



City of Kenmore - 18120 68th Avenue NE - Kenmore, WA 98028
Phone: 425-398-8900 - E-mail: cityhall@kenmorewa.gov

City Council Special & Regular Meeting

ON-SITE

MONDAY, NOVEMBER 21, 2022 - 6:30 PM

In addition, we try to provide access to the meeting virtually:

ZOOM LINK: <https://kenmorewa-gov.zoom.us/j/84300559090>

Or One tap Mobile: US: +12532158782,,84300559090#

Or Telephone Dial US: +1 253 215 8782

Callers please dial *9 to raise and lower hand

Webinar ID: 843 0055 9090

Technical Difficulties - If the virtual component of the meeting disconnects, and we cannot resolve technical difficulties to reconnect the virtual component, the in-person meeting will continue at City Hall if there is a quorum of the body to conduct business.

I. CALL SPECIAL MEETING TO ORDER - 6:30 PM

II. EXECUTIVE SESSION

- A. Pursuant to RCW 42.30.110(1)(i), the City Council will now enter an executive session to discuss pending or potential litigation. This executive session is slated to last 30 minutes.

EXECUTIVE SESSION HELD. NO ACTION TAKEN.

III. ADJOURN SPECIAL MEETING

IV. CALL REGULAR MEETING TO ORDER - 7:00 PM

V. ROLL CALL

VI. FLAG SALUTE

VII. AGENDA APPROVAL

APPROVED WITH REMOVAL OF ITEM C UNDER PRESENTATION

VIII. PRESENTATION

- A. Recognizing Mariel Torres Mehdipour for service on the Planning Commission
PRESENTED
- B. North King County Homelessness Interlocal Agreement, presented by Assistant to the City Manager Garrett Oppenheim and King County Regional Homelessness Authority Director of Sub-Regional Planning and Equitable Engagement Alexis Mercedes Rinck

PRESENTED**[Presentation - North King County ILA with KCRHA](#)**

- C. Public Records Request Presentation, presented by Public Records Officer Teresa McAllister

REMOVED FOR FUTURE DATE**[Presentation - Public Records Request \(updated 11/18\)](#)****IX. PUBLIC COMMENTS**

- A. We welcome our community members to the Council's meeting. In this forum, the Council does not engage or dialogue with the public; the primary role of the Council is to listen. We will hear from our on-site guests first, followed by our virtual guests. If you're online, please use the "raise hand" feature now if you wish to speak. All guests must address comments to the Mayor and City Council. The Clerk will acknowledge your request and call your name when it is your turn. Your time will start when we confirm that we can hear you. Please state your name and city of residence for the record and keep your comments to the allotted time. We will not split your time with others or reset your time except by express approval of the Presiding Officer. Screen-sharing is not allowed; you can submit materials to the Council or Clerk in advance. Please do not comment about pending development projects on which the Council will make future decisions as those are quasi-judicial matters, and Councilmembers must limit their communications about such matters. This meeting is being recorded. Thank you for taking the time to express your comments.

X. CONSENT AGENDA**APPROVED BY UNANIMOUS CONSENT**

- A. Approve City Council Special Meeting Minutes from November 7, 2022
[City Council Special Meeting Minutes from November 7, 2022](#)
- B. Approve City Council Special Meeting Minutes from November 9, 2022
[City Council Special Meeting Minutes from November 9, 2022](#)
- C. Approve Appointment of Saad Qadri to the Planning Commission, effective immediately, to complete a three-year term ending 12/31/2024
[Agenda Bill - Appointment of Saad Qadri to the Planning Commission](#)

XI. STUDY SESSION AGENDA

- A. Joint Meeting with the Planning Commission to Discuss Transit-Oriented Development (TOD) Amendments, presented by the Planning Commission and introduced by Community Development Director Debbie Bent and Principal Planner Lauri Anderson, *for Discussion*
DISCUSSED
[Agenda Bill - Joint Meeting with the Planning Commission](#)
[Attachment 1 - Summary of TOD Amendments](#)

