: January 13, 2014

Department: Engineering & Environmental Services

Prepared by: Kent Vaughan

To Be Presented By: NA

Proposed Council Action/Motion:

Authorize the City Manager to execute an agreement with the Washington State Department of Ecology to accept surface water grant funds in the amount of \$475,125, plus additional resources should they be available.

Approved by Department Head:

Approved by City Attorney:

Approved by Finance Director:

Approved by City Manager:

Exhibits/Attachments: NA

Initial & Date

KNO 12/20/13

NA

CV

2014

Expenditure Required NA

Amount Budgeted NA

Appropriation Required NA

See Fiscal Consideration below.

INFORMATION/BACKGROUND:

The 2012 State Legislature provided \$67M through appropriation provisions for statewide stormwater construction projects. Ecology made funding offers on May 1, 2012 to 117 grant applicants. For varying reasons, a portion of the funding offers were declined or de-obligated. Ecology provided the declined/de-obligated funds in a new competitive funding opportunity called the FY2012 Supplemental Statewide Stormwater Grant Program. This program was developed to fund retrofit projects of existing stormwater facilities, in addition to implementing low impact development techniques. Ecology offered the funding through a competitive grant program to NPDES Phase I and II city, town, county, and port district municipal stormwater permittees. Ecology received 49 applications totaling over \$20 million in grant funding requests. The amount available for the Supplemental Statewide Stormwater Grant Program was \$7.6M.

Under this program, Ecology funded 16 projects. The City of Kenmore SR 522 West A project grant application ranked 3rd highest in the State, and was awarded \$475,125. The grant award required a 25 percent match (\$158,375). This grant will help pay for SR 522 West A's proposed stormwater quality improvements, which are intended to reduce total suspended solids, metal concentrations, hydrocarbons/oil and other pollutants entering Tributary 0056 and Lake Washington.

Grant funds must be spent by June 30, 2015. Given the project's current schedule (construction beginning in January 2015), staff will work diligently to spend the funds before the deadline. Ecology staff have indicated that time extensions for this funding are allowable, if necessary.

FISCAL CONSIDERATION:

The SR 522 West A project budget includes \$633,500 in surface water utility funds; \$158,375 of this amount will be used as match for the Ecology grant. A small portion of the grant funds / match will be spent in design in 2014, but the majority of the funds is allocated to construction and will be spent in the first 6 months of 2015.

VI. D. Authorize Acceptance of Surface Water Grant Funds fr...

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Council Goal #2: 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.

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



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic:

Recycling Event Project Management for
2014 and 2015

For Council Meeting Agenda of: January 13, 2014

Department: Public Works

Prepared by: Jennifer Gordon, PW Operations Mgr.

Proposed Council Action/Motion:

Authorize City Manager to Execute
Contract No. 13-C1237 with Olympic
Environmental Resources.

Approved by Department Head:

Approved by City Attorney:

Approved by Finance Director:

Approved by City Manager:

Initial & Date

[Signature] 12/5/13
via email 11/22/13
[Signature] 12/21/13
[Signature]

Exhibits/Attachments:

Contract No. 13-C1237

Expenditure Required \$92,559.48

Amount Budgeted \$92,559.48

Appropriation Required \$0 City
Funds, 100% Grant Funded

INFORMATION/BACKGROUND:

The City holds three recycling events annually. These events include two residential recycling collection events and one business recycling collection event. This contract will include events in 2014 and 2015. All recycling events are 100% funded by the following grants:

2014-15 Ecology CPG Grant (through June 2015)	\$28,127.00
2014-15 Ecology CPG Grant (July-December 2015 estimate)	\$12,000.00
2014 King County Solid Waste Division WRR Grant	\$16,140.00
2015 King County Solid Waste Division WRR Grant (estimate)	\$16,500.00
2014 King County Health Department Grant	\$9,792.48
2015 King County Health Department Grant (estimate)	\$10,000.00
2014-2015 Total	\$92,559.48

The work performed by Olympic Environmental Resources (OER) consists of the planning, assisting with grant applications, implementation and reporting requirements necessary to fulfill the different grant requirements. All costs incurred by OER associated with the annual recycling collection events are completely covered by grant funds.

FISCAL CONSIDERATION:**COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:**

V.E. Approves Contract No. 13-C1237 with Olympic Environmental Resources..
Economic Development and Effective and Efficient Services..

City of Kenmore, Washington
CONTRACT FOR SERVICES
Recycling Event Project Management

This Agreement is entered into by and between the City of Kenmore, Washington, a municipal corporation ("the City") and Olympic Environmental Resources, ("Contractor"), whose principal office is located at 4715 SE Walker St., Seattle, WA 98116.

WHEREAS, the City has determined the need to have certain services performed for its citizens but does not have the manpower or expertise to perform such services, and

WHEREAS, the City desires to have the Contractor perform such services pursuant to certain terms and conditions, now, therefore,

IN CONSIDERATION OF the mutual benefits and conditions hereinafter contained, the parties hereto agree as follows:

1. Scope and Schedule of Services to be Performed by Contractor. The Contractor shall perform those services described on Exhibit A attached hereto and incorporated herein by this reference. In performing such services, the Contractor shall at all times comply with all Federal, State, and local statutes, rules and ordinances applicable to the performance of such services and the handling of any funds used in connection therewith.
2. Compensation and Method of Payment. The City shall pay the Contractor for services rendered according to the rates set forth on Exhibit B attached hereto and incorporated herein by this reference. The Contractor shall request payment for work performed in a previous month using the billing invoice form at Exhibit C attached hereto and incorporated herein by this reference. The City shall pay the Contractor for services rendered within ten (10) days after City Council voucher approval. The total amount to be paid shall not exceed \$92,559.48. The Contractor shall complete and return to the City Exhibit D, Tax Identification Number, prior to or along with the first billing invoice.
3. Contractor Budget. The maximum City payment for the services under this Agreement shall be the maximum amount in Section 2 of this Agreement, also referred to in this Agreement as the "budget"; provided, that the City may, at its sole discretion, increase the maximum amount upon request of the Contractor.
4. Duration of Agreement. This Agreement shall be in full force and effect for a period commencing January 1, 2014 and ending December 31, 2015, unless sooner terminated under the provisions hereinafter specified.
5. Independent Contractor. The Contractor and the City agree that the Contractor is an independent contractor with respect to the services provided pursuant to this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the parties hereto. Neither the Contractor nor any employee of the Contractor shall be entitled to any benefits accorded to City employees by virtue of the services provided under this Agreement. The City shall not be responsible for withholding or otherwise deducting federal income tax or social security or contributing to the State Industrial Insurance Program, or otherwise assuming the duties of an employer with respect to

the Contractor, or any employee of the Contractor.

6. Indemnification.

A. The Contractor shall defend, indemnify and hold the City, its officers, officials, employees, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Contractor in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

B. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the City, its officers, officials, employees, and volunteers, the Contractor's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Contractor's negligence.

C. It is further specifically and expressly understood that the indemnification provided herein constitutes the Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

D. The provisions of this section shall survive the expiration or termination of this Agreement.

7. Insurance. The Contractor shall procure and maintain for the duration of the Agreement insurance as follows against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees.

A. Minimum Scope of Insurance. The Contractor shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The City shall be named as an insured under the Contractor's Commercial General Liability insurance policy with respect to the work performed for the City.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Professional Liability insurance appropriate to the Contractor's profession.

B. Minimum Amounts of Insurance. The Contractor shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
3. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

C. **Other Insurance.** The Contractor's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respects the City. Any Insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Contractor's insurance and shall not contribute with it.

D. **Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

E. **Verification of Coverage.** The Contractor shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Contractor before commencement of the work.

F. **Notice of Cancellation.** The Contractor shall provide the City with written notice of any policy cancellation, within two (2) business days of their receipt of such notice.

G. **Failure to Maintain Insurance.** Failure on the part of the Contractor to maintain the insurance as required shall constitute a material breach of this Agreement, upon which the City may, after giving five (5) business days notice to the Contractor to correct the breach, immediately terminate this agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Contractor from the City.

H. **No Limitation.** Contractor's maintenance of insurance as required by this Agreement shall not be construed to limit the liability of the Contractor to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

8. Record Keeping and Reporting.

A. The Contractor shall maintain accounts and records, including personnel, property, financial and programmatic records which sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed in the performance of this Agreement and other such records as may be deemed necessary by the City to ensure the performance of this Agreement.

B. These records shall be maintained for a period of seven (7) years after termination hereof, unless permission to destroy them is granted by the office of the archivist in accordance with RCW Chapter 40.14 and by the City.

9. Audits and Inspections. The records and documents with respect to all matters covered by

this Agreement shall be subject at all times to inspection, review or audit by law during the performance of this Agreement.

10. Termination. This Agreement may at any time be terminated by the City giving to the Contractor thirty (30) days written notice of the City's intention to terminate the same. Failure to provide services on schedule may result in termination. If the Contractor's insurance coverage is canceled for any reason, the City shall have the right to terminate this Agreement.

11. Discrimination Prohibited. The Contractor shall not discriminate against any employee, applicant for employment, or any person seeking the services of the Contractor to be provided under this Agreement on the basis of race, color, religion, creed, sex, age, national origin, marital status or presence of any sensory, mental or physical handicap.

12. Assignment and Subcontract. The Contractor will assign duties or interests accruing from this Agreement to professional subcontractors with areas of expertise as required to fulfill the obligations of the Agreement.

13. Entire Agreement. This Agreement contains the entire agreement between the parties, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind either of the parties. If there is a conflict between the terms and conditions of this Agreement and the attached exhibits, then the terms and conditions of this Agreement shall prevail over the exhibits. Either party may request changes to this Agreement. Changes which are mutually agreed upon shall be incorporated by written amendments to this Agreement.

14. Notices. Notices to the City of Kenmore shall be sent to the following address:

City Clerk
City of Kenmore
P.O. Box 82607
Kenmore, Washington 98028-0607

Notices to the Contractor shall be sent to the address provided by the Contractor upon the signature line below.

15. Applicable Law; Venue; Attorney's Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration, or other proceeding instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be properly laid in King County, Washington. The prevailing party in any such action shall be entitled to its attorney's fees and costs of suit.

DATED this _____ day of _____, 2013.

CONTRACTOR:

BY: _____

Title: _____

Address: _____

CITY OF KENMORE:

BY: _____

Rob Karlinsey

Title: City Manager

EXHIBIT A
Scope of Services

2014-15 City of Kenmore Recycling Projects

City of Kenmore Project Manager

Jennifer Gordon

425-984-6160

jgordon@kenmorewa.gov

Two Annual Residential Recycling Collection Events

The Contractor shall plan for and carry out two residential recycling events per calendar year, one each in the spring (May, June) and in the fall (September, October, November) of 2014 and 2015. The dates of the events shall be established by the City, with input from the Contractor. At the events the following materials will be collected and recycled: tires, antifreeze, petroleum-based products, used oil filters, used motor oil, batteries, Styrofoam, mattresses, bulky yard waste (large material only), scrap wood, appliances (including refrigerators, freezers, household air conditioners, and other appliances), ferrous metals, nonferrous metals, cellular phones, electronic equipment, computer equipment, textiles, shredded paper, reusable or recyclable household goods, porcelain toilets and sinks, propane tanks, and other materials whenever practical. The Contractor shall charge user fees for the collection of some materials, with input from and prior approval of the City.

One Annual Business Recycling Event

The Contractor shall plan for and carry out a one-day recycling event in 2014 and in 2015 for City businesses. The purpose of this event is to collect recyclables that would otherwise not be collected, as many small businesses do not generate enough volume of a particular material to qualify for collection by a recycling collector, and other businesses generate materials that recycling collectors do not collect. The dates of the events shall be established by the City, with input from the Contractor.

Rain Barrel Distribution

The City supports recycling programs by distributing recycle content rain barrels to City residents. The Contractor will distribute and promote the distribution of rain barrels to City residents, according to a plan of distribution and promotion developed by the Contractor and approved by the City. The Contractor is aware that the number of rain barrels to be distributed depends on the size and quality of the barrel selected. The Contractor must distribute the barrels at the recycling events mentioned above. The Contractor shall charge City residents a user fee of \$25.00 for each barrel.

The City is eligible and has applied for the following grants:

2014-15 Ecology CPG Grant (through June 2015)	\$28,127.00
2014-15 Ecology CPG Grant (July-December 2015 estimate)	\$12,000.00
2014 King County Solid Waste Division WRR Grant	\$16,140.00
2015 King County Solid Waste Division WRR Grant (estimate)	\$16,500.00
2014 King County Health Department Grant	\$9,792.48
2015 King County Health Department Grant (estimate)	\$10,000.00
2014-2015 Total	\$92,559.48

The recycling budget is based on the receipt of these grants. The City hopes that all of the grants will be received, thereby covering all of the charges of the Contractor under this Agreement. If the grant funding is less than the amount stated above, the City reserves the right to modify the scope of services of this Agreement, although the City may use other funds to pay for the services under this Agreement.

The Contractor shall assist the City with applications for grants from these agencies to finance the recycling events and activities of this Agreement.

The Contractor shall be available to provide additional services at the request of the City.

EXHIBIT B
Rate Schedule

The Contractor's hourly rates are: Project Manager - \$70/hour and Recycling Event Staff - \$55/hour. For 2014-2015, the total compensation under this Agreement shall not exceed \$92,559.48. Olympic Environmental Resources will carry out the contract scope and budget consistent with the City scopes of work and budgets submitted to grantors.

EXHIBIT C
City of Kenmore
Billing Invoice

To: City of Kenmore
PO Box 82607
Kenmore, Washington 98028
Phone: (425) 398-8900
Fax: (425) 481-3236

Invoice Number: _____ Date of Invoice: _____

Consultant: _____

Mailing Address: _____

Telephone: () _____

Contract Period: _____ Reporting Period: _____

Amount requested this invoice: \$ _____

Attach itemized description of services provided.

Specific Program: _____

Authorized signature

For Department Use Only

BUDGET SUMMARY

Total contract amount	\$ _____
Previous payments	\$ _____
Current request	\$ _____
Balance remaining	\$ _____

Approved for Payment by: _____ Date: _____

EXHIBIT D
CITY OF KENMORE
P.O. Box 82607
Kenmore, WA 98028
Phone: (425) 398-8900
Fax: (425) 481-3236

TAX IDENTIFICATION NUMBER

In order for you to receive payment from the City of Kenmore, the must have either a Tax Identification Number or a Social Security Number. The Internal Revenue Service Code requires a Form 1099 for payments to every person or organization other than a corporation for services performed in the course of trade or business. Further, the law requires the City to withhold 20% on reportable amounts paid to unincorporated persons who have not supplied us with their correct Tax Identification Number or Social Security Number.

Please complete the following information request form and return it to the City of Kenmore prior to or along with the submittal of the first billing invoice.

Please check the appropriate category:

_____ Corporation

_____ Partnership

_____ Government
Consultant

_____ Individual/Proprietor

_____ Other
(explain)

TIN No.: _____

Social Security No.: _____

Print Name: _____

Title: _____

Business Name: _____

Business Address: _____

Business Phone: _____

Date

Authorized Signature (Required)



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic:

Public Hearing and Deliberation on
Ordinance No. 14-0372 Extending the
Moratorium on Medical Cannabis
(Marijuana) Collective Gardens

Proposed Council Action/Motion:

Hold a public hearing to receive input on
possible continuation of the medical cannabis
(marijuana) collective gardens moratorium
put in place by the City Council through
adoption of Ordinance No. 12-0342 on July 23,
2012, extended through adoption of
Ordinance 13-0353 on January 14, 2013,
extended through adoption of Ordinance 13-
0361 on June 24, 2013, and expiring on
February 1, 2014.

Adopt Ordinance No. 14-0372 to extend the
current moratorium on medical cannabis
(marijuana) collective gardens for an
additional six months to August 1, 2014.

For Council Meeting Agenda of: 1/13/14

Department: Community Development

Prepared by: Debbie Bent, Community
Development Director

	<u>Initial & Date</u>
Approved by Department Head:	<u>DB 12/19/13</u>
Approved by City Attorney:	<u>Email 12/19/13</u>
Approved by Finance Director:	<u>[Signature]</u>
Approved by City Manager:	<u>[Signature]</u>

Exhibits/Attachments:

1. Ordinance 12-0342
2. Ordinance 13-0353
3. Ordinance 13-0361
4. Proposed Ordinance 14-0372

Expenditure Required \$0

Amount Budgeted \$0

Appropriation Required \$0

INFORMATION/BACKGROUND:

On July 23, 2012, the City Council adopted Ordinance 12-0342 (effective August 1, 2012) placing a six-month moratorium on the establishment of medical cannabis collective gardens. The City Council extended this moratorium on January 14, 2013 by adoption of Ordinance 13-0353 (effective January 23, 2013) and again on June 24, 2013 by adoption of Ordinance 13-0361 (effective July 3, 2013). Without extension, the moratorium will expire on February 1, 2014. The moratorium prohibits the filing and acceptance of land use applications for, and the licensing, establishment, maintenance or continuation of, any medical cannabis collective garden. It identifies medical cannabis collective gardens as prohibited uses in the city during the moratorium. The moratorium is in place to give the city time to carefully and fully consider the appropriate location of and mitigate and minimize the impacts of medical cannabis collective gardens in the city.

The City Council is considering extending the moratorium for an additional six months (to August 1, 2014) through Ordinance 14-0372 to allow staff more time to address this issue, particularly in light of the evolving perspectives on marijuana use and operational siting as a result of the passage of Initiative 502, which legalized and regulates possession of cannabis by adults 21 years of age and older and authorized and regulates cultivation, processing and sale of cannabis by licensed producers,

processors and retailers.

State law requires that the city hold a public hearing on the moratorium extension. After the public hearing, the City Council will consider the extension.

Background

Under State law, individual patients suffering from some terminal or debilitating conditions may produce and possess limited quantities of medical cannabis (marijuana) for treatment of their illness. Individual patients can grow (or choose a provider to grow) up to 15 plants maximum, with a maximum of 24 ounces of useable cannabis on site.

Amendments to State law in 2011 (ESSB 5073) authorized “collective gardens,” to be used by up to 10 qualifying patients for the purpose of producing, processing, transporting, and delivering cannabis for medical use. Collective gardens can grow up to 15 plants per person, but no more than 45 plants total. No useable cannabis from the collective garden may be delivered to anyone other than one of the qualifying patients. The legislation provided that cities may adopt and enforce zoning requirements, business licensing requirements, and health and safety requirements for medical cannabis collective gardens.

Although the State supports the production and use of medical cannabis, the federal government continues to treat cannabis as a “Schedule 1” drug—illegal in all respects except for research studies. Before the end of her term, Governor Gregoire, and also the Governor of Rhode Island (with a letter of support from the Association of Washington Cities), petitioned the federal government to reclassify medical cannabis as a Schedule 2 drug – authorizing pharmacies to provide the medication.

Governor Gregoire issued a partial veto of ESSB 5073 as the US Attorney General advised the governor that substantial portions of the bill were in direct conflict with federal law and that state employees could be at risk of federal prosecution for aiding and abetting illegal drug possession and sale if they processed licenses for production and sale of medical cannabis. As passed by the legislature, the bill would have placed the production and sale of medical cannabis and the dispensing standards under regulation by the State Department of Health. The Legislature at its 2012 and 2013 sessions did not pass any further amendments to the medical cannabis statutes.

Initiative 502 which legalizes, taxes and regulates use of cannabis in Washington by persons 21 and older was approved on the November 2012 state ballot. The law took effect on December 6, 2012. The initiative does not affect the medical cannabis rules, but does raise continuing questions about the role of the federal government in cannabis possession enforcement and the appropriate locations for and operations of cannabis producers, processors and retailers.

Acknowledging the lack of interaction and coordination between Initiative 502 and the medical marijuana statutes, the Legislature directed the Washington State Liquor Control Board (WSLCB) to work with the Departments of Revenue and Health to develop recommendations for the Legislature by January 1, 2014 regarding the interaction of medical marijuana regulations and Initiative 502. The Liquor Control Board has developed draft recommendations and is currently reviewing them, with a goal of finalizing them in December 2013 for transmission to the Legislature.

have not to date triggered concern over land use impacts, although police enforcement concerns may need to be addressed.

Medical cannabis collective gardens, on the other hand, have raised questions of land use compatibility and appropriate siting. Other jurisdictions have identified concerns about location, dispersion, membership controls, security, utility provision, informed consent of property-owners, and hours of operation, among other things.

The City of Seattle adopted zoning regulations for medical marijuana collective gardens, which were challenged in Superior Court on the basis that individual applicants for a license are being asked to declare illegal activities (under federal law), in violation of the 5th Amendment. In December 2012, a Superior Court Judge granted Seattle's Motion for Summary Judgment, which dismissed the case on procedural grounds only. In the Order Granting the City's Motion, the Judge specifically stated that he was not ruling on the underlying substantive issues in the case. The Order was not appealed, and the plaintiffs in the lawsuit have not pursued the substantive issues in the case. Too, as federal law prohibits profiting from drug sales, license fees to the City may be problematic.

The City of Kent has implemented a total ban on collective gardens. In October 2012, the King County Superior Court upheld the City of Kent's prohibition on collective gardens and dispensaries. The plaintiffs in the lawsuit appealed the Superior Court decision and the Washington Supreme Court accepted review of the decision. The Supreme Court transferred the case to the Court of Appeals, where it is pending.

Kenmore's regulation of medical marijuana collective gardens must be approached thoughtfully, after careful research of the issues, including coordination with Initiative 502. The moratorium was put in place to provide this opportunity. Staff recommends continuation of the moratorium to allow further research into the evolving issues, particularly in light of Initiative 502 and the pending recommendation by the WSLCB on the interaction of the new recreational marijuana rules and the standards for medical marijuana collective gardens.

FISCAL CONSIDERATION:

None at this time. Staff time will be required to review the issues surrounding medical cannabis collective gardens and develop a regulatory approach.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Comprehensive Plan Vision Statement: "We see Kenmore as a community that is attentive to, and seeks to provide for, the health, safety, and welfare of all its citizens.

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

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 12-0342**

**AN INTERIM ORDINANCE OF THE CITY OF
KENMORE, WASHINGTON ADOPTING A
MORATORIUM ON THE ESTABLISHMENT OF
MEDICAL CANNABIS COLLECTIVE GARDENS;
DEFINING "MEDICAL CANNABIS COLLECTIVE
GARDENS;" PROVIDING FOR A PUBLIC HEARING;
ESTABLISHING AN EFFECTIVE DATE; AND
PROVIDING FOR EXPIRATION OF THE MORATORIUM
WITHIN SIX (6) MONTHS OF THE DATE OF ADOPTION,
UNLESS EXTENDED.**

WHEREAS, the possession or distribution of cannabis (marijuana) is a violation of state law pursuant to Chapter 69.50 RCW (Washington's Uniform Controlled Substances Act) and of federal law pursuant to the Controlled Substances Act; and

WHEREAS, in 1998 the voters of Washington State approved Initiative 692, now codified as Chapter 69.51A RCW, which created a limited defense to marijuana charges under state law (but not federal law) where the person charged could demonstrate that he or she was a qualifying patient or designated provider as those terms are defined in Chapter 69.51A RCW; and

WHEREAS, in 2011, the state legislature passed Engrossed Second Substitute Senate Bill (E2SSB) 5073, which makes significant amendments to the state medical cannabis law; and

WHEREAS, the Governor signed the E2SSB 5073, but vetoed several portions, expressing her reservations about provisions that would involve state employees in activities that could be interpreted as a violation of federal laws; and

WHEREAS, E2SSB 5073 became effective on July 22, 2011 and was codified in Chapter 69.51A RCW; and

WHEREAS, Chapter 69.51A RCW probably authorizes medical cannabis collective gardens ("collective gardens") where up to ten qualifying patients may join together to produce, grow and deliver up to 45 cannabis plants for medical use; and

WHEREAS, Chapter 69.51A RCW does not limit the number of collective gardens that may be located at any site and does not restrict the location of collective gardens in relation to other uses; and

WHEREAS, collective gardens are not addressed in the Kenmore Zoning Code; and

WHEREAS, pursuant to RCW 69.51A.140 cities may adopt zoning requirements for collective gardens; and

WHEREAS, unless a zoning moratorium is imposed, collective gardens could be located within the City while the City lacks the necessary tools to ensure the appropriate location of and minimize and mitigate the potential impacts of collective gardens; and

WHEREAS, the City needs time to carefully and fully consider the appropriate location of and mitigate and minimize the impacts of medical cannabis collective gardens in the City; and

WHEREAS, the City Council deems it to be in the best interests of the public, and necessary for the protection of the public health, safety, property or peace, to establish a zoning moratorium on collective gardens pending consideration of land use regulations to address collective gardens; and

WHEREAS, RCW 35A.63.220 and RCW 36.70A.390 authorize the City to adopt a moratorium on development for six (6) months, and hold a public hearing on the moratorium within sixty (60) days of the initial adoption of the moratorium; now, therefore

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

Section 1. Findings. The recitals set forth above are hereby adopted as the City Council's preliminary findings in support of the moratorium imposed by this Ordinance. The City Council may, in its discretion, adopt additional or revised findings at the conclusion of the public hearing referenced in Section 4 below.

Section 2. Moratorium. Pursuant to RCW 35A.63.220 and RCW 36.70A.390, a zoning moratorium is hereby enacted in the City that prohibits the filing and acceptance of land use applications for, and the licensing, establishment, maintenance or continuation of, any medical cannabis collective garden. A "medical cannabis collective garden" is an area or garden where qualifying patients engage in the production, processing, transportation and delivery of cannabis for medical use as set forth in RCW 69.51A.085 and subject to the limitations therein.

Section 3. Prohibition of Collective Gardens. Medical cannabis collective gardens are hereby designated as prohibited uses in the City during the moratorium of this Ordinance. In accordance with RCW 35A.82.020 and chapter 5.05 of the Kenmore Municipal Code, no business license shall be issued to any person for a medical cannabis collective garden, which is hereby defined to be a prohibited use under the Kenmore Municipal Code, including Kenmore Zoning Code, and City ordinances during the moratorium of this Ordinance.

Section 4. Public Hearing. As provided in RCW 35A.63.220 and RCW 36.70A.390, the City Council sets a public hearing for September 10, 2012, which shall begin at 7:00 p.m. or as soon thereafter as the business of the City Council shall permit, in order to take

public testimony and consider adopting further findings justifying the imposition of the moratorium set forth in Section 2 above.

Section 5. Duration. The moratorium established in Section 2 above shall be in effect for a period of six (6) months from the effective date of this Ordinance, and shall automatically expire on that date unless repealed, modified, or extended after subsequent public hearing and entry of appropriate findings of fact as provided in RCW 35A.63.220 and RCW 36.70A.390.

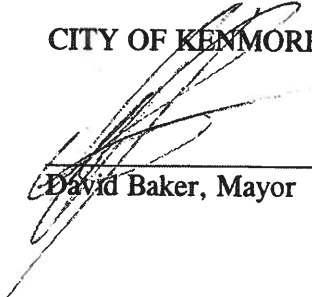
Section 6. Authorization of City Manager. The City Manager is hereby authorized and directed to develop draft regulations regarding medical cannabis collective gardens.

Section 7. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, the remainder of the Ordinance, or the application of the provision to other persons or circumstances, is not affected.

Section 8. Effective Date. This Ordinance, shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after the date of publication.

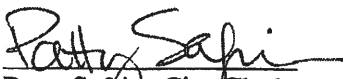
PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 23rd DAY OF JULY, 2012.

CITY OF KENMORE



David Baker, Mayor

ATTEST/AUTHENTICATED:



Patty Saffrin, City Clerk

Approved as to form:



Rod P. Kaseguma, City Attorney

Filed with the ~~Interim~~ City Clerk: July 13, 2012

Passed by the City Council: July 23, 2012

Ordinance No.: 12-0342

Date of Publication: July 26, 2012

Effective Date: August 1, 2012

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 13-0353**

**AN INTERIM ORDINANCE OF THE CITY OF
KENMORE, WASHINGTON EXTENDING FOR SIX
MONTHS THE CITY'S MORATORIUM ON
ESTABLISHMENT OF MEDICAL CANNABIS
COLLECTIVE GARDENS; AMENDING SECTION 5 OF
ORDINANCE NO. 12-0342; AND ESTABLISHING AN
EFFECTIVE DATE.**

WHEREAS, certain possession or distribution of cannabis (marijuana) is a violation of state law pursuant to Chapter 69.50 RCW (Washington's Uniform Controlled Substances Act) and of federal law pursuant to the Controlled Substances Act; and

WHEREAS, in 1998 the voters of Washington State approved Initiative 692, now codified as Chapter 69.51A RCW, which created a limited defense to marijuana charges under state law (but not federal law) where the person charged could demonstrate that he or she was a qualifying patient or designated provider as those terms are defined in Chapter 69.51A RCW; and

WHEREAS, in 2011, the state legislature passed Engrossed Second Substitute Senate Bill (E2SSB) 5073, which makes significant amendments to the state medical cannabis law; and

WHEREAS, the Governor signed the E2SSB 5073, but vetoed several portions, expressing her reservations about provisions that would involve state employees in activities that could be interpreted as a violation of federal laws; and

WHEREAS, E2SSB 5073 became effective on July 22, 2011 and was codified in Chapter 69.51A RCW; and

WHEREAS, Chapter 69.51A RCW probably authorizes medical cannabis collective gardens ("collective gardens") where up to ten qualifying patients may join together to produce, grow and deliver up to 45 cannabis plants for medical use; and

WHEREAS, Chapter 69.51A RCW does not limit the number of collective gardens that may be located at any site and does not restrict the location of collective gardens in relation to other uses; and

WHEREAS, collective gardens are not addressed in the Kenmore Zoning Code; and

WHEREAS, pursuant to RCW 69.51A.140 cities may adopt zoning requirements for collective gardens; and

WHEREAS, unless a zoning moratorium is imposed, collective gardens could be located within the City while the City lacks the necessary tools to ensure the appropriate location of and minimize and mitigate the potential impacts of collective gardens; and

WHEREAS, on July 23, 2012, the City Council passed Ordinance No. 12-0342 (effective August 1, 2012), which (1) established a zoning moratorium that prohibits the filing and acceptance of land use applications for, and the licensing, establishment, maintenance or continuation of, any medical cannabis collective garden, and (2) designated medical cannabis collective gardens as prohibited uses in the City during the moratorium; and

WHEREAS, on September 10, 2012, the City Council held a public hearing on the zoning moratorium established in Ordinance No. 12-0342, at which time City staff and members of the public had the opportunity to present testimony and other evidence in support of or against the moratorium, and after considering all the evidence presented at the hearing, the City Council made no changes to the moratorium; and

WHEREAS, since the passage of Ordinance No. 12-0342, Initiative 502 was approved by the voters at the November 2012 election, and the Initiative took effect on December 6, 2012; and

WHEREAS, Initiative 502 legalizes, taxes and regulates the use and possession of specified amounts of cannabis in Washington by persons twenty-one years of age and older; and

WHEREAS, Initiative 502 does not address the medical cannabis rules, but raises continuing questions regarding the role of the federal government in cannabis possession enforcement and the appropriate location and regulation of cannabis producers, processors, and retailers; and

WHEREAS, City staff has obtained information that medical cannabis collective gardens have raised questions of land use compatibility and appropriate siting, and other jurisdictions have identified concerns about location, dispersion, membership controls, security, utility provision, informed consent of property owners, and hours of operation, among other things; and

WHEREAS, recent zoning regulations for medical cannabis collective gardens in the City of Seattle have been challenged in court on the basis that there are alleged constitutional issues concerning license applications, and a superior court recently upheld the City of Kent's prohibition on medical cannabis collective gardens; and

WHEREAS, federal prohibitions on profiting from drug sales raise issues regarding the ability to charge and collect license fees for medical cannabis collective gardens; and

WHEREAS, given the complexity of the relevant issues and the recent developments on this topic, the City needs additional time to carefully and fully consider the appropriate location and regulation of medical cannabis collective gardens in the City, to appropriately mitigate and minimize any impacts of such collective gardens; and

WHEREAS, on January 14, 2013, the City Council held a public hearing on the extension for six months of the zoning moratorium established in Ordinance No. 12-0342, at which time City staff and members of the public had the opportunity to present testimony and other evidence in support of or against the extension of the moratorium; and

WHEREAS, the City Council deems it to be in the best interests of the public, and necessary for the protection of the public health, safety, property or peace, to extend for six months the zoning moratorium on collective gardens pending consideration of land use regulations to address collective gardens; and

WHEREAS, after the adoption of a moratorium on development, RCW 35A.63.220 and RCW 36.70A.390 authorize the City renew the moratorium for one or more six month periods if a subsequent public hearing is held and findings of fact are made prior each renewal; now, therefore

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

Section 1. Findings. The recitals set forth above are hereby adopted as the City Council's findings in support of the extension for six months of the moratorium imposed by Ordinance No. 12-0342.

Section 2. Extension of Moratorium. Section 5 of Ordinance No. 12-0342 is amended to read as follows:

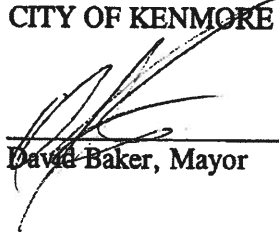
Duration. The moratorium established in Section 2 above shall be in effect ~~for a period of six (6) months from the effective date of this Ordinance~~ until August 1, 2013, and shall automatically expire on that date unless repealed, modified, or extended after subsequent public hearing and entry of appropriate findings of fact as provided in RCW 35A.63.220 and RCW 36.70A.390.

Section 3. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, the remainder of the Ordinance, or the application of the provision to other persons or circumstances, is not affected.

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

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE
14TH DAY OF JANUARY, 2013.

CITY OF KENMORE



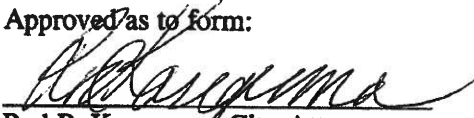
David Baker, Mayor

ATTEST/AUTHENTICATED:



City Clerk

Approved/as to form:



Rod P. Kaseguma, City Attorney

Filed with the City Clerk: 1/4/2013
Passed by the City Council: 1/14/2013
Ordinance No.: 13-0353
Date of Publication: 1/18/2013
Effective Date: 1/23/2013

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 13-0361**

**AN ORDINANCE OF THE CITY OF KENMORE,
WASHINGTON EXTENDING FOR SIX MONTHS THE
CITY'S MORATORIUM ON ESTABLISHMENT OF
MEDICAL CANNABIS (MARIJUANA) COLLECTIVE
GARDENS; AMENDING SECTION 2 OF ORDINANCE
NO. 13-0353; AND ESTABLISHING AN EFFECTIVE
DATE.**

WHEREAS, certain possession or distribution of cannabis (marijuana) is a violation of state law pursuant to Chapter 69.50 RCW (Washington's Uniform Controlled Substances Act) and of federal law pursuant to 21 U.S.C. § 812(c) (Controlled Substances Act); and

WHEREAS, in 1998 the voters of Washington State approved Initiative 692, now codified as Chapter 69.51A RCW, which created a limited defense to marijuana charges under state law (but not federal law) where the person charged could demonstrate that he or she was a qualifying patient or designated provider as those terms are defined in Chapter 69.51A RCW; and

WHEREAS, in 2011, the state Legislature passed Engrossed Second Substitute Senate Bill (E2SSB) 5073, which made significant amendments to the state medical cannabis law; and

WHEREAS, the Governor signed the E2SSB 5073, but vetoed several portions, expressing her reservations about provisions that would involve state employees in activities that could be interpreted as a violation of federal laws; and

WHEREAS, E2SSB 5073 became effective on July 22, 2011 and was codified in Chapter 69.51A RCW; and

WHEREAS, Chapter 69.51A RCW probably authorizes medical cannabis collective gardens ("collective gardens") where up to ten qualifying patients may join together to produce, grow and deliver up to 45 cannabis plants for medical use; and

WHEREAS, Chapter 69.51A RCW does not limit the number of collective gardens that may be located at any site and does not restrict the location of collective gardens in relation to other uses; and

WHEREAS, collective gardens are not addressed in the Kenmore Zoning Code; and

WHEREAS, pursuant to RCW 69.51A.140 cities may adopt zoning requirements for collective gardens; and

WHEREAS, unless a zoning moratorium is imposed, collective gardens could be located within the City while the City lacks the necessary tools to ensure the appropriate location of and minimize and mitigate the potential impacts of collective gardens; and

WHEREAS, on July 23, 2012, the City Council passed Ordinance No. 12-0342 (effective August 1, 2012), which (1) established a zoning moratorium that prohibits the filing and acceptance of land use applications for, and the licensing, establishment, maintenance or continuation of, any collective garden, and (2) designated collective gardens as prohibited uses in the City during the moratorium; and

WHEREAS, on September 10, 2012, the City Council held a public hearing on the zoning moratorium established in Ordinance No. 12-0342, at which time City staff and members of the public had the opportunity to present testimony and other evidence in support of or against the moratorium, and after considering all the evidence presented at the hearing, the City Council made no changes to the moratorium; and

WHEREAS, on January 14, 2013, after holding a public hearing, the City Council passed Ordinance No. 13-0353, extending for six months the zoning moratorium established in Ordinance No. 12-0342 to August 1, 2013; and

WHEREAS, City staff has learned that collective gardens have raised questions of land use compatibility and appropriate siting, and that other jurisdictions have identified concerns about location, dispersion, membership controls, security, utility provision, informed consent of property owners, and hours of operation, among other things; and

WHEREAS, the City of Seattle's zoning and licensing regulations for collective gardens have been challenged in Superior Court on the basis that there are alleged constitutional issues concerning license applications; and

WHEREAS, the Superior Court granted the City of Seattle's Motion for Summary Judgment, and dismissed the lawsuit on procedural grounds, stating specifically that the substantive issues in the lawsuit were not addressed; and

WHEREAS, the plaintiffs in the City of Seattle lawsuit did not appeal the Summary Judgment order, but have not yet pursued the substantive issues in the lawsuit; and

WHEREAS, federal prohibitions on profiting from drug sales raise issues regarding the ability to charge and collect license fees for collective gardens; and

WHEREAS, the City of Kent has adopted a total ban on collective gardens, which is an appropriate and viable option for regulating collective gardens, and which many cities in Washington have adopted; and

WHEREAS, the City of Kent's total ban on collective gardens was upheld by the Superior Court, but the decision was appealed and is being considered by the Washington Supreme Court; and

WHEREAS, Initiative 502 was approved by the voters at the November 2012 election and took effect on December 6, 2012; and

WHEREAS, Initiative 502 legalizes, taxes and regulates the use and possession of specified amounts of marijuana in Washington by persons twenty-one (21) years of age and older; and

WHEREAS, Initiative 502 does not address the State's medical cannabis rules, but raises questions regarding the role of the federal government in marijuana possession enforcement and the appropriate location and regulation of marijuana producers, processors, and retailers ("marijuana businesses") under Initiative 502; and

WHEREAS, Initiative 502 requires the Liquor Control Board to establish criteria for licensing marijuana businesses by December 1, 2013; and

WHEREAS, the Liquor Control Board has just issued initial draft rules, but does not anticipate adopting final rules until late July 2013 and issuing marijuana business licenses until early December 2013; and

WHEREAS, federal enforcement of the Controlled Substances Act is still uncertain, as the Justice Department has not taken a position on federal preemption by the Controlled Substances Act of Chapter 69.51A RCW and Initiative 502; and

WHEREAS, given the complexity of the relevant issues and the recent developments on this topic, the City needs additional time to carefully and fully consider the appropriate location and regulation of collective gardens in the City (if any), in order to appropriately mitigate and minimize any impacts of such collective gardens; and

WHEREAS, the City Council deems it to be in the best interests of the public, and necessary for the protection of the public health, safety, property or peace, to extend for six months the zoning moratorium on collective gardens pending resolution of the appeal from the City of Kent's total prohibition on collective gardens, pending resolution of the substantive issues in the Superior Court challenge to the City of Seattle's zoning and licensing regulations, pending resolution of issues relating to Initiative 502 and pending consideration of land use regulations to address collective gardens; and

WHEREAS, RCW 35A.63.220 and RCW 36.70A.390 authorize the City to renew a moratorium on development or land use for a six-month period if a subsequent public hearing is held and findings of fact are made prior to the renewal; and

WHEREAS, on June 24, 2013, the City Council held a public hearing on the extension for six months of the zoning moratorium established by Ordinance No. 12-0342, and extended for six months to August 1, 2013 by Ordinance No. 13-0353, at which time City staff and members of the public had the opportunity to present testimony and other evidence in support of or against the extension of the moratorium,

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

Section 1. Findings. The recitals set forth above are hereby adopted as the City Council's findings in support of the extension for six months of the moratorium imposed by Ordinance No. 12-0342, and extended by Ordinance No. 13-0353.

Section 2. Extension of Moratorium. Section 5 of Ordinance No. 13-0353 (which amends Section 5 of Ordinance No. 12-0342) is amended to read as follows:

Duration. The moratorium established in Section 2 above shall be in effect until February 1, 2014, and shall automatically expire on that date unless repealed, modified, or extended after subsequent public hearing and entry of appropriate findings of fact as provided in RCW 35A.63.220 and RCW 36.70A.390.

Section 3. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, the remainder of the Ordinance, or the application of the provision to other persons or circumstances, is not affected.

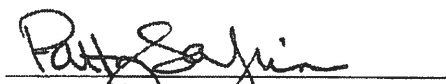
Section 4. Effective Date. This Ordinance shall be published in the official newspaper of the City and shall take effect and be in force five (5) days after the date of publication

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE
24th DAY OF JUNE, 2013.

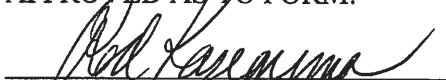
CITY OF KENMORE


David Baker, Mayor

ATTEST/AUTHENTICATED:


Patty Saffin, City Clerk

APPROVED AS TO FORM:


Rod P. Kaseguma, City Attorney

FILED WITH THE CITY CLERK: June 14, 2013
PASSED BY THE CITY COUNCIL: June 24, 2013
DATE OF PUBLICATION: June 28, 2013
EFFECTIVE DATE: July 3, 2013
ORDINANCE NO. 13-0361

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 14-0372**

**AN ORDINANCE OF THE CITY OF KENMORE,
WASHINGTON EXTENDING FOR SIX MONTHS THE
CITY'S MORATORIUM ON ESTABLISHMENT OF
MEDICAL CANNABIS (MARIJUANA) COLLECTIVE
GARDENS; AMENDING SECTION 2 OF ORDINANCE NO.
13-0361; AND ESTABLISHING AN EFFECTIVE DATE.**

WHEREAS, the cultivation, possession or distribution of cannabis (marijuana) has been and continues to be a violation of federal law through 21 U.S.C. § 812(c), the Controlled Substances Act ("CSA"); and

WHEREAS, in 1998 the voters of Washington State approved Initiative 692, now codified as Chapter 69.51A RCW, which created a limited defense to marijuana charges under state law (but not federal law) where the person charged could demonstrate that he or she is a qualifying patient or designated provider as those terms are defined in Chapter 69.51A RCW; and

WHEREAS, in 2011, the state Legislature passed Engrossed Second Substitute Senate Bill (E2SSB) 5073, which made significant amendments to the state medical cannabis law; and

WHEREAS, the Governor signed the E2SSB 5073, but vetoed several portions, expressing her reservations about provisions that would involve state employees in activities that could be interpreted as a violation of federal laws; and

WHEREAS, E2SSB 5073 became effective on July 22, 2011 and was codified in Chapter 69.51A RCW; and

WHEREAS, Chapter 69.51A RCW probably authorizes medical cannabis collective gardens ("collective gardens") where up to ten qualifying patients may join together to produce, grow and deliver up to 45 cannabis plants for medical use; and

WHEREAS, Chapter 69.51A RCW does not limit the number of collective gardens that may be located at any site and does not restrict the location of collective gardens in relation to other uses; and

WHEREAS, collective gardens are not addressed in the Kenmore Zoning Code; and

WHEREAS, pursuant to RCW 69.51A.140 cities may adopt zoning requirements for collective gardens; and

WHEREAS, unless a zoning moratorium is imposed, collective gardens could be located within the City while the City lacks the necessary tools to ensure the appropriate location of and minimize and mitigate the potential impacts of collective gardens; and

WHEREAS, on July 23, 2012, the City Council passed Ordinance No. 12-0342 (effective August 1, 2012), which (1) established a zoning moratorium that prohibits the filing and acceptance of land use applications for, and the licensing, establishment, maintenance or continuation of, any collective garden, and (2) designated collective gardens as prohibited uses in the City during the moratorium; and

WHEREAS, on September 10, 2012, the City Council held a public hearing on the zoning moratorium established in Ordinance No. 12-0342, at which time City staff and members of the public had the opportunity to present testimony and other evidence in support of or against the moratorium, and after considering all the evidence presented at the hearing, the City Council made no changes to the moratorium; and

WHEREAS, on January 14, 2013, after holding a public hearing, the City Council passed Ordinance No. 13-0353, extending for six months the zoning moratorium established in Ordinance No. 12-0342 to August 1, 2013; and

WHEREAS, on June 24, 2013, after holding a public hearing, the City Council passed Ordinance No. 13-0361, extending for six months the zoning moratorium established in Ordinance No. 12-0342 to February 1, 2014; and

WHEREAS, City staff has learned that collective gardens have raised questions of land use compatibility and appropriate siting, and that other jurisdictions have identified concerns about location, dispersion, membership controls, security, utility provision, informed consent of property owners, and hours of operation, among other things; and

WHEREAS, in 2012, the City of Seattle's zoning and licensing regulations for collective gardens were challenged in Superior Court on the basis that there are alleged constitutional issues concerning license applications; and

WHEREAS, in December of 2012, the Superior Court granted the City of Seattle's Motion for Summary Judgment, and dismissed the lawsuit on procedural grounds, stating specifically that the substantive issues in the lawsuit were not addressed; and

WHEREAS, the plaintiffs in the City of Seattle lawsuit did not appeal the Summary Judgment order, but have not yet pursued the substantive issues in the lawsuit; and

WHEREAS, federal prohibitions on profiting from drug sales raise issues regarding the ability to charge and collect license fees for collective gardens; and

WHEREAS, the City of Kent has adopted a total ban on collective gardens, which is an appropriate and viable option for regulating collective gardens, and which many cities in Washington have adopted; and

WHEREAS, the City of Kent's total ban on collective gardens was upheld by the Superior Court, but the decision was appealed and is being considered by the Washington Court of Appeals; and

WHEREAS, Initiative 502 was approved by the voters at the November 2012 election and took effect on December 6, 2012; and

WHEREAS, Initiative 502 legalizes, taxes and regulates the use and possession of specified amounts of marijuana in Washington by persons twenty-one (21) years of age and older; and

WHEREAS, Initiative 502 does not address the State's medical cannabis rules, but raises questions regarding the role of the federal government in marijuana possession enforcement and the appropriate location and regulation of marijuana producers, processors, and retailers ("marijuana businesses") under Initiative 502; and

WHEREAS, Initiative 502 required the Washington State Liquor Control Board ("LCB") to establish criteria for licensing marijuana businesses by December 1, 2013; and

WHEREAS, the LCB has issued final licensing rules and is accepting applications to locate marijuana businesses; and

WHEREAS, on October 19, 2009, the United States Department of Justice issued a memorandum to selected United States Attorneys, entitled "Investigations and Prosecutions in States Authorizing the Medical Use of Marijuana" and authored by David Ogden ("2009 Memorandum"), in which the Department emphasized that it is committed to the enforcement of the CSA in all States, that Congress has determined marijuana to be a dangerous drug, and that the illegal distribution and sale of marijuana is a serious crime which provides a significant source of revenue to large-scale criminal enterprises, gangs, and cartels; and

WHEREAS, in the 2009 Memorandum, the Department stated that prosecution of individuals with serious illnesses, like cancer, who use marijuana as part of a recommended treatment regimen consistent with applicable state law is unlikely to be an efficient use of limited federal resources, but cautioned that claims of compliance with state or local law may mask operations inconsistent with the terms, conditions, or purposes of those laws; and

WHEREAS, in the 2009 Memorandum, the Department further stated that no State can authorize violations of federal law, and that clear and unambiguous compliance with state law does not create a legal defense to a violation of the CSA; and

WHEREAS, on June 29, 2011, the United States Department of Justice issued a memorandum to all United States Attorneys, entitled “Guidance Regarding the Ogden Memo in Jurisdictions Seeking to Authorize Marijuana for Medical Use” (“2011 Memorandum”), in which the Department stated again that it is committed to the enforcement of the CSA in all States, that Congress has determined marijuana to be a dangerous drug, and that the illegal distribution and sale of marijuana is a serious crime which provides a significant source of revenue to large-scale criminal enterprises, gangs, and cartels; and

WHEREAS, in the 2011 Memorandum, the Department confirmed that the conclusions and comments of the 2009 Memorandum, stated that the 2009 Memorandum was never intended to shield the commercial cultivation, sale, distribution and use of marijuana for purported medical purposes from federal enforcement action and prosecution, even where those activities purport to comply with state law, and emphasized that enforcement of the CSA has long been and remains a core priority; and

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

WHEREAS, in the 2013 Memorandum, the Department emphasized once again that Congress has determined marijuana to be a dangerous drug, that the illegal distribution and sale of marijuana is a serious crime and that the Department is committed to enforcement of the CSA; and

WHEREAS, in the 2013 Memorandum, the Department warned that “if state enforcement efforts are not sufficiently robust to protect against [the harms mentioned in the eight enforcement priorities], the federal government may seek to challenge the regulatory system itself”; and

WHEREAS, acknowledging the lack of interaction and coordination between Initiative 502 and Chapter 69.51A RCW (relating to medical marijuana), the Legislature in Section 141(2) of 3ESSB 5034 (the State operating budget for the fiscal biennium of July 1, 2013 through June 30, 2015) (“Marijuana Coordination Law”), directed the LCB to work with the Departments of Revenue and Health to develop recommendations regarding the interaction of medical marijuana regulations and Initiative 502, including the topics of collective gardens,

possession amounts, locations, medical marijuana producing, processing and retail licensing, and taxation of medical marijuana in relation to recreational marijuana, and to submit the recommendations to the Legislature by January 1, 2014 ; and

WHEREAS, on December 18, 2013, the LCB issued its Medical Marijuana Recommendations, which among other things recommended eliminating collective gardens, establishing mandatory patient and designated provider registries, developing standards of care for health care professionals who authorize medical marijuana, reducing the amount of marijuana a qualified patient or designated provider can possess, and prohibiting medical marijuana locations in the buffers for marijuana businesses under Initiative 502; and

WHEREAS, the Legislature will consider the Medical Marijuana Recommendations at the 2014 Legislative Session; and

WHEREAS, given the complexity of the relevant issues and the recent developments on this topic, the City needs additional time to carefully and fully consider the appropriate location and regulation of collective gardens in the City (if any), in order to appropriately mitigate and minimize any impacts of such collective gardens; and

WHEREAS, the City Council deems it to be in the best interests of the public, and necessary for the protection of the public health, safety, property or peace, to extend for six months the zoning moratorium on collective gardens pending resolution of the appeal from the City of Kent's total prohibition on collective gardens, pending resolution of the substantive issues in the Superior Court challenge to the City of Seattle's zoning and licensing regulations, pending resolution of issues relating to Initiative 502, pending the Legislature's consideration of and action upon the Medical Marijuana Recommendations, and pending consideration of land use regulations to address collective gardens; and

WHEREAS, RCW 35A.63.220 and RCW 36.70A.390 authorize the City to renew a moratorium on development or land use for a six-month period if a subsequent public hearing is held and findings of fact are made prior to the renewal; and

WHEREAS, on January 13, 2014, the City Council held a public hearing on the extension for six months of the zoning moratorium established by Ordinance No. 12-0342 (as extended) , at which time City staff and members of the public had the opportunity to present testimony and other evidence in support of or against the extension of the moratorium; now, therefore

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

Section 1. Findings. The recitals set forth above are hereby adopted as the City Council's findings in support of the extension for six months of the moratorium imposed by Ordinance No. 12-0342 and extended by Ordinance Nos. 13-0353 and 13-0361.

Section 2. Extension of Moratorium. Section 2 of Ordinance No. 13-0361 is amended to read as follows:

Duration. The moratorium established in Section 2 above shall be in effect until August 1, 2014, and shall automatically expire on that date unless repealed, modified, or extended after subsequent public hearing and entry of appropriate findings of fact as provided in RCW 35A.63.220 and RCW 36.70A.390.

Section 3. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, the remainder of the Ordinance, or the application of the provision to other persons or circumstances, is not affected.

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

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 13th DAY OF JANUARY, 2014.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED:

Patty Safrin, City Clerk

Approved as to form:

Rod P. Kaseguma, City Attorney

Filed with the City Clerk:

Passed by the City Council:

Ordinance No.:

Date of Publication:

Effective Date:



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic:

Public Hearing and Deliberation on
Ordinance No. 14-0372 Extending the
Moratorium on Medical Cannabis
(Marijuana) Collective Gardens

Proposed Council Action/Motion:

Hold a public hearing to receive input on
possible continuation of the medical cannabis
(marijuana) collective gardens moratorium
put in place by the City Council through
adoption of Ordinance No. 12-0342 on July 23,
2012, extended through adoption of
Ordinance 13-0353 on January 14, 2013,
extended through adoption of Ordinance 13-
0361 on June 24, 2013, and expiring on
February 1, 2014.

Adopt Ordinance No. 14-0372 to extend the
current moratorium on medical cannabis
(marijuana) collective gardens for an
additional six months to August 1, 2014.

For Council Meeting Agenda of: 1/13/14

Department: Community Development

Prepared by: Debbie Bent, Community
Development Director

	<u>Initial & Date</u>
Approved by Department Head:	<u>DB 12/19/13</u>
Approved by City Attorney:	<u>Email 12/19/13</u>
Approved by Finance Director:	<u>[Signature]</u>
Approved by City Manager:	<u>[Signature]</u>

Exhibits/Attachments:

1. Ordinance 12-0342
2. Ordinance 13-0353
3. Ordinance 13-0361
4. Proposed Ordinance 14-0372

Expenditure Required \$0

Amount Budgeted \$0

Appropriation Required \$0

INFORMATION/BACKGROUND:

On July 23, 2012, the City Council adopted Ordinance 12-0342 (effective August 1, 2012) placing a six-month moratorium on the establishment of medical cannabis collective gardens. The City Council extended this moratorium on January 14, 2013 by adoption of Ordinance 13-0353 (effective January 23, 2013) and again on June 24, 2013 by adoption of Ordinance 13-0361 (effective July 3, 2013). Without extension, the moratorium will expire on February 1, 2014. The moratorium prohibits the filing and acceptance of land use applications for, and the licensing, establishment, maintenance or continuation of, any medical cannabis collective garden. It identifies medical cannabis collective gardens as prohibited uses in the city during the moratorium. The moratorium is in place to give the city time to carefully and fully consider the appropriate location of and mitigate and minimize the impacts of medical cannabis collective gardens in the city.

The City Council is considering extending the moratorium for an additional six months (to August 1, 2014) through Ordinance 14-0372 to allow staff more time to address this issue, particularly in light of the evolving perspectives on marijuana use and operational siting as a result of the passage of Initiative 502, which legalized and regulates possession of cannabis by adults 21 years of age and older and authorized and regulates cultivation, processing and sale of cannabis by licensed producers,

VIII. A. Adopt Ordinance No. 14-0372, Extending the Moratorium

processors and retailers.

State law requires that the city hold a public hearing on the moratorium extension. After the public hearing, the City Council will consider the extension.

Background

Under State law, individual patients suffering from some terminal or debilitating conditions may produce and possess limited quantities of medical cannabis (marijuana) for treatment of their illness. Individual patients can grow (or choose a provider to grow) up to 15 plants maximum, with a maximum of 24 ounces of useable cannabis on site.

Amendments to State law in 2011 (ESSB 5073) authorized “collective gardens,” to be used by up to 10 qualifying patients for the purpose of producing, processing, transporting, and delivering cannabis for medical use. Collective gardens can grow up to 15 plants per person, but no more than 45 plants total. No useable cannabis from the collective garden may be delivered to anyone other than one of the qualifying patients. The legislation provided that cities may adopt and enforce zoning requirements, business licensing requirements, and health and safety requirements for medical cannabis collective gardens.

Although the State supports the production and use of medical cannabis, the federal government continues to treat cannabis as a “Schedule 1” drug—illegal in all respects except for research studies. Before the end of her term, Governor Gregoire, and also the Governor of Rhode Island (with a letter of support from the Association of Washington Cities), petitioned the federal government to reclassify medical cannabis as a Schedule 2 drug – authorizing pharmacies to provide the medication.

Governor Gregoire issued a partial veto of ESSB 5073 as the US Attorney General advised the governor that substantial portions of the bill were in direct conflict with federal law and that state employees could be at risk of federal prosecution for aiding and abetting illegal drug possession and sale if they processed licenses for production and sale of medical cannabis. As passed by the legislature, the bill would have placed the production and sale of medical cannabis and the dispensing standards under regulation by the State Department of Health. The Legislature at its 2012 and 2013 sessions did not pass any further amendments to the medical cannabis statutes.

Initiative 502 which legalizes, taxes and regulates use of cannabis in Washington by persons 21 and older was approved on the November 2012 state ballot. The law took effect on December 6, 2012. The initiative does not affect the medical cannabis rules, but does raise continuing questions about the role of the federal government in cannabis possession enforcement and the appropriate locations for and operations of cannabis producers, processors and retailers.

Acknowledging the lack of interaction and coordination between Initiative 502 and the medical marijuana statutes, the Legislature directed the Washington State Liquor Control Board (WSLCB) to work with the Departments of Revenue and Health to develop recommendations for the Legislature by January 1, 2014 regarding the interaction of medical marijuana regulations and Initiative 502. The Liquor Control Board has developed draft recommendations and is currently reviewing them, with a goal of finalizing them in December 2013 for transmission to the Legislature.

have not to date triggered concern over land use impacts, although police enforcement concerns may need to be addressed.

Medical cannabis collective gardens, on the other hand, have raised questions of land use compatibility and appropriate siting. Other jurisdictions have identified concerns about location, dispersion, membership controls, security, utility provision, informed consent of property-owners, and hours of operation, among other things.

The City of Seattle adopted zoning regulations for medical marijuana collective gardens, which were challenged in Superior Court on the basis that individual applicants for a license are being asked to declare illegal activities (under federal law), in violation of the 5th Amendment. In December 2012, a Superior Court Judge granted Seattle's Motion for Summary Judgment, which dismissed the case on procedural grounds only. In the Order Granting the City's Motion, the Judge specifically stated that he was not ruling on the underlying substantive issues in the case. The Order was not appealed, and the plaintiffs in the lawsuit have not pursued the substantive issues in the case. Too, as federal law prohibits profiting from drug sales, license fees to the City may be problematic.

The City of Kent has implemented a total ban on collective gardens. In October 2012, the King County Superior Court upheld the City of Kent's prohibition on collective gardens and dispensaries. The plaintiffs in the lawsuit appealed the Superior Court decision and the Washington Supreme Court accepted review of the decision. The Supreme Court transferred the case to the Court of Appeals, where it is pending.

Kenmore's regulation of medical marijuana collective gardens must be approached thoughtfully, after careful research of the issues, including coordination with Initiative 502. The moratorium was put in place to provide this opportunity. Staff recommends continuation of the moratorium to allow further research into the evolving issues, particularly in light of Initiative 502 and the pending recommendation by the WSLCB on the interaction of the new recreational marijuana rules and the standards for medical marijuana collective gardens.

FISCAL CONSIDERATION:

None at this time. Staff time will be required to review the issues surrounding medical cannabis collective gardens and develop a regulatory approach.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Comprehensive Plan Vision Statement: "We see Kenmore as a community that is attentive to, and seeks to provide for, the health, safety, and welfare of all its citizens.

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

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 12-0342**

AN INTERIM ORDINANCE OF THE CITY OF KENMORE, WASHINGTON ADOPTING A MORATORIUM ON THE ESTABLISHMENT OF MEDICAL CANNABIS COLLECTIVE GARDENS; DEFINING "MEDICAL CANNABIS COLLECTIVE GARDENS;" PROVIDING FOR A PUBLIC HEARING; ESTABLISHING AN EFFECTIVE DATE; AND PROVIDING FOR EXPIRATION OF THE MORATORIUM WITHIN SIX (6) MONTHS OF THE DATE OF ADOPTION, UNLESS EXTENDED.

WHEREAS, the possession or distribution of cannabis (marijuana) is a violation of state law pursuant to Chapter 69.50 RCW (Washington's Uniform Controlled Substances Act) and of federal law pursuant to the Controlled Substances Act; and

WHEREAS, in 1998 the voters of Washington State approved Initiative 692, now codified as Chapter 69.51A RCW, which created a limited defense to marijuana charges under state law (but not federal law) where the person charged could demonstrate that he or she was a qualifying patient or designated provider as those terms are defined in Chapter 69.51A RCW; and

WHEREAS, in 2011, the state legislature passed Engrossed Second Substitute Senate Bill (E2SSB) 5073, which makes significant amendments to the state medical cannabis law; and

WHEREAS, the Governor signed the E2SSB 5073, but vetoed several portions, expressing her reservations about provisions that would involve state employees in activities that could be interpreted as a violation of federal laws; and

WHEREAS, E2SSB 5073 became effective on July 22, 2011 and was codified in Chapter 69.51A RCW; and

WHEREAS, Chapter 69.51A RCW probably authorizes medical cannabis collective gardens ("collective gardens") where up to ten qualifying patients may join together to produce, grow and deliver up to 45 cannabis plants for medical use; and

WHEREAS, Chapter 69.51A RCW does not limit the number of collective gardens that may be located at any site and does not restrict the location of collective gardens in relation to other uses; and

WHEREAS, collective gardens are not addressed in the Kenmore Zoning Code; and

WHEREAS, pursuant to RCW 69.51A.140 cities may adopt zoning requirements for collective gardens; and

WHEREAS, unless a zoning moratorium is imposed, collective gardens could be located within the City while the City lacks the necessary tools to ensure the appropriate location of and minimize and mitigate the potential impacts of collective gardens; and

WHEREAS, the City needs time to carefully and fully consider the appropriate location of and mitigate and minimize the impacts of medical cannabis collective gardens in the City; and

WHEREAS, the City Council deems it to be in the best interests of the public, and necessary for the protection of the public health, safety, property or peace, to establish a zoning moratorium on collective gardens pending consideration of land use regulations to address collective gardens; and

WHEREAS, RCW 35A.63.220 and RCW 36.70A.390 authorize the City to adopt a moratorium on development for six (6) months, and hold a public hearing on the moratorium within sixty (60) days of the initial adoption of the moratorium; now, therefore

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

Section 1. Findings. The recitals set forth above are hereby adopted as the City Council's preliminary findings in support of the moratorium imposed by this Ordinance. The City Council may, in its discretion, adopt additional or revised findings at the conclusion of the public hearing referenced in Section 4 below.

Section 2. Moratorium. Pursuant to RCW 35A.63.220 and RCW 36.70A.390, a zoning moratorium is hereby enacted in the City that prohibits the filing and acceptance of land use applications for, and the licensing, establishment, maintenance or continuation of, any medical cannabis collective garden. A "medical cannabis collective garden" is an area or garden where qualifying patients engage in the production, processing, transportation and delivery of cannabis for medical use as set forth in RCW 69.51A.085 and subject to the limitations therein.

Section 3. Prohibition of Collective Gardens. Medical cannabis collective gardens are hereby designated as prohibited uses in the City during the moratorium of this Ordinance. In accordance with RCW 35A.82.020 and chapter 5.05 of the Kenmore Municipal Code, no business license shall be issued to any person for a medical cannabis collective garden, which is hereby defined to be a prohibited use under the Kenmore Municipal Code, including Kenmore Zoning Code, and City ordinances during the moratorium of this Ordinance.

Section 4. Public Hearing. As provided in RCW 35A.63.220 and RCW 36.70A.390, the City Council sets a public hearing for September 10, 2012, which shall begin at 7:00 p.m. or as soon thereafter as the business of the City Council shall permit, in order to take

public testimony and consider adopting further findings justifying the imposition of the moratorium set forth in Section 2 above.

Section 5. Duration. The moratorium established in Section 2 above shall be in effect for a period of six (6) months from the effective date of this Ordinance, and shall automatically expire on that date unless repealed, modified, or extended after subsequent public hearing and entry of appropriate findings of fact as provided in RCW 35A.63.220 and RCW 36.70A.390.

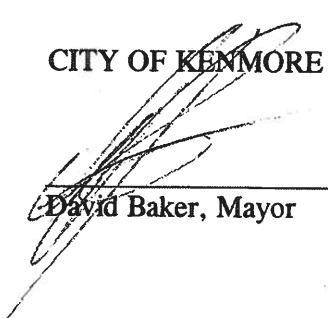
Section 6. Authorization of City Manager. The City Manager is hereby authorized and directed to develop draft regulations regarding medical cannabis collective gardens.

Section 7. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, the remainder of the Ordinance, or the application of the provision to other persons or circumstances, is not affected.

Section 8. Effective Date. This Ordinance, shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after the date of publication.

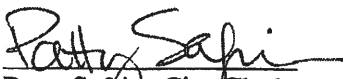
PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 23rd DAY OF JULY, 2012.

CITY OF KENMORE



David Baker, Mayor

ATTEST/AUTHENTICATED:



Patty Saffrin, City Clerk

Approved as to form:



Rod P. Kaseguma, City Attorney

Filed with the ~~Interim~~ City Clerk: July 13, 2012

Passed by the City Council: July 23, 2012

Ordinance No.: 12-0342

Date of Publication: July 26, 2012

Effective Date: August 1, 2012

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 13-0353**

**AN INTERIM ORDINANCE OF THE CITY OF
KENMORE, WASHINGTON EXTENDING FOR SIX
MONTHS THE CITY'S MORATORIUM ON
ESTABLISHMENT OF MEDICAL CANNABIS
COLLECTIVE GARDENS; AMENDING SECTION 5 OF
ORDINANCE NO. 12-0342; AND ESTABLISHING AN
EFFECTIVE DATE.**

WHEREAS, certain possession or distribution of cannabis (marijuana) is a violation of state law pursuant to Chapter 69.50 RCW (Washington's Uniform Controlled Substances Act) and of federal law pursuant to the Controlled Substances Act; and

WHEREAS, in 1998 the voters of Washington State approved Initiative 692, now codified as Chapter 69.51A RCW, which created a limited defense to marijuana charges under state law (but not federal law) where the person charged could demonstrate that he or she was a qualifying patient or designated provider as those terms are defined in Chapter 69.51A RCW; and

WHEREAS, in 2011, the state legislature passed Engrossed Second Substitute Senate Bill (E2SSB) 5073, which makes significant amendments to the state medical cannabis law; and

WHEREAS, the Governor signed the E2SSB 5073, but vetoed several portions, expressing her reservations about provisions that would involve state employees in activities that could be interpreted as a violation of federal laws; and

WHEREAS, E2SSB 5073 became effective on July 22, 2011 and was codified in Chapter 69.51A RCW; and

WHEREAS, Chapter 69.51A RCW probably authorizes medical cannabis collective gardens ("collective gardens") where up to ten qualifying patients may join together to produce, grow and deliver up to 45 cannabis plants for medical use; and

WHEREAS, Chapter 69.51A RCW does not limit the number of collective gardens that may be located at any site and does not restrict the location of collective gardens in relation to other uses; and

WHEREAS, collective gardens are not addressed in the Kenmore Zoning Code; and

WHEREAS, pursuant to RCW 69.51A.140 cities may adopt zoning requirements for collective gardens; and

WHEREAS, unless a zoning moratorium is imposed, collective gardens could be located within the City while the City lacks the necessary tools to ensure the appropriate location of and minimize and mitigate the potential impacts of collective gardens; and

WHEREAS, on July 23, 2012, the City Council passed Ordinance No. 12-0342 (effective August 1, 2012), which (1) established a zoning moratorium that prohibits the filing and acceptance of land use applications for, and the licensing, establishment, maintenance or continuation of, any medical cannabis collective garden, and (2) designated medical cannabis collective gardens as prohibited uses in the City during the moratorium; and

WHEREAS, on September 10, 2012, the City Council held a public hearing on the zoning moratorium established in Ordinance No. 12-0342, at which time City staff and members of the public had the opportunity to present testimony and other evidence in support of or against the moratorium, and after considering all the evidence presented at the hearing, the City Council made no changes to the moratorium; and

WHEREAS, since the passage of Ordinance No. 12-0342, Initiative 502 was approved by the voters at the November 2012 election, and the Initiative took effect on December 6, 2012; and

WHEREAS, Initiative 502 legalizes, taxes and regulates the use and possession of specified amounts of cannabis in Washington by persons twenty-one years of age and older; and

WHEREAS, Initiative 502 does not address the medical cannabis rules, but raises continuing questions regarding the role of the federal government in cannabis possession enforcement and the appropriate location and regulation of cannabis producers, processors, and retailers; and

WHEREAS, City staff has obtained information that medical cannabis collective gardens have raised questions of land use compatibility and appropriate siting, and other jurisdictions have identified concerns about location, dispersion, membership controls, security, utility provision, informed consent of property owners, and hours of operation, among other things; and

WHEREAS, recent zoning regulations for medical cannabis collective gardens in the City of Seattle have been challenged in court on the basis that there are alleged constitutional issues concerning license applications, and a superior court recently upheld the City of Kent's prohibition on medical cannabis collective gardens; and

WHEREAS, federal prohibitions on profiting from drug sales raise issues regarding the ability to charge and collect license fees for medical cannabis collective gardens; and

WHEREAS, given the complexity of the relevant issues and the recent developments on this topic, the City needs additional time to carefully and fully consider the appropriate location and regulation of medical cannabis collective gardens in the City, to appropriately mitigate and minimize any impacts of such collective gardens; and

WHEREAS, on January 14, 2013, the City Council held a public hearing on the extension for six months of the zoning moratorium established in Ordinance No. 12-0342, at which time City staff and members of the public had the opportunity to present testimony and other evidence in support of or against the extension of the moratorium; and

WHEREAS, the City Council deems it to be in the best interests of the public, and necessary for the protection of the public health, safety, property or peace, to extend for six months the zoning moratorium on collective gardens pending consideration of land use regulations to address collective gardens; and

WHEREAS, after the adoption of a moratorium on development, RCW 35A.63.220 and RCW 36.70A.390 authorize the City renew the moratorium for one or more six month periods if a subsequent public hearing is held and findings of fact are made prior each renewal; now, therefore

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

Section 1. Findings. The recitals set forth above are hereby adopted as the City Council's findings in support of the extension for six months of the moratorium imposed by Ordinance No. 12-0342.

Section 2. Extension of Moratorium. Section 5 of Ordinance No. 12-0342 is amended to read as follows:

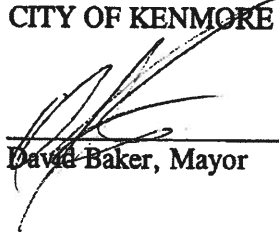
Duration. The moratorium established in Section 2 above shall be in effect ~~for a period of six (6) months from the effective date of this Ordinance~~ until August 1, 2013, and shall automatically expire on that date unless repealed, modified, or extended after subsequent public hearing and entry of appropriate findings of fact as provided in RCW 35A.63.220 and RCW 36.70A.390.

Section 3. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, the remainder of the Ordinance, or the application of the provision to other persons or circumstances, is not affected.

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

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE
14TH DAY OF JANUARY, 2013.

CITY OF KENMORE



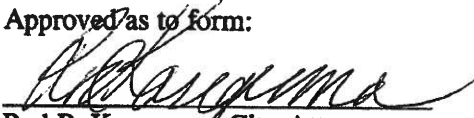
David Baker, Mayor

ATTEST/AUTHENTICATED:



City Clerk

Approved/as to form:



Rod P. Kaseguma, City Attorney

Filed with the City Clerk: 1/4/2013
Passed by the City Council: 1/14/2013
Ordinance No.: 13-0353
Date of Publication: 1/18/2013
Effective Date: 1/23/2013

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 13-0361**

**AN ORDINANCE OF THE CITY OF KENMORE,
WASHINGTON EXTENDING FOR SIX MONTHS THE
CITY'S MORATORIUM ON ESTABLISHMENT OF
MEDICAL CANNABIS (MARIJUANA) COLLECTIVE
GARDENS; AMENDING SECTION 2 OF ORDINANCE
NO. 13-0353; AND ESTABLISHING AN EFFECTIVE
DATE.**

WHEREAS, certain possession or distribution of cannabis (marijuana) is a violation of state law pursuant to Chapter 69.50 RCW (Washington's Uniform Controlled Substances Act) and of federal law pursuant to 21 U.S.C. § 812(c) (Controlled Substances Act); and

WHEREAS, in 1998 the voters of Washington State approved Initiative 692, now codified as Chapter 69.51A RCW, which created a limited defense to marijuana charges under state law (but not federal law) where the person charged could demonstrate that he or she was a qualifying patient or designated provider as those terms are defined in Chapter 69.51A RCW; and

WHEREAS, in 2011, the state Legislature passed Engrossed Second Substitute Senate Bill (E2SSB) 5073, which made significant amendments to the state medical cannabis law; and

WHEREAS, the Governor signed the E2SSB 5073, but vetoed several portions, expressing her reservations about provisions that would involve state employees in activities that could be interpreted as a violation of federal laws; and

WHEREAS, E2SSB 5073 became effective on July 22, 2011 and was codified in Chapter 69.51A RCW; and

WHEREAS, Chapter 69.51A RCW probably authorizes medical cannabis collective gardens ("collective gardens") where up to ten qualifying patients may join together to produce, grow and deliver up to 45 cannabis plants for medical use; and

WHEREAS, Chapter 69.51A RCW does not limit the number of collective gardens that may be located at any site and does not restrict the location of collective gardens in relation to other uses; and

WHEREAS, collective gardens are not addressed in the Kenmore Zoning Code; and

WHEREAS, pursuant to RCW 69.51A.140 cities may adopt zoning requirements for collective gardens; and

WHEREAS, unless a zoning moratorium is imposed, collective gardens could be located within the City while the City lacks the necessary tools to ensure the appropriate location of and minimize and mitigate the potential impacts of collective gardens; and

WHEREAS, on July 23, 2012, the City Council passed Ordinance No. 12-0342 (effective August 1, 2012), which (1) established a zoning moratorium that prohibits the filing and acceptance of land use applications for, and the licensing, establishment, maintenance or continuation of, any collective garden, and (2) designated collective gardens as prohibited uses in the City during the moratorium; and

WHEREAS, on September 10, 2012, the City Council held a public hearing on the zoning moratorium established in Ordinance No. 12-0342, at which time City staff and members of the public had the opportunity to present testimony and other evidence in support of or against the moratorium, and after considering all the evidence presented at the hearing, the City Council made no changes to the moratorium; and

WHEREAS, on January 14, 2013, after holding a public hearing, the City Council passed Ordinance No. 13-0353, extending for six months the zoning moratorium established in Ordinance No. 12-0342 to August 1, 2013; and

WHEREAS, City staff has learned that collective gardens have raised questions of land use compatibility and appropriate siting, and that other jurisdictions have identified concerns about location, dispersion, membership controls, security, utility provision, informed consent of property owners, and hours of operation, among other things; and

WHEREAS, the City of Seattle's zoning and licensing regulations for collective gardens have been challenged in Superior Court on the basis that there are alleged constitutional issues concerning license applications; and

WHEREAS, the Superior Court granted the City of Seattle's Motion for Summary Judgment, and dismissed the lawsuit on procedural grounds, stating specifically that the substantive issues in the lawsuit were not addressed; and

WHEREAS, the plaintiffs in the City of Seattle lawsuit did not appeal the Summary Judgment order, but have not yet pursued the substantive issues in the lawsuit; and

WHEREAS, federal prohibitions on profiting from drug sales raise issues regarding the ability to charge and collect license fees for collective gardens; and

WHEREAS, the City of Kent has adopted a total ban on collective gardens, which is an appropriate and viable option for regulating collective gardens, and which many cities in Washington have adopted; and

WHEREAS, the City of Kent's total ban on collective gardens was upheld by the Superior Court, but the decision was appealed and is being considered by the Washington Supreme Court; and

WHEREAS, Initiative 502 was approved by the voters at the November 2012 election and took effect on December 6, 2012; and

WHEREAS, Initiative 502 legalizes, taxes and regulates the use and possession of specified amounts of marijuana in Washington by persons twenty-one (21) years of age and older; and

WHEREAS, Initiative 502 does not address the State's medical cannabis rules, but raises questions regarding the role of the federal government in marijuana possession enforcement and the appropriate location and regulation of marijuana producers, processors, and retailers ("marijuana businesses") under Initiative 502; and

WHEREAS, Initiative 502 requires the Liquor Control Board to establish criteria for licensing marijuana businesses by December 1, 2013; and

WHEREAS, the Liquor Control Board has just issued initial draft rules, but does not anticipate adopting final rules until late July 2013 and issuing marijuana business licenses until early December 2013; and

WHEREAS, federal enforcement of the Controlled Substances Act is still uncertain, as the Justice Department has not taken a position on federal preemption by the Controlled Substances Act of Chapter 69.51A RCW and Initiative 502; and

WHEREAS, given the complexity of the relevant issues and the recent developments on this topic, the City needs additional time to carefully and fully consider the appropriate location and regulation of collective gardens in the City (if any), in order to appropriately mitigate and minimize any impacts of such collective gardens; and

WHEREAS, the City Council deems it to be in the best interests of the public, and necessary for the protection of the public health, safety, property or peace, to extend for six months the zoning moratorium on collective gardens pending resolution of the appeal from the City of Kent's total prohibition on collective gardens, pending resolution of the substantive issues in the Superior Court challenge to the City of Seattle's zoning and licensing regulations, pending resolution of issues relating to Initiative 502 and pending consideration of land use regulations to address collective gardens; and

WHEREAS, RCW 35A.63.220 and RCW 36.70A.390 authorize the City to renew a moratorium on development or land use for a six-month period if a subsequent public hearing is held and findings of fact are made prior to the renewal; and

WHEREAS, on June 24, 2013, the City Council held a public hearing on the extension for six months of the zoning moratorium established by Ordinance No. 12-0342, and extended for six months to August 1, 2013 by Ordinance No. 13-0353, at which time City staff and members of the public had the opportunity to present testimony and other evidence in support of or against the extension of the moratorium,

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

Section 1. Findings. The recitals set forth above are hereby adopted as the City Council's findings in support of the extension for six months of the moratorium imposed by Ordinance No. 12-0342, and extended by Ordinance No. 13-0353.