[Attachment 2 - Zoning Map Excerpt](#)
[Attachment 3 -Recommended TOD Code Amendments](#)
[Attachment 4 - Public Comment Matrix](#)
[Attachment 5 - TOD Postcard](#)
[Attachment 6 - Related Comprehensive Plan Language](#)
[Attachment 7 - Banaszynski Planning Commission TOD Minority Report](#)
[November 2022 with Page Numbers](#)
[Presentation - Transit-Oriented Development](#)

XII. PUBLIC HEARING

- A. Final Public Hearing on the Proposed 2023-2024 Biennial Budget presented by Finance & Administration Director Leticia Salcido, *for Public Hearing*
PUBLIC HEARING HELD
[Agenda Bill - 2023-2024 Biennial Budget Public Hearing 11-21-2022](#)
[Presentation - 2023-2024 Biennial Budget Public Hearing 11-21-2022](#)

XIII. BUSINESS AGENDA

- A. Ordinance No. 22-0561: Amending the 2021-2022 Biennial Budget, presented by Finance & Administration Director Leticia Salcido, *for Adoption*
MOTION TO APPROVE PASSED
[Agenda Bill - Amending the 2021-2022 Biennial Budget \(with Exhibit and Proposed Ordinance\)](#)
- B. Ordinance No. 22-0560: 2023 Property Tax Levy presented by Finance & Administration Director Leticia Salcido, *for Adoption*
MOTION TO APPROVE PASSED
[Agenda Bill - 2023 Property Tax Levy \(with Proposed Ordinance\)](#)
- C. Ordinance No. 22-0568: 2023 Excess Property Tax Levy presented by Finance & Administration Director Leticia Salcido, *for Adoption*
MOTION TO APPROVE PASSED
[Agenda Bill - 2023 Excess Property Tax Levy \(with Proposed Ordinance\)](#)
- D. Ordinance No. 22-0562: Biennial Budget for the Period of January 1, 2023 through December 31, 2024, establishing appropriations of funds for the 2023-2024 biennium and the 2023 Employee Salary Plan, presented by Finance & Administration Director Leticia Salcido, *for Adoption*
MOTION TO APPROVE PASSED
[Agenda Bill - 2023-2024 Biennial Budget \(with Proposed Ordinance and Exhibit A\)](#)
- E. Ordinance No. 22-0563: Amending Kenmore Municipal Code Chapter 3.35 Utility Tax to include Surface Water Business as an occupation subject to tax, presented by Finance & Administration Director Leticia Salcido, *for Adoption*
MOTION TO APPROVE PASSED
[Agenda Bill - Surface Water Utility Tax \(with Exhibit A\)](#)

[Exhibit B - Financial Sustainability Plan](#)

XIV. STAFF REPORTS

XV. COUNCILMEMBER REPORTS & COMMENTS

XVI. ADJOURNMENT

XVII. UPCOMING MEETINGS

- A. Monday, November 28, 2022 at 7:00 PM - City Council Regular Meeting
Wednesday, November 30, 2022 at 7:00 PM - City Council Special Meeting
December City Council Regular Meetings - Tentatively Canceled



KCRHA
King County Regional Homelessness Authority

Strengthening Regional Partnership

*The North King County ILA with
King County Regional Homelessness Authority*

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Kenmore City Council, November 21, 2022

By Alexis Mercedes Rinck, Director of Sub-Regional Planning and Equitable Engagement

The North King County Coalition on Homelessness

Originally convened to identify a space to establish the Oaks shelter.

Purpose:

Work together across sectors and jurisdictions in North King County in support of policies and community-based efforts to provide services and housing options for those in the North King County communities who are experiencing homelessness or who are at risk of becoming homeless.”

Members:

- Government: Bothell, Kenmore, Lake Forest Park, Shoreline, Woodinville
- Non-Government: Bothell United Methodist Church, Health Care for the Homeless, Hopelink, Interfaith Task Force on Homeless, Lake City Partners Ending Homelessness, Lived Experience Coalition, North Sound Radar Navigator Program, North Urban Human Services Alliance, Ronald United Methodist Church.

Timeline



March

First presentation to North King County Coalition on Homelessness on the concept of Pooling funding for an ILA.