Section 2. Extension of Moratorium. Section 5 of Ordinance No. 13-0353 (which amends Section 5 of Ordinance No. 12-0342) is amended to read as follows:

Duration. The moratorium established in Section 2 above shall be in effect until February 1, 2014, and shall automatically expire on that date unless repealed, modified, or extended after subsequent public hearing and entry of appropriate findings of fact as provided in RCW 35A.63.220 and RCW 36.70A.390.

Section 3. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, the remainder of the Ordinance, or the application of the provision to other persons or circumstances, is not affected.

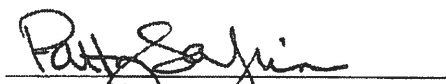
Section 4. Effective Date. This Ordinance shall be published in the official newspaper of the City and shall take effect and be in force five (5) days after the date of publication

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE
24th DAY OF JUNE, 2013.

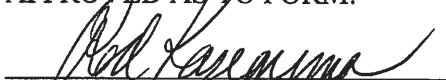
CITY OF KENMORE


David Baker, Mayor

ATTEST/AUTHENTICATED:


Patty Saffin, City Clerk

APPROVED AS TO FORM:


Rod P. Kaseguma, City Attorney

FILED WITH THE CITY CLERK: June 14, 2013
PASSED BY THE CITY COUNCIL: June 24, 2013
DATE OF PUBLICATION: June 28, 2013
EFFECTIVE DATE: July 3, 2013
ORDINANCE NO. 13-0361

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 14-0372**

**AN ORDINANCE OF THE CITY OF KENMORE,
WASHINGTON EXTENDING FOR SIX MONTHS THE
CITY'S MORATORIUM ON ESTABLISHMENT OF
MEDICAL CANNABIS (MARIJUANA) COLLECTIVE
GARDENS; AMENDING SECTION 2 OF ORDINANCE NO.
13-0361; AND ESTABLISHING AN EFFECTIVE DATE.**

WHEREAS, the cultivation, possession or distribution of cannabis (marijuana) has been and continues to be a violation of federal law through 21 U.S.C. § 812(c), the Controlled Substances Act ("CSA"); and

WHEREAS, in 1998 the voters of Washington State approved Initiative 692, now codified as Chapter 69.51A RCW, which created a limited defense to marijuana charges under state law (but not federal law) where the person charged could demonstrate that he or she is a qualifying patient or designated provider as those terms are defined in Chapter 69.51A RCW; and

WHEREAS, in 2011, the state Legislature passed Engrossed Second Substitute Senate Bill (E2SSB) 5073, which made significant amendments to the state medical cannabis law; and

WHEREAS, the Governor signed the E2SSB 5073, but vetoed several portions, expressing her reservations about provisions that would involve state employees in activities that could be interpreted as a violation of federal laws; and

WHEREAS, E2SSB 5073 became effective on July 22, 2011 and was codified in Chapter 69.51A RCW; and

WHEREAS, Chapter 69.51A RCW probably authorizes medical cannabis collective gardens ("collective gardens") where up to ten qualifying patients may join together to produce, grow and deliver up to 45 cannabis plants for medical use; and

WHEREAS, Chapter 69.51A RCW does not limit the number of collective gardens that may be located at any site and does not restrict the location of collective gardens in relation to other uses; and

WHEREAS, collective gardens are not addressed in the Kenmore Zoning Code; and

WHEREAS, pursuant to RCW 69.51A.140 cities may adopt zoning requirements for collective gardens; and

WHEREAS, unless a zoning moratorium is imposed, collective gardens could be located within the City while the City lacks the necessary tools to ensure the appropriate location of and minimize and mitigate the potential impacts of collective gardens; and

WHEREAS, on July 23, 2012, the City Council passed Ordinance No. 12-0342 (effective August 1, 2012), which (1) established a zoning moratorium that prohibits the filing and acceptance of land use applications for, and the licensing, establishment, maintenance or continuation of, any collective garden, and (2) designated collective gardens as prohibited uses in the City during the moratorium; and

WHEREAS, on September 10, 2012, the City Council held a public hearing on the zoning moratorium established in Ordinance No. 12-0342, at which time City staff and members of the public had the opportunity to present testimony and other evidence in support of or against the moratorium, and after considering all the evidence presented at the hearing, the City Council made no changes to the moratorium; and

WHEREAS, on January 14, 2013, after holding a public hearing, the City Council passed Ordinance No. 13-0353, extending for six months the zoning moratorium established in Ordinance No. 12-0342 to August 1, 2013; and

WHEREAS, on June 24, 2013, after holding a public hearing, the City Council passed Ordinance No. 13-0361, extending for six months the zoning moratorium established in Ordinance No. 12-0342 to February 1, 2014; and

WHEREAS, City staff has learned that collective gardens have raised questions of land use compatibility and appropriate siting, and that other jurisdictions have identified concerns about location, dispersion, membership controls, security, utility provision, informed consent of property owners, and hours of operation, among other things; and

WHEREAS, in 2012, the City of Seattle's zoning and licensing regulations for collective gardens were challenged in Superior Court on the basis that there are alleged constitutional issues concerning license applications; and

WHEREAS, in December of 2012, the Superior Court granted the City of Seattle's Motion for Summary Judgment, and dismissed the lawsuit on procedural grounds, stating specifically that the substantive issues in the lawsuit were not addressed; and

WHEREAS, the plaintiffs in the City of Seattle lawsuit did not appeal the Summary Judgment order, but have not yet pursued the substantive issues in the lawsuit; and

WHEREAS, federal prohibitions on profiting from drug sales raise issues regarding the ability to charge and collect license fees for collective gardens; and

WHEREAS, the City of Kent has adopted a total ban on collective gardens, which is an appropriate and viable option for regulating collective gardens, and which many cities in Washington have adopted; and

WHEREAS, the City of Kent's total ban on collective gardens was upheld by the Superior Court, but the decision was appealed and is being considered by the Washington Court of Appeals; and

WHEREAS, Initiative 502 was approved by the voters at the November 2012 election and took effect on December 6, 2012; and

WHEREAS, Initiative 502 legalizes, taxes and regulates the use and possession of specified amounts of marijuana in Washington by persons twenty-one (21) years of age and older; and

WHEREAS, Initiative 502 does not address the State's medical cannabis rules, but raises questions regarding the role of the federal government in marijuana possession enforcement and the appropriate location and regulation of marijuana producers, processors, and retailers ("marijuana businesses") under Initiative 502; and

WHEREAS, Initiative 502 required the Washington State Liquor Control Board ("LCB") to establish criteria for licensing marijuana businesses by December 1, 2013; and

WHEREAS, the LCB has issued final licensing rules and is accepting applications to locate marijuana businesses; and

WHEREAS, on October 19, 2009, the United States Department of Justice issued a memorandum to selected United States Attorneys, entitled "Investigations and Prosecutions in States Authorizing the Medical Use of Marijuana" and authored by David Ogden ("2009 Memorandum"), in which the Department emphasized that it is committed to the enforcement of the CSA in all States, that Congress has determined marijuana to be a dangerous drug, and that the illegal distribution and sale of marijuana is a serious crime which provides a significant source of revenue to large-scale criminal enterprises, gangs, and cartels; and

WHEREAS, in the 2009 Memorandum, the Department stated that prosecution of individuals with serious illnesses, like cancer, who use marijuana as part of a recommended treatment regimen consistent with applicable state law is unlikely to be an efficient use of limited federal resources, but cautioned that claims of compliance with state or local law may mask operations inconsistent with the terms, conditions, or purposes of those laws; and

WHEREAS, in the 2009 Memorandum, the Department further stated that no State can authorize violations of federal law, and that clear and unambiguous compliance with state law does not create a legal defense to a violation of the CSA; and

WHEREAS, on June 29, 2011, the United States Department of Justice issued a memorandum to all United States Attorneys, entitled “Guidance Regarding the Ogden Memo in Jurisdictions Seeking to Authorize Marijuana for Medical Use” (“2011 Memorandum”), in which the Department stated again that it is committed to the enforcement of the CSA in all States, that Congress has determined marijuana to be a dangerous drug, and that the illegal distribution and sale of marijuana is a serious crime which provides a significant source of revenue to large-scale criminal enterprises, gangs, and cartels; and

WHEREAS, in the 2011 Memorandum, the Department confirmed that the conclusions and comments of the 2009 Memorandum, stated that the 2009 Memorandum was never intended to shield the commercial cultivation, sale, distribution and use of marijuana for purported medical purposes from federal enforcement action and prosecution, even where those activities purport to comply with state law, and emphasized that enforcement of the CSA has long been and remains a core priority; and

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

WHEREAS, in the 2013 Memorandum, the Department emphasized once again that Congress has determined marijuana to be a dangerous drug, that the illegal distribution and sale of marijuana is a serious crime and that the Department is committed to enforcement of the CSA; and

WHEREAS, in the 2013 Memorandum, the Department warned that “if state enforcement efforts are not sufficiently robust to protect against [the harms mentioned in the eight enforcement priorities], the federal government may seek to challenge the regulatory system itself”; and

WHEREAS, acknowledging the lack of interaction and coordination between Initiative 502 and Chapter 69.51A RCW (relating to medical marijuana), the Legislature in Section 141(2) of 3ESSB 5034 (the State operating budget for the fiscal biennium of July 1, 2013 through June 30, 2015) (“Marijuana Coordination Law”), directed the LCB to work with the Departments of Revenue and Health to develop recommendations regarding the interaction of medical marijuana regulations and Initiative 502, including the topics of collective gardens,

possession amounts, locations, medical marijuana producing, processing and retail licensing, and taxation of medical marijuana in relation to recreational marijuana, and to submit the recommendations to the Legislature by January 1, 2014 ; and

WHEREAS, on December 18, 2013, the LCB issued its Medical Marijuana Recommendations, which among other things recommended eliminating collective gardens, establishing mandatory patient and designated provider registries, developing standards of care for health care professionals who authorize medical marijuana, reducing the amount of marijuana a qualified patient or designated provider can possess, and prohibiting medical marijuana locations in the buffers for marijuana businesses under Initiative 502; and

WHEREAS, the Legislature will consider the Medical Marijuana Recommendations at the 2014 Legislative Session; and

WHEREAS, given the complexity of the relevant issues and the recent developments on this topic, the City needs additional time to carefully and fully consider the appropriate location and regulation of collective gardens in the City (if any), in order to appropriately mitigate and minimize any impacts of such collective gardens; and

WHEREAS, the City Council deems it to be in the best interests of the public, and necessary for the protection of the public health, safety, property or peace, to extend for six months the zoning moratorium on collective gardens pending resolution of the appeal from the City of Kent's total prohibition on collective gardens, pending resolution of the substantive issues in the Superior Court challenge to the City of Seattle's zoning and licensing regulations, pending resolution of issues relating to Initiative 502, pending the Legislature's consideration of and action upon the Medical Marijuana Recommendations, and pending consideration of land use regulations to address collective gardens; and

WHEREAS, RCW 35A.63.220 and RCW 36.70A.390 authorize the City to renew a moratorium on development or land use for a six-month period if a subsequent public hearing is held and findings of fact are made prior to the renewal; and

WHEREAS, on January 13, 2014, the City Council held a public hearing on the extension for six months of the zoning moratorium established by Ordinance No. 12-0342 (as extended) , at which time City staff and members of the public had the opportunity to present testimony and other evidence in support of or against the extension of the moratorium; now, therefore

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

Section 1. Findings. The recitals set forth above are hereby adopted as the City Council's findings in support of the extension for six months of the moratorium imposed by Ordinance No. 12-0342 and extended by Ordinance Nos. 13-0353 and 13-0361.

Section 2. Extension of Moratorium. Section 2 of Ordinance No. 13-0361 is amended to read as follows:

Duration. The moratorium established in Section 2 above shall be in effect until August 1, 2014, and shall automatically expire on that date unless repealed, modified, or extended after subsequent public hearing and entry of appropriate findings of fact as provided in RCW 35A.63.220 and RCW 36.70A.390.

Section 3. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, the remainder of the Ordinance, or the application of the provision to other persons or circumstances, is not affected.

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

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 13th DAY OF JANUARY, 2014.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED:

Patty Safrin, City Clerk

Approved as to form:

Rod P. Kaseguma, City Attorney

Filed with the City Clerk:

Passed by the City Council:

Ordinance No.:

Date of Publication:

Effective Date:



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic:

SR522 Contract 13-C1214 with HDR, Inc. to complete the design of SR 522 West A and right-of-way for SR 522 West segment

Proposed Council Action/Motion: Authorize the City Manager to execute contract no. 13-C1214 with HDR, Inc. in the amount of \$738,703 for SR 522 design and right-of-way services (plus a 10% contingency).

For Council Meeting Agenda of: 01/13/2014

Department: Engineering

Prepared by: Kent Vaughan & Kris Overleese

Initial & Date

Approved by Department Head: W/Er KO 1/2/2014

Approved by City Attorney:

Approved by Finance Director:

Approved by City Manager:

pmg 1/2/14

Exhibits/Attachments:

Adopted SR 522 West A CIP Sheet

Adopted 2013-14 Budget – SR 522 West A 61st – 65th

HDR memorandum dated December 20, 2013

Expenditure Required NA

Amount Budgeted NA

Appropriation Required NA

See 'Fiscal Consideration' Below

INFORMATION/BACKGROUND:

Consultant Transition: In late September 2013, the City terminated the services of H.W. Lochner, Inc., who had been the SR 522 design team. The City advertised for consultant services in early October and shortlisted three firms to interview (HDR, CH2M Hill and KPFF). The interview team, which was comprised of Kris Overleese, Kent Vaughan, Nancy Ousley and Dave Kaiser (Northshore Utility District), unanimously selected HDR's design group. HDR's design group demonstrated excellent corridor design experience, expertise in taking over large corridor projects at various stages of design, and the availability and commitment necessary to complete the work by August 2014, which is necessary to obligate the project's federal construction funds by WSDOT's October 1st deadline.

Design Status: In early November 2013, the City entered into a short term contract with HDR to review the existing plans (Lochner's 95% complete submittal), specifications, cost estimate and discipline reports, and assess the completeness of the project design. HDR has met with project stakeholders and completed its review of the project. HDR estimates that the SR 522 West A design is approximately 60% complete (on average), after evaluating each discipline (civil roadway elements, stormwater, utilities, structures, traffic and urban design). A summary of HDR's findings is attached for your reference. Design is scheduled to be completed by the end of August 2014 (previously February 2014).

Right-of-way Status: The City entered into an interim contract with Universal Field Services, Inc. (UFS) in late October 2013 to continue right-of-way acquisition during the consultant transition. All offers have been made and negotiations are on-going. Three (3) ROW/easement acquisitions have been completed to date, leaving 22 ROW/easement acquisitions, 1 Tenant improvement, and 13 NUD easement acquisitions (where the existing NUD easements lie within the ROW acquisition area) to complete. Property rights (via acquisition or possession and use) are anticipated to be secured by the end of August 2014 (previously February 2014).

VIII. B. Approve Contract No.13-C1214 with HDR for SR 522 W...

FISCAL CONSIDERATION:

The total project budget for SR 522 West A is \$11,363,500 over the period 2012 – 2015 (adopted CIP).

The 2013-14 biennial budget for SR 522 West A is \$9,293,500 with \$2M scheduled for 2015. This budget anticipated SR 522 construction beginning in the summer of 2014. Due to the recent consultant transition, the project is scheduled to be advertised for bids in October 2014 instead of Spring 2014. Construction would start in January of 2015.

Design: The 2013-14 line item budget for SR 522 West A design is \$393,500. To date, approximately \$134,300 of that budget has been expended, leaving a balance of \$259, 200.

Right-of-Way: The 2013-14 line item budget for SR 522 West A right-of-way is \$2,850,000. To date, approximately \$236,200 of that budget has been expended, leaving a balance of \$2,613,800.

Budget Discussion: HDR's total contract amount for SR 522 West A is \$738,703 (\$593,416 for design and \$145,287 for right-of-way). Table 1 (below) shows the impacts to the existing 2013-14 biennial budget for SR 522 West A as a result of the proposed HDR contract.

Table 1. SR 522 West A 2013-14 Biennial Budget Impacts

	Design	Right-of-way
Line Item Budget Remaining	\$259,200	\$2,613,800
Less: HDR Contract 13-C1214	(\$593,416)	(\$145,287)
Less: 10% Contingency	(\$59,342)	(\$14,529)
Projected (Shortfall) or Balance	(\$393,558)	\$2,453,984

Table 2 shows the proposed funding sources to cover the additional consultant design costs, as discussed below.

Table 2. Funding for Design Cost Shortfall

	Design
Ecology Grant Funds to be Applied	\$63,000
Estimated City REET Funds	\$330,558
Total	\$393,558

Design: At this time, it is estimated that the SR 522 West A design budget will be exceeded by \$393k (which includes the 10% contingency). This additional cost is mostly attributable to the substandard level of completeness of the plans, specifications and estimate prepared by Lochner. A portion of the recently secured \$475k Ecology grant for SR 522 West A (\$63k) may be applied towards stormwater design. Applying these funds to design will redirect funds originally intended for construction; however it will strategically help the City expend the grant funds before Ecology's imposed June 2015 deadline. Staff will coordinate with Ecology to make this change.

The 2013-14 biennial budget includes \$400k in REET funds for SR 522 West A design and construction. Applying the Ecology funds above, the City is estimated to incur approximately \$330k in additional design costs

VIII. B. Approve Contract No.13-C1214 with HDR for SR 522 W...

(not covered by grants) as a result of the consultant transition. The SR 522 West A design is currently funded by WA State Transportation Improvement Board (TIB) grant funds at 87.5% contribution (\$379k) and City REET funds at 12.5% contribution (\$54k). Since construction will not occur until the next budget cycle, the REET funding for SR 522 West A (\$400k) included in the 2013-14 biennial budget is sufficient to cover the projected REET expenditure of \$387k (\$54k TIB design match + \$330k design overage).

Right-of-way: Additional right-of-way consultant costs are estimated to be in the \$60 - 80k range (which includes the 10% contingency). These costs are attributable to inefficiencies as a result of the consultant transition and foreseeable design changes that will impact right-of-way needs (easement revisions, etc). The SR 522 West A right-of-way phase is currently funded by the \$2.5M federal grant and \$390k in State TIB grant funds awarded to the City. Staff is projecting that the right-of-way phase will be completed under budget and the current budget is sufficient to cover any additional right-of-way consultant costs incurred.

Recommendation: Staff recommends approval of the HDR contract in the amount of \$738,703 plus 10% contingency. Staff believes that moving forward with HDR will produce a better product in the end and is likely to reduce construction risk as a result. The overall 2013-14 biennial budget for SR 522 West A has adequate funding to cover the additional consultant costs to the City (noted above). We do not anticipate that a budget amendment will be necessary however the total project budget will be re-evaluated as part of the CIP / 2015-16 budget process later this year.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

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 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: Highway 522 : 61st to 65th Avenues NE including 522/61st Avenue NE north and south legs.

Project Manager: Kent Vaughan

Project Description: The project will 1) upgrade the 522/61st Avenue NE signal 2) complete 522 improvements between 61st and 65th Avenues NE (the terminus of completed 522 work) and 3) complete the north and south legs (approaches) of the 522/61st intersection. 522 improvements include: sidewalk, undergrounding utilities, stormwater system facilities, illumination, and rechannelization to three lanes in each direction including Business Access Transit – BAT lanes and left/u turn pockets.

Background: : This project is formerly one of the components of the larger SR 522 Phase 1, Stage 2 Corridor Improvement Project; now called **West A**. The improvements would improve vehicle and pedestrian safety and reduce signal delays. Safety at the Burke-Gilman trail crossing of 61st Avenue NE would also be improved. Construction of the 522/61st Avenue NE signal must start in the spring to utilize the earmark funds. If other funding falls into place, construction of the remaining components of the project would begin in 2014.

Funding Status:

The City received \$1,100,000 in earmark money to complete signal upgrades at 61st Avenue NE. The City has applied for TIB and Regional Mobility funds to help fund the remainder of the project. The City will utilize Transportation Impact Fees, REET and Surface water funds as match. The City has received \$2,500,000 in right of way funds and right of way for the entire segment will likely begin late 2012 or early 2013.

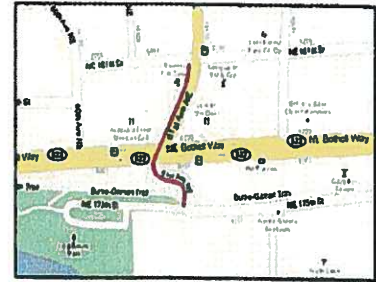
Environmental Review Status:

Exempt ☐ Mitigated DNS ☐ EIS ☒

An environmental impact statement has been completed and approved by WSDOT and FHWA. The NEPA document was updated in 2012.

Potential Project Issues: The project will require additional funding to complete construction between 61st and 65th Avenues NE and the south leg of the 522/61st Avenue signal.

Operations: This project will result in increased street lighting electrical and maintenance costs, landscaping maintenance and storm water maintenance, and water for irrigation. Assume \$20,000 per year for landscape maintenance, and \$15,000 per year for water. The Washington State Department of Transportation is responsible for the street surface maintenance.





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	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Project Administration	\$ 10,000	\$ 85,000	\$ 65,000					\$ 160,000
Design	\$ 50,000	\$ 363,500						\$ 413,500
ROW/ Acquisition	\$ 40,000	\$2,850,000						\$ 2,890,000
Construction		\$1,100,000	\$4,800,000	\$2,000,000				\$ 7,900,000
Art								
Total	\$ 100,000	\$4,398,500	\$4,865,000	\$2,000,000				\$11,363,500
Revenue								
REET	\$ 100,000	\$ 335,000	\$ 65,000	\$ 250,000				\$ 750,000
General								\$ -
Impact		\$ 400,000	\$ 380,000	\$ 400,000				\$ 1,180,000
State		\$1,100,000						\$ 1,100,000
TIB			\$4,100,000	\$1,100,000				\$ 5,200,000
SWM		\$ 63,500	\$ 320,000	\$ 250,000				\$ 633,500
Federal		\$2,500,000						\$ 2,500,000
Total	\$ 100,000	\$4,398,500	\$4,865,000	\$2,000,000	\$ -	\$ -	\$ -	\$11,363,500

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																								

Run date: 12/11/2013 @ 13:39
Bus date: 12/11/2013

City of Kenmore (Live)
Expenditures

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GLEXP.L20 Page 18

Fiscal year thru period ending 11/30/2013

0906 T6 SR 522 West A 61st-65th

Description	Period to date Actual	Year to date Actual	Year to date Budget	% Used	Budget Variance
06 7201 Admin	76.63	274.25	150,000.00	.2%	149,725.75
06 7203 Design	(2,446.71)	134,305.35	393,500.00	34.1%	259,194.65
06 7204 ROW	47,368.74	236,174.93	2,850,000.00	8.3%	2,613,825.07
06 7205 Construction	.00	.00	5,900,000.00	.0%	5,900,000.00
06 72XX Subtotal	44,998.66	370,754.53	9,293,500.00	4.0%	8,922,745.47
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Total Expenditure	44,998.66	370,754.53	9,293,500.00	4.0%	8,922,745.47
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Memorandum**To:** Kent Vaughan, PE**Date:** December 20, 2013

From: The HDR Project Team: *Paul Ferrier, PE; Molly Larson, PE; Michael Starling, PE; Robin Kirschbaum, PE; Jonathan Brown, PE; Matt Gurrad, PLA; Cary Stewart, PE; Rob Richardson, PE, ENV SP*

Project: City of Kenmore – SR 522 57th Ave NE to 65th Ave NE**Subject:** Design Evaluation Memorandum**Executive Summary**

The HDR project team has reviewed Lochner's 95% design submittal for City of Kenmore's SR 522 Corridor Improvements project. From the Transition Meeting held with Lochner and the City of Kenmore on November 15th, and the more in-depth review of the plans, calculations, models, and specifications, the project team has come up with an analysis for several disciplines.

The disciplines reviewed, include: civil elements, stormwater, utilities, structures, traffic, and urban design. Each discipline is broken out into its own memo within this document and describes the elements completed, elements missing, any risk elements involved, and the overall assumption of level of design. The following chart depicts the overall assumed design level percentage per discipline.

PAGE No.	DISCIPLINE	CURRENT DESIGN LEVEL ASSUMPTION
2-4	Civil Elements	65%
5-7	Stormwater	40%
8-9	Utilities	50%
10-15	Structures	30%-60%
16-17	Traffic	65%
18-19	Urban Design	80%
	OVERALL	Approx. 60%

Overall, the 95% design submittal from Lochner is not at the 95% industry standard deliverable level. At this level, the deliverable would be substantially complete with only minor design items left to be finalized, and all review comments reviewed and addressed. The current design does not yet have an approved channelization plan, ADA is not within compliance, utility conflicts between disciplines are not resolved, the structural elements do not have sufficient calculations and lack adequate details within the plans, stormwater systems need to be re-evaluated, and there are many unresolved comments from the previous 90% design submittal that need to be addressed.

We have concluded that the current design submittal as a whole is at about a 60% industry standard level. Please see the following reviews per discipline for further evaluation and documentation.

Sincerely,

The HDR Project Team



Memorandum**To:** Kent Vaughan, PE**Date:** December 20, 2013**From:** Molly Larson, PE**Project:** City of Kenmore – SR 522 57th Ave NE to 65th Ave NE**Subject:** Design Evaluation – Civil Elements**1. Introduction**

The HDR project team has reviewed Lochner's 95% design submittal for City of Kenmore's SR 522 Corridor Improvements project. From the Transition Meeting held with Lochner and the City of Kenmore on November 15th, and the more in-depth review of the plans, calculations, models, and specifications, the project team has come up with an analysis for each discipline.

This memo specifically describes the Civil elements of this project.

2. Design Analysis

The civil elements review consists of the following plan sets:

- 95% Right-of-Way Plans
- 95% Typical Roadway Sections
- 95% Erosion Control and Site Preparation Plans
- 95% Roadway Plan & Profile Plans
- 95% Intersection Grading Plans

Below, I will review each of the different plan sets and describe the level of completeness, items missing, and any risk elements involved. I will then provide our assumed current level of design for the entire civil elements package.

Right-of-Way Plans

The Right-of-Way plans, ROW2-ROW5, were reviewed to assess the current status of design. These sheets correlate to the separate signed right-of-way plans.

The following summarizes the main items missing from the 95% plans and those that still need to be addressed:

- The plans need to be cleaned up to properly show design. For example, the linestyles in the plan views do not match legend.
- Utility Easements do not match what is necessary for the utility improvements.
- Right-of-Way plans will eventually need to be resubmitted and approved. The Alignment/Right-of-Way plans in the corridor submittal set will need to be updated as well.

Risk Elements:

- Any Right-of-Way impacts due to design modifications could add potential costs and time to the project.
- Condemnation ordinance approved by council may no longer be accurate and may need to take back to council.

Typical Roadway Sections

The typical roadway sections, sheets RS1-RS2, show generic cross sections of the roadway for both SR 522 and 61st Ave NE in the West A portion of the SR 522 design. They show the proposed median, sidewalk, and wall locations and provide proposed depths of pavement and sub base elements.

Although the typical roadway sections show the main concept of the roadway construction, they will require some modifications to get up to a 95% level design.

- Verification of the proposed roadway section with WSDOT will be necessary to determine whether the pavement depths are adequate for this section of roadway. Per discussions with Lochner, it appears that the section used in this plan set was a continuation from a previous plan submittal.
- The roadway sections do not take into consideration the existing pavement section of concrete underneath the asphalt. The plans need to show how the additional depth will be replaced.
- The roadway sections do not show how the proposed overlay will match into the existing curb. Additional details needed.
- Verification with the Geotechnical Engineer will be necessary to determine whether an asphalt overlay is sufficient for this stretch of road, or whether we need to proceed with a grind & overlay. The geotechnical report states that the pavement is in various levels of condition throughout the project.
- The stationing for each section needs to be modified as they do not currently properly reflect the roadway design stationing. Additional sections or alternative shoulder/sidewalk sections may be needed to adequately show the differences between stations. The sections will also need to be modified for any additional modifications presented within the other disciplines.
- There are numerous callout errors that will need to be addressed within the sections and the legend. Many of these were presented in the 90% comments, but were not addressed within the 95% submittal.

Risk Elements:

- Need to verify whether WSDOT has approved the pavement design and geotech report.
- If grinding is deemed necessary, this will add to project cost and schedule.

Erosion Control and Site Preparation Plans and Details

The Erosion Control and Site Preparation plans and Details, EC3-EC9, were reviewed to assess the current status of design. These sheets include the removal items necessary for construction of the corridor, including pavement removal, structures and obstructions, clearing and grubbing, and utility adjustments. TESC measures are also shown on these sheets, including inlet protections, silt fence, and high-visibility construction fence.

Although the removal items adequately cover the work being done, some revisions will be necessary to bring the set of plans up to a 95% standard. The following summarizes the main items that need to be addressed:

- Removal of Structures and Obstructions not clearly identified. List of items with sta/off need to be included in the specifications.
- Station/Offset callouts need to be added to the plan sheets for constructability.
- The majority of the 90% comments were unaddressed in the 95% submittal.

Roadway Plan and Profile Sheets

The Roadway Plan and Profile sheets, RD4-RD21, were reviewed to assess the current status of the roadway corridor and profile design. The sheets show the plan view of the proposed corridor improvements including sidewalks, medians, and turn pockets. The curb ramps are drawn with 4' sidewalk clearances marked on the sheets. The provided roadway profile shows the finished grade at centerline following the existing grade profile.

The following summarizes the main items missing from the 95% plans and those that still need to be addressed:

- The plan set is missing details for the ADA curb ramps.
- Additional modifications necessary for U-Turn at 64th Ave NE (extended).
- Coordination with Channelization Plans - additional modifications will be necessary to get approval from WSDOT.
- Driveways need to be added for the newer sidewalk additions along the south side of SR522. Coordination with property owners and their turning movements will be required.
- These sheets will need coordination with the wall and utility disciplines to relieve any conflicts.
- From a constructability standpoint, these sheets are missing many station/offset callouts. If the contractor is using these sheets in the field, they do not have enough information provided to build the corridor.
- Profiles need additional information to show grades and superelevation.
- More roadway profiles needed for constructability.
- The majority of the 90% comments were unaddressed in the 95% submittal.

Risk Elements:

- ADA design modifications could result in additional ROW issues if ADA compliance is difficult to achieve.
- Finalizing driveway locations on southern side of SR522 adds potential risk for ROW issues.

Intersection Grading Plans

The intersection grading plans, IN1-IN2, were reviewed to assess the current status of design. These sheets include a plan view of each intersection, with curb return data completed.

The following summarizes the main items missing from the 95% plans and those that still need to be addressed:

- Elevations need to be added to the plan view to depict where the PC, PT, etc. are located.
- Check whether a 25ft radius at 62nd was approved. Standard is 35ft.
- The majority of the 90% comments were unaddressed in the 95% submittal.

Risk Elements:

- The 25ft radius at 62nd Ave could present a ROW issue if it was not approved.

3. Conclusion

Overall, the civil elements of the 95% Plan submittal are lacking some key items as described in this memo, most importantly the Channelization Plan that is not yet approved, some Right-of-Way modifications, and the lack of ADA compliance and details. A large effort will be required to address all previous comments from the City and to prepare a constructible plan set with the proper amount of callouts. We believe that the civil elements in the 95% Plan submittal are complete to an approximately 65% design level.

Sincerely,

Molly Larson, P.E.

Memorandum

To: Kent Vaughan, PE, City of Kenmore
From: Robin Kirschbaum, PE and Jonathan Brown, PE,
 HDR Engineering
Project: City of Kenmore – SR 522 57th Ave NE to 65th Ave NE
Subject: Design Evaluation – Stormwater

Date: December 20, 2013

1. Introduction

The HDR Engineering (HDR) project team has reviewed Lochner's 95% design submittal for City of Kenmore's SR 522 Corridor Improvements project. From the Transition Meeting held with Lochner and the City of Kenmore on November 15th; more in-depth review of the plans, calculations, models, and specifications; and a follow-up meeting with City staff on December 16th, the project team provides an analysis for each discipline. This memorandum specifically describes the Stormwater elements of the project.

2. Stormwater Design Analysis

General description of the elements reviewed

The stormwater design elements reviewed include:

- 95% storm drain plan and profile drawings.
- 95% special provisions.
- 95% engineer's estimate.
- Drainage Review report prepared by Lochner (April 2010).
- Predesign Stormwater Technical Information Report (TIR) prepared by Hammond Collier Wade Livingston Associates (HCWL, August 2002).

Description of elements completed

The storm drain drawings include the conveyance (catch basins and pipe) configuration within the project limits, a media filter cartridge water quality treatment vault (plan, profile and detail), and a flow splitter upstream of the water quality vault (plan, profile, and detail). The specifications are provided for the features shown in the plans, however they are not all complete as described further below. Quantities and costs are provided for the storm drain elements in the cost estimate, but these were not reviewed in detail.

The Lochner Drainage Review report discusses the proposed project, proposed stormwater elements, the downstream conveyance system, and references the HCWL Predesign TIR. The Lochner report also references the 2009 King County Surface Water Design Manual (KC SWDM) as the basis for design, and provides calculations for water quality sizing, conveyance pipe sizing, and some (incomplete) downstream analysis to verify the capacity of the downstream conveyance facilities to which the project would discharge stormwater runoff.

In our review, we found the Lochner Drainage Review report to be inadequate in terms of describing the minimum stormwater requirement applicability, water quality treatment sizing approach, and downstream analysis. These items will need to be addressed in greater detail in the next phase of design, as discussed further below.

Description of elements missing

The following subsections detail out the elements that are missing or incomplete from the storm water design.

Water Quality Treatment

Current designs provide for basic water quality treatment provided by a media filter water quality treatment vault. However, the Lochner drainage report does not provide clear documentation on how this basic treatment requirement was determined in accordance with the KC SWDM. Because SR 522 has an expected average daily traffic (ADT) greater 2,000 vehicles (KC SWDM Section 1.2.8.1.A), enhanced treatment may actually be required for the portion of the project that discharges to Tributary 0056. Based on discussions with City staff during a December 16, 2013 meeting, the City will provide documentation to verify whether basic or enhanced treatment applies to the Tributary 0056 basin for future design purposes.

It should also be noted that the storm drain detail sheets indicate two water quality vault systems (for subbasins A1 and A2), but only one is shown in plan view for the West A segment (in subbasin A2). Subbasin A1 is located in the West B segment. Water quality vaults are covered in Section 7-05.3(5) of the specifications, however no media materials are specified for the cartridges (section 7-05.2 references section 9-12.8 for water quality vault materials, but 9-12.8 is not included in the special provisions).

No water quality treatment is provided in subbasin B, because, as the Lochner Drainage Review report notes, that treatment is provided in an existing water quality treatment facility that has already been constructed. Following the December 16 meeting with the City, the City provided HDR with design information for this facility. HDR will review the adequacy of the existing system to satisfy the project treatment requirements for subbasin B.

Current designs do not include oil control facilities. However, intersections with measured ADT count of 25,000 vehicles or more on the main road, and 15,000 vehicles or more on the intersecting roadway require oil control. Oil control requirements need to be re-evaluated in future design phases. During the December 16 meeting with the City, existing and future traffic counts were discussed. The City has provided current traffic counts to HDR and will provide future traffic counts, if applicable, for use in evaluating oil control requirements that pertain to the project.

Flow Control

The current design and Lochner Drainage Review report do not provide flow control, citing the direct discharge exemption stated in Section 1.2.3.1 of the KC SWDM. However, the off-site analysis provided in the report is inadequate to support evaluation of downstream conveyance capacity to receive on-site stormwater flows.

We understand that the City would like to improve drainage for private properties and roadways in the project vicinity by tying new private drainage facilities into the roadway conveyances. Updated off-site analysis is needed to verify capacity of the downstream system to receive on- and off-site stormwater flows and to verify that flow control is not needed. See more detailed discussion of off-site analysis below.

Finally, clear definition of Tributary 0056 as either a natural stream or "man-made" conveyance is also needed to determine whether flow control requirements may pertain to this basin. During the December 16 meeting with the City, the City indicated that Tributary 0056 should be considered "man-made" for future design purposes. The City will provide documentation to be referenced by HDR in HDR's future drainage report supplement.

Off-site Analysis

The Lochner Drainage Review report includes an offsite analysis, but the calculations provided are insufficient to accurately determine whether the downstream receiving system can adequately convey runoff from the contributing drainage basins. The following discrepancies or lack of critical information are noted:

- Calculations provided for subbasin A1 appear to inaccurately state that the 24-inch pipe they identified as "24" Stormdrain Pipe 2" on Figure 6 has adequate capacity.
- The only conveyance calculations provided for subbasin A2 are for storm drain pipe that discharges to Tributary 0056, but no capacity check of the tributary has been documented.

- No calculations are provided for the existing system downstream of subbasin B.
- The proposed design appears to adjust the basin boundary between subbasin A2 and subbasin B from the existing condition, which results in additional area being directed to subbasin A2 and Tributary 0056. It is unclear whether this has been properly accounted for in the off-site analysis.