April & May

Staff review and incorporating feedback.

June

Unanimous affirmation from the Coalition to move forward.

July & August

Presentations to North King County City Councils

Sept. & October

The Coalition and staff deliberate and finalize ILA

The North King County ILA

Pooled funding on homelessness response through the KCRHA will improve:

Transparency, Efficiency, Accountability

To ensure a more effective response to homelessness

Transparency

An annual report to city council including metrics such as:

- HMIS origin city data,
- North King County sub-regional outcomes and activities,
- Progress on funding administration and distribution.

KCRHA staff can accommodate additional presentations/reports to council per request.



Efficiency

Reduced administrative burden for providers and public funders.

One less system for providers to navigate.

Streamlined funding and contract management.



Accountability

- Defining the relationship between KCRHA and a partnering city
- Reporting on funding distribution
- Improved metrics

With greater confidence, we will be able to share what the impact of public funding was for the North King County sub-region.



ILA Key Components

Initial four-year term, with phased approach

What happens in 2023-24?

- If this ILA is approved, Kenmore will transfer the amount covering most homelessness grants to KCRHA, who will administer the 2023-24 contracts on your behalf

What happens in 2025-26?

- All cities contribute \$1.20 per capita starting in 2025-26 budget, with option to contribute more.

Review of Changes to Agreement

- Withdrawal

- Clarified Language in Exhibits on Allowable Expenditures



Withdrawal

Any Partner City may withdraw from this Agreement by giving written notice of its intention to withdraw by September 30, 2024 to the Authority and the other Parties.”

- Minimal disruption to provider funding streams
- Aligned with City budget cycles



Clarified Language - Allowable Expenditures

Per guidance of councils, added language qualifying:

- No administrative funding, all will be distributed
- Administered to services programs located within NKC or determined to be serving NKC residents.
- Not precluding any Partner City from funding a program outside of the agreement.





Council Consideration

VIII. B. North King County Homelessness Interlocal Agreement, presented ...

CITY OF KENMORE City Manager's Office

Kenmore's Public Records Requests

Teresa McAllister, CPRO
Public Records Officer
November 21, 2022



The Public Records Act

Revised Code of Washington State, Chapter 42.56

The people do not yield their
sovereignty to the agencies that
serve them.

The people do not give their public
servants the right to decide what is
good for the people to know and
what is not good for them to know.

Kenmore Municipal Code Chapter 1.10

1.10.010(A)...the City will make public records
available upon request and publish rules of
procedures to inform the public how access to
public records will be accomplished.

What is a public record?



Kenmore's Public Records Requests (PRRs)

No. of PRRs Received

2018:	399
2019:	417
2020:	331
2021:	331
2022:	360 est.

No. of Days to Final Disposition

	Median Days	Average Days
2018:	6	9.6
2019:	7	12
2020:	5	10.4
2021:	5	7.2
2022 To Date:	5	10.5



What Records are Being Requested

- 70% Assigned to Development Services and Community Development
 - Building and Land Use
 - Code Enforcement
 - Park Development Projects
 - Long-Range Planning & Initiatives, such as affordable housing, ADUs, missing middle, tenant protections
- 20% Assigned to the City Clerk, City Manager's Office, Engineering, Finance/Personnel, Environmental Services, Public Works Operations
 - City Council meeting materials, including ordinances, resolutions, proclamations; Contract; Bids
 - Street, Sidewalk & Bridge Construction, such as design, construction & as-built drawings
 - City Staff and Council Annual Salary Schedules
 - Citizen Complaints, mostly related to drainage issues
 - Air and Water Quality Monitoring
- 10% of Requests are for Police Records => King County Sheriff's Office



Complex Requests

- All records relating to these [two] parcels...
- All communication to, from and among the Kenmore City Council and City staff related to the Ordinance 22-0545 and Ordinance 19-0484.
- All records regarding any and all underground sewer/watermain pipe work. Please include Contractors daily diary, inspection reports and photos relating to such work. The project name is Juanita Drive NE Pedestrian and Bicycle Improvements. Contract No. 20-C2144. Approximate dates 8/3/20-1/9/21.