The Lochner Drainage Review report's offsite analysis also notes that "there is no severe existing drainage problems, and the proposed project will not generate new problems." This is not consistent with the HCWL Predesign TIR, which discussed documented flooding issues on Tributary 0056 downstream of the project site.

Based on potential for flooding in Tributary 0056 downstream of the project site and the fact that the current design proposed to direct additional runoff to the outlet for this basin, accurate off-site analysis is critical to completing the drainage designs and documentation for the project.

Utility Conflicts

The proposed storm drainage profiles appear to show existing utility crossings, but none for proposed utilities. See Sheet SD11 (plan view) and SD15 (profile view) for examples. Sheet UC3 shows a major utility corridor that crosses SR 522 near station 86+25 before turning west and running parallel to the highway underneath the proposed sidewalk. These lines are not shown anywhere on sheet SD15. Accordingly, it does not appear that proposed utility conflicts were adequately assessed at this time.

Risk Elements

Based on the review discussed above, the major risk elements related to the stormwater design are:

- Insufficient provision of water quality treatment to meet local and State requirements,
- Insufficient analysis and documentation of applicability of flow control exemption,
- Insufficient off-site analysis to document adequate capacity of downstream receiving systems, and
- Insufficient utility conflict coordination.

Assumption of Level of Design

Based on the need to reevaluate stormwater requirement applicability, re-size treatment facilities, re-evaluate the downstream receiving system capacity, and re-design conveyance facilities to accommodate off-site flows and minimize conflicts with other utilities, we estimate that the stormwater designs are at an approximate 40- percent design level.

3. Conclusion

This memorandum presents findings from HDR Engineering's review of the 95%-level plans, specifications, and estimates for stormwater runoff and associated drainage discipline reports. As documented above, we believe that future design phases need to accommodate efforts to confirm stormwater requirements applicability, update treatment facility sizing, perform independent off-site analysis to verify adequacy of downstream capacity for on- and off-site flows, and redesign conveyance facilities to accommodate other utilities, as well as updated design peak flow rates. A substantial drainage report supplement will be needed to document the work described above.

Please do not hesitate to call or write if you would like to discuss the findings and conclusions presented in this memorandum or recommended next steps.

Sincerely,

Robin Kirschbaum, P.E.

Memorandum

To: Kent Vaughan, PE
From: Michael Starling, PE

Date: December 20, 2013

Project: City of Kenmore – SR 522 57th Ave NE to 65th Ave NE

Subject: Design Evaluation – Utilities

1. Introduction

The HDR project team has reviewed Lochner's 95% design submittal for City of Kenmore's SR 522 Corridor Improvements project. From the Transition Meeting held with Lochner and the City of Kenmore on November 15th, and the more in-depth review of the plans, calculations, models, and specifications, the project team has come up with an analysis for each discipline.

This memo specifically describes the Utility elements of this project.

2. Design Analysis

Utilities

The utility plans, drawings UC3 through UC16, were reviewed to assess the current status of the utility relocation design. The plans show an underground duct bank system with conduits and vaults and private property connections. Other disciplines, such as the wall and drainage plans were also reviewed to identify impacts not shown on the UC plans.

The horizontal layout of the duct bank itself is nearly complete and the private property tie-ins are shown. Section views of the various duct banks are complete.

There are several elements missing from the plans. The most prominent missing item is conflict resolution between the proposed duct bank and other underground features. Typical 95% plans include profiles showing vertical crossings of other utilities and underground elements; that information was not included in the reviewed plans.

Terminations at the edges of the projects are not shown. On UC3 and UC7 the duct banks are shown extending beyond the project limits, and beyond the limits of the drawings, without connecting to existing vaults and/or utility poles. The work completed as part of the 61st & 181st intersection improvements is not shown on UC7. The proposed duct bank on 61st Ave NE should connect to vaults that were installed as part of the earlier project.

Other existing (water on the south side of SR 522 and sewer) and proposed (drainage, traffic signals) utilities are not shown on the utility plans. These elements should be shown for design coordination purposes as well as assisting the contractor to identify construction sequencing. As a specific example there are utility vaults, walls and drainage structures close to one another at the SE corner of the 61st & SR 522 intersection. All of the elements should be shown on the various discipline sheets to show that the locations and elevations have been coordinated in design. This is not shown on the UC plans.

A review of the drainage plans revealed that the proposed duct banks are not shown in the drainage plans or profiles. The locations of the duct bank crossings should be indicated on the drainage profiles as a minimum if the duct bank depth is not known.

The proposed Northshore Utility District relocations are not indicated any place on the plans. The standard practice is to have the relocation design referenced into the plans if it is available. If not available there should be a note should be made on the plans of "relocation by others". This has not been done.

Our meeting with the private telecoms showed that the current duct bank layouts do not meet the telecom's needs in the number of conduits, and possibly in the size of the vaults.

The UC plans themselves were not set up to coordinate with other disciplines in the plans set. The match lines and naming/numbering of the UC sheets differs from the other disciplines. Though not strictly necessary, since the stationing is shown, it is standard practice for sheets to be set up with the same limits across the various disciplines in order to make it easier to review sheets side by side.

The largest risk on the UC plans is the lack of coordination with other utilities and with the proposed walls. Not having the coordination completed at 95% could lead to redesign work to get the plans to an ad-ready condition. Not showing other existing utilities on the plan sheets can cause potential bidders to underbid the work to construct the duct bank.

3. Conclusion

Our review shows that the overall level of completeness of the utility plans is at approximately a 50% level. The design on the UC sheets is not consistent with a 95% design level.

Thank you,

Michael Starling, P.E.

Memorandum

To: Kent Vaughan, PE
From: Rob Richardson, PE

Date: December 20, 2013

Project: City of Kenmore – SR 522 57th Ave NE to 65th Ave NE

Subject: Design Evaluation – Structures

1. Introduction

HDR project team has reviewed Lochner's 95% design submittal for City of Kenmore's SR 522 Corridor Improvements project. From the Transition Meeting held with Lochner and the City of Kenmore on November 15th, and the more in-depth review of the plans, calculations, models, and specifications, the project team has come up with an analysis for each discipline.

This memo specifically describes the analysis of the Structural elements of this project.

2. Design Analysis & Criteria

Structures

After review of the 95% plan set, the final geotechnical report, and the submitted design calculations, the following structural element types have been identified: retaining walls, sidewalks and an elevated sidewalk structure (bridge). The following text addresses each individual structural type and provides an estimated completeness percentage based on the plans, calculations, details and specs.

Completeness shall be based on 30%, 60%, and 90% submittal expectations. Below we will briefly describe the expectations at each milestone for retaining walls and bridge plans.

At a 30% design level the following items are expected: a structure type or preference should be chosen and clearly identified. The structure location should be shown on the plans and preliminary layout of the structure started. For a retaining wall, a profile view showing the existing ground, proposed top of wall and bottom of wall needs to be defined to show the extent of wall required.

It is expected that at a 60% submittal that the layout of the retaining wall be set. The plan view should have all control points clearly labeled and utilities and or obstructions identified. Cross sections showing horizontal control information and details for barriers, railings, sidewalks, and obstructions should also be developed but not necessarily completed. Geometry should be set but the detailing of all the reinforcing can still be in flux to accommodate changes.

Standard details should be copied into the details sheets and modified to fit the project specific requirements. Project specific details should be started but not necessarily completed. Quantities should be started with a pay items & pay names created to match the specs. Specs should be created from the standard specifications and incorporate the latest amendments. Special provisions for project specific items should be identified but not necessarily completed. The design at this point should be well along but not necessarily complete due to coordination requirements with other disciplines such as utilities, drainage, urban landscaping as well as incorporating comments from 30% and constructability reviews. As other disciplines progress the structural elements needs to be cross referenced for compatibility.

For the bridge structure, additional items that should be completed or close to completion are:

- General notes
- construction methods & construction sequencing
- foundation & abutment plan and elevations
- typical structure sections
- utilities and their locations
- barriers details
- cost estimates

At a 95% level of completeness, all of the above items should be completed with only revisions or minor adjustments required. The structures at this point should have their designs completed and coordinated with the all other elements in the project. Constructability and construction methods should be resolved. Quantities, specs, and design calculations should also be ready for submittal.

Retaining Walls

Retaining walls were identified by cross referencing the Geotech report dated March 22, 2010, and the 95% submittal plans. The three retaining wall structure types that are proposed are modular block walls, structural earth walls and soldier pile walls.

Modular Block Walls

Description

A total of five proposed modular block walls were identified: Walls 1 (new), 1 (old), 7, 11, & 14. Wall 1 (old) is discussed in the Geotechnical Report only and is not shown on the roadway plan and profile sheets or wall plan sheets. Wall 14 was identified on the modular block wall details sheet but is not shown on the roadway or wall plan and profile sheets. These walls may no longer be part of the design package. It is unknown at this time whether these walls will be required to complete the project and it shall be assumed that the designs, layout, and details of these walls are incomplete.

Plan & Profile Sheets

There were no specific wall plan or profile sheets created for the modular block walls at the time of this review. The only location which showed a wall in plan view was in the roadway plan and profile sheets.

Details & Detail Sheets

The detail sheets for the modular block walls are incomplete and do not show adequate information to completely layout the wall. The details do not include control points relative to the top and bottom of the walls or where the wall is relative to the roadway alignment.

Calculations

Calculations for these walls were not included and may have been assumed unnecessary because proprietary wall systems are to be Contractor designed. It was observed that the modular block wall designs may not include the geotechnical recommendations.

Specifications & Special Provisions

The specifications for the modular block walls appear to be supplemented incorrectly and supersede existing sections in the WSDOT standards.

Conclusion & comments

It is estimated that the overall completeness of the block walls is at about 30%. It is recommended that the feasibility of these walls be re-evaluated for each case as the design wall heights indicated on the details do not account for embedment depths recommended by the geotechnical report. The wall embedment should be increased and thus the wall design heights should increase. A different wall system may be required.

Structural Earth Walls (SEW)

Description

Structural Earth Walls have been identified for three walls; Walls 2 (trail wall), 6 (61st Wall), and wall 8. Wall 2 (trail wall) is located within the West B limits.

Plan & Profile

The plan and profiles for the remaining SE walls (Walls 6 and 8) have progressed to a moderate level but appear to lack the level of completeness associated with a 95% design. The plan and profiles appear accurate but the sheets contain several mislabeled elevations and unclear or conflicting callouts.

Details & Detail Sheets

For the most part, the details for the SE walls are typical standard details, but they are missing critical control information to properly layout the wall or do not incorporate wall design recommendations by the Geotech. Additional coordination and detailing for these walls to clarify or define how they interact with utilities, barriers, railings, and the bridge structure is required.

Calculations

Since SE walls are proprietary wall systems, it was likely assumed that they would be designed by the Contractor. No calculations were included for review.

Specifications & Special Provisions

The specifications and special provisions appear to be outdated and do not fully incorporate the latest specifications. The revisions and supplements made to the specs are items that are already in the newer standard specs. This section should be reviewed in its entirety to ensure conformance with the latest information.

Conclusion & comments

We estimate the current level of completeness of the SE walls to be at around 60%. After consideration of all the plans and lack of calculations or design information, the SE wall design is more realistically at a 30% level. The lack of calculations submittal is understandable, although it is prudent for the Engineer to perform a few checks of independent MSEW 3.0 runs to verify that the expected reinforcement zone limits are congruent with the Geotechnical parameters provided for SE Wall design.

Additionally, the plans & details should contain additional information such as embedment requirements, estimated reinforcement zone lengths, identification of utility conflicts, wall batter & facing type, etc. in order to demonstrate that these elements have been carefully considered and that sound engineering judgment has been applied.

Soldier Pile & Soldier Pile Tie-Back Walls

Description

There are currently two retaining walls that utilize a soldier pile or soldier pile with tie-back system: Wall 9 and Wall 10. Wall 9, also known as the "culvert wall" in the Geotech report, is located uphill and behind an existing culvert headwall, on a fairly steep slope. The current design utilizes a tie-back system. Wall 10, known as the "church wall," is located between a near vertical cut slope and an existing parking lot. The current design does not utilize any tie-backs and the wall is designed to resist overturning thru cantilever action only.

Plan & Profile

The plan and profile for both of these walls are included in the 95% plan set. However, the sheets need additional work to clearly define each wall's soldier piles lagging, fascia and tieback locations; relative to other structural elements, utilities, obstructions and impacts to adjacent properties.

Details & Detail Sheets

Details for the soldier pile walls are primarily typical standard details; however, the drawings appear to be standards that have not been appropriately modified to fit the project requirements. We also observed a lot of redundancy in the details, and several notes are out of place or incorrect or directly conflict with the specs. Project specific details were included as well and appear to be progressed to a moderate level. However the details only appear to pertain to structural elements for the soldier pile walls themselves. The walls are in close proximity to other structural elements and no information on how they will interact is included

Calculations

Calculations for the soldier pile walls were reviewed, and several issues are observed. The geotechnical recommendations for the design of the soldier piles walls appear to be used incorrectly or misinterpreted. The geotechnical report text regarding the "culvert wall," Wall 9, contains a critical note regarding the application of passive pressure in that it is to be neglected above a provided elevation relative to an existing steel crib wall. The soldier pile wall calculations do not appear to account for this lack of passive soil resistance and do not provide an alternative explanation of their wall design methodology. In addition, their LPILE runs use calculated earth pressures that are applying lateral forces with incorrect units. Lastly, both walls are designed for the final condition only. It appears that no design calculations were performed for any temporary loading conditions during construction and thus we have some concern regarding wall stability in the temporary condition.

Specifications & Special Provisions

The specifications and Special Provisions again appear suspect with revision, supplements and notes that are out dated or overwrite sections that already exist. The specs and plan sheets should be reviewed in for conformity especially since it was observed that several of the notes in the plans vary from what the standard specs say.

Conclusion & comments

It is estimated that the soldier pile walls to be at around the 60% submittal mark. However, the lack of coordination between these walls and adjacent properties, utilities, and proposed bridge structure makes the overall design of the wall structure as a whole to be more like 30%. There needs to be a lot more consideration and details on how the walls will be constructed and how they interface other elements.

Sidewalk Structures

Description

There are currently eight sidewalk "structures" identified on the roadway plan and profile sheets. Seven of these eight sidewalk "structures" are listed as 'retaining walls' but are not true retaining walls and should be classified as a thickened edge sidewalk. These elements should be removed from the retaining wall list and categorized as thickened edge sidewalk or similar. No further discussion or evaluation of these elements is included in this text.

The remaining sidewalk structure is designed as a single-span bridge consisting of a precast, prestressed, concrete voided slab deck supported on cast-in-place (C-I-P) concrete abutments that are founded on shallow spread footing foundations. The sidewalk crosses over an existing culvert and is immediately adjacent to Wall 9 (soldier pile tieback wall) to the north and Wall 8 (SEW) to the west.

Plan & Profile

The bridge plan set has all the expected elements such as a plan & profile, general notes, barrier details, and abutment & foundation layouts. The foundation layout and abutment details however, do not appear to be fully coordinated with and integrated into the design of the two adjacent retaining walls.

Wall 8 is essentially acting as a wing wall to the west bridge abutment, and additional details to address how these two structures interface with each other are not included. Wall 9 frames the north edge of the bridge structure and is currently in conflict with both bridge abutments.

Details & Detail Sheets

The bridge structural cross sections, abutment details, barrier details, bearing details, etc., are created and developed quite far. Reinforcing details are shown clearly with rebar sizes, spacing, placement, etc. clearly delineated. The detail sheets themselves overall encompass the bridge elements well; however, the details again do not completely assimilate well with the other adjacent retaining wall structures.

Calculations

The design calculations display an appropriate level of effort and completeness for a 95% submittal. However, there remains a significant level of effort required to complete the design and generate additional details of this bridge in conjunction with development of the adjacent retaining wall structure as well as utility and geotechnical coordination requirements and constructability review. Additional thought needs to be put into how this structure and the associated retaining walls will be built on the steep slope.

Specifications & Special Provisions

The specifications and special provisions are in a similar state as the retaining walls and should be reviewed and revised to meet current standards.

Conclusion & Comments

We estimate that the overall level of the bridge structure to be at about 60%. Due to the potential conflicts between the structures at this location, combined with the relatively low completion level of the non-integrated designs, we recommend taking another look at this location with a holistic approach to determine if an alternative design will prove more feasible and economical.

3. Conclusion

Attached below in figure 1, is a matrix that summarizes the percentage of completion of the structural elements identified in this project.

Wall No	Type	Plan & Profile Sheets	Details & detail Drawings	Calculations/ Design level	Specs
1 (New)	Modular Block	0	30	30	60
1 (old)	Modular Block	-	-	-	-
2 (Trail Wall)	SEW	-	-	-	-
6 (61st Wall)	SEW	60	50	30	60
7	Modular Block	-	-	-	-
8	SEW	60	50	30	60
9 (Culvert Wall)	Soldier Pile	60	50	30	60
10 (Church Wall)	Soldier Pile	60	50	30	60
11	Modular Block	0	30	30	60
12	Sidewalk	-	-	-	-
13	Sidewalk	-	-	-	-
14	Modular Block	-	-	-	-
15	Sidewalk	-	-	-	-
16	Sidewalk	-	-	-	-
17	Sidewalk	-	-	-	-
18	Sidewalk	-	-	-	-
19	Sidewalk	-	-	-	-
Sidewalk/ Bridge	Bridge/ Elevated Structure	60	60	60	60

Figure 1 – Wall & Structure Completion Level (Scale of 0-100% 100% = Complete)

Respectfully submitted,

Rob Richardson, PE, ENV SP

Memorandum**To:** Kent Vaughan, PE**Date:** December 20, 2013**From:** Cary Stewart, PE**Project:** City of Kenmore – SR 522 57th Ave NE to 65th Ave NE**Subject:** Design Evaluation – Traffic**1. Introduction**

The HDR project team has reviewed Lochner's 95% design submittal for City of Kenmore's SR 522 Corridor Improvements project. From the Transition Meeting held with Lochner and the City of Kenmore on November 15th, and the more in-depth review of the plans, calculations, models, and specifications, the project team has come up with an analysis for each discipline.

This memo specifically describes the Traffic elements of this project.

2. Design Analysis**Traffic**

Reviewed plan sheets 105 through 136 that includes sets of channelization, illumination and traffic signal plans. All three sets include plan sheets and detail sheets.

Channelization – As reviewed the plans in themselves are 95% complete with only a few corrections, but Channelization Plan approval from WSDOT NW Region has not been accomplished. It is industry standard and WSDOT's expectation that the Channelization Plan would be approved by the 90% submittal. This review and approval could result in changes to the plans reviewed. Also, the plans refer to both King County and WSDOT striping standards that conflict. Industry standard would be to only refer to one set of construction standards.

The final plans can be prepared by revising these plans.

Illumination – As reviewed the plans are approximately 65% complete. The following corrections were noted:

- Lights are too close together. Typical spacing for high pressure sodium 400 watt luminaires on a 4-6 lane arterial is 180-200 feet. A new lighting analysis indicated that at the current spacing the light levels were almost two times what is required.
- Poles are not placed properly on the south side; poles should be located 3ft from the face of curb.
- No wiring is shown for receptacles. This will require a totally separate circuit from the street lighting.
- The street lights are high pressure sodium and LED lights would require about half the power.
- Foundation specified is for the three anchor bolt WSDOT street light base and the poles specified require a four anchor bolt base. The industry standard for decorative poles is a four bolt base
- The plans refer to both King County and WSDOT standards. The service cabinet shown is a King County standard. Industry standard would be to only refer to one set of construction standards.
- Based on the loads on the plans the service cabinets need to be 200A not 100A as shown.

- Photocells are on the lights and on the cabinet, only one location is needed.
- A one-line wiring diagram is needed to show the different circuits.

The final plans can be prepared by revising the plans and redrawing and adding to the detail sheets. The new lighting analysis indicates that 220 watt LED street lights will work at the current spacing with minor modifications.

Traffic Signal – As reviewed the plans are approximately 65% complete. The following corrections were noted:

- Pole layout does not meet ADA. Industry standard requires that the pedestrian push buttons be within 5 feet of the top of the ramp.
- The current signal design precludes the new signal from being installed while maintaining the operation of the existing signal. Industry standard in this situation would be to provide a temporary traffic signal design.
- Pole schedule sheet is a WSDOT version no longer used. The current pole schedule sheet should be used.
- The electrical details sheet, TS4, is not typically used.
- The wiring sheet, TS5, is not drawn in the standard format.

The final plans can be prepared by revising the plans and redrawing and adding to the detail sheets.

3. Conclusion

Overall, with lacking WSDOT approval, the Traffic plans are 65% complete and do not meet industry standard for a 95% submittal.

Thank you,

Cary Stewart, P.E.

Memorandum**HDR****To:** Kent Vaughan, PE**Date:** December 20, 2013**From:** Matt Gurrad**Project:** City of Kenmore – SR 522 57th Ave NE to 65th Ave NE**Subject:** Design Evaluation – Urban Design**1. Introduction**

The HDR project team has reviewed Lochner's 95% design submittal for City of Kenmore's SR 522 Corridor Improvements project. From the Transition Meeting held with Lochner and the City of Kenmore on November 15th, and the more in-depth review of the plans, calculations, models, and specifications, the project team has come up with an analysis for each discipline. This memorandum specifically describes the Urban Design elements of the project. For the purposes of this memorandum Urban Design elements have been broken down into the following subcategories:

- Landscape planting
- Landscape irrigation
- Urban design features

2. Urban Design AnalysisUrban Design Elements Reviewed

The urban design elements reviewed include:

- 95% landscape, irrigation and urban design drawings and details.
- 95% special provisions.
- 95% engineer's estimate.
- Approved Streetscape Design Concept prepared by Hough Beck and Baird
- Urban design related correspondence between city staff and the project consultant.

Urban Design Project Element Description

Landscape planting elements:

In general, the planting palette, layout and general specifications outline a landscape that is practical, maintainable and to good extent reinforces an urban boulevard. The planting palette proposed by Hough Beck and Baird include species and sizes appropriate to general location and urban environment. Enhancements to the plant layout and planting areas could further emphasize gateway features and the urban boulevard look and feel.

Landscape irrigation elements:

Current irrigation design plans provide full coverage through two primary means including spray irrigation and drip irrigation. Areas within the center median and near the gateway at 61st currently identified as drip would be better served as spray irrigation. Changing all at-grade irrigation areas entirely to a spray irrigation will lower long term maintenance costs associated with known performance issues of in-line drip tubing in high traffic areas and allow standardization of replacement parts.

Urban design elements:

HDR

Urban design elements currently reflect consistency of design elements implemented in recent phases of SR 522. The primary focus of urban design features occur at the intersection of SR 522 and 61st Ave NE including elements such as specialty paving inlays, custom pedestrian guardrails, and ornamental gateway lighting.

Urban Design Project Element Next Steps

Several design elements have either been omitted from the design either out of design staff error or as the result of city staff identifying functional or look and feel betterments following the 95% submittal. The following summarize the next step in properly detailing and planning for these elements to be successfully incorporated into the project.

Landscape planting

Additionally opportunities remain within this corridor segment where the addition of plantings would increase 'green over gray' feel helping to minimize the perceived scale of the roadway. Two such opportunities include the addition of larger canopy trees between Sta. 91+20 and 93+60 and Sta. 97+00 and 100+00. The addition of such trees would help to attain more of the desired boulevard feel long term. Additionally landscape opportunities may exist in gore areas such as between Sta. 75+40 and 77+40, with the opportunity to reduce the scale of the roadway with plantings. Landscape areas along the right of way need to be further coordinated to ensure private and public property restoration is accounted for in its entirety. Areas including the interface with the Burke Gilman Trail will require further consideration for restoration efforts paying special attention to sight distance and slope stabilization.

Landscape irrigation design:

As mentioned previously, all at-grade irrigation would be consolidated to spray irrigation with the exception of the addition of drip zones for seasonal hanging baskets at luminaire locations. Further coordination of the point of connection, controller and method of communicating with the controller alongside the city's other systems is required to ensure the final product meets the needs and expectations of maintenance personnel.

Urban design elements:

Emphasizing clarity at key nodes such as 61st Ave NE, the clustering of traffic control cabinets, pull boxes and adjacent urban design features is critical to clearly convey a refined design aesthetic for the segment. Flatwork items including paving and scoring required further coordination with civil designers to ensure ease constructability and clarity of design throughout the segment. All tree wells require coordination with the civil designers efforts to ensure areas near tree grates meet ADA requirements, for example 4-foot minimum passages, now and into the future in the case tree grates are removed due to future trunk diameter.

Additional coordination with city and project design staff is required for the following items:

- Detailing of the preferred wall fascia design, similar to the Bothell segment of SR 522, will be required for wall 9 versus the current concept of brass leaf inlays.
- Lighting receptacles at street trees.
- Bike boxes at the intersection of SR 522 and 61st Ave NE.
- Conflicts with bronze leaf inlays and sandblast leaves with utility boxes in flatwork.

Conclusion and Comments

Based on the need to reevaluate limits and/or addition of planting, irrigation typology, addition of irrigation zones, and adjust urban design features to avoid utility conflicts, we estimate the urban design plans, specifications and estimate to be at a 80% level of design.

Thank you,

Matt Gurrad, PLA



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Joint meeting with the Planning Commission to discuss preliminary recommendations on the vision and permitted/prohibited uses in the Regional Business zone Proposed Council Action/Motion: Hold a joint meeting with the Planning Commission to provide feedback on the Commission's preliminary vision and use recommendations.	For Council Meeting Agenda of: 1/13/14 Department: <u>Community Development</u> Prepared by: <u>Debbie Bent, Community Development Director</u> <table><tr><td>Approved by Department Head:</td><td><u>DA 2/26/13</u></td></tr><tr><td>Approved by City Attorney:</td><td><u>[Signature]</u></td></tr><tr><td>Approved by Finance Director:</td><td><u>[Signature]</u></td></tr><tr><td>Approved by City Manager:</td><td><u>[Signature]</u></td></tr></table> Exhibits/Attachments: 1. Staff Memo with 9 attachments	Approved by Department Head:	<u>DA 2/26/13</u>	Approved by City Attorney:	<u>[Signature]</u>	Approved by Finance Director:	<u>[Signature]</u>	Approved by City Manager:	<u>[Signature]</u>
Approved by Department Head:	<u>DA 2/26/13</u>								
Approved by City Attorney:	<u>[Signature]</u>								
Approved by Finance Director:	<u>[Signature]</u>								
Approved by City Manager:	<u>[Signature]</u>								
Expenditure Required \$0	Amount Budgeted \$0	Appropriation Required \$0							
<u>INFORMATION/BACKGROUND:</u> On 1/14/13, the Council approved the 2013 docket (work program) which included the Regional Business zone project. On 2/19/13, the Planning Commission met jointly with the Council to discuss the project scope and identify issues to address, particularly with regard to the Council's economic development goal. The Planning Commission will continue developing a recommendation for the Regional Business zone for Council consideration late 2014. The Planning Commission has been reviewing the Regional Business zone vision and permitted/prohibited land uses for the past couple of months. They have developed their preliminary recommendations (described in the accompanying staff memo) and would like to present these to the City Council for feedback prior to a public involvement campaign in late January/early February 2014.									
<u>FISCAL CONSIDERATION:</u> None									
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> Goal 1. To continue to implement the Economic Development Plan. Goal 10. To conduct a comprehensive review of the Regional Business Zone.									



The City of Kenmore

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

MEMO

TO: City Council

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

DATE: December 27, 2013

SUBJECT: Regional Business Zone Preliminary Use Recommendations

The Planning Commission has nearly completed their initial review of land uses in the Regional Business (RB) zone and they have preliminarily identified prohibited/permitted uses. To consider specific characteristics of the diverse areas in the RB zone, the Planning Commission used eight subareas (see Attachment 1). They developed a vision for each subarea (see Attachment 2) and then discussed specific land uses and whether they should be permitted or prohibited (see Attachment 3). The purpose of the joint meeting on January 13 is to discuss these preliminary recommendations, answer any questions and address any concerns.

The Planning Commission intended to take a final comprehensive look at these recommendations on December 17—prior to distribution of this City Council packet. The goal of that agenda was to compare the Planning Commission recommendations against the initial policy directions adopted by the Commission to check for inconsistencies and to consider implications. Given the absence of several Commissioners on the 17th (and concerns from possible attendees that a small group of Commissioners would not be representative), the Planning Commission meeting was cancelled. The Planning Commission will meet on January 7 to finish this final comprehensive review and may make some additional adjustments to their recommendations. Any modifications will be presented at the joint meeting.

In late January and early February, a public involvement effort will provide the use recommendations to owners and tenants of all RB-zoned properties, and place information on the City's webpage. Information will be presented to the Kenmore Business Alliance and a public open house will be held to obtain feedback.

Background and Summary of Recommendations

In spring 2013, the Planning Commission adopted a policy framework to use as they began their use discussions. The policies supported by the Commission were:

- Limit locations for, or the extent of, new retail.

- Allow for conversion of the commercial strip along SR-522 into a more pedestrian/transit-friendly area. Focus new commercial on nodes at significant cross streets.
- Consider the impacts of allowing more intensive retail, office and multifamily uses in areas already well-developed with other types of businesses, if long-term preservation is desired.
- If light assembly and fabrication is desired, it might be beneficial to identify a protected area, perhaps collocated with other similar uses. Limited light assembly and fabrication in a mixed use area also could be considered to at least provide the opportunity for this use, if not the long-term protection of it.
- Restrict warehousing and distribution operations to areas dedicated to light assembly and fabrication and/or construction and trade, if any.
- Support development of additional multifamily housing.
- As uses are assigned to the Regional Business area, their individual operational characteristics should be considered and addressed.
- As uses are assigned, consider potential impacts on surrounding areas, particularly with regard to Kenmore Air.

The Berk Regional Business Zone Market Analysis (Attachment 4) also informed the Planning Commission discussion and provided information on how current market conditions might impact the long-term vision for the Regional Business zone.

On October 15th, the City Manager and Assistant City Manager attended the Planning Commission meeting and offered their economic development perspectives (see Attachment 5).

Using all of this input, the Planning Commission developed their use recommendations. The most significant recommendations are as follows:

Office. Office would continue to be allowed throughout the RB zone, as it is presently.
Retail. Retail would continue to be a possible use throughout the RB zone, including all subareas along the SR-522 corridor. This may divert some retail from the downtown core. Bulk retail (stores larger than 65,000 sq.ft.—commonly known as “big box” stores) would become a possibility in Kenmore in Subarea 7 (Kenmore Square area). Auto sales and other auto-oriented businesses also would be targeted to this area. New retail in Subarea 6 (Plywood Supply Special Study Area) would require a Master Plan, as it does currently.
Manufacturing. The Planning Commission recommendations support light manufacturing in all subareas of the RB zone. Limitations on size and scale, and performance standards would be used to address any potential impacts. Heavy manufacturing continues to be a prohibited use. A more complete explanation of light manufacturing is included as Attachment 6.

Multifamily residential. The Planning Commission recommendations allow standalone multifamily (no mixed use requirement) in several areas along the SR-522 corridor (Subareas 2, 7 and 8). Multifamily in other subareas must still be part of a mixed use development and in Subarea 6, multifamily would be permitted through the Master Plan process (as it is presently).

Subareas 5 and 6 vision. Subareas 5 and 6 (north and south sides of NE 175th Street east of 68th Avenue NE, including the Plywood Supply Special Study Area) now would include construction and trade, wholesaling and warehousing (with size limitations) as outright permitted uses. In Subarea 6, retail and multifamily uses would require a Master Plan review. (Master Plan requirements for Subarea 4—Lakepointe—have not yet been discussed.)

Subarea 7 vision. Subarea 7 (Kenmore Square area) would become an “enterprise zone”—allowing a wide range of uses including bulk retail and auto-oriented businesses. Staff has raised questions about the compatibility of this vision with a Transit Oriented District (TOD). The original TOD map (never adopted by Council but part of the Regional Business Zone work program) is included as Attachment 7.

Use Definitions

As part of the Planning Commission’s work, they have endorsed a new set of use definitions—greatly reduced from the current voluminous list of uses.

The first step in permitting a new development is to determine whether or not the land use being considered is allowed in the zoning district. Land uses are defined in the Zoning Code (Municipal Code Chapter 18.20), and a series of tables is presented for each zoning district to identify whether a use is permitted or prohibited. These zoning determinations are based on the purpose or “vision” of the zoning district, as described in the Comprehensive Plan.

One of the goals of the Regional Business zoning project has been to establish a standard set of land uses that could be used across all zones to simplify the Zoning Code and make it easier to understand and administer. A standard set of land uses also makes discussion of the Comprehensive Plan and what uses should be allowed in an area easier as everyone is working off of a consistent, defined set of terms.

As a first step in standardizing the city’s land uses, the Planning Commission identified the smallest number of land use categories possible that share similar operational characteristics and common building types, while simultaneously addressing use-specific issues of concern to neighbors and the community as a whole. As an example of simplification, the current Zoning Code chapter for the RB zone contains the following retail land use listings:

- Apparel and accessory stores
- Auto supply stores
- Book, stationery, video and art supply stores
- Building, hardware and garden materials stores
- Department and variety stores
- Drug stores
- Fabric shops
- Florist shops

- Food stores
- Furniture and home furnishings stores
- Hobby, toy, game shops
- Jewelry stores
- Liquor stores
- Monuments, tombstones and gravestones sales
- Personal medical supply stores
- Pet shops
- Photographic and electronic shops
- Sporting goods and related stores
- Used goods: Antiques/second hand shops

All of these uses involve the sale of goods to the general public, although the size of store and operational impacts (some with outdoor storage, for example) may raise issues for siting. The Planning Commission is recommending that these 19 existing use listings be consolidated into two categories: "Retail sales," and "Bulk retail sales" for stores 65,000 sq.ft. in size or greater. Overall, the Planning Commission is proposing reducing the number of separate uses throughout the Zoning Code from about 255 to approximately 50. Attachment 8 is the list of new use definitions.

An important feature of the proposed land use definitions is the identification of related NAICS (North American Industry Classification System) sectors. The NAICS is a comprehensive categorization of all commercial uses used by the Census Bureau in identifying and comparing types of businesses. Although the city's land use categories would be unique, using the NAICS (pronounced "nakes") as a guide would assist with interpretations of individual land uses. For example, as drafted, the office use may include businesses from many different sectors—all sharing similar types of buildings and operation. The ultimate interpretation of the land use category into which a use would fall would be done by the Development Services Department, using the NAICS as a guide.

Comparison of Existing and Proposed Uses

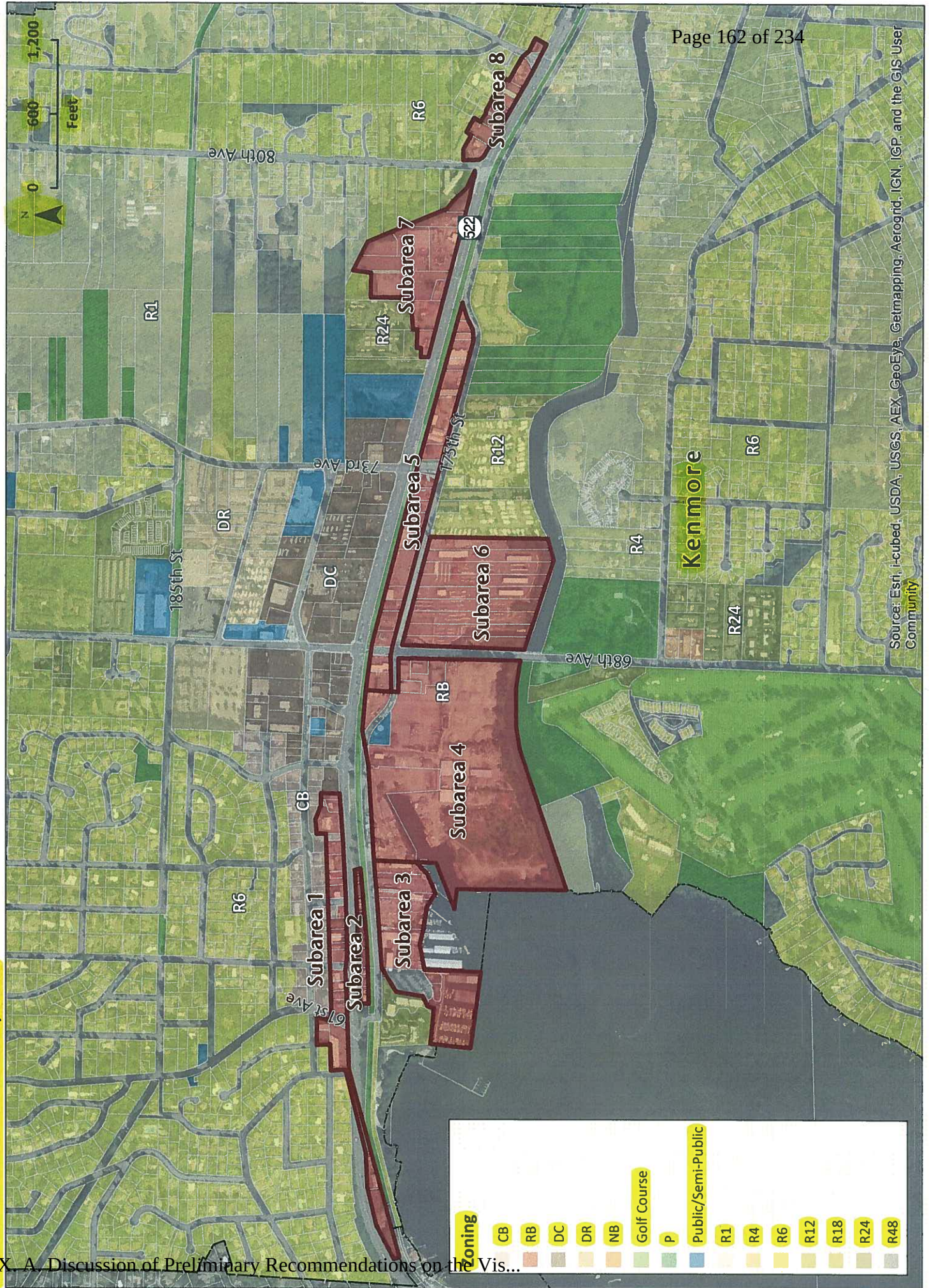
Attachment 9 is a table comparing the existing land uses in the RB zone with the new use classifications and comparing permitted/prohibited uses in the current scheme with the recommended Planning Commission approach.

For each use, prohibited/permitted uses are shown under both the present code and the preliminary use recommendations. This table does not identify development standards that might limit the scale or scope of a use, further restrict its location in certain subareas, or require that a land use permit be obtained prior to establishment. The purpose of the table is merely to compare existing permitted/prohibited uses with proposed permitted/prohibited uses at the macro-scale. Yellow highlighting is used to show changes—for example, where a permitted use is now recommended to become a prohibited use.