Staff Time Spent Responding to PRRs

Total Staff Hours by Year

2018: 1156
2019: 995
2020: 1057
2021: 1137
2022 (to date): 855

Avg Time Per Request

3 hours

PRO's Time Spent on PRRs

35%



Role of the Public Records Officer (PRO)

The Role of the Public Records Officer is a key part of our democracy.

- Assures Public Access to the City's Informational Assets
- Receive, Assign and Respond to Requests
- Review Responsive Records Prior to Production
- Manage PRR Webpage, Procedures & Municipal Code, KMC 1.10
- Staff and PRO Training
- File Annual JLARC (Joint Legislative Audit & Review Committee) Report



For comments and questions:

Teresa McAllister, CPRO

Public Records Officer and Administrative Specialist, City Manager's Office

tmcallister@kenmorewa.gov

425 398 8900



**City of Kenmore
City Council Meeting
Special Meeting Minutes
Monday, November 7, 2022**

These minutes are created to capture Council action. This is not a verbatim transcript. Meeting video and audio is available on the City YouTube channel.

PRESENT:

Councilmembers: Mayor Nigel Herbig
Deputy Mayor Melanie O’Cain
Councilmember David Baker
Councilmember Joe Marshall
Councilmember Angel Kugler
Councilmember Debra Srebnik
Councilmember Corina Pfeil

Staff: City Manager Rob Karlinsey
Assistant City Manager Stephanie Lucash
City Attorney Dawn Reitan
Deputy City Clerk Michelle Kang
Co-Clerk Tela Gardner
Environmental Services Manager Richard Sawyer
Community Development Director Debbie Bent
Principal Planner Lauri Anderson
Development Services Director Samantha Loyuk
Finance & Administration Director Leticia Salcido

Speaking Guests: United States Coast Guard Lieutenant Kevin Lowery
Hopelink Food Programs Director Amanda Lopez-Castanon
Hopelink Housing and Case Management Director Malory Gustave-Trask
Mary’s Place Northshore Shelter Site Director Yasmin Mishra
Mary’s Place Executive Director Marty Hartman

Public Comments Speaking Guests:
Nathan MacDonald, Kenmore Resident
John King, Kenmore Resident
Elizabeth Mooney, Kenmore Resident
David Morton, Redmond Resident
Victoria Grayland, Kenmore Resident
Phyllis Finley, Kenmore Resident
Stacey Valenzuela, Kenmore Resident

Janet Hays, Kenmore Resident
Nicholas Bykov, Kenmore Resident

Public Hearing A Speaking Guests:

Stacey Valenzuela, Kenmore Resident
Eric Adman, Kenmore Resident / Northshore Fire District Commissioner

Public Hearing B Speaking Guests:

Elizabeth Mooney, Kenmore Resident
Stacey Valenzuela, Kenmore Resident
Janet Hays, Kenmore Resident

Public Hearing C Speaking Guests:

Stacey Valenzuela, Kenmore Resident
Phyllis Finley, Kenmore Resident
Corey Holder, Kenmore Resident
Janet Hays, Kenmore Resident

CALL SPECIAL MEETING TO ORDER

Mayor Herbig called the special meeting to order at 6:00 PM.

FLAG SALUTE

Mayor Herbig led the Council in the flag salute.

AGENDA APPROVAL

The agenda was approved as published.

STUDY SESSION AGENDA

Climate Action Plan and Housing & Human Services Implementation and Funding Options presented by City Manager Rob Karlinsey, Assistant City Manager Stephanie Lucash, and Environmental Services Manager Richard Sawyer, *for Discussion and Direction*

[Climate Action Plan and Housing & Human Services Implementation and Funding Options](#)

Environmental Services Manager Richard Sawyer presented an update on funding options for the Climate Action Plan and Housing & Human Services Implementation, based off Council's feedback from the original presentation a few weeks prior.

The new recommended approach is to take a "Steps" approach to ramp up the resources necessary to achieve the greenhouse gas reduction goal of 50% by 2030. This new approach follows the K4C Climate Action Toolkit.