In the coming months, the Planning Commission will begin to refine the use recommendations using specific development standard tools.

Attachments

- Attachment 1: Map of Subareas
- Attachment 2: Subarea Visions
- Attachment 3: Use Recommendations
- Attachment 4: Berk Regional Business Zone Market Analysis
- Attachment 5: 10/8/13 Memo to the Planning Commission from Rob Karlinsey and Nancy Ousley
- Attachment 6: Description of Light Manufacturing
- Attachment 7: Preliminary TOD map
- Attachment 8: List of Standardized Land Uses
- Attachment 9: Comparison of Existing and Proposed Uses



The westernmost end of Subarea 1, on the south side of SR-522, has been added to Subarea 2

Subarea 1 Vision: This area would continue to be a mix of restaurant, retail and service uses. New office and mixed use multifamily development would be encouraged to take advantage of lake views and proximity to transit. Limited light manufacturing might be acceptable if performance standards were met.

Subarea 2 Vision: This area would convert from a commercial strip corridor to an area of primarily office and multifamily development taking advantage of lake views and proximity to transit. Light manufacturing might be appropriate in some areas, with associated performance standards. Limited retail uses should be located only near major intersections or as part of mixed use development.

Subarea 3 Vision: This area would continue to support existing uses, but also would allow eating and drinking places, temporary lodging and other uses to support marina and airport uses. Compatible light manufacturing would be appropriate. Office and mixed use multifamily development are desirable for the future.

Subarea 4 Vision: This area would continue to be a mixed use neighborhood, combining office, multifamily and retail uses and providing public access to the waterfront. Compatible light manufacturing uses also could be considered.

Subarea 5 Vision: This area is supported as an existing jobs generator. Existing businesses would continue to grow and thrive. Construction and trade, warehousing and wholesaling would become permitted uses. Certain compatible uses would be allowable, including office and light manufacturing. Other uses, such as mixed use multifamily or retail, would require special review or limiting conditions to ensure compatibility.

Subarea 6 Vision: This area is supported as an existing jobs generator. Existing businesses would continue to grow and thrive. Construction and trade, warehousing and wholesaling would become permitted uses. Certain compatible uses would be allowable, including office and light manufacturing. Future redevelopment to other uses (retail or multifamily residential) would require a Master Plan review.

Subarea 7 Vision: This area would be an "enterprise zone" allowing for a wide range of commercial uses. Office and retail uses would be permitted, including bulk retail. Auto-oriented businesses would be permitted, including those with significant outdoor vehicle storage such as auto sales or vehicle rental. Light manufacturing, subject to performance standards, would be permitted. Standalone multifamily development also would be a permitted use.

Subarea 8 Vision: This area would convert to primarily office and multifamily uses. Limits on retail and light manufacturing uses would ensure compatibility, avoid strip development, and address difficulty of access.

"X" means prohibited use	Subarea 1, West SR-522, north side	Subarea 2, West SR-522, south side	Subarea 3, West NE 175th Street	Subarea 4, Lakepointe and Glacier properties	Subarea 5, North side of NE 175th St., primarily east of 68th	Subarea 6, Plywood Supply Special Study Area	Subarea 7, Kenmore Square	Subarea 8, East SR-522
Possible Uses								
Adult entertainment business								
Air transportation service	X	X		X	X	X	X	X
Ambulatory surgery center								
Animal kennel/shelter				X	X			
Arts, entertainment, indoor								
Arts, entertainment, outdoor					X			X
Auction house	X	X	X	X	X		X	X
Automotive sales and service, marine	X	X						X
Automotive sales and service, non-marine	X	X	X	X				X
Bulk retail sales	X	X	X	X	X	X		X
Business service, intensive	X	X	X	X	X	X	X	X
Business service, standard								
Cemetery, columbarium or mausoleum				X	X			
College/University								
Communication facility								
Community residential facility (CRF)					X			
Construction and trade	X	X	X	X			X	X
Day-care					*2			
Eating and drinking place								
Educational service								
Family child-care home	X	X	X	X	X	X	X	X
Fire or police facility					X			
Funeral home/crematory				X	X			
Gas station	X	X		*2	X			
Health care and social assistance								
Hospital	X	X		X	X			X
Laboratory								

"X" means prohibited use	Subarea 1, West SR-522, north side	Subarea 2, West SR-522, south side	Subarea 3, West NE 175th Street	Subarea 4, Lakepointe and Glacier properties	Subarea 5, North side of NE 175th St., primarily east of 68th	Subarea 6, Plywood Supply Special Study Area	Subarea 7, Kenmore Square	Subarea 8, East SR-522
Manufacturing, light								
Manufacturing, heavy	X	X	X	X	X	X	X	X
Mobile food service								
Mobile home park	X	X	X	X	X	X	X	X
Multiple family dwelling	*1		*1	*1	*1	*1		
Office								
Outdoor storage	X	X	*2	*2	*2	*2	*2	X
Park								
Personal service								
Recreational facility, indoor								
Recreational facility, outdoor	X				X			X
Regional land use	X	X						X
Religious institution					X			
Resource land use	X	X	X	X	X	X	X	X
Retail sales				*1		*3		
Secure facility	X	X	X	X	X			
Single detached dwelling unit	X	X	X	X	X	X	X	X
Standalone parking (surface or garage)								X
Supportive living facility					X			
Temporary lodging					X			
Transportation	X	X						X
Utility facility	X	X	X	X			X	X
Vehicle or equipment rental	X	X		*2				X
Warehousing	X	X	X	X			X	X
Wholesale trade	X	X	X	X			X	X

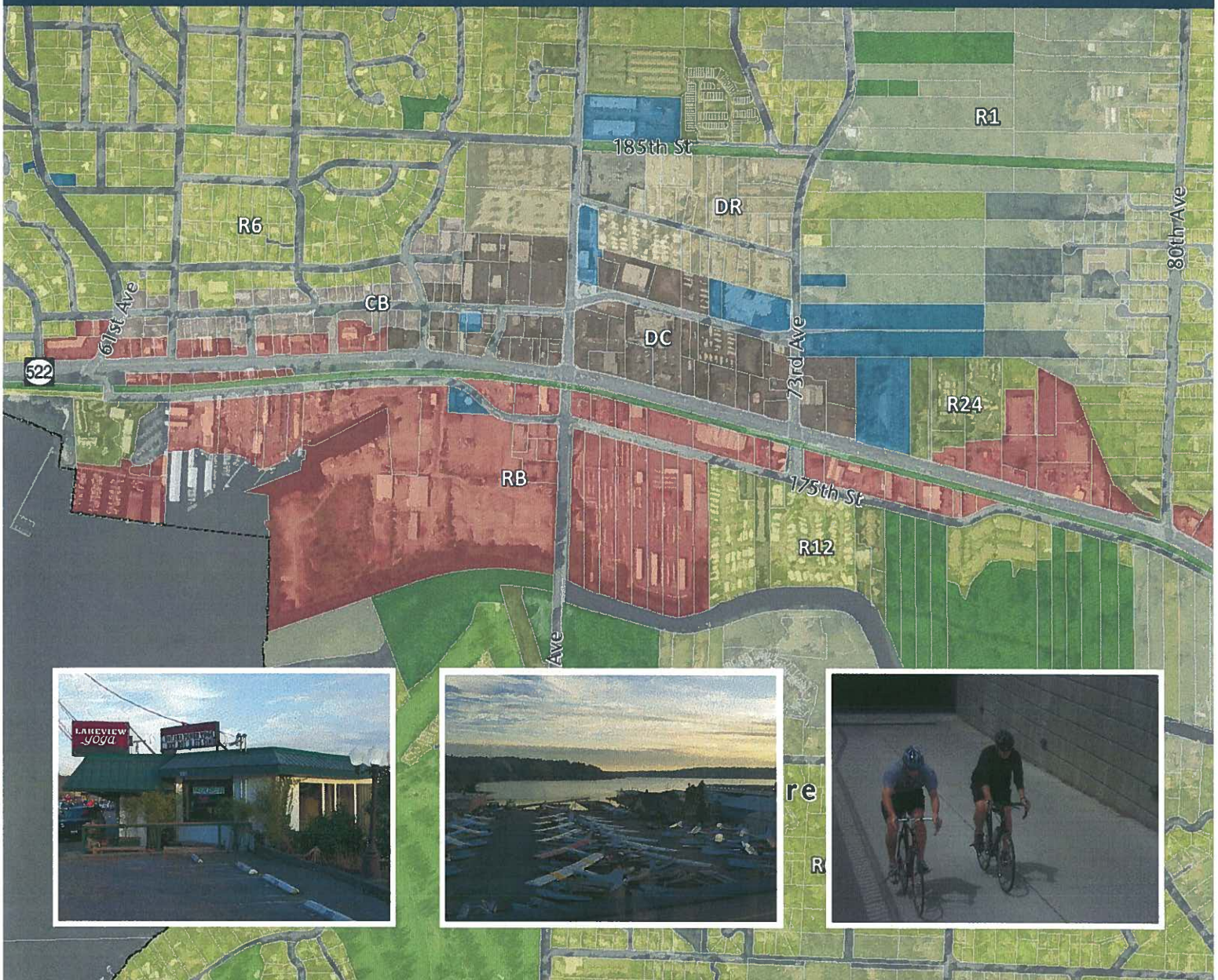
*1 Only as part of a mixed use development

*2 Only as accessory to a permitted use

*3 Authorized only through a Master Plan

City of Kenmore REGIONAL BUSINESS ZONE MARKET ANALYSIS

Final Report September 2013





"Helping Communities and Organizations Create Their Best Futures"

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Allegra Calder, Analyst

Tashiya Guneseekera, Project Associate

1.0 OVERVIEW

1.1 Study Purpose

The City of Kenmore completed its Economic Development Strategy in 2009 and is currently working on implementation. As part of this effort, the City is reviewing its Regional Business (RB) zone to determine if any changes need to be made to support its economic development goals, specifically around expanding employment opportunities, creating a mixed-use and walkable downtown, and better connecting the community to the waterfront. With the economy improving and development beginning on the Kenmore Village properties, the Planning Commission engaged BERK to conduct a market analysis of land uses to assess the opportunities and constraints in Kenmore and the RB zone specifically to inform land use decisions, including possible amendments to the City's Comprehensive Plan and development regulations.

1.2 Regional Business Zone Overview

According to the City's municipal code (18.15.070), the purpose of the RB zone is to provide for the broadest mix of comparison retail, wholesale, service and recreational/cultural land uses with compatible storage and fabrication uses, serving regional market areas and offering significant employment opportunities.

These purposes are accomplished by:

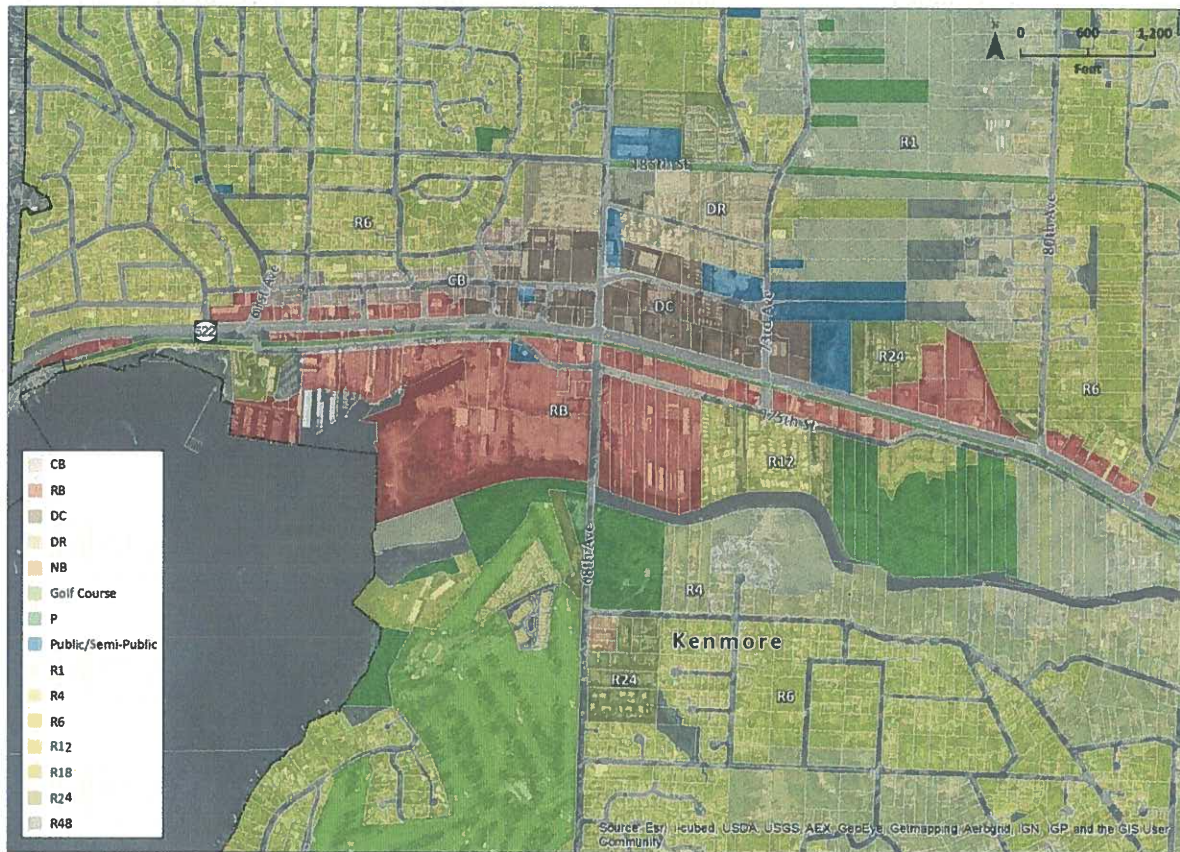
Encouraging compact development that is supportive of transit and pedestrian travel, through higher non-residential building heights and floor area ratios than those found in community centers;

Allowing for outdoor sales and storage, regional shopping areas and limited fabrication uses; and

Concentrating large scale commercial and office uses to facilitate the efficient provision of public facilities and services.

The RB zone represents the largest area and concentration of existing businesses in Kenmore and has the potential to attract new businesses and investment. The RB zone stretches along much of the north and south sides of SR-522, and covers a variety of commercial uses, property types, and parcel sizes. The zone is also the connection between the downtown core and Lake Washington. The zone includes six properties larger than 3 acres and the Lakepointe property, a 45 acre site that has had a mixed-use development master plan in place since 1998. Exhibit 1 below shows the areas of the city included in the RB zone (shaded in red).

Exhibit 1
Regional Business Zone Map



Source: BERK, 2013; King County, 2013

1.3 Summary Assessment

RB Zone Conclusions

Overall, the RB zone is quite permissive and flexible regarding the allowable uses and development standards required. However, the study identified a few regulation issues within the RB zone that may limit the number, scale, and/or type of projects in the future. Aside from the Lakepointe site, the rest of the RB zone is not zoned to address one of the primary purposes of the zone: *encouraging compact development that is supportive of transit and pedestrian travel, through higher non-residential building heights and floor area ratios than those found in community centers*. While this objective specifies non-residential uses, the zone allows residential as part of a mixed-use development. For all of these uses to work together and create a walkable, community with a sense of place, the City may want to encourage more residential development in the area. Specific issues identified include:

- The zone only allows multi-family residential development as part of a mixed-use project, with limited exceptions. The retail rents required to make mixed-used developments with commercial uses on the ground floor feasible may not be possible currently, which may limit the number of mixed-use developments built in the RB zone.

- While the zone allows heights up to 65' for mixed use residential, the base density is set at 36 units per acre with a maximum of 48 units per acre. Larger, institutional developers typically look to develop 150 units in a project. As shown in Exhibit 2, at 36 units per acre, a developer would need just over 4 acres to develop 150 units.
- The small parcel sizes in the area will limit the number of investors that are willing to consider residential development at the current allowable densities.
- Restrictions on light manufacturing may limit the ability of small scale and artisanal manufacturers to locate in the RB zone, which is Kenmore's primary commercial zone.
- Residential parking flexibility is important in the RB zone given unique parcel configuration, depth, and access issues for properties in the zone. Minimum parking requirements that are too high may limit a parcel's ability to be developed or developed for their highest and best use.

Planning Commission's Questions

What follows are responses to the Planning Commission's four questions. Additional detail and context can be found in the remainder of the report and the appendices.

1. **What businesses will want to locate in the RB zone subareas over the next 10-20 years? Are office, retail, multi-family, or fabrication uses more likely to come to Kenmore given the King County market, or will existing conditions continue?**

Currently, multi-family residential appears to be the strongest market. Vacancy rates for multi-family housing in north King County are very low and rents continue to rise (see Exhibit 15). Escalating rents in Seattle are also causing people to consider other locations where they can afford more space and remain within commuting distance. Kenmore will soon have 160 new units of multi-family development in the downtown as part of the Kenmore Village development. If successful, this project will likely increase developer interest in multi-family housing in Kenmore's commercial areas. The City has already received inquiries about multi-family housing development in the RB zone.

With the exception of Lakepointe, new construction of office or light fabrication buildings are not likely in the RB zone in the near-term. Vacancy rates for office and industrial and tech flex space in established markets remains relatively high (see Exhibit 10 and Exhibit 13), and Kenmore does not have the regional transportation access that some companies desire.

Businesses seeking out Kenmore will likely be looking to serve the local market or for a location that is relatively close to Seattle or the Eastside but less expensive. As a result, existing spaces and buildings in the RB zone may be remodeled or repositioned to accommodate growing, relocating, or new businesses. Kenmore Camera is an example of this situation.

Uses associated with advanced and/or artisanal manufacturing could also repurpose existing spaces in the RB zone. This is an emerging business type, however, and the demand for these businesses in Kenmore is less certain. Here again there are already some established locations, like Georgetown, SoDo and Ballard, and yet 192 Brewing Company is a good example of a business in the RB zone where the owner lives in Kenmore and has successfully grown from home brewer to retailer serving both the local community and pass through traffic on the Burke Gilman trail.

- 2. If something different is coming, where would the conversion happen—what opportunities and constraints affect these locational decisions? What portions of the RB area are most likely to change?**

The locational decisions of new development projects depend on the specific use type and availability of competitive sites in the region. In Kenmore, multi-family residential uses will desire locations with views of the lake and proximity to amenities such as the Burke-Gilman Trail, parks and open space, or areas by existing residential neighborhoods. Larger multi-family projects (upwards of 150 units or more) would need sizable parcels to comply with the RB zone's density limits to accommodate the building area and parking necessary.

New commercial development desires a combination of good transportation access and visibility, especially for retail uses. Most parcels in the RB zone meet these criteria. As Kenmore Village develops, the areas on the north side of SR 522 may redevelop or turnover with new retail uses or services that cater to the new residents and daytime users.

Office uses also desire additional amenities, such as views, the Burke-Gilman trail, parks and open space, and restaurants and health clubs. In addition, large-scale office tenants desire buildings with larger floor plates. Lakepointe is the only area large enough and with the amenity potential to likely realize any significant office development in the RB zone.

Light manufacturing uses primarily need low cost space, and can be flexible on location.

Lakepointe represents the opportunity to realize larger scale commercial development that is unlikely in other parts of the RB zone. The site's large size, limited existing uses, and location on Lake Washington provide the potential to combine residential, office, public access and potentially other uses to advance goals related to job creation and connecting the community to the waterfront.

The areas least likely to see new development in the near term are those with existing uses that are economically productive and where the user is also the property owner, as with Plywood Supply. Until such time when an offer on the land is more economically viable than continued operations this is unlikely.

- 3. What types of City actions might be needed to attract certain uses? What land use actions could be taken to enhance redevelopment or create supportive conditions for new business?**

Private investment in real estate is made to realize some financial gain from the land based on the rents paid by tenants. The willingness of tenants to pay higher rents is a function of how tenants value that location over other locations. Where real estate investment occurs is a function of the relative value and risk among alternative development opportunities. Generally, there are three key elements that influence real estate investment decisions: 1) market conditions (rent levels, land values, vacancy rates, etc.), 2) the regulatory framework and infrastructure that shape development plans, and 3) the availability/suitability of land.

Cities have the ability to influence all of these pieces, but have the most control over the regulatory and infrastructure elements. Actions available to the City of Kenmore for attracting specific uses fall into general two categories: 1) value creation: actions that make a specific location more supportive of or desirable for that use, or 2) risk reduction: actions that reduce the cost, barriers, and/or uncertainty of developing those uses in the area(s) desired.

Actions that create value change the built environment through infrastructure investments, investments in parks and amenities, and regulatory changes that allow more economically productive use of the land. Other actions the City can take include marketing and promoting specific sites and the community to raise the profile and perceived value of those locations in the market place. Kenmore has already taken many of these types of actions and made significant public investments over the past few years including streetscape improvements, construction of the new city hall, and marketing and promotion efforts.

Risk reducing actions lower the cost and uncertainty in proposed projects through development incentives (such as the multi-family tax exemption), land acquisition and disposition, and regulatory changes that allow more flexibility. In addition, the creation and support of a community vision provides guidance and assurance that the entitlement process will go smoothly. Kenmore has been active in this area as well through community planning and acquisition of almost nine acres to facilitate larger scale development, which will break ground next year.

4. If conversion is likely, how is the transition between uses accomplished? What zoning tools could help in this regard?

Redevelopment of a property and conversion from an existing use to a different use is typically a market based transaction. For redevelopment and conversion to be economically feasible, the new use must be able to substantially increase the income and value potential of the property, accounting for the cost of developing or improving a building.

When there is an emerging market for a use, zoning is an important tool that influences the redevelopment of property and conversion of uses based on the value creation and risk reduction potential of regulatory changes. Specific options to increase value include allowing more uses and allowing higher densities of those uses that align with market demand. Specific risk reduction options include reducing excessive requirements, allowing more flexibility for development, and streamlining permit review processes.

1.4 Report Organization

The remainder of the report is organized into three primary components.

- **Strengths, Weaknesses, Opportunities, and Challenges Related to the RB Zone:** This section provides a summary assessment based on findings from the market analysis and stakeholder interviews.
- **Regional Business Zone Assessment:** This section assesses issues related specifically to the RB zone in more depth, recommends potential changes to the RB zone, and provides other potential options the City can pursue.
- **Assessment of Land Uses:** These sections evaluate five different land uses (retail, office, advanced manufacturing/light assembly, mixed-use residential, and recreation) in detail. As part of this section several examples of comparable waterfront development in the Puget Sound region are described noting any public actions that were taken to facilitate development.

2.0 KENMORE'S STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND CHALLENGES RELATED TO THE REGIONAL BUSINESS ZONE

As part of this study we spoke with developers, current property and business owners, and real-estate brokers to hear their perspectives on Kenmore as a current and potential market for several use types. We spoke to developers selected to develop the two Kenmore village parcels and one developer that submitted a proposal to understand their approach to the development and the uses they are targeting. What follows is a summary of the main points related to the city's strengths, weaknesses, opportunities, and challenges. Points that came directly from stakeholder interviews are italicized.

2.1 Strengths

Location and community

- Kenmore is located in relatively close proximity to major employment centers in the region such as downtown Seattle, University of Washington, downtown Bellevue, the Microsoft campus in Redmond, Bothell, and Everett making it an attractive location, especially when household members work in two different locations. Current commute patterns are shown in Appendix A.
- Its location on Lake Washington and the associated views are a considerable asset for the city and properties in the RB zone.
- *It has a reputation as a desirable residential community with good schools, low crime, good access and a well-educated population.*
- *The city has good transportation connections and access to these employment centers by road, transit, and the Burke-Gilman Trail.*
- *High quality schools make Kenmore an attractive residential community for households with or planning to have children.*

Pro-active city

- *Generally, the City government is viewed as easy to work with and pro-active about redeveloping its downtown and promoting the community.*
- *City investments in civic buildings, open spaces, and downtown street improvements are viewed as assets and amenities that are helping to create a sense of place.*

2.2 Weaknesses

Kenmore is not a sizable or established regional commercial center

- While the city has good transportation access, it is not near major transportation routes, such as I-5, I-405, etc. which is important to manufacturers that need to move goods, retail centers that need to attract shoppers from the larger regional market, and offices with employees that travel as part of their job.
- The city's employment base is relatively small and has been declining since 2009 as shown in the employment analysis in Appendix A.
- Kenmore has not had much new retail, office, or industrial development in the last 10 years, and the market for office and industrial development in the surrounding region continues to experience high vacancy rates. See Exhibits 4, 9 and 12.

- *Financing for new construction can be difficult to secure without good market comparables in the area. For example, if I was going to develop new office space in Kirkland or Bothell an underwriter would have comparable projects in the immediate area.*
- *Things like restaurants and health clubs are important to employers looking to attract workers and conduct business development. Because it lacks a critical mass of daytime employment or a high concentration of residents, Kenmore does not yet have these amenities.*

The commercial areas along SR 522 are auto-oriented and generally lack curb appeal

- Much of the existing retail and commercial/light industrial building stock in the RB zone is older and auto-oriented.
- There are currently heavy industrial uses along the south side of SR 522 on the waterfront.
- *Retail locations along SR 522 need surface parking lots since customers are primarily coming by car and not by foot, bike or transit. This perpetuates the strip retail character.*

2.3 Opportunities

Kenmore is a good value with significant upside potential

- Currently, 68.9% of the city's housing units are single family attached or detached. This is higher than for the County, which is at 59.8% and Kirkland at 50%.¹
- *Kenmore is a desirable location for multi-family housing (new construction, near jobs, with less expensive land).*
- *Lower commercial rents in Kenmore relative to neighboring communities provide potential for startup businesses.*
- *There is the potential for multifamily housing along SR 522 with views of the lake and access to transit. There is demand for senior housing, though parcel size may be an issue as this housing type tends to have large common spaces.*

Kenmore has realized early success with its economic development initiatives

- Both properties at Kenmore Village are under contract with development slated to begin soon. New buildings along with a town green will change the character of downtown strengthening the sense of place and are likely to attract additional investment.
- The City is encouraging technology, life sciences/natural health and other start-up companies through its Business Incubator program. This business cluster is fostered by the presence of Bastyr University along with the city's proximity to University of Washington Bothell campus and major technology companies. The City, along with several other partners including Bastyr, recently applied to become an Innovation Partnership Zone.
- The major infrastructure is in place with respect to roads, sidewalks, and the Burke Gilman trail. There were no key investments identified as missing that the City needs to address, however, redevelopment of Lakepointe and other sites may require the developer to add access roads, sidewalks, and other new infrastructure.

¹ 2007-11 American Community Survey 5-Year estimates

- There is potential to support additional local retail and commercial businesses as the city grows and adds residents. The retail use assessment show that much of the local spending power is leaking to other communities (see Exhibit 6).
- With the economic recovery there has been some interest in private multi-family developments.
- *With its proximity to other major centers, one respondent noted that the niche may be in startup businesses needing relatively cheap, well-located space, and that it may not be a problem if they grow and expand in more mature markets.*

Lakepointe Property

- The real opportunity related to developing a larger office use appears to be Lakepointe. Clearly, there is an opportunity for residential, retail and open space as well. However, the timing of this redevelopment opportunity remains uncertain.
- The site has great potential to connect downtown to the lakefront.

2.4 Challenges

Market Conditions

- **Office and Industrial:** High vacancy rates in large office and industrial uses (manufacturing or large scale industrial) (see Exhibits 10 and 13) will limit new development of these spaces in the near-term. Several interviewees noted that investment in new, speculative space would not be a good strategy and is unlikely.
- *Stiff competition surrounds Kenmore; Bothell and Kirkland are major employment centers that continue to attract investment.*
- *Without additional amenities (restaurants, athletic clubs etc.) it may be harder for employers to attract workers making Kenmore a less desirable location for more established businesses.*
- **Retail:** Residents on the periphery of Kenmore may find it easier to travel to a neighboring city than to come in to Kenmore. Evidence of this is illustrated in Exhibit 6, which shows high expenditures outside Kenmore.
- Strong regional retail centers, like Lynnwood, Northgate and Bellevue will continue to attract spending by Kenmore residents in categories such as apparel or home furnishing.
- *Retail development required as part of mixed-use projects can be difficult to make work financially.*
- *A lot of the stores/retail services that residents want in their community (book stores, bakeries) cannot actually pay very much rent.*
- *Downtown Kenmore still lacks a critical mass of density to support local businesses not dependent on pass through traffic.*

Parcel Issues

- The City does not own the major parcels in the RB zone and has less direct control over their future.
- There are only seven properties (parcels or adjacent parcels with common ownership) greater than three acres in the RB zone and many have configuration, access, or depth issues. To provide units at the allowable maximum density in the RB zone (48 dwelling units/acre) a larger, institutional developer would likely require a site of 3 acres or more.
- Parcel assembly is needed to realize larger opportunity sites.

- SR 522 is a physical barrier that divides the RB zone and there are few crossings to access key amenities such as the lakefront and the Burke-Gilman Trail.

Lakepointe Property

- The redevelopment timeline for the site remains uncertain.
- Requirements under the current code may be a barrier more than an asset.

2.5 What are the Implications?

Kenmore's position in the region means it is competing with Bothell, Redmond and Kirkland (among others) for new development. Competition for commercial uses, such as large scale office or retail, are especially challenging given that many of these communities already have established commercial centers with good regional transportation access. However, Kenmore's position may present other opportunities. For example, the Innovation Partnership Zone focused on Bastyr and complementary industries and services could provide a platform to promote the community and connect interested businesses or service providers to existing properties.

The development of the Kenmore Village properties and the renewed interest in multi-family development in the region will likely provide increased opportunities for residential development. With more residents, Kenmore will attract additional retail and services, which could then attract additional businesses. As demonstrated in the comments, successful communities are a collection of use types – the various types work together to reinforce each other and attract additional investment.

With the changes occurring in the downtown, Kenmore is beginning to demonstrate a track record for the development of several use types.

3.0 REGIONAL BUSINESS ZONE ASSESSMENT

This section identifies regulation issues associated with the RB zone based on the market analysis and interviews, and then provides recommendations for changes that will support the City's economic development goals within the zone, and summarizes the potential trade-offs of the regulatory changes. Lastly, the section provides some non-regulatory policy options and tools the City can apply to further its economic development goals within the RB zone.

3.1 RB Zone Development Strategy

Within the RB zone and all of Kenmore, Lakepointe is the transformative development opportunity that could help the City achieve its economic development goals of expanding employment opportunities in the city; creating a mixed-use, walkable downtown; and connecting the City to its waterfront. Currently, the Commercial Site Development Permit has been extended to December 31, 2015. Because the City does not own the property, it has less control over when and how the site gets developed.

Despite the uncertainty of this one property, the City does have other options, including making some strategic changes to the RB zone to incrementally build upon changes already occurring in the RB zone and Downtown Kenmore. These include renewed interest in multi-family housing development, the Business Incubator Program, and the Kenmore Village development. An incremental approach will raise the profile of Kenmore, its downtown, and the RB zone, making it even more attractive for when the Lakepointe site is ready to redevelop.

3.2 Regulation Issues

Overall, the RB zone is quite permissive and flexible regarding the types of uses allowed and development standards required. However, the study identified a few regulation issues within the RB zone that may limit the number, scale, and/or type of project in the future. Aside from the Lakepointe site, the rest of the RB is not zoned to encourage objective 1: *Encouraging compact development that is supportive of transit and pedestrian travel, through higher non-residential building heights and floor area ratios than those found in community centers*. While this objective specifies non-residential uses, the zone allows residential as part of a mixed-use development. For all of these uses to work together and create a walkable community with a sense of place, the residential requirements should be reexamined if the city actually wants to encourage residential development in the area.

- While the zone allows heights up to 65' for residential mixed use, the base density is set at 36 units per acre with a maximum of 48 units per acre. Larger, institutional developers typically look to develop 150 units in a project. As shown in Exhibit 2, at 36 units per acre, a developer would need just over 4 acres to develop 150 units.

Exhibit 2
Parcel Size for Large Multi-family Projects

Density Limit (Units/Acre)	36	48	200
Units in Building	150	150	150
Minimum Acres Needed	4.17	3.13	0.75

Source: BERK, 2013

- The zone only allows multi-family residential development as part of a mixed-use project, with limited exceptions. The retail rents required to make mixed-used developments with commercial uses on the ground floor feasible may not be possible currently, which may limit the number of mixed-use developments built in the RB zone.

- The small parcel sizes in the area will limit the number of investors that are willing to consider residential development at the current allowable densities.
- Restrictions on light manufacturing may limit the ability of small scale and artisanal manufacturers to locate in the RB zone, which is Kenmore's primary commercial zone.
- Residential parking flexibility is important in the RB zone given unique parcel configuration, depth, and access issues for properties in the zone. Minimum parking requirements that are too high may limit a parcel's ability to be developed or developed for their highest and best use.

3.3 Recommendations

Given the issues identified above and the City's goals – particularly expanding employment opportunities, creating a multi-use, walkable downtown, and connecting the city to the waterfront – we propose the following recommendations related to the RB zone:

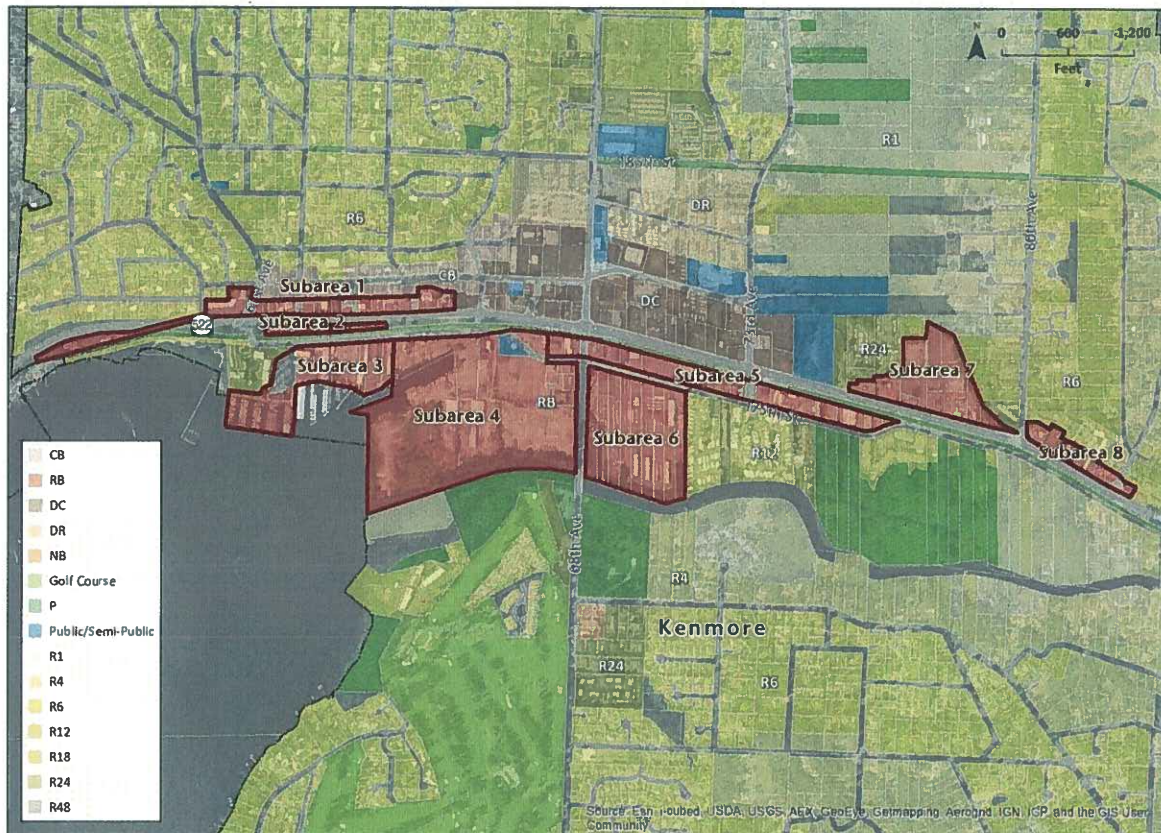
Code

- Remain flexible. It is difficult to focus on any one use as it takes a variety of uses to create a vibrant community. To the extent that the City remains open to adding new residents and supportive of attracting new businesses to add jobs to the city and increase daytime activity, the RB zone should continue to allow for a wide range of uses.
- Consider allowing light manufacturing uses outright in the RB zone if the use is below an established square footage threshold to ensure the business is a small scale light manufacturing use. This change would help support advanced and artisanal manufacturing businesses looking to establish in Kenmore.
- Consider relaxing the mixed-use requirement for multi-family development. In weak retail markets, other jurisdictions have required minimum 13 foot heights on the first floor to allow for conversion to retail when it's more feasible but expanded allowable uses to include residential, work/live units, office, or service providers in the meantime.
 - An alternative would be to require a mixed-use percentage in the subarea and not in the building. Sometimes called horizontal mixed-use, this allows uses to be placed next to each other such as an apartment that is next to an office or retail space.
- Consider increasing base density limits for the RB zone to allow building forms that are both economically viable and contribute to a compact, walkable community.
- Explore reducing the minimum residential parking requirements in the RB zone, possibly to at least match those for the Downtown Commercial zone.

Geography

In addition to code changes, the City may want to consider different requirements, including the recommended code changes, for different subareas within the RB zone. The configuration of parcels, current businesses, and development potential of the different subareas vary, and different requirements by subarea will allow more flexibility.

Exhibit 3 RB Zone Subareas



Source: BERK, 2013; City of Kenmore, 2013

- Subareas 1, 3 and 6: No changes recommended.
- Subarea 2: Remove mixed-use requirement to make residential development more likely. This may have more potential for multi-family development because of the water views and proximity to the Burke-Gilman Trail. Shallow parcel depths, with less room to accommodate short-term parking and limited access from westbound 522, make it less desirable for retail uses.
- Subarea 4 (Lakepointe): Maintain limits on fabrication and manufacturing uses. New manufacturing and industrial uses are not consistent with the community vision for the waterfront and this site in particular and could set up competing constituencies within the city. Development of the site will also want to ensure that access to and public space along the water is maintained as currently required as part of the site's master plan requirements.
- Subarea 5: Allow small scale fabrication and manufacturing. This area already has buildings that might be able to support these uses. In addition, this subarea contains the City's current business incubator facility.
- Subarea 7 and 8: Consider removing or relaxing the mixed-use requirement or changing the allowable densities. These subareas are separate from downtown and the other RB zone subareas. Currently, there is developer interest in multi-family redevelopment in the area, and proximity to the transit center makes it a desirable location to add more housing.

3.4 Implications

Changes to the RB zone and potential changes to different subareas will have trade-offs. Changes to zoning should be discussed in the context of the community vision for the City, as well as the current market conditions and developer interest. Potential trade-offs related to the recommendations are highlighted below.

Allowing small scale fabrication and manufacturing

- Allowing manufacturing uses throughout the RB zone may not be consistent with the community vision for the City's commercial center, and especially for the lakefront. However, it is possible that these uses could be added with little impact to the overall community and with the benefit of additional daytime employment. To the extent that there is a public component to the use, as with 192 Brewing Company, there could be additional community benefit.
- Allowing artisanal manufacturing uses in the RB zone may create land use conflicts with existing uses, depending on their scale. For example, in communities with a sizeable industrial and residential community (such as Ballard), the two constituents frequently do not want the same things. Residents complain about noise, pollution and truck traffic and industrial users complain about additional residents adding to vehicle traffic. In Kenmore's case, the uses contemplated appear to be much smaller scale.

Changing the residential development standards

- Additional multi-family housing in Kenmore's commercial center will support the growth and establishment of new local serving retail and commercial services in the downtown and RB zone.
- Requiring multi-family housing to be a part of a mixed-used development creates a mixed-use, walkable environment (one of the City's economic development goals), especially along key streets and nodes.
- New residential development, especially development that seeks to take advantage of waterfront views, may create concerns about height or preservation of view corridors for existing residents.

3.5 Other Tools and Options

In addition to regulatory changes, the City has other tools available to influence development and achieve its economic development goals. The market analysis did not assess these options specifically, but some relevant ones are listed below. Different options will be more or less appropriate and effective depending on the situation and desired outcomes.

- Development incentives:
 - Multi-Family Tax Exemption: The City could expand the area included in the program along with the exemption period to incentivize more multi-family housing. The City can also evaluate the level of affordable housing provided relative to the area median income (AMI) it requires in comparison to peer communities.
 - Impact Fees: The City could consider impact fee waivers for certain types of projects and/or projects in certain areas.
- Establish a SEPA/Planned Action subarea planning process for Lakepointe once the existing permit expires.

- A citywide levy could be used to purchase a particular property or part of a property for park uses. This funding could be leveraged with other funding sources, such as King County conservation futures funds.
- City purchase of a key property in order to gain site control and issue a request-for-proposals (similar to the Kenmore Village process). Site control has the potential to accelerate the pace of development on key parcels but it could prove to be prohibitively expensive.
- For properties the City owns, or other key private properties, utilize development agreements, like with Kenmore Village, to incentivize development types and achieve public amenities it would like to see occur.
- Continue marketing and communication efforts to promote Kenmore and raise the city's profile.
- Continue to build partnerships with local businesses, public agencies, and property owners as has been done with the Innovation Partnership Zone application.
- Once the larger waterfront parcels begin to be redeveloped, the City could contribute to site improvements. For example, with a retail redevelopment the City of Kirkland agreed to pay for site improvements based on what they estimated to be 50% of the future revenue for retail. They made a conservative estimate of future retail sales tax, then halved and bonded it against the proceeds. This is similar to Tax Increment Financing (TIF) model. This TIF-like model can make sense if the city can be assured of the tax revenue.

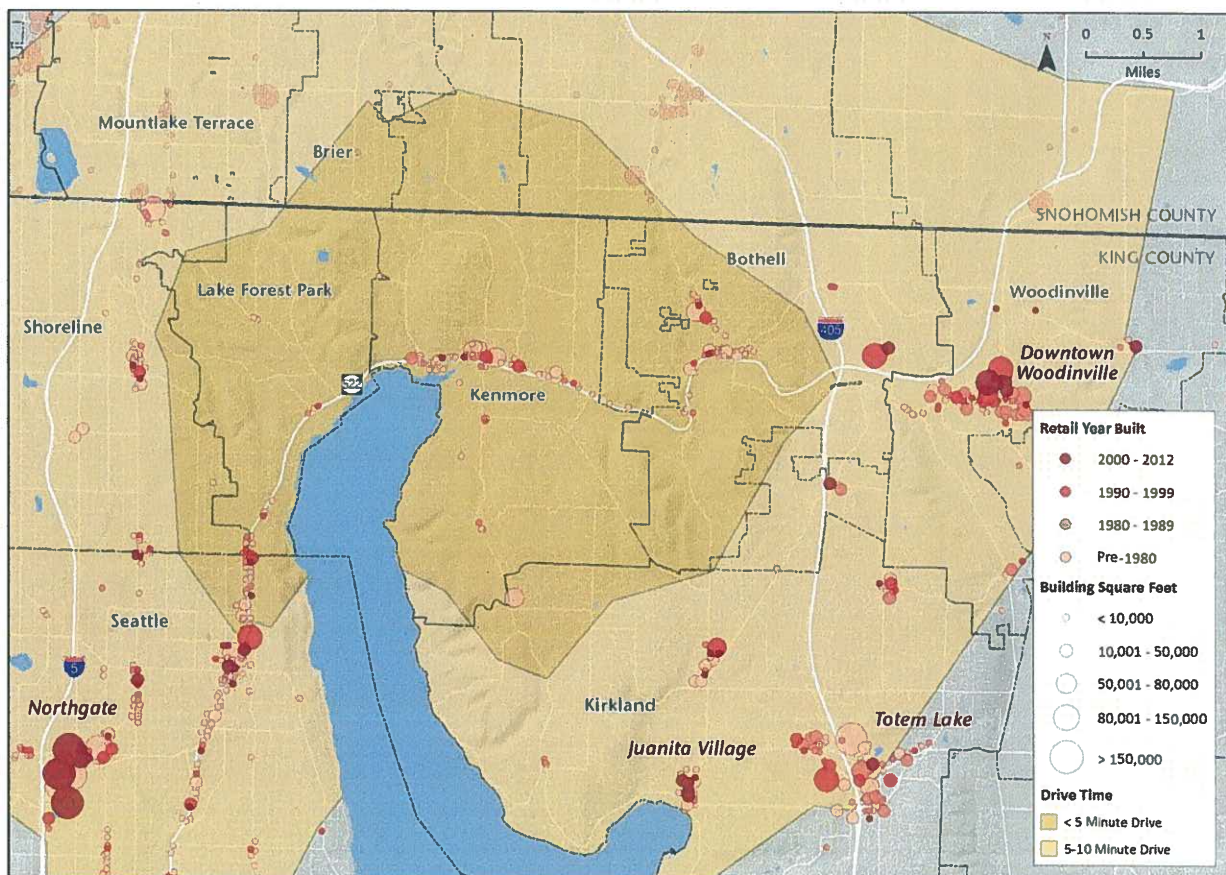
4.0 RETAIL USE MARKET ASSESSMENT

This section assesses the market for additional retail development in Kenmore and the RB zone in particular. The first two components look at the existing patterns of retail development in the area and retail sales trends, including retail leakage by retail sector. The assessment then looks at a comparative concept example in Renton of an extensive redevelopment project on the waterfront that was heavily focused on retail development.

Overall, retail development in Kenmore has been fairly limited. Most of the existing retail establishments are relatively small and serve the local population and pass-through traffic. As a result, the retail buildings are single-story and auto-oriented with surface parking available. New retail development, especially as part of a mixed-use development project, is a challenge. Additional people (through housing and jobs) in the RB zone and downtown would increase demand for existing retail and eventually increase demand for retail and services not currently offered in Kenmore, such as upscale restaurants.

4.1 Development Patterns

Exhibit 4
Retail Development by Building Square Feet and Year Built, 2012

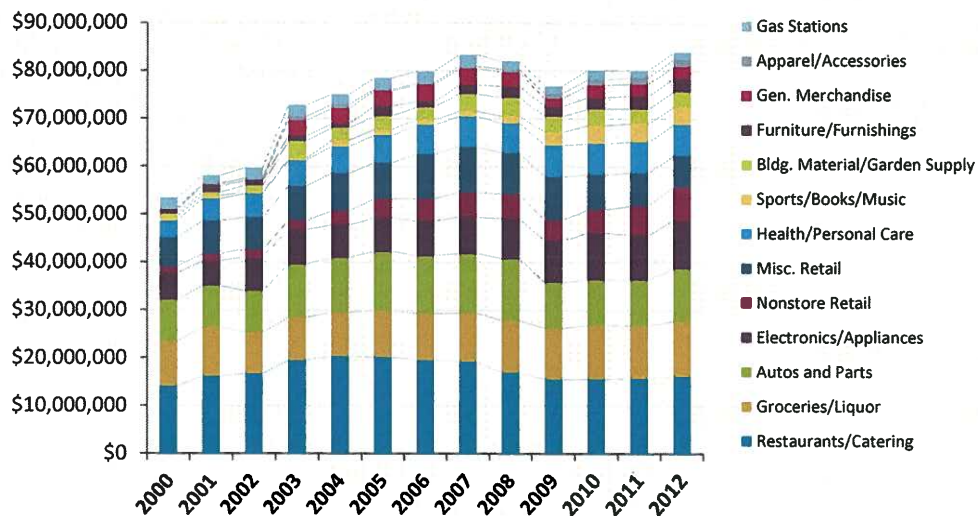


Source: BERK, 2013; King County Assessor, 2012

- Kenmore's trade area is roughly between Lake Forest Park and Bothell.
- Kenmore only has 430,000 square feet of retail space (35% of all retail space is in the RB zone).
- Existing retail is relatively small scale, auto-oriented, and local serving.
- The average retail square feet per building in Kenmore is just 6,231.
- There has been little retail development in Kenmore or market area in the last 10 years

4.2 Market Conditions

Exhibit 5
Taxable Retail Sales by Category, 2000-2012 (2012\$)



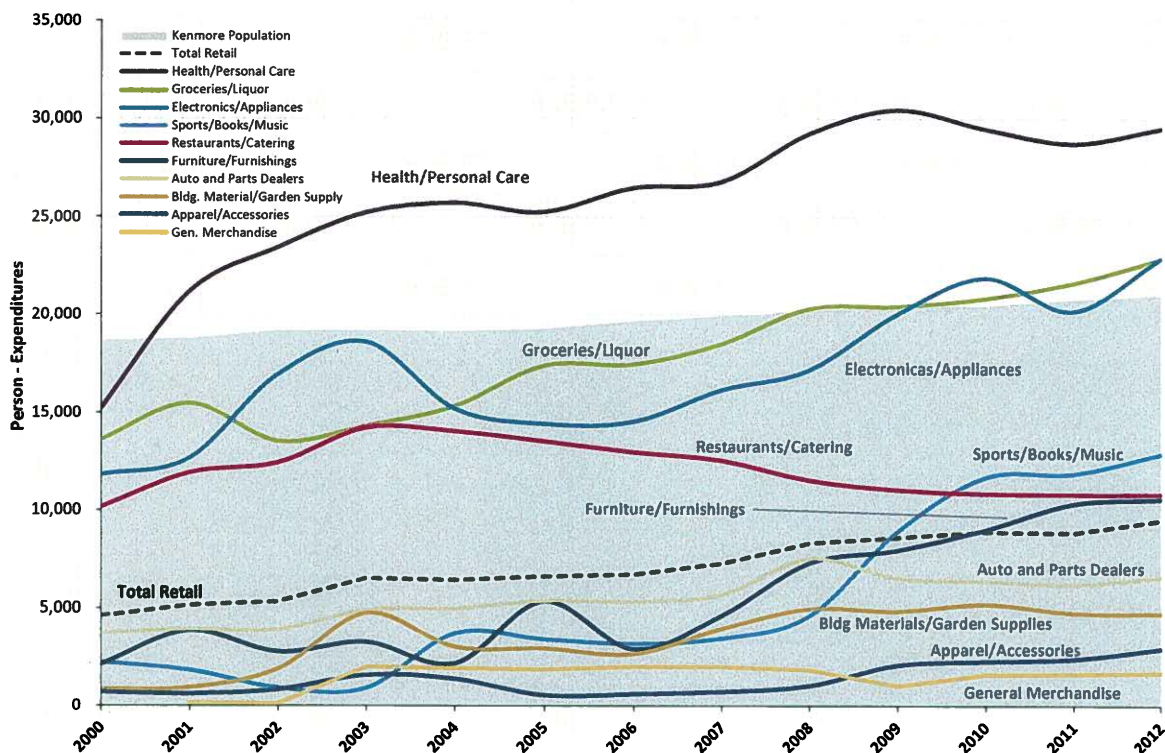
Source: BERK, 2013; Washington Department of Revenue, 2013

- Taxable retail sales have grown steadily in Kenmore since 2000, with a dip in 2009 due to the recession.
- Restaurants, groceries, and autos and parts make up the largest share of spending with 20%, 14%, and 13% of all retail sales respectively.
- The fastest growth since 2000 has been in general merchandise and sports/books/music.

Person Expenditures² and Retail Leakage

Person-expenditures provide a rough approximation of the size of market being served by a community's retail offerings. For a community of Kenmore's size (about 20,000 residents), one would expect person-expenditures close to 20,000 if the community's retail offerings were adequately serving its population. If person-expenditures are significantly lower than the area's population, there is likely leakage of local spending to neighboring communities and regional retail centers. If person-expenditures are significantly higher than the area's population, the community is drawing spending in from outside the community.

Exhibit 6
Person-Expenditures by Retail Category, 2000-2012 (2012\$)



Source: BERK, 2013; Washington Department of Revenue, 2012; Washington Office of Financial Management, 2012

- Overall, total person expenditures in Kenmore are well below its actual population, indicating a significant amount of retail spending is leaking to other communities.
- Health and personal care person expenditures are quite high, indicating people from outside Kenmore are coming to the city for those services.
- Groceries and electronics/appliances are what would be expected for the population.
- Restaurant person expenditures are about half of Kenmore's actual population, and they are one of the few sectors that has been declining.

² A "person expenditure" is the statewide average amount of spending per capita each year by retail category. Person expenditure totals are calculated by taking the total retail spending in a particular retail category and dividing it by the statewide per capita spending in that category.

Retail sales per square foot are a measure of how productive retail space is and reflective of the types of businesses located there.

Exhibit 7
Comparative Retail Sales per Square Foot, 2007, 2009, and 2012

City	Retail Sales per Square Foot		
	2007	2009	2012
Kirkland	\$394.52	\$315.20	\$332.48
Shoreline	\$240.73	\$204.29	\$232.54
Woodinville	\$282.49	\$199.47	\$220.23
Kenmore	\$179.66	\$146.60	\$181.65

Source: BERK, 2013; King County Assessor, 2012; Washington Department of Revenue, 2012

- Compared to nearby communities, Kenmore has relatively low retail productivity.
- Retail productivity dipped with the recession, but has rebounded in Kenmore, as well as in neighboring communities.

4.3 Comparative Concept | Downtown Renton

Exhibit 8
Downtown Renton



Source: City of Renton, 2011

Context: The City of Renton has worked for 15 years to redevelop areas of Downtown Renton from what was a former Boeing facility and auto-dealer center into a dense, walkable neighborhood with mixed-use/multi-family housing and a major retail center. This effort required significant public investment in facilities and infrastructure, and a clear long-term commitment and vision to achieve interest from developers.

Public Action(s): The City of Renton has utilized a number of strategies and tools, primarily:

- **Invest heavily in infrastructure.** Renton has invested more than \$40 million in its downtown through purchasing and repurposing property (specifically they relocated the car dealerships, which were seen as a significant impediment to dense growth downtown). They constructed a 575-stall parking garage that served as a Park and Ride for Metro. In addition, they built a new 1-acre park downtown. Currently, the City is working with the King County Library System to construct a new 19,500-square foot library in the downtown core.
- **Providing Incentives to Developers.** Renton has implemented a couple of incentives aimed at attracting and shaping development, including property tax exemptions and permit fee waivers for owner-occupied projects.
- **Build Partnerships.** The City developed partnerships with King County Metro, which was critical, as well as developed partnerships with developers through a strong vision for the area and demonstrated commitment through actions.

Outcomes: Transformed an underdeveloped commercial and industrial area into a major mixed-use and retail center with almost 700 units of multi-family housing units with another 1,000 in the planning stages. The City faces ongoing challenges related to the ongoing economic recovery, and is currently trying to maintain momentum by keeping retail spaces leased, and realizing additional growth and development.

4.4 Assessment

Retail development in Kenmore is likely to continue on a similar trend as the city has experienced with the incremental redevelopment of new spaces and/or the improvement of existing retail spaces focused on serving the local market area. Unlike the Renton example, Kenmore is not likely to become a major retail center, even if a large site like Lakepointe is redeveloped. There is a large amount of regional competition from existing shopping centers in Northgate, Lynnwood, and Woodinville, which are likely to continue to attract spending from Kenmore residents. Kenmore also does not have transportation access to support a large regional retail center that Renton or other centers have nearby. In addition, even as the market area population grows, the increasing use of online shopping reduces the need for bricks and mortar spaces, a trend that is already impacting large format retailers, such as Best Buy.

Retail opportunities for Kenmore include finding ways to increase local demand for existing businesses and potential new establishments. Increasing the amount of housing in the downtown and RB zone would be a key component of this strategy. Under this approach, retail businesses function more as an amenity for local residents and employees providing necessary services in a convenient location, but it is not an economic driver bringing a large amount of spending and tax revenues to the city.

5.0 OFFICE USE MARKET ASSESSMENT

This section assesses the market for additional office space in Kenmore. The first two components look at the existing patterns of office development in the area and real estate market trends. The assessment then looks at Carillon Point in Kirkland as a comparative concept of a large scale waterfront office-oriented development.

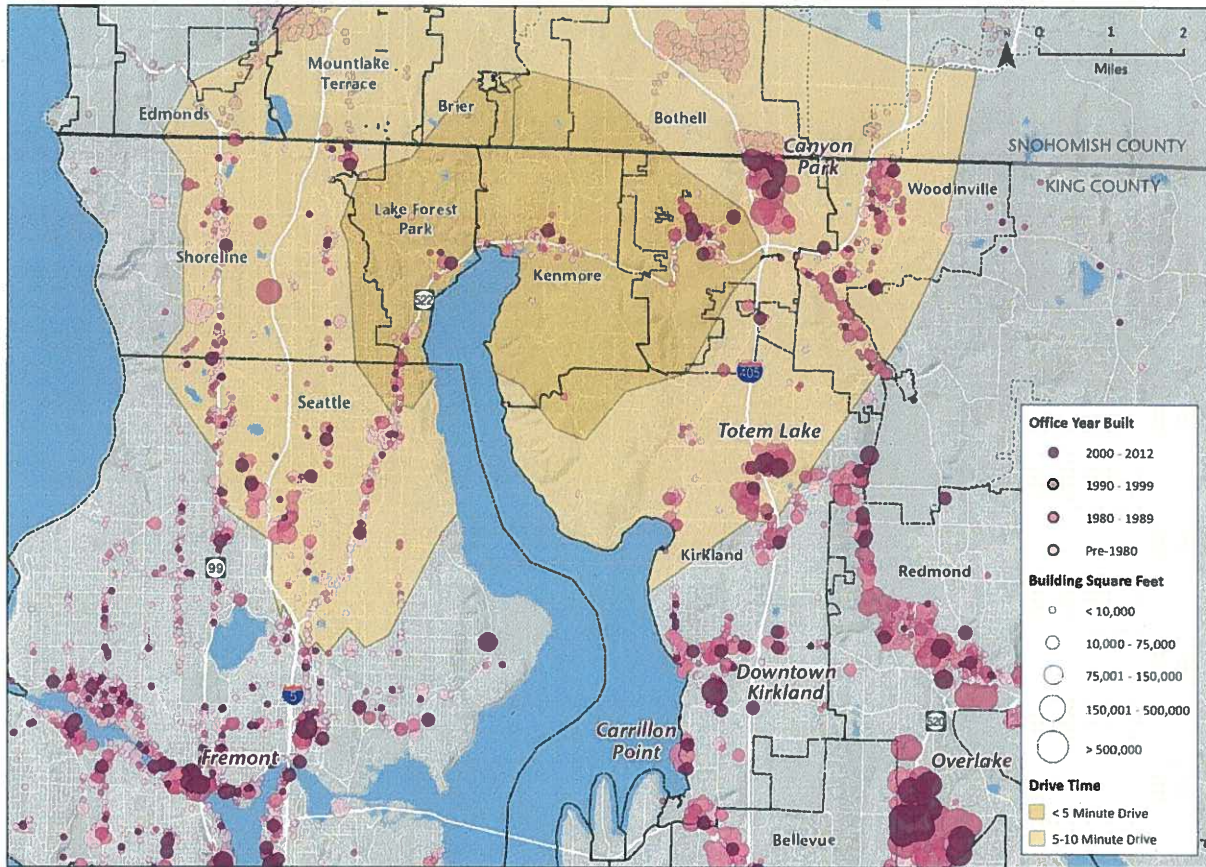
Office users are primarily composed of two different categories of users: “core” office users and “personal service” office users. Core office users, such as information technology and professional services, are larger in scale and typically desire higher quality spaces in prime locations, such as urban centers and office parks. They are willing to pay higher rents to attain those spaces. In addition, these office users desire a certain set of amenities nearby, such as upscale restaurants, fitness centers, and parks and open spaces. Demand for core office space is driven by growth in employment in commercial services, specifically professional services and information services.

Personal service office uses, such as local insurance or dental offices, are smaller in scale and use spaces similar to retail spaces, in that they are more customer-oriented and desire good accessibility and visibility. As a result, these office users concentrate in retail and commercial centers or along major thoroughfares. Most of the office space within Kenmore would likely be included in the personal service office category. Personal service office demand is often driven by population growth since many of its tenants serve local populations.

Overall, the market for new core office development is limited for the north King County and south Snohomish County region. Office vacancy rates are fairly high in nearby communities. In addition, Kenmore does not have the regional transportation access that nearby office centers in Bothell, Lynnwood, or Kirkland have close by.

5.1 Development Patterns

Exhibit 9
Office Development by Building Square Feet and Year Built, 2012



Source: BERK, 2013; King County Assessor, 2012

- Larger office centers are located in urban centers or areas with good regional access such as I-405 or SR 520 such as Canyon Park, Totem Lake, or Overlake.
- Bothell has the largest concentration of office space near Kenmore.
- Kenmore has just 182,000 square feet of office space, with an average size of 4,054 square feet per space.
- The RB zone contains the majority of office space in Kenmore with 56%.

5.2 Market Conditions

Exhibit 10
Regional Office Vacancy Rate, 2008 and 2011

Submarket	2008	2013
Kirkland	6.5%	7.5%
Bothell	23.3%	17.6%
I-405 Corridor	12.3%	18.1%
Lynnwood/Edmonds/ Mountlake Terrace	NA	25.4%

Source: CB Richard Ellis, 2013

- Office vacancy rates are trending down, but still relatively high.
- Given high vacancies, with the exception of Kirkland, it is unlikely new office development is likely in the submarkets listed in the table above.

5.3 Comparative Concept | Kirkland: Carillon Point

Exhibit 11
Carillon Point, Kirkland



Source: Google Maps, 2013

Context: Carillon Point is located in Kirkland on the shores of Lake Washington. The waterfront parcel includes six buildings: a hotel, a health club, retail stores, office buildings, restaurants and a central plaza. There is also a public shoreline trail, a marina, gardens and public art. The property is owned by Carillon Properties and has an area of 494,850 square feet or 11.36 acres. Previously, throughout much of the 20th century, the property was the site of a shipyard.

Public Action(s): In the 1980s, the City initiated discussions with the family that owned the property to consider uses beyond only residential. Together they had discussions about what each party wanted and amended the Comprehensive Plan to define what could and should happen on the site. Significant public

involvement took place as the community was skeptical about more intensive residential and office development. The city developed principles for view corridors and illustrated them at public meetings.

Outcomes: The final development included residential on the hillside across Lake Washington Boulevard. There was one property owner on the hillside who opposed the project. The family bought his property and incorporated it into the final development.

The project required considerable contamination clean-up from its years as a ship building site, including diving to cut off rotting pilings and driving new pilings for the new marina. All costs were developer financed.

5.4 Assessment

In the near-term, the market for sizable office development serving core office users in Kenmore is unlikely. Vacancy rates in the area are high and there are few properties in the RB zone that could accommodate larger office developments. Kenmore also lacks the regional transportation access that core office users desire.

The office development opportunity for Kenmore is the development of the Lakepointe site. The waterfront location and large size of the site provide the ability to provide the high level of amenities that would be needed to compete with other office centers in the region and attract core office users.

Carillon Point is a good example of a development that capitalized on its waterfront amenity, even though it is not on a major transportation route. The project included office development but it should be noted that Kirkland was already an established office market. In addition, the development created additional amenities on site as part of the larger development, including restaurants and fitness centers, to attract tenants. In the case of Carillon Point, Kirkland had a willing and motivated partner that owned this critical parcel and worked with the City to incorporate the vision into the City's Comprehensive Plan. The project was also financially viable enough that the developer was able to pay for the clean-up of the site before construction.

6.0 SMALL SCALE FABRICATION/LIGHT ASSEMBLY MARKET ASSESSMENT

This section assesses the potential for small scale fabrication and light assembly businesses in Kenmore and the RB zone. First, the assessment looks at the existing pattern of industrial uses in Kenmore and the region. The assessment then looks at the market potential for small scale and/or artisan manufacturing in Kenmore.

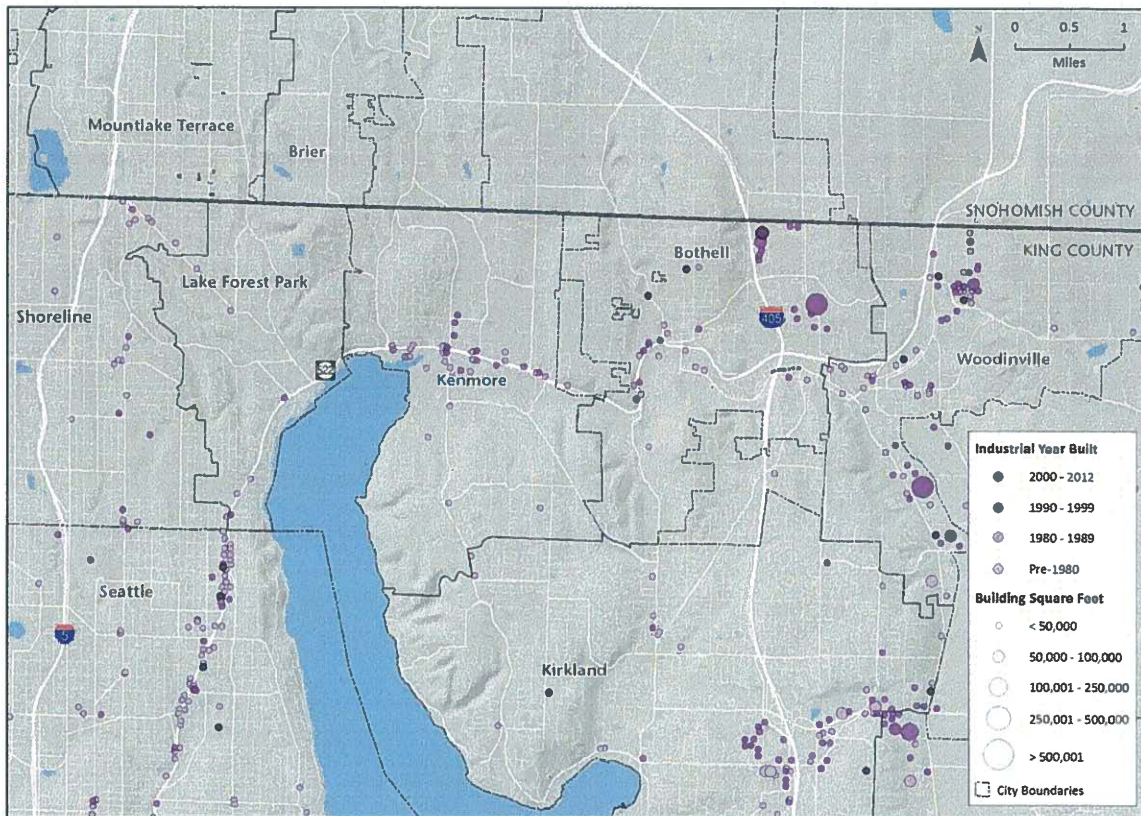
Small scale and artisan manufacturing covers a broad array of business types, but there are two general types that this assessment considers.

- **Advanced manufacturing** produces plastic and metal components and other products, including 3D printing. These types of businesses rely on high skilled employees, and the production process is linked closely with designers and engineers in producing prototypes and products for technical devices, often in small amounts, as opposed to mass production, which is usually done abroad.
- **Urban and/or artisanal manufacturing** focuses on value added products that serve niche markets and/or are high in craftsmanship and/or design. Businesses matching this description include furniture, food processing (including wineries, distilleries, and breweries), print and media, and fashion apparel.

Both types of users, particularly small growing businesses and start-ups, do not need large spaces and are looking for inexpensive rent when they start out. These types of businesses look for existing buildings that fit these criteria that they can occupy. As a result, they are unlikely to support new development. Kenmore does have a few properties that fit this description, which are primarily along SR 522 east of 68th Street (Subarea 5 in Exhibit 3).

6.1 Development Patterns

Exhibit 12
Industrial Development by Building Square Feet and Year Built, 2012



Source: BERK, 2013; King County Assessor, 2012

- The largest concentration of industrial buildings in Puget Sound area industrial uses are in the Kent Valley and Tacoma/Fife areas.
- Kenmore only has a small amount of industrial space with just under 200,000 square feet total. 57% of the industrial space is in the RB zone.
- Kenmore mostly has small scale industrial buildings, with an average size of 5,698 square feet.
- Industrial building stock is relatively old; all but one building is at least 20 years old.

As shown in Exhibit 13, Flex Tech vacancy rates remain high in neighboring communities. Flex building are typically one to two floors in height and used for offices, labs, research and development, and manufacturing distribution.

Exhibit 13
Flex Tech Vacancy Rates, 2009 and 2013

Submarket	Inventory (SF)	2009	2013
Kirkland/Totem Lake	655,036	21.6%	17.7%
Bothell	1,825,744	36.0%	30.3%
Redmond/Willows	1,834,021	18.2%	23.3%
Regional Total*	6,675,972	20.7%	21.1%

Source: CBRE, 2013

* Eastside and Snohomish County

6.2 Market Conditions

As an emerging and broadly defined industry, there is little market data or trends to assess the potential for small scale advanced or artisanal manufacturing. However, both advanced manufacturing businesses and artisanal manufacturing have a number of locational needs that can help assess the potential for these types of businesses at a high level. In addition to smaller spaces and less expensive rents, there are a couple of other important locational factors:

- Connection and proximity to the local supply chain for that industry.
- Availability of a skilled labor force, whether those skills are in robotics and computer programing, cabinetry, or apparel design.

The close link between product design and production for these types of businesses, especially advanced manufacturing, is a key factor in small scale manufacturing locational decisions and need for production facilities to be close to product designers and engineers.

The Central Puget Sound and King County is a center for the information technology and aerospace industries and has a high concentration of workers with skills desirable to advanced manufacturers. The region is also home to many existing local artisanal industries, such as Theo Chocolates and Woodinville Whiskey Company. Regionally, this strength should support additional growth of advanced and artisanal manufacturing.

6.3 Assessment

Kenmore has an advantage in that it is a lower cost location than other options regionally, such as the Willows area of Redmond or the BelRed section of Bellevue. A disadvantage is that the City has a limited number of existing buildings that could support these types of businesses, primarily along SR 522 east of 68th Street.

In terms of long-term economic impacts, Kenmore does not have space for these businesses to relocate to within the city as they grow and mature. In addition, the employment density may not be any higher than other types of businesses that would occupy the same building, resulting in limited net job increase in the city. Jobs associated with small scale manufacturing likely pay better than retail, and these businesses may have more potential for growth than other types of businesses. That said there are several established locations, such as Ballard, SoDo, and Georgetown with an existing cluster of businesses and additional space available.

Overall, the City will need to assess and prioritize its economic development goals based on how worthwhile it is to accommodate and pursue small scale manufacturing businesses within the city and RB zone versus other goals. Ultimately, allowing these uses within the RB zone does not have much of a downside for the city economically. However, the City should consider the location in the RB zone that makes the most sense for these types of businesses, especially in areas where less compatible neighboring uses may exist, such as residential areas.

7.0 RESIDENTIAL MIXED-USE MARKET ASSESSMENT

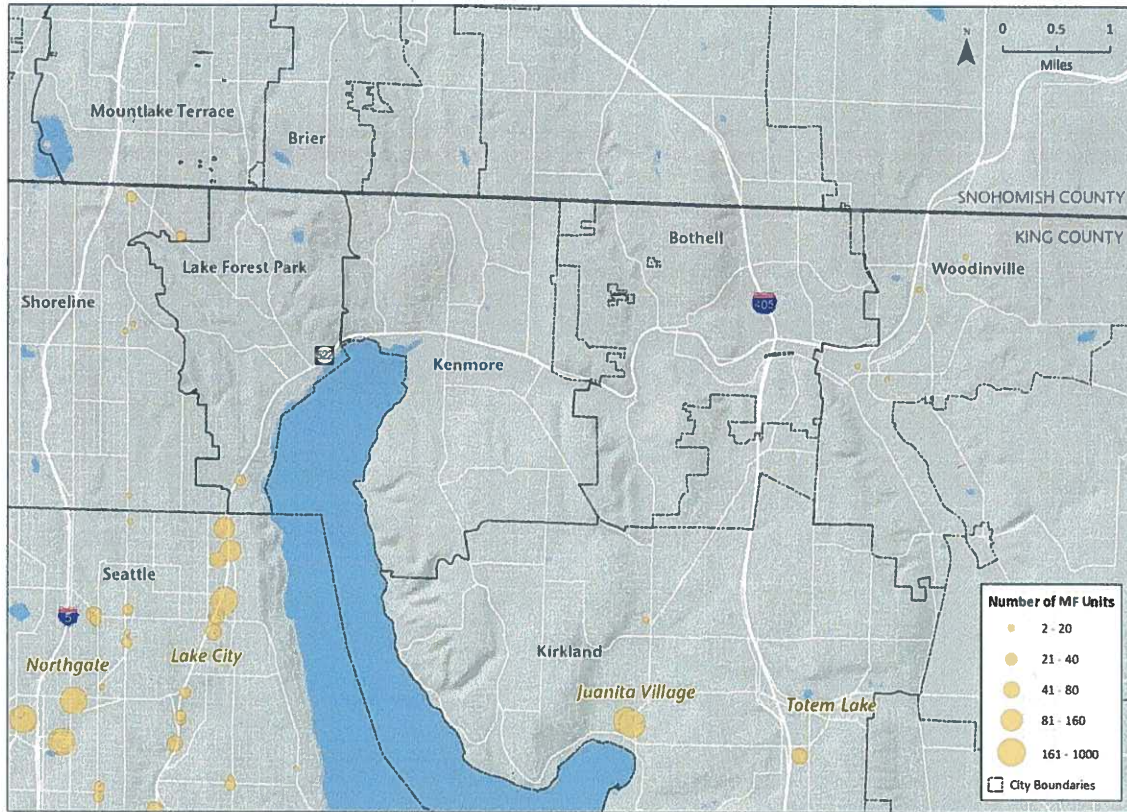
This section assesses the market for residential mixed-use development in Kenmore. It also addresses multi-family rental trends in the region as strong demand (indicated by high rents and low vacancies) is often connected to mixed-use development, since residential is a primary component. The assessment then looks at a comparative concept in Juanita Village, a mixed-use neighborhood center near Kirkland's waterfront.

There are at least two ways that mixed-use development can occur. The more common definition is vertical mixed-use where the mix of uses occurs in the same building, typically ground floor retail with residential units above. However, mixed-use can occur horizontally as is occurring in Kenmore Village where 160 units of housing will be added by one developer and on the adjacent parcel another developer is adding office, medical office, and retail space.

With these two developments, the market for mixed-use development in Kenmore is just emerging. That said, in this case the mixed-use is gained through horizontal development of different uses by two property owners. Vertical residential mixed-use development (within the same building) is usually more costly and risky than regular multi-family development. Currently, the market for multi-family rental housing in the area is strong. However, the market for ground floor commercial uses, primarily retail, is a challenge, as discussed in the retail use market assessment. As a result, the commercial component can add costs to the project that end up supported or subsidized by the residential portion of the project. If the multi-family housing market weakens again, vertical residential mixed-use development in Kenmore will become less likely until the next development cycle.

7.1 Development Patterns

Exhibit 14
Mixed-use Developments by Number of Housing Units, 2012

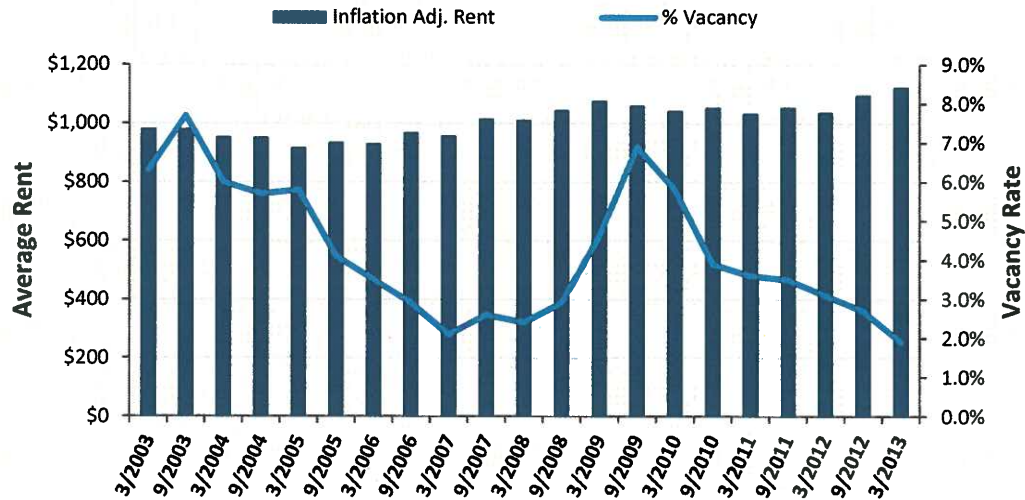


Source: BERK, 2013; King County Assessor, 2012

- Little vertical residential mixed-use development has been built north of Seattle and Kirkland.
- Northgate, Lake City, and Juanita Village all have a number of larger mixed-use buildings.