Step 1 (2023)

- Climate Action

- Hire a CAP program manager
- Work on high priority actions
- Apply for grants
- Research resource & funding options
- Engage the community
- Housing and Human Services
 - Hire HHS program manager
 - Work on existing HHS programs
 - Conduct needs assessment
 - Research resource & funding options
 - Engage the community

Step 2 will take place in 2023-2024. Step 3 will take place in 2024-2025.

Step 1 proposed costs will total \$600,000 for 2023 and \$636,000 for 2024. The proposed sources of funding include the vehicle license fee increase from \$20 to \$40 and the solid waste utility tax of 10%. These sources would not be implemented until after the start of the biennium. There are other councilmanic funding options and voter-approved funding options to consider as well, found on page 21 of the report.

Councilmembers provided comments and questions. Staff responded.

- Councilmembers disagree about increase of the vehicle license fee. There is a concern for the senior community and those on fixed income. Lower income residents are more likely to need their cars for employment. We don't want a disproportionate impact from this vehicle licensing fees. Rebates for low-income residents would be possible, it would just require more staffing. Vehicle license fees have been politicized. Cars are part of the problem that are trying to be changed through climate action. A suggestion was made for Kenmore to consider a B&O tax rather than vehicle license fee.
- What is the estimated cost of a levy lid lift per household for a property around \$800,000? Around \$25/month per household for a \$1.5 million lid lift per year
- Would a garbage tax only apply to residential and not business? A garbage tax would apply to both residential and business
- What would happen to the existing workload of human services if we didn't hire the manager? Current staff do not have the capacity to participate in grant writing opportunities

Recommended revenue sources:

- Garbage utility tax, a lower amount than what is in the report
- Increasing gas tax from 4% to 6%
- Vehicle licensing fees

BREAK

The Council was in recess until 7:00 PM.

RESUME SPECIAL MEETING

Mayor Herbig resumed the special meeting at 7:00 PM.

PROCLAMATIONS

- A. Honoring Veterans to be accepted by Lieutenant Kevin Lowery, United States Coast Guard
[Veterans Day Proclamation 2022](#)

Mayor Herbig read the Veterans Day Proclamation, honoring veterans. Lieutenant Kevin Lowery of the United States Coast Guard provided remarks and accepted the proclamation. Lieutenant Lowery and the Council posed for a photo.

- B. Hunger and Homelessness Awareness Week to be accepted by Hopelink Food Programs Director Amanda Lopez-Castanon, Hopelink Housing and Case Management Director Malory Gustave-Trask, Mary's Place Northshore Shelter Site Director Yasmin Mishra, and Mary's Place Executive Director Marty Hartman
[Hunger and Homelessness Awareness Week Proclamation 2022](#)

Mayor Herbig read the Hunger and Homelessness Awareness Week Proclamation. The special guests from Hopelink and Mary's Place provided remarks and accepted the proclamation. The guests and Council posed for a photo.

PUBLIC COMMENTS

The Council took comments from the public.

Timestamped link included here: <https://youtu.be/eIjxMj3uZus?t=4375>

CONSENT AGENDA

- A. Approve the City Council Regular Meeting Minutes from October 17, 2022
[City Council Regular Council Meeting Minutes from October 17, 2022](#)
- B. Authorize the City Manager to Execute the Interlocal Agreement to share cost of security services for Community Court at Shoreline City Hall between the Cities of Kenmore and Shoreline
[Agenda Bill - Community Court Partnership with Shoreline and KC District Court](#)
[Attachment 1 - Proposed Interlocal Agreement with the City of Shoreline](#)
- C. Authorize the City Manager to extend Contract No. 22-2861, Consultant Services Agreement with Gordon Thomas Honeywell (GTH) through December 31, 2023
[Agenda Bill - Gordon Thomas Honeywell Contract](#)
[Attachment 1 - Gordon Thomas Honeywell Contract 2023](#)
- D. Authorize the City Manager to use City funds in an amount not to exceed \$1,000.00 for the payment of permit fees related to the Camp United We Stand temporary homelessness encampment application
[Agenda Bill - Camp United We Stand Permit Fees](#)
[Exhibit A - Letter of Intent](#)

[Exhibit B - Fee Estimate](#)

MOTION: Councilmember Srebnik moved to approve the consent agenda including items A-D outlined above. Councilmember Pfeil seconded the motion.