7.2 Market Conditions

Exhibit 15
North King County Multi-Family Rental Market Rents and Vacancy, 2003-2013

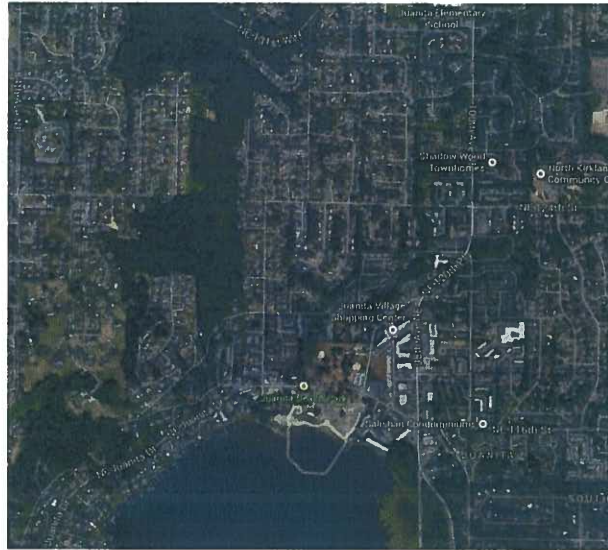


Source: Dupre + Scott Apartment Advisors, 2013

- Rents in north King County are at their highest point in ten years and vacancy rates for the rental market are below 2.0%.
- This indicates that there is strong demand for multi-family rental housing in the broader Kenmore areas.
- In Kenmore, MainStreet Property Group has a 160-plus multifamily units planned as part of the Kenmore Village development.
- In addition, there has been additional developer interest in building residential projects in Kenmore.
- Other north end communities, such as Bothell, Mountlake Terrace, Shoreline and Woodinville, all have residential mixed-use buildings permitted and/or under construction.

7.3 Comparative Concept | Juanita Village

Exhibit 16
Juanita Village Park, Kirkland



Source: Google Maps, 2013

Context: Juanita Village is a master planned, vertical mixed-use development with over 750 apartments and 75,000 square feet of retail. Located on 11-acres at 98th Avenue NE and Juanita Drive, Juanita Village was once the site of struggling retail and vacant properties. However, the views of Juanita Bay convinced the City and its residents that they could create neighborhood center. Juanita Beach Park, which includes an enclosed swimming area along Lake Washington with picnic and playground equipment, a public dock and fishing area and several sports courts and ball fields, is located right on the waterfront.

Public Action(s): The ownership of Juanita Beach Park was transferred from King County to the City of Kirkland in 2002. A voter approved maintenance levy dedicated new funds for improved park stewardship. The park underwent development and opened to the public on August 5, 2011.

The plans for Juanita Village were developed 25 years ago with the City's first Comprehensive Plan. The area is in its own zone, which includes requirements for a quasi-judicial public hearing process under certain conditions. For example, when a development exceeds 30 feet above average building elevation a public hearing must be held with expert testimony, public comment, and a hearing examiner.

Outcomes: Given the scale of the project, Juanita Village has developed in phases and been subject to changes in the real estate market. During the recent recession, Phase II developments were on hold and construction resumed in early 2012. The site's proximity to major highways, downtown Kirkland, and the water and its amenity rich environment make it a desirable location.

7.4 Assessment

Horizontal mixed-use development in Kenmore is likely in the near-term, as evidenced by interest in the redevelopment of the Kenmore Village site and a strong multi-family housing market in the region. Kenmore Village can serve as an important anchor that demonstrates a market for multi-family residential development in downtown Kenmore, leading to additional future private investment.

It is important to keep in mind that widespread redevelopment can take a long time as economic cycles affect the real estate market, as was the case in the Juanita Village example. In addition, Kenmore does

face competition from nearby communities also trying to realize mixed-use development in their city centers, including Bothell, Mountlake Terrace, Shoreline, and Woodinville. All of these communities are competing for a similar market. As the current development cycle comes to an end, residential mixed-use development (either horizontal or vertical) will be challenging.

The prospects for residential mixed-use development in the RB zone vary more depending on the specific location. Locations with good views and sizable enough parcels would be attractive, as well as locations near or next to the downtown that can leverage the private development and civic improvements.

8.0 RECREATION USE ASSESSMENT

This section assesses the potential for a large scale recreation facility in Kenmore, primarily through profiling the Starfire Complex in Tukwila. As part of the assessment, we spoke to the City of Tukwila to better understand how the facility was developed and understand the public private partnership involved. A key factor in the financial feasibility of this recreation facility was significant public support in the form of almost free land.

8.1 Comparative Concept | Starfire Complex

Exhibit 17
Starfire Sports, Tukwila



Source: Starfire Sports.

Context: Starfire Sports in Tukwila is a 54 acre sports complex featuring five grass soccer fields; eight lighted, artificial turf fields (usable year round); and two indoor soccer fields. The indoor soccer fields are in a 4,500 seat soccer stadium.

Public Action(s): The complex is operated through a public-private partnership, in which Starfire Sports entered into a 40-year public-private partnership concession agreement with the City of Tukwila and King County's Fort Dent Park, which had been slated for closure due to a budget shortfall. Starfire Sports initiated construction and renovations of facilities on the site and has assumed 100% operating responsibility in exchange for a long-term lease at \$1 per year. The City of Tukwila operates a playground, picnic area, restrooms, trails, and other open space on the portion of the site that is unused by Starfire. At the end of the 40 year period, ownership of the facilities will revert to the City.

Outcomes: Starfire Sports stabilized a property at very little cost to the City of Tukwila. There are benefits to local businesses, like restaurants and hotels, and the children's play area is city maintained and open to the public.

8.2 Assessment

The fact that the City of Tukwila owned a 54 acre property was the key catalyst in making this partnership work. It was worth it to the City to offer the land for a \$1 lease to have it operated by someone else and put to productive use. Facilities like this usually require public financial support, specifically the provision of land or private donations to fund property acquisition. The City of Kenmore does not own sizable enough property within the RB zone to accommodate such a use, which would require the City to purchase the property and lease it to the operating entity at a low cost. In addition, in terms of economic impacts, recreation facilities do not create many full-time, year-round jobs.

APPENDIX A

Demographics and Employment

1.0 OVERVIEW

Appendix A assesses the demographic and employment data and trends for Kenmore and the broader region. The demographics section assesses population growth, age, education and income of the community.

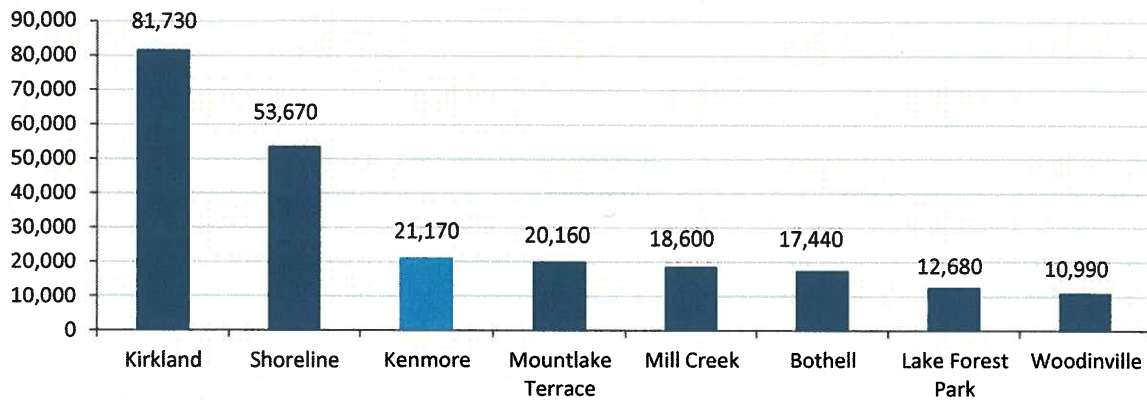
Overall, Kenmore has a similar population to several of the smaller cities in the area with 21,170 residents. Kenmore grew at an average annual rate of just over 1% between 2000 and 2011. Almost half the residents of Kenmore have college degrees. A full 90% of Kenmore residents are employed and 97% of them work outside of Kenmore. Compared to King County (\$69,314), Kenmore has a higher median household income (\$77,244) and a higher percentage of households earning above \$100,000 annually (39% versus 33%). The population age group that grew the most between 2000 and 2011 was those aged 65 and older who grew to a 12.7% share of the population up from 10.3% in 2000. The population age group that declined the most between 2000 and 2011 was those aged 35-49 whose share of the population fell to 22.5% from 27.5% in 2000.

The second section assesses employment trends in the region and for Kenmore and looks at employment by sector and commuting patterns. Overall, employment in the region has rebounded from the recession but is not back to 2009 levels. Unemployment in Kenmore was at 8.1% in 2011, slightly below the King County rate of 8.6%. The majority of jobs in north King County and south Snohomish County are in service industries like retail, consumer services, health care, and professional technical services. Most employment in Kenmore is service oriented and the major employers are Bastyr University, Plywood Supply, Kenmore Air, and Safeway.

2.0 DEMOGRAPHICS

2.1 Population

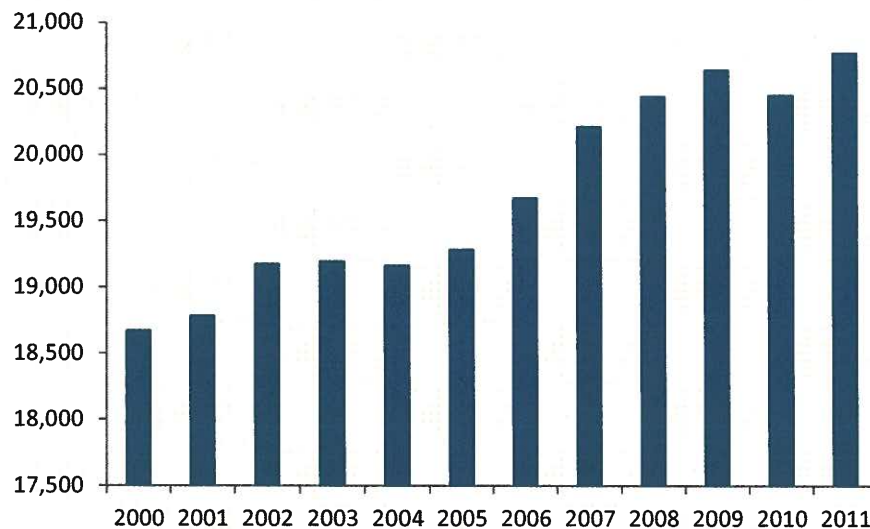
Exhibit 1
Population for Neighboring Cities, 2013



Source: Washington State Office of Financial Management, 2013; BERK 2013.

- With the exception of Kirkland and Shoreline, Kenmore is similar in size to other communities in north King County.
- It has the third highest population in the area, and is closest in population to Mountlake Terrace.

Exhibit 2
City of Kenmore Population Growth, 2000-2011

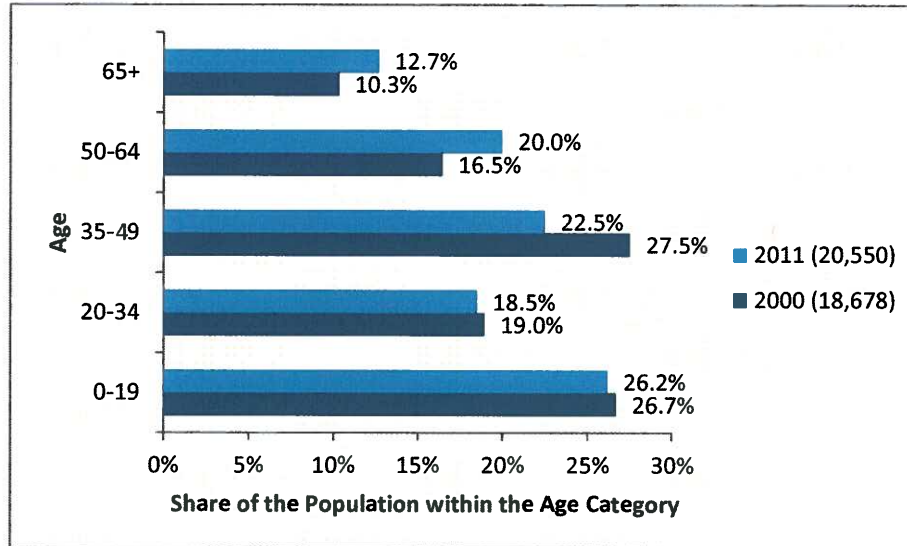


Source: Washington State Office of Financial Management, 2013; BERK, 2013.

- The City of Kenmore's population grew by 2,102 people between the years 2000 to 2011.
- Its population increased 11.25% over 11 years, which is a 0.97% average annual increase per year.

2.2 Age

Exhibit 3
Population Growth by Age, 2000 and 2011



Source: US Census, 2000; and American Community Survey, 2011; and BERK, 2013.

- The percentage of the population aged 65 and older grew from a 10.3% share of the total population in 2000 to a 12.7% share in 2011.
- The percentage of the population aged 50-64 also grew from a 16.5% share of the total population in 2000 to a 20% share in 2011.
- The percentage of the population aged 35-49 decreased from a 27.5% share of the total population in 2000 to a 22.5% share in 2011.
- Note that in 2011 the population numbers were calculated through the American Community Survey, which has a higher margin of error than the 2000 Census.

2.3 Education

Exhibit 4
Kenmore Education Attainment for Population Over 25, 2000 and 2011

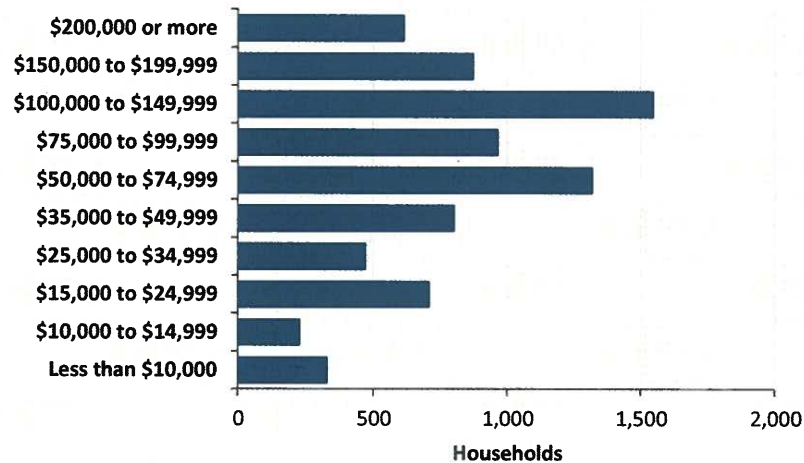
Educational Level	2000	2011
High School Graduate or Higher	93%	91.6%
Bachelors Degree or Higher	42%	48.0%
<i>King County Percent</i>	<i>40%</i>	<i>45.70%</i>
Graduate or Professional Degree	14.2%	19.9%

Source: American Community Survey, 2011; US Census, 2000; BERK, 2013.

- Almost half of the Kenmore population over 25 years of age has a college degree.
- The percentage of people with college degrees in Kenmore has gone up six percentage points between 2011 and 2000, approximately the same as King County.

2.4 Income

Exhibit 5
Kenmore Household Income Distribution, 2011



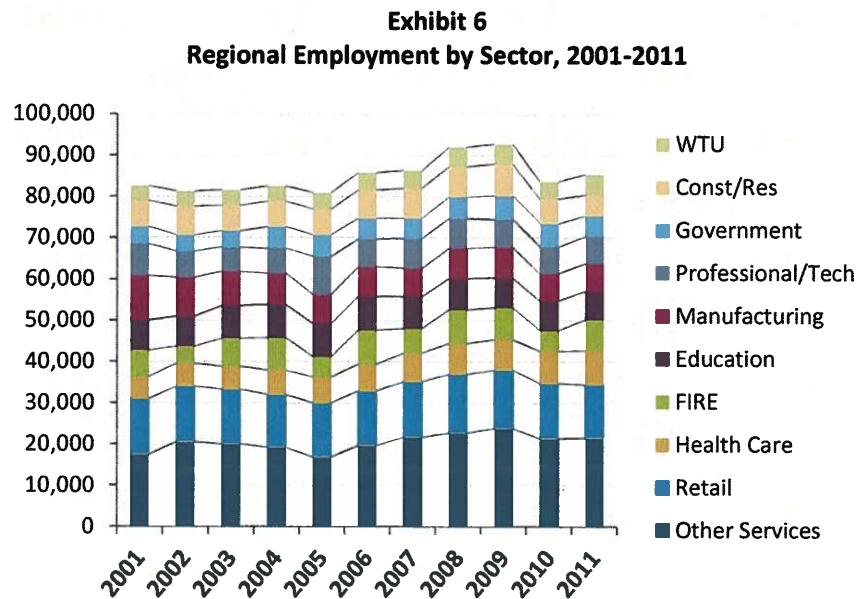
Source: American Community Survey, 2011; and BERK 2013.

- Kenmore had a median household income of \$77,244 in 2011. The median household income in King County was lower at \$69,314.
- 39% of households in Kenmore have a household income greater than \$100,000 compared to 33% of households in King County.

3.0 EMPLOYMENT

3.1 Regional Employment

Employment by Sector



Source: Puget Sound Regional Council, 2012; BERK, 2013

Note: Regional employment includes Bothell, Kenmore, Lynnwood, Mountlake Terrace, Shoreline, and Woodinville.

- Regionally, employment has rebounded from the recession, but it is not back at 2009 levels.
- Service industries, such as retail, consumer services, health care, and professional technical services make up the large majority of employment in northern King County and south Snohomish County.

3.2 Kenmore Employment

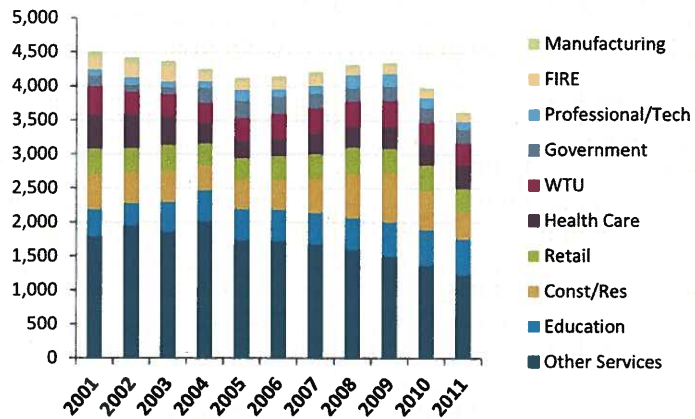
Labor Force and Unemployment

Exhibit 7
Kenmore Unemployment Rate, 2000 and 2011

Kenmore Unemployment Rates	2000	2011
Total Population 16 years and older	14,659	16,073
Unemployment Population	454	1,302
Unemployment Rate	3.10%	8.10%
<i>King County Unemployment Rate</i>	<i>4.50%</i>	<i>8.60%</i>

Source: US Census, 2000; American Community Survey, 2011; and BERK, 2013.

- Kenmore's unemployment rate has increased since 2000, which is consistent with trends elsewhere in the region.
- Kenmore's unemployment rate in 2011 was 8.10%, below the King County unemployment rate of 8.60%.

Employment by Sector**Exhibit 8
Kenmore Employment by Sector, 2001-2011**

Employment Sector	Average Annual Growth Rate,	
	2011	2001-2011
Other Services	1,221	-3.7%
Education	529	2.7%
Const/Res	403	-2.6%
Retail	350	-0.6%
Health Care	338	-3.7%
WTU	322	-2.5%
Government	203	2.9%
Professional/Tech	119	2.1%
FIRE	95	-5.8%
Manufacturing	44	-7.7%
Total	3,624	-2.2%

Source: Puget Sound Regional Council, 2012; BERK, 2013

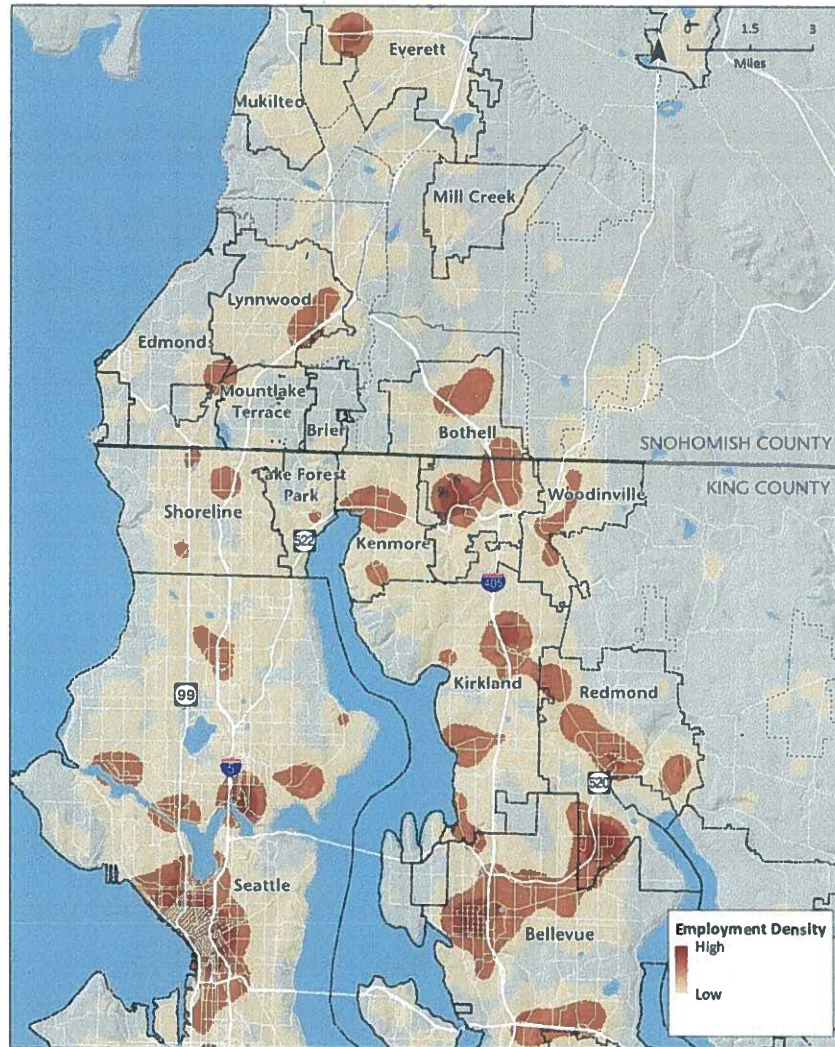
- Most employment in Kenmore is local service oriented.
- Jobs within the city have continued to decline since the recession.
- Manufacturing has the fewest jobs and has decreased the most between 2001 and 2011.

Major Employers

- Bastyr University
- Plywood Supply
- Kenmore Air
- Safeway

3.3 Commute Patterns

Exhibit 9
Where Kenmore Residents Work, 2011



Source: BERK, 2013; US Census, OnTheMap, 2013

- While 90% of Kenmore residents are employed, 97% of them work outside of Kenmore.
- Downtown Seattle, the University District in Everett, and the cities on the eastside are the main employment destinations.

4.0 IMPLICATIONS FOR THE REGIONAL BUSINESS ZONE

Overall, Kenmore is a growing, well-educated and employed population with a median income of just over \$77,000. As a result, providing job opportunities to Kenmore residents is not likely to be a motivation to change the RB zoning code. However, there are other economic development reasons to pursue development and new uses within the RB zone related to the City's fiscal outlook or a desire to add daytime activity and a wider offering of retail and service options.

APPENDIX B

INTERVIEWS

BERK and City staff identified a list of stakeholders to interview and sent an introductory email explaining the objectives of the interview. The following individuals were interviewed by telephone between June and August 2013. Information from the interviews was incorporated into the Strengths, Weaknesses, Opportunities and Challenges section and the Market Assessment.

- Joe Ferguson, Lake Union Partners
- Gabriel Grant, HAL Real Estate
- Peter Hauser, Bluetrek
- Rob Karlinsey, City of Kenmore
- Mike McKernan, Real Property Investors LLC
- Chuck Monson, Kenmore Property Owner
- Ben Oliver, Starfire Sports
- Nancy Ousley, City of Kenmore
- Alex Pietsch, Governor's Office, formerly with the City of Renton
- Kelly Price, MainStreet Property Group LLC
- Eric Shields, City of Kirkland
- Derek Speck, City of Tukwila
- Rod Stevens, Spinnaker Strategies
- Dave Suchy, Kenmore Property Owner



City Of Kenmore, Washington

Memorandum

Date: October 8, 2013

To: Planning Commission

From: Rob Karlinsey, City Manager *RK*
Nancy Ousley, Assistant City Manager

Re: Economic Development Perspectives on RB Zoning

We so appreciate your willingness to volunteer your time on the Planning Commission and tackle the Regional Business Zone project. This project and the PROS plan are significant, and we know they require substantial time and effort. On behalf of the City Council and the community, thank you!

Debbie Bent has been keeping us posted on your RB Zone work, and it's encouraging and exciting to hear of the progress you are making and the meaningful discussions you are having. The Berk market study was important step in making sense of the zone and how to proceed from here.

We found the Berk study to be very helpful. Its various conclusions are, for the most part, spot on and very insightful. Of the Berk study conclusions, we would like to discuss the following two:

1. Kenmore has a strong market demand for multi-family housing; and
2. Vertical, residential mixed use is currently not economically ideal for developers in Kenmore

From these two conclusions, it would logically follow that in order to meet market demands, the City should eliminate the mixed use condition for residential and allow multi-family residential to take off unfettered in Kenmore. In some of the RB zone's subareas, this approach makes sense.

However, we also believe it is important to preserve a significant portion of Kenmore's RB zone for commercial development—primary industry jobs in particular. Primary industry jobs make the economic pie bigger rather than cutting up the pie into smaller pieces. Primary industry

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imports jobs and money and exports product. Examples of primary employers in Kenmore are our three Business Incubator companies.

Despite what the market says in favor of multi-family housing, we do not believe Kenmore should squander its location advantage by not providing and protecting a suitable center for jobs. And quite frankly, we have precious little land available for employment as it is, and with the exception of Lakepointe which will likely develop into residential, office, and/or hotels, we are literally landlocked with no expansion or annexation area to develop a business park. If a company wants to locate in Kenmore, there should be a place for that company to go.

Why Jobs?

We think Kenmore needs to preserve and enhance areas for employment for the following reasons:

- “Complete” cities where you can live, work, shop and learn all in one place, have higher property values. Tastes are changing for the younger generation of workers who have come of age in the last ten years and, partly because they are working longer and harder to get by, they want to save time shuttling between their personal and professional activities. The neighborhoods that recovered their values first and fastest since 2008 have been those near job centers like South Lake Union and downtown Bellevue. This is creating “winner” and “loser” places, and the winners will be those that have the best quality of life, including job opportunities (source: Rod Stevens, Spinnaker Strategies).

As the Berk study says, “. . . successful communities are a collection of use types—the various types work together to reinforce each other and attract additional investment.” We do not believe that fostering a monoculture of housing will transport Kenmore on that higher success trajectory.

- According to the Berk study, Kenmore does not have a strong set of retail amenities like restaurants because “it lacks a critical mass of daytime employment or a high concentration of residents.” While more housing will help in bringing the retail that everyone wants, commercial development, just as much or even more so than residential development, can also help drive more retail. Why? Commercial development can provide the daytime demand for these amenity businesses (e.g., restaurants).

If Kenmore becomes too much of a bedroom community wherein residents vacate the city by day, the businesses that need more than just evenings to survive won’t come. Commercial uses, on the other hand, bring employees, clients, and service providers throughout each working day.

- Having a robust business presence will position us for regional infrastructure, including Kenmore as the likely location for a Light Rail train station (yes, we’re looking out that far) and even a passenger ferry service, among other regional services.

- A strong job center is needed to balance Kenmore's already high concentration of residential. Kenmore does not have to be known only as a bedroom community to Seattle and the East Side. Kenmore can also have its own job center. This job center does not have to be on the same scale as Redmond's or Bellevue's, but it can be just the right size to send the message that Kenmore is not only a great place to live and play, it's also a great place to work.

Despite the Berk report's assessment of some of Kenmore's disadvantages (not next to I-405 and I-5, for example), we believe that Kenmore has strong case for more jobs and improved economic vitality. This case is built on the following major points:

Geographic Location. Kenmore has a location advantage. Kenmore is in a unique position because of its location at the top of the Lake. I have spoken with a number of residents who appreciate being able to quickly access both Seattle and the East side.

Tolling. The SR 520 tolls are only going up. The more they go up, the more employers will be sensitive to helping their employees get to work as inexpensively as possible. No tolls are required to get to Kenmore.

Waterfront. Kenmore's beautiful waterfront is a reason to set up shop in Kenmore, especially for those wanting water views to enhance the working experience for themselves, their employees, and their clients. While being on the water is not the end-all in attracting business and needs to be combined with other essential ingredients to be successful, the waterfront and its views give Kenmore a leg up on its competition.

High Capacity Transit and the Burke Gilman Trail. The bus only lanes on SR 522 have made a huge difference in getting commuters to and from Kenmore quickly. These lanes combined with the major routes assigned to SR 522 make Kenmore an ideal place for workers who need to get around. We also know that the Burke Gilman Trail is another way for commuters to get to and from work, and we predict that the Trail will only increase in commuter use as vehicle traffic congestion increases and as commute trip reduction programs become even more aggressive.

Proximity to Higher Education. The founder of our newest addition to our Business Incubator told us that proximity to UW Bothell and Cascadia was a factor in coming to Kenmore. With Bastyr University, UW Bothell, and Cascadia so close by and UW Seattle a relatively short bus ride away, Kenmore is well-positioned for employers who need to access to the talent and services that universities provide.

We can leverage and market all of the above assets to promote and grow Kenmore as an economic force and keep it from being merely known as a bedroom community or as a stretch of Bothell Way on the way to Seattle.

Back to the Mixed Use Discussion

We do not have all of the answers on how to zone for the protection and enhancement of an employment core in our downtown. However, removing the mixed use requirement in all of the

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RB subareas may result in a housing takeover of what little employment center capacity we do have.

What Kinds of Jobs?

If the goal is to maintain and foster a significant portion of the RB Zone for jobs, the next question that might follow is, "What kinds of jobs?" First and foremost, we agree that the Berk recommendation to "remain flexible" is key. We can't predict all of the types of businesses that may choose to locate here in the future, and we should not try to force or dictate a certain market of employers. We should zone a meaningful amount of land for employment, with zoning that is flexible enough to accommodate a range of compatible commercial uses.

There is no cookie-cutter approach to a job strategy, and we believe that in order to compete with our neighbors, we need to be different—we need to offer something different than Bothell, Woodinville, and Kirkland.

We need to decide what we, as a city, are going to make and sell the world and then support the people and businesses that have the skills and resources to get us there. There are two opportunities that can help us do so:

Abundance of High Tech Talent Living in Kenmore Combined with Affordable Commercial Rents. Since moving to Kenmore over a year ago, I (Rob) have been stunned with the high concentrations of high tech workers living in Kenmore. These aren't the citizens you necessarily see at City Council meetings, but they are here. I have met numerous Kenmore residents who work for Microsoft, Amazon, Boeing, Google, Tableau, and other high tech companies.

When I was in Gig Harbor, I knew employers that would have given their right arms to have to be this close to in-demand, high tech talent. Having a high concentration of tech workers in our city should not be taken for granted—in fact, it should be leveraged and nurtured.

Many of these high tech workers are satisfied with their jobs at the big companies, but many are restless entrepreneurs who want to patent their own ideas and start their own high tech companies but may lack the capital and physical space to do so. That's where we come in. Kenmore's proximity to talent combined with its affordable commercial rents makes us ideal for these types of startups and entrepreneurs. Our zoning and development regulations, as well as our jobs strategy, should pave the way for these types of businesses. One example of this strategy is our new Business Incubator.

Bastyr University and the Growing Natural Health and Science Industry. With the nation's foremost institution on natural health residing within our borders, Kenmore can position itself as the epicenter of the natural health and sciences world. Nancy Ousley, in collaboration with Bastyr and the Economic Development Council for Seattle/King County (EDC), has been forming partnerships and relationships that bring stakeholders and players in the natural health science world together. We want to grow a business cluster related to Bastyr, Kenmore's largest employer. This cluster can include food products, supplements, or research facilities. Where would these businesses locate if we don't have the zoning capacity?

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The above two examples are not the only opportunities for Kenmore to distinguish itself. For instance, the growing advanced manufacturing industry may also prove to be a strong niche for Kenmore—our existing commercial buildings could be an affordable place for these types of companies that need to be close in and recruit from the technical colleges in the area. Rod Stevens of Spinnaker Strategies offers the following comments on Advanced Manufacturing:

“There are benefits to advanced manufacturing, which involves computer-driven design and production (and “fab labs”). These technical jobs require technical skills. A machinist literate in CNC design and production makes a lot more than an English major working as a barista. With more and more “onshoring,” these skills are in high demand. They feed into the tech economy, especially aeronautics. They provide places for teenagers to learn how to work. You don’t need a major four-year college to make the business ecosystem around them work—simply a cooperative K-12 and community college system. It is where the U.S. is heading.”

If Kenmore can combine its affordable, existing commercial buildings and its close-in location with the right zoning regulations and economic development strategies, Kenmore can position itself to be ahead of and capitalize on employment trends like these.

Conclusion

In conclusion, the City can effectively respond to the multi-family housing market demands while at the same time preserving a substantial commercial core for jobs and commerce.

While lifting the mixed-use requirement in some of the RB subareas makes sense, we need to consider how best to protect and establish the city’s commerce core by 1) preventing a monoculture of multi-family housing developments throughout the zone; 2) maximizing RB zone flexibility to accommodate a range of compatible primary industry uses; and 3) tapping into our strongest assets to determine what sets us apart and what we as a city are going to make and sell to the world.

What is Light Manufacturing?

The Planning Commission's preliminary list of uses defines light manufacturing as follows:

"Manufacturing, light" means an establishment engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products that is of a lower intensity and cleaner than heavy manufacturing establishments. Light manufacturing facilities do not generate excessive noise, particulate matter, vibration, smoke, dust, gas, fumes, odors, radiation, or other nuisances. Light manufacturing facilities require only a small amount of raw materials, area and power, to produce items of relatively high value per unit weight. Examples include manufacture of clothes, jewelry, furniture, computer hardware and software, medical instrumentation, and consumer electronics, winery/brewery, as well as research and development facilities and biotechnology.

May include NAICS Sectors 31-33 (Manufacturing). Also may include NAICS 54171 (Research and Development in the Physical, Engineering and Life Sciences).

Light manufacturing likely would include:

- **Advanced manufacturing** – the use of innovative technology to improve products or processes.

Paul Fowler of the National Association of Advanced Manufacturing (NACFAM) has defined advanced manufacturing as follows:

"The Advanced Manufacturing entity makes extensive use of computer, high precision, and information technologies integrated with a high performance workforce in a production system capable of furnishing a heterogeneous mix of products in small or large volumes with both the efficiency of mass production and the flexibility of custom manufacturing in order to respond quickly to customer demands."

A concise definition of advanced manufacturing offered by some is manufacturing that entails rapid transfer of science and technology (S&T) into manufacturing products and processes.

The manufacturing process technologies described in definitions of advanced manufacturing include: computer technologies (e.g., CAD, CAE, CAM); high performance computing (HPC) for modeling, simulation and analysis; high precision technologies; advanced robotics; artificial intelligence; 3-D printing; automation; sustainable and green processes and technologies; and scalability. Although research and development was not explicitly included in most definitions, the innovative technologies listed by many are most likely the result of extensive research and development.

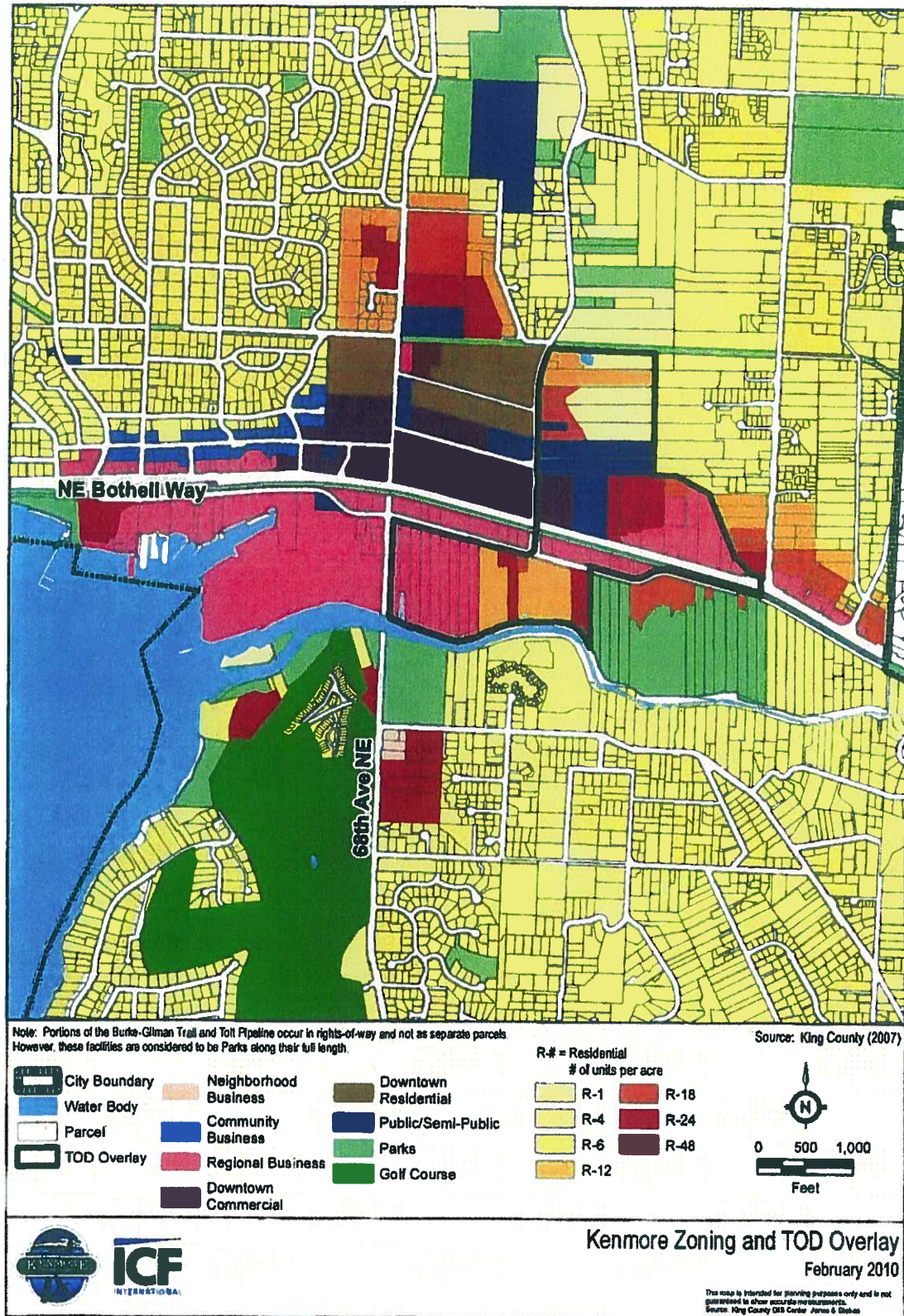
Several sources pointed out that any definition of advanced manufacturing will need to change with the changing times, and that the definition will vary for different companies and different industries.

Current advanced manufacturing products might include: pharmaceuticals, medical devices and equipment, measuring/control instruments, industrial machinery, electronic components, and other scientific-related products.

- **Custom/Artisanal Manufacturing** -- typically smaller businesses serving niche and specialty markets, including: artisan bakeries and other foods (chocolate, oils, spices); beverages (coffee, tea, wineries, breweries); textiles, apparel, and accessories; custom products (furniture, woodwork, ironwork, windows, cabinets, countertops, sign-making, custom props for photoshoots, etc.); printing and publishing; and fabricated metal products.
- **Manufacturing of clean/green products** -- such as green packaging, green building materials, and energy-related products (solar, battery/storage, bio and other sustainable fuels, LED-lighting, etc.), emission control technology and filtration.
- **Digital media and information technology** -- businesses focused on the manufacture of computer hardware/software

Sources: Wikipedia and "Market Assessment of Potentials for Business Mix/Light Industrial Uses West Oakland Specific Plan" prepared for City of Oakland

Attachment No. 2



VIIA. Public Hearing on Proposed Amendments to the Comprehensive Plan and Development Regulations Related to the Proposed Transit Oriented District (TOD)

IX. A. Discussion of Preliminary Recommendations on the Vis...

PRELIMINARY USE LISTINGS
Revised 11/22/13

Adult entertainment business

"Adult entertainment business" means a sexually oriented business engaging in adult entertainment, such as an adult cabaret, adult retail business or an adult panoram, as those terms are defined in KMC Title 5.

Air transportation service

"Air transportation service" means a helipad, private landing field, or other similar facility for personal or business-related air transportation. Air transportation service does not include an airport, which is classified as a regional land use.

May include NAICS 481 (Air Transportation) and 4881 (Support Activities for Transportation).

Ambulatory surgery center

"Ambulatory surgery center" means an establishment with medical staff primarily engaged in providing outpatient medical, diagnostic and surgical treatment services.

May include NAICS 621493 (Freestanding Ambulatory Surgical and Emergency Centers).

Animal kennel/shelter

"Animal kennel/shelter" means any outdoor or indoor facility which houses four or more small domestic animals (that number not including one un-weaned litter) for periods longer than 24 hours as a commercial venture, as a nonprofit organization, or for a governmental purpose. The facility may either be a separate business or an accessory use.

Arts, entertainment, indoor

"Arts, entertainment, indoor" means an establishment that provides facilities or services for cultural and entertainment uses inside a building. Arts, entertainment, indoor includes such uses as performing arts establishments, artist studios, theaters, museums, libraries, fraternal lodges, tour operators, and arcades, but specifically excludes adult entertainment facilities.

May include NAICS 512 (Motion Picture and Sound Recording Industries), 515 (Broadcasting), and 51912 (Libraries and Archives). May include 56152 (Tour Operators) and 56159 (Other Travel Arrangement and Reservation Services). May include Sector 71 (Arts, Entertainment, and Recreation), except the following: 711211 (Sports Teams and Clubs), 711212 (Racetracks), 713110 (Amusement and Theme Parks), 7132 (Gambling Industries), and 7139 (Other Amusement and Recreation Industries). May include 8134 (Civic and Social Organizations).

Arts, entertainment, outdoor

"Arts, entertainment" means an establishment that provides facilities or services for cultural and entertainment uses outside of a building. Arts, entertainment, outdoor includes such uses as outdoor performance facilities, public gardens, and arboretums.

May include NAICS 512 (Motion Picture and Sound Recording Industries) and 515 (Broadcasting). May include 56152 (Tour Operators). May include Sector 71 (Arts, Entertainment, and Recreation), except the following: 711211 (Sports Teams and Clubs), 711212 (Racetracks), 713110 (Amusement and Theme Parks), 7132 (Gambling Industries), and 7139 (Other Amusement and Recreation Industries).

Auction house

“Auction house” means an establishment where the property of others is sold by a broker or auctioneer to persons who attend scheduled sales periods or events.

Automotive sales and service, marine

“Automotive sales and service” means an establishment engaged in the retail sale of new or used boats, jet skis, boat trailers, or similar vehicles, or an establishment primarily engaged in repair or service of these vehicles, including washing and the sale and installation of lubricants, tires, batteries, mufflers, and similar accessories.

May include NAICS 4412 (Other Motor Vehicle Dealers), 44132 (Tire Dealers), and 8111 (Automotive Repair and Maintenance).

Automotive sales and service, non-marine

“Automotive sales and service” means an establishment engaged in the retail sale of new or used cars, trucks, truck tractors, semi-trailers, buses, mobile homes, utility trailers, RVs, motorcycles, ATVs, or similar vehicles, or an establishment primarily engaged in automotive repair or service of these vehicles, including washing and the sale and installation of lubricants, tires, batteries, mufflers, and similar accessories. Automotive sales and service, non-marine, does not include tire retreading which is classified as a manufacturing land use

May include NAICS 4411 (Auto Dealers), 4412 (Other Motor Vehicle Dealers), 44132 (Tire Dealers), 45393 (Manufactured/Mobile Home Dealers), and 8111 (Automotive Repair and Maintenance).

Bulk retail sales

“Bulk retail sales” means a singular indoor “big box” retail business that occupies more than 65,000 square feet of gross floor area, typically requires high parking to building area ratios, and has a regional sales market. Bulk retail sales can include, but is not limited to, membership warehouse clubs that emphasize bulk sales, discount stores and department stores.

May include NAICS 45291 (Warehouse Clubs and Superstores).

Business service, intensive

“Business service, intensive” means an establishment primarily engaged in providing supporting services to business that is likely to generate significant levels of truck traffic, noise, pollution, vibration, dust, fumes, odors, hazardous materials, or other undesirable conditions. Examples include industrial launderers, drycleaning plants, and fuel dealers.

May include NAICS 45431 (Fuel Dealers). May include Sector 56 (Administrative and Support and Waste Management and Remediation Services), except the following: 561210 (Facilities Support Services for private correctional facilities), 5615 (Travel Arrangement and Reservation Services), 56171 (Exterminating and Pest Control Services), 56173 (Landscaping Services), 56179 (Other Services to Buildings/Dwellings) and 562 (Waste Management and Remediation). May include 8113 (Commercial and Industrial Machinery and Equipment Repair and Maintenance) and 812332 (Industrial Launderers).

Business service, standard

“Business service, standard” means an establishment primarily engaged in providing supporting services to business that is lower in intensity and cleaner than an intensive business service, and that does not generate excessive noise, particulate matter, vibration, smoke, dust, fumes, odors, or other nuisances. Examples include telephone call centers, private mail services, copy centers, business incubators, and data centers.

May include NAICS 491 (Postal Service), 492 (Couriers and Messengers), 518 (Data Processing, Hosting, and Related Services), 53242 (Office Machinery and Equipment Rental and Leasing), 54186 (Direct Mail Advertising), and 541922 (Commercial Photography).

May include Sector 56 (Administrative and Support and Waste Management and Remediation Services), except the following: 561210 (Facilities Support Services for private correctional facilities), 5615 (Travel Arrangement and Reservation Services), 56171 (Exterminating and Pest Control Services), 56173 (Landscaping Services), 56179 (Other Services to Buildings/Dwellings) and 562 (Waste Management and Remediation). May include 8112 (Electronic and Precision Equipment Repair and Maintenance).

Cemetery, columbarium or mausoleum

“Cemetery, columbarium or mausoleum” means land or structures used for interment of the dead or their remains. For purposes of this code, pet cemeteries are considered a subclassification of this use.

May include NAICS 81222 (Cemeteries and Crematories).

College/University

“College/University” means an establishment primarily engaged in providing academic courses and granting degrees above the high school diploma, such as the associate, baccalaureate or graduate degree.

May include NAICS 6112 (Junior Colleges) and 6113 (Colleges, Universities, and Professional Schools).

Communication facility

A. Major communication facility. “Major communication facility” means a communication facility for transmission and reception of UHF and VHF television signals; or FM or AM radio signals.

B. Minor communication facility. “Minor communication facility” means a communication facility for transmission and reception of two-way and/or CB radio signals; point-to-point microwave signals; cellular radio signals; signals through FM radio translators; or signals through FM radio boosters under 10 watts effective radiated power (ERP).

May include NAICS 517 (Telecommunications).

Community residential facility (CRF)

“Community residential facility (CRF)” means living quarters meeting applicable federal and state standards that function as a single housekeeping unit and provide supportive services, including but not limited to counseling, rehabilitation and medical supervision, excluding drug and alcohol detoxification which is classified as a hospital/ambulatory surgery center. Provided, however, that this definition shall not apply to secure community transition facilities as defined in KMC 18.20.2465 or to adult family homes as defined in KMC 18.20.095.

CRFs are further classified as follows:

A. CRF-I means nine to 10 residents and staff;

B. CRF-II means 11 or more residents and staff. If staffed by nonresident staff, each 24 staff hours per day equals one full-time residing staff member for purposes of subclassifying CRFs.

May include NAICS 623210 (Residential Intellectual and Developmental Disability Facilities) and 623220 (Residential Mental Health and Substance Abuse Facilities).

Construction and trade

“Construction and trade” means an establishment that provides services related to construction and maintenance of buildings and infrastructure and improvements to property.

Such establishments include landscape and horticultural services. This definition excludes construction and trade establishments that qualify as an office by virtue of having only a business office without outside storage or fabrication.

May include NAICS Sector 23 (Construction), 54135 (Building Inspection Services), 56171 (Exterminating and Pest Control Services), 56173 (Landscaping Services), 56179 (Other Services to Buildings and Dwellings), and 56299 (All Other Waste Management Services).

Day care

“Day care” means an establishment for group care of nonresident adults or children.

A. Day care shall include only child day care services, adult day care centers and the following:

1. Adult day care, such as adult day health centers or social day care as defined by the Washington State Department of Social and Health Services;
2. Nursery schools for children under minimum age for education in public schools;
3. Privately conducted kindergartens or prekindergartens when not a part of a public or parochial school; and
4. Programs covering after-school care for school children.

B. Day care establishments are subclassified as follows:

1. Day-care I – A maximum of 12 adults or children in any 24-hour period; and
2. Day care II – Over 12 adults or children in any 24-hour period.

Day care does not include family child-care home.

May include NAICS 6244 (Child Day Care Services).

Eating and drinking place

“Eating and drinking place” means an establishment that prepares meals, snacks and beverages to customer order for immediate on-premises or off-premises consumption from a fixed location.

May include NAICS 722 (Food Services and Drinking Places), except 72233 (Mobile Food Services).

Educational service

“Educational service” means an institution that offers academic education, career and technical instruction as well as schools or programs that offer tutoring or nonacademic or self-enrichment classes, such as automobile driving and cooking instruction.

May include NAICS Sector 61 (Educational Services), except 6112 (Junior Colleges) and 6113 (Colleges, Universities, and Professional Schools).

Family child-care home

“Family child-care home” means a child day care provider who regularly provides child day care and early learning services for not more than twelve (12) children in the provider’s home in the family living-quarters, or as otherwise defined in RCW43.215.010.

Fire or police facility

“Fire or police facility” means a government establishment engaged in law enforcement or fire protection activities.

May include NAICS 92212 (Police Protection), 92215 (Parole Offices and Probation Offices), and 92216 (Fire Protection).

Funeral home/crematory

“Funeral home/crematory” means an establishment engaged in preparing the dead for burial or interment and conducting funerals.

May include NAICS 8122 (Death Care Services).

Gas station

“Gas station” means an establishment retailing automotive fuels, sometimes in combination with convenience store items.

May include NAICS 447 (Gasoline Stations).

Health care and social assistance

“Health care and social assistance” means an establishment or agency providing health care or social assistance. For purposes of this code, veterinary offices are considered a subclassification of this use.

May include NAICS 62 (Health Care and Social Assistance), except the following: 621493 (Freestanding Ambulatory Surgical and Emergency Centers), 621511 (Medical Laboratories), 621910 (Ambulance Services), 622 (Hospitals), 623 (Nursing and Residential Care Facilities), and 6244 (Child Day Care Services). May include 54194 (Veterinary Services).

Hospital

“Hospital” means an establishment with medical staff primarily engaged in providing inpatient medical, diagnostic and treatment services and/or emergency care services. Hospitals may also provide outpatient services as a secondary activity.

May include NAICS 622 (Hospitals), including 622210 (Psychiatric and Substance Abuse Hospitals).

Laboratory

“Laboratory” means a standalone facility subject to biosafety or hazardous materials containment procedures in which research and experiments leading to the development of new products are conducted. This use may be associated with an institutional, clinical or commercial use.

May include NAICS 54138 (Testing Laboratories) and 621511 (Medical Laboratories).

Manufacturing, light

“Manufacturing, light” means an establishment engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products that is of a lower intensity and cleaner than heavy manufacturing establishments. Light manufacturing facilities do not generate excessive noise, particulate matter, vibration, smoke, dust, gas, fumes, odors, radiation, or other nuisances. Light manufacturing facilities require only a small amount of raw materials, area and power, to produce items of relatively high value per unit weight. Examples include manufacture of clothes, jewelry, furniture, computer hardware and software, medical instrumentation, and consumer electronics, winery/brewery, as well as research and development facilities and biotechnology.

May include NAICS Sectors 31-33 (Manufacturing). Also may include NAICS 54171 (Research and Development in the Physical, Engineering and Life Sciences).

Manufacturing, heavy

“Manufacturing, heavy” means an establishment engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products that is likely

to generate significant levels of truck traffic, noise, pollution, vibration, dust, fumes, odors, radiation, poisons, pesticides, or other hazardous materials, fire or explosion hazards, or other undesirable conditions. Heavy manufacturing facilities use larger quantities of raw materials and may require significant outdoor storage. Examples include concrete manufacture, asphalt batch plants, mass production of commercial or recreational vehicles or large machinery, production of industrial organic and inorganic chemicals, animal slaughtering, and refining, extruding, rolling, or drawing of ferrous or nonferrous metals.

May include NAICS Sectors 31-33 (Manufacturing). Also may include NAICS 54171 (Research and Development in the Physical, Engineering and Life Sciences).

Mobile food service

“Mobile food service” means an establishment engaged in preparing and serving meals and snacks for immediate consumption from motorized vehicles or nonmotorized carts.

May include NAICS sector 72233 (Mobile Food Services).

Mobile home park

“Mobile home park” means a development with two or more improved pads or spaces designed to accommodate mobile homes, manufactured homes, or designated manufactured homes.

Multiple family dwelling

“Multiple family dwelling” means a one-family dwelling attached to one or more one-family dwellings by common roofs, walls, or floors. This definition does not include accessory dwelling units, community residential facilities or supportive living facilities.

A. Apartment. A residential building containing two or more dwelling units which are attached at one or more common roofs, walls, or floors. Typically, the unit’s habitable area is provided on a single level. Unit entrances may or may not be provided from a common corridor.

B. Townhouse. A one-family, ground-related dwelling attached to one or more such units in which each unit has its own exterior, ground-level access to the outside, no unit is located over another unit, and each unit is separated from any other unit by one or more vertical common walls. Typically the units are multi-story.

Office

“Office” means a place of employment for professional or administrative staff which does not include outside storage, or fabrication or on-site sale or transfer of commodities. Types of offices include, but are not limited to, accounting; architectural; engineering; banking; consulting; management; administrative; secretarial; marketing or advertising; personnel; sales offices where no inventories or goods are available on the premises; real estate; insurance; travel agent; brokerage; computer programming; or other similar services. Office does not include medical offices which are classified as a health care and social assistance land use.

May include NAICS Sector 51 (Information), except the following: 512 (Motion Picture and Sound Recording Industries), 515 (Broadcasting), 517 (Telecommunications), 518 (Data Processing, Hosting and Related Services), and 51912 (Libraries and Archives). May include Sectors 52 (Finance and Insurance) and 53 (Real Estate Rental and Leasing) except the following: 53113 (Lessors of Miniwarehouses and Self-Storage Units), 5321 (Automotive Equipment Rental and Leasing), 5322 (Consumer Goods Rental), 5323 (General Rental Centers), and 5324 (Commercial and Industrial Machinery and Equipment Rental and Leasing). May include Sector 54 (Professional, Scientific and Technical Services) except the following: 54135 (Building Inspection Services), 54138 (Testing Laboratories), 54171 (Research and Development in the Physical, Engineering and Life Sciences), 54186 (Direct Mail Advertising), 54192 (Photographic Services),

and 54194 (Veterinary Services). May include Sector 55 (Management of Companies and Enterprises) and 56151 (Travel Agencies). May include 8132 (Grantmaking and Giving Services), 8133 (Social Advocacy Organizations), 8139 (Business, Professional, Labor, Political, and Similar Organizations), and Sector 92 (Public Administration) except the following: 92212 (Police Protection), 92214 (Correctional institutions), 92215 (Parole Offices and Probation Offices), and 92216 (Fire Protection).

Outdoor storage

“Outdoor storage” means the storage of materials outside of a completely enclosed building, including items for sale, lease, shipment, processing, maintenance or repair (including vehicles and equipment), and items used in business operations.

Park

“Park” means a site designed or developed for recreational use by the public including, but not limited to:

- A. Indoor facilities, such as:
 - 1. Gymnasiums;
 - 2. Swimming pools; or
 - 3. Activity centers;
- B. Outdoor facilities, such as:
 - 1. Playfields;
 - 2. Fishing areas; or
 - 3. Picnic and related outdoor activity areas;
- C. Areas and trails for:
 - 1. Hikers;
 - 2. Equestrians; or
 - 3. Bicyclists;
- D. Areas provided under KMC 18.30.130 or 20.47.155;
- E. Facilities for on-site maintenance.

Personal service

“Personal service” means an establishment primarily engaged in providing services to individuals, such as beauty and barber shops, retail laundry and drycleaning including coin-operated, clothing alterations and repair, diaper services, carpet and upholstery cleaning services, photo studios, shoe repair, pet grooming, and repair of personal or household items. This definition excludes automotive repair and service.

May include NAICS 5322 (Consumer Goods Rental), 5323 (General Rental Center), 541921 (Photo Studios), 811211 (Consumer Electronics Repair and Maintenance), and 8114 (Personal and Household Goods Repair and Maintenance). May include 812 (Personal and Laundry Services) except the following: 8122 (Death Care Services), 812332 (Industrial Launderers), and 81293 (Parking Lots and Garages).

Recreational facility, indoor

“Recreational facility, indoor” means an establishment that provides facilities or services for recreational uses inside a building. Recreational facility, indoor includes such uses as clubhouses, gyms, indoor swimming pools, and fitness and bowling centers.

May include NAICS 61162 (Sports and Recreation Instruction), 711211 (Sports Teams and Clubs), 71312 (Amusement Arcades), and 7139 (Other Amusement and Recreation Industries).

Recreational facility, outdoor

“Recreational facility, outdoor” means an establishment that provides facilities or services for recreational uses outside a building. Recreational facility, outdoor includes such uses as outdoor tennis courts, outdoor swimming pools, batting cages, miniature golf courses, golf driving ranges, marinas, boat launches, campgrounds, and RV parks.

May include NAICS 61162 (Sports and Recreation Instruction), 711211 (Sports Teams and Clubs), 7139 (Other Amusement and Recreation Industries), and 7212 (RV/Recreational Vehicle Parks and Recreational Camps).

Regional land use

“Regional land use” means an airport, ferry terminal, park and ride lot, transfer station, racetrack, stadium/arena, or other land use of a regional nature that may be difficult to site. Regional land use includes essential public facilities, as defined in RCW36.70A.200, if not otherwise defined in this title.

May include NAICS Sector 22 (Utilities), 411 (Air Transportation), and 4881 (Support Activities for Air Transportation). May include 562 (Waste Management Remediation Service) except 56299 (All Other Waste Management Services). May include 7112 (Spectator Sports) except 711211 (Sports Teams and Clubs). May include 713110 (Amusement and Theme Parks) and 71391 (Golf Courses and Country Clubs).

Religious institution

“Religious institution” means a place where religious services are conducted, including accessory uses in the primary or accessory buildings such as religious education, reading rooms, assembly rooms, and residences for nuns and clergy. This definition does not include facilities for training of religious orders.

May include NAICS 8131 (Religious Organizations).

Resource land use

“Resource land use” means a production use on agricultural, forest, aquatic, or mineral lands, including farming, timber production, and mining.

May include NAICS Sectors 11 (Agriculture, Forestry, Fishing and Hunting) and 21 (Mining).

Retail sales

“Retail sales” means an establishment within a permanent structure of less than 65,000 square feet engaged in selling goods or merchandise to the general public for personal or household consumption and rendering services incidental to the sale of such goods. Retail sales excludes sales of automotive parts if service, repair or installation are provided on-site, auction house, bulk retail sales, and eating and drinking places.

May include NAICS Sectors 44-45 (Retail Trade), except the following: 4411 (Automobile Dealers), 4412 (Other Motor Vehicle Dealers), 44132 (Tire Dealers), 447 (Gasoline Stations), 45291 (Warehouse Clubs and Superstores), 45393 (Manufactured/Mobile Home Dealers), and 45431 (Fuel Dealers).

Secure facility

“Secure facility” means a jail, prison, secure community transition facility, or other similar facility for the confinement, correction, and rehabilitation of offenders. This definition includes facilities managed and operated by the government as well as those operated by nongovernmental entities under contract with the government.

May include NAICS 92214 (Correctional Institutions).

Single detached dwelling unit

“Single detached dwelling unit” means a detached building containing one dwelling unit or an adult family home.

Standalone parking (surface or garage)

“Standalone parking” means an establishment engaged in providing parking space for motor vehicles, usually on an hourly, daily or monthly basis.

May include NAICS 81293 (Parking Lots and Garages).

Supportive living facility

“Supportive living facility” means an assisted living facility, continuing care facility, convalescent center, or nursing home. Supportive living facility does not include an adult family home, community residential facility, hospital, or secure facility.

May include NAICS 6231 (Nursing Care Facilities) and 6233 (Community Care Facilities for the Elderly).

Temporary lodging

“Temporary lodging” means a hotel, motel, bed and breakfast guesthouse, or other facility providing temporary accommodations for travelers for compensation.

May include NAICS 721 (Accommodation), except 72112 (Casino Hotels) and 7212 (RV/Recreational Vehicle Parks and Recreational Camps).

Transportation

“Transportation” means establishments providing transportation of passengers or cargo, such as taxi and limousine services, scenic and sightseeing transportation businesses, motor vehicle towing, trucking, shipping, or freight hauling businesses. This use includes related support activities, such as cargo handling and packing and crating of cargo.

May include NAICS Sector 48 (Transportation and Warehousing), except the following: 481 (Air Transportation), 486 (Pipeline Transportation), and 4881 (Support Activities for Air Transportation). May include 62191 (Ambulance Services).

Utility facility

“Utility facility” means a smaller-scale facility for the distribution or transmission of services to a limited area, including, but not limited to:

- A. Telephone exchanges (not including communication facilities);
- B. Water pumping or treatment stations or distribution systems;
- C. Electrical substations;
- D. Water storage reservoirs or tanks;
- E. Stormwater management facilities;
- F. Natural gas gate stations and limiting stations;
- G. Propane, compressed natural gas and liquefied natural gas storage tanks serving multiple lots or uses from which fuel is distributed directly to individual users;
- H. Sewer lift stations and wastewater treatment or distribution systems; and
- I. Pipes, electrical wires and associated structural supports. [Ord. 11-0329 § 3 (Exh. 1).]

Utility facility does not include larger-scale regional facilities that are classified as a regional land use.

May include NAICS Sector 22 (Utilities).

Vehicle or equipment rental

“Vehicle or equipment rental” means an establishment that provides vehicles, machinery or equipment to customers in return for a rental payment.

May include NAICS Sector 5321 (Automotive Equipment Rental and Leasing), 5323 (General Rental Centers), and 5324 (Commercial and Industrial Machinery and Equipment Rental and Leasing).

Warehousing

“Warehousing” means establishments providing warehousing and storage of goods. Warehouses are distinguished from wholesale trade as warehouses do not sell goods.

May include NAICS Sector 49 (Transportation and Warehousing), except 491 (Postal Service) and 492 (Couriers and Messengers). May include 53113 (Lessors of Mini-warehouses and Self-Storage Units).

Wholesale trade

“Wholesale trade” means establishments that sell goods for resale by other wholesalers or retailers, capital or durable nonconsumer goods, or raw and intermediate material and supplies used in production. Wholesalers normally operate from a warehouse characterized by little or no display of merchandise. Neither the design nor the location of the premises is intended to solicit walk-in traffic.

May include NAICS Sector 42 (Wholesale Trade).

CURRENT LIST OF RB USES	PROPOSED NEW LISTINGS	Current code	Proposed code
Adult Entertainment Business	Adult entertainment business	P	P
Agricultural Product Sales	Retail sales	X	P
Aircraft, Ship and Boat Building	Manufacturing, light or heavy	X	P if light manufacturing. X if heavy manufacturing
Airport	Regional land use	P	P, except in subareas 1, 2 and 8
Amusement Arcade	Arts, entertainment, indoor	P	P
Amusement Park	Regional land use	P	P, except in subareas 1, 2 and 8
Amusement and Recreation Services	Arts, entertainment, or Office, or Personal service, or Recreational facility, or Transportation	P	P, varies by subarea
Apparel and Other Textile Products Manufacture	Manufacturing, light or heavy	P	P if light manufacturing. X if heavy manufacturing
Arboretum	Arts, entertainment, outdoor	P	P, except in subareas 5 and 8
Artist Studios	Arts, entertainment, indoor	P	P
Automotive Repair	Automotive sales and service, marine or non-marine	P	P, marine in all subareas but 1, 2 and 8; non-marine only in subareas 5, 6, 7
Automotive Service	Automotive sales and service, marine or non-marine, or Gas station	P	Automotive sales and service: P, marine in all subareas but 1, 2 and 8; non-marine only in subareas 5, 6, 7. Gas station: P, except subareas 1, 2 and 5
Bed and Breakfast Guesthouse	Temporary lodging	P	P, except in subarea 5
Bowling Center	Recreational facility, indoor	P	P
Campground	Recreational facility, outdoor	X	P, except in subareas 1, 5 and 8
Cemetery, Columbarium or Mausoleum	Cemetery, columbarium or mausoleum	P	P, except in subareas 4 and 5
Chemicals and Allied Products Manufacture	Manufacturing, light or heavy	X	P, if light manufacturing. X if heavy manufacturing
Church, Synagogue, Mosque, Temple (see also Religious	Religious institution	P	P, except in subarea 5

CURRENT LIST OF RB USES (Institutions)	PROPOSED NEW LISTINGS	Current code	Proposed code
College/University	College/university	P	P
Communication Facility	Communication facility	P	Addressed elsewhere in code
Community Residential Facility I	Community residential facility	P	P, except in subarea 5
Community Residential Facility II	Community residential facility	P	P, except in subarea 5
Computer and Office Equipment Manufacture	Manufacturing, light or heavy	P	P, if light manufacturing. X if heavy manufacturing
Conference Center	Business service, standard, or Temporary lodging	P	Business service, standard: P. Temporary lodging: P, except in subarea 5
Day Care I	Day care	P	P
Day Care II	Day care	P	P
Designated Manufactured Home	Single detached dwelling unit	X	X
Destination Resort	Regional land use, or Temporary lodging	P	Regional land use: P, except in subareas 1, 2 and 8. Temporary lodging: P, except in subarea 5
Dormitory	College/university	X	P
Drycleaning Plants	Business service, standard or intensive	X	P, if standard. X, if intensive
Earth Station	Communication facility	P	Addressed elsewhere in code
Electronic and Other Electric Equipment Manufacture	Manufacturing, light or heavy	P	P, if light manufacturing. X if heavy manufacturing
Elementary School	Educational service	X	P
Energy Resource Recovery Facility	Regional land use	P	P, except in subareas 1, 2 and 8
Fabricated Metal Products	Manufacturing, light or heavy	X	P, if light manufacturing. X if heavy manufacturing
Fairground	Regional land use	P	P, except in subareas 1, 2 and 8
Family Child-Care Home	Family child-care home	X	X
Farm Product Warehousing,	Warehousing	X	P, only in subareas 5 and 6

CURRENT LIST OF RB USES	PROPOSED NEW LISTINGS	Current code	Proposed code
Refrigeration and Storage			
Food and Kindred Products Manufacture	Manufacturing, light or heavy	P	P, if light manufacturing. X if heavy manufacturing
Funeral Home/Crematory	Funeral home/crematory	P	P, except in subareas 4 and 5
Furniture and Fixtures Manufacture	Manufacturing, light or heavy	P	P, if light manufacturing. X if heavy manufacturing
General Personal Service	Personal service	P	P
Golf Facility	Recreational facility, outdoor	X	P, except in subareas 1, 5 and 8
Government/Business Services Land Uses; <u>Except</u> Warehousing and Wholesale Trade; Farm Product Warehousing, Refrigeration and Storage; Log Storage; Transportation Service; Heavy Equipment and Truck Repair; and Helistop	Automotive sales and service, or Business service, or Construction and trade, or Fire or police facility, or Laboratory, or Office, or Outdoor storage, or Standalone parking, or Transportation, or Utility facility, or Vehicle or equipment rental, or Warehousing	P	P, varies by subarea
Guided Missile and Space Vehicle Parts Manufacture	Manufacturing, light or heavy	X	P, if light manufacturing. X if heavy manufacturing
Heavy Equipment and Truck Repair	Automotive sales and service, non-marine	X	P, only in subareas 5, 6, 7
Heavy Machinery and Equipment Manufacture	Manufacturing, heavy	X	X
Heliport	Regional land use	P	P, except in subareas 1, 2 and 8
Helistop	Air transportation service	P	P, subarea 3 only
Home Industry		X	Not addressed
Home Occupation		P	Not addressed
Hospital	Hospital	P	P, only in subareas 3, 6, and 7
Hotel	Temporary lodging	P	P, except in subarea 5
Hydroelectric Generation	Regional land use or Utility facility	X	Regional land use: P, except in subareas

CURRENT LIST OF RB USES	PROPOSED NEW LISTINGS	Current code	Proposed code
Facility			1, 2 and 8. Utility facility: P, only in subareas 5 and 6.
Industrial and Commercial Machinery Manufacture	Manufacturing, light or heavy	X	P, if light manufacturing. X if heavy manufacturing
Industrial Launderers	Business service, standard or intensive	X	P, if standard. X, if intensive
Interim Recycling Facility	Manufacturing, light or heavy	P	P, if light manufacturing. X if heavy manufacturing
Jail	Secure facility	P	P, only in subareas 6, 7 and 8
Jail Farm/Camp	Secure facility	X	P, only in subareas 6, 7 and 8
Kennel or Cattery	Animal kennel/shelter	P	P, except in subareas 4 and 5
Landfill	Regional land use	P	P, except in subareas 1, 2 and 8
Leather and Leather Goods Manufacture	Manufacturing, light or heavy	P	P, if light manufacturing. X if heavy manufacturing
Library	Arts, entertainment, indoor	P	P
Livestock Sales	Retail sales or Wholesale trade	X	Retail sales: P. Wholesale trade: P, only in subareas 5 and 6
Log Storage	Outdoor storage or Warehousing	X	Outdoor storage: P, except in subareas 1, 2 and 8. Warehousing: P, only in subareas 5 and 6.
Marina	Recreational facility, outdoor	P	P, except in subareas 1, 5 and 8
Measuring and Controlling Instruments Manufacture	Manufacturing, light or heavy	P	P, if light manufacturing. X if heavy manufacturing
Medical/Dental Lab	Laboratory or Manufacturing, light or heavy	P	Laboratory: P. Manufacturing: P, if light manufacturing. X if heavy manufacturing
Medical/Dental Office/Outpatient Clinic	Health care and social assistance	P	P
Middle/Junior High School	Educational service	X	P
Miscellaneous Health Services	Health care and social assistance	P	P
Miscellaneous Light	Manufacturing, light	P	P

CURRENT LIST OF RB USES	PROPOSED NEW LISTINGS	Current code	Proposed code
Manufacturing			
Miscellaneous Repair	Business service, standard or intensive	P	P, if standard. X if intensive
Miscellaneous Transportation Vehicles Manufacture	Manufacturing, light or heavy	X	P, if light manufacturing. X if heavy manufacturing
Mobile Home and Manufactured Home	Single detached dwelling unit	X	X
Mobile Home Park	Mobile home park	X	X
Motel	Temporary lodging	P	P, except in subarea 5
Motor Vehicle and Bicycle Manufacturing	Manufacturing, light or heavy	X	P, if light manufacturing. X if heavy manufacturing
Movie Production/Distribution	Arts, entertainment	P	P, if indoor. Outdoor: P, except in subareas 5 and 8
Multiple Family Dwelling	Multiple family dwelling	P	P
Municipal Water Production	Regional land use or Utility facility	P	Regional land use: P, except in subareas 1, 2 and 8. Utility facility: P, only in subareas 5 and 6.
Museum	Arts, entertainment, indoor	P	P
Nonhydroelectric Generation Facility	Regional land use or Utility facility	P	Regional land use: P, except in subareas 1, 2 and 8. Utility facility: P, only in subareas 5 and 6.
Nursing and Personal Care Facilities	Supportive living facility	P	P, except in subarea 5
Oil and Gas Extraction	Resource land use	P	X
Organization Hotel/Lodging Houses	Temporary lodging	P	P, except in subarea 5
Outdoor Performance Center	Arts, entertainment, outdoor, or Regional land use	P	Arts, entertainment, outdoor: P, except in subareas 5 and 8. Regional land use: P, except in subareas 1, 2 and 8.
Paper and Allied Products Manufacture	Manufacturing, light or heavy	X	P, if light manufacturing. X if heavy manufacturing
Park	Park	P	P

CURRENT LIST OF RB USES	PROPOSED NEW LISTINGS	Current code	Proposed code
Petroleum Refining and Related Industries	Manufacturing, light or heavy	X	P, if light manufacturing. X if heavy manufacturing
Primary Metal Industries	Manufacturing, light or heavy	X	P, if light manufacturing. X if heavy manufacturing
Printing and Publishing	Business service, standard or intensive, or Manufacturing, light or heavy	P	Business service: P, if standard. X if intensive. Manufacturing: P, if light. X if heavy manufacturing
Public Agency Animal Control Facility	Animal kennel/shelter	P	P, except in subareas 4 and 5
Public Agency Training Facility	Fire or police facility	P	P, except in subarea 5
Racetrack	Regional land use	P	P, except in subareas 1, 2 and 8
Railroad Equipment Manufacture	Manufacturing, light or heavy	X	P, if light manufacturing. X if heavy manufacturing
Recreational Vehicle Park	Recreational facility, outdoor	X	P, except in subareas 1, 5 and 8
Residential Accessory Uses		P	Not addressed
Resource Land Uses	Animal kennel/shelter, or Laboratory, or Manufacturing, or Office, or Resource land use	X	P or X, varies by use and subarea
Retail Land Uses	Auction house, or Automotive sales and service, or Bulk retail, or Eating and drinking place, or Gas station, or Retail sales	P	P, varies by subarea
Rubber and Miscellaneous Plastic Products Manufacture	Manufacturing, light or heavy	X	P, if light manufacturing. X if heavy manufacturing
School Bus Base	Transportation	P	P, except in subareas 1, 2 and 8
School District Support Facility	Business service, or Construction and trade, or Office	P	Business service: P, if standard. X if intensive. Construction and trade: P, only in subareas 5 and 6. Office: P
Secondary or High School	Educational service	P	P
Secure Community Transition Facilities	Secure facility	P	P, only in subareas 6, 7 and 8

CURRENT LIST OF RB USES	PROPOSED NEW LISTINGS	Current code	Proposed code
Senior Citizen Assisted Living	Supportive living facility	P	P, except in subarea 5
Shooting Range	Recreational facility	P	P, if indoor. P, if outdoor, except in subareas 1, 5 and 8
Single Detached Dwelling Unit	Single detached dwelling unit	X	X
Social Services	Health care and social services	P	P
Soil Recycling Facility	Manufacturing, light or heavy	X	P, if light manufacturing. X if heavy manufacturing
Specialized Instruction School	Educational service	P	P
Sports Club	Recreational facility	P	P, if indoor; P, if outdoor, except in subareas 1, 5 and 8
Stable	Recreational facility, outdoor	X	P, except in subareas 1, 5 and 8
Stadium/Arena	Regional land use	P	P, except in subareas 1, 2 and 8
Stone, Clay, Glass and Concrete Products Manufacture	Manufacturing, light or heavy	P	P, if light manufacturing. X if heavy manufacturing
Textile Mill Products	Manufacturing, light or heavy	X	P, if light manufacturing. X if heavy manufacturing
Theater	Arts, entertainment	P	P, if indoor; P, if outdoor, except in subareas 5 and 8
Theater, Drive-in	Arts, entertainment, outdoor	P	P, except in subareas 5 and 8
Theatrical Production Services	Arts, entertainment	P	P, if indoor; P, if outdoor, except in subareas 5 and 8
Tire Retreading	Manufacturing, light or heavy	P	P, if light manufacturing. X if heavy manufacturing
Trail	Park	P	P
Transfer Station	Regional land use	P	P, except in subareas 1, 2 and 8
Transit Bus Base	Transportation	P	P, except in subareas 1, 2 and 8
Transportation Service	Transportation	X	P, except in subareas 1, 2 and 8
Veterinary Clinic	Health care and social service	P	P
Vocational School	Educational service	P	P
Warehousing and Wholesale	Warehousing or Wholesale trade	X	Warehousing. P, only in subareas 5 and

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CURRENT LIST OF RB USES	PROPOSED NEW LISTINGS	Current code	Proposed code
Trade			6. Wholesale trade: P, only in subareas 5 and 6
Wastewater Treatment Facility	Regional land use or Utility facility	P	Regional land use: P, except in subareas 1, 2 and 8. Utility facility: P, only in subareas 5 and 6.
Winery/Brewery	Manufacturing, light or heavy	P	P, if light manufacturing. X if heavy manufacturing
Wood Products Manufacture, Except Furniture	Manufacturing, light or heavy	P	P, if light manufacturing. X if heavy manufacturing
Work Release Facility	Secure facility	P	P, only in subareas 6, 7 and 8
Zoo/Wildlife Exhibit	Arts, entertainment, or Regional land use	P	Arts, entertainment, indoor: P. Arts, entertainment, outdoor: P, except in subareas 5 and 8. Regional land use: P, except in subareas 1, 2 and 8.
	Ambulatory surgery center	Not addressed	P
	Mobile food service	Not addressed	P