VOTE: Consent Agenda was approved by UNANIMOUS CONSENT

BUSINESS AGENDA

Ordinance 22-0558 Amendments to the Comprehensive Plan Vision Statement, Land Use Element, Housing Element, Capital Facilities Elements, and new Appendix A and Ordinance 22-0566 Amendments to the Official Kenmore Zoning Map, presented by Community Development Director Debbie Bent and Principal Planner Lauri Anderson, *for Adoption*

[Agenda Bill - 2022 GMA Docket Amendments](#)

[Attachment 1 - Summary of Changes requested by the City Council](#)

[Attachment 2 - Proposed Ordinance 22-0558](#)

[Exhibit A - Final Vision Statement](#)

[Exhibit B - Final Land Use Element](#)

[Exhibit C - Final Housing Element](#)

[Exhibit D - Final Capital Facilities Element](#)

[Exhibit E - Appendix A](#)

[Attachment 3 - Proposed Ordinance 22-0566](#)

[Exhibit A - Final Zoning Map](#)

Community Development Director Debbie Bent and Principal Planner Lauri Anderson answered final questions from Councilmembers. The proposed ordinances do not include an implementation of zoning changes to permit any missing middle housing. The changes in the proposed ordinances allow for further discussion in 2023, at the direction of Council during previous meetings.

MOTION: Councilmember Pfeil moved to adopt Ordinance 22-0558 Amendments to the Comprehensive Plan Vision Statement, Land Use Element, Housing Element, Capital Facilities Elements, and new Appendix A, and add “raise children” to goal one, and Ordinance 22-0566 Amendments to the Official Kenmore Zoning Map. Mayor Herbig seconded the motion.

VOTE: 5 Yes; 2 No; 0 Abstain. **MOTION PASSES**

PUBLIC HEARINGS

A. Allow Indoor Storage as a temporary use for a one-year period at real property located at 15036 70th Ave NE, Kenmore, Washington, which is owned by the Northshore Fire District and zoned Public/Semi-Public, subject to conditions presented by Development Services Director Samantha Loyuk, *for Public Hearing*

[Agenda Bill - Temporary Use 15036 70th Avenue NE](#)

[Exhibit A - 2022 Renewal Request Letter](#)

[Exhibit B - 2015 Approval Letter with Attachments](#)

[Exhibit C - Vicinity Map](#)

Development Services Director Samantha Loyuk presented to Council the proposed one-year renewal to allow indoor storage as a temporary use at the old fire station. This renewal would extend the temporary use to January 1, 2024. Shoreline Fire has just taken over Northshore Fire.

Councilmembers provided comments. Some are reluctant to allow a temporary use for another year because the fire station has not been used for over 20 years. A future plan would need to be demonstrated with a clearly defined use before agreeing to extend one more year.

Mayor Herbig opened the Public Hearing at approximately 8:21 PM.
The public provided testimony: <https://youtu.be/eIjxMj3uZus?t=8493>.
Mayor Herbig closed the Public Hearing at approximately 8:25 PM.

- B. Allow "Construction and Trade" as a temporary use for Interim Public Works Shop for a one-year period at real property located at 6532 NE Bothell Way, Kenmore, Washington, which is owned by City of Kenmore and zoned Downtown commercial, subject to conditions, presented by Development Services Director Samantha Loyuk, *for Public Hearing*

[Agenda Bill - Temporary Use for Interim Public Works Shop](#)

[Exhibit A - Renewal Narrative TMP18-0723](#)

[Exhibit B - Renewal Application TMP18-0723](#)

[Exhibit C - Site Location Map](#)

[Exhibit D - Landscaping](#)

Development Services Director Samantha Loyuk presented to Council the proposed one-year renewal to allow "construction and trade" as a temporary use for interim public works shop real property located at 6532 NE Bothell Way. There is a possibility that the temporary use would be less than one year since Plymouth Housing is set to break ground sometime in 2023. At that point, temporary use would have to move somewhere else.

Councilmembers provided questions and comments.

- Could approving this one-year temporary use delay breaking ground for affordable housing development? No
- Is there another site to put Public Works? A possible site would be putting Public Works in a temporary space in the area we purchased for the new Public Works facility that would not be constructed on.

Mayor Herbig opened the Public Hearing at approximately 8:29 PM.
The public provided testimony: <https://youtu.be/eIjxMj3uZus?t=8956>
Mayor Herbig closed the Public Hearing at approximately 8:39 PM.

- C. 2023-2024 Proposed Preliminary Biennial Budget presented by Finance & Administration Director Leticia Salcido, *for Public Hearing*

[Agenda Bill - 2023-2024 Proposed Preliminary Biennial Budget Public Hearing \(including Exhibit 2\)](#)

[Exhibit 1 - City Manager's Budget Message](#)

Presentation - 2023-2024 Preliminary Biennial Budget Public Hearing November 7, 2022

Finance & Administration Director Leticia Salcido presented prior to the public hearing. Some highlights include:

- The two components to city operations: Operating Revenues and Expenditures, and Major Capital Expenditures and Resources
- General Fund Revenues for 2023-2024 – three major categories
 - o Property tax – 37% = \$11,403,392 projected for the biennium
 - o Sales tax – 24% = \$7,543,271 projected for the biennium
 - o Utility and other tax – 16% = \$2,956,579 projected for the biennium
- Expenditures for 2023-2024 – significant cost drivers include:
 - o Salaries and benefits = \$14,196,000
 - o Police contract = \$8,555,000
 - o Insurance (WCIA) = \$1,059,000
 - o Jail/Court services/ Prosecuting attorney/Public defender = \$1,030,000
 - o Utilities = \$962,000
 - o Legal Services = \$700,000
 - o Human Services Contributions and ARCH = \$592,000
- 2023-2024 Capital Project Costs / Resources, balance to \$27,144,424
- Total proposed expenditure budget for 2023-2024 = \$87,284,869

Councilmembers provided questions and comments.

- Can hiring a fleet manager wait until 2024 until we have a larger fleet and site? The new FTE is to assist with the existing workload. The existing workload has grown over the years and our Public Works Operations Manager needs the additional position to keep up with the continually increasing workload.

Mayor Herbig opened the Public Hearing at approximately 9:04 PM.
 The public provided testimony: <https://youtu.be/eIjxMj3uZus?t=11041>
 Mayor Herbig closed the Public Hearing at approximately 9:16 PM.

BUSINESS AGENDA – CONTINUED

- A. Allow Indoor Storage as a temporary use for a one-year period at real property located at 15036 70th Ave NE, Kenmore, Washington, which is owned by the Northshore Fire District and zoned Public/Semi-Public, subject to conditions presented by Development Services Director Samantha Loyuk, *for Approval*
[Agenda Bill - Temporary Use 15036 70th Avenue NE](#)
[Exhibit A - 2022 Renewal Request Letter](#)
[Exhibit B - 2015 Approval Letter with Attachments](#)
[Exhibit C - Vicinity Map](#)

MOTION: Councilmember Baker moved to allow Indoor Storage as a temporary use for a one-year period at real property located at 15036 70th Ave NE, Kenmore, Washington, which is owned by the Northshore Fire District and zoned Public/Semi-Public, subject to conditions. Councilmember Srebnik seconded the motion.

VOTE: 6 Yes; 1 No; 0 Abstain. MOTION PASSES

- B. Allow "Construction and Trade" as a temporary use for Interim Public Works Shop for a one-year period at real property located at 6532 NE Bothell Way, Kenmore, Washington, which is owned by City of Kenmore and zoned Downtown commercial, subject to conditions, presented by Development Services Director Samantha Loyuk, *for Approval*
[Agenda Bill - Temporary Use for Interim Public Works Shop](#)
[Exhibit A - Renewal Narrative TMP18-0723](#)
[Exhibit B - Renewal Application TMP18-0723](#)
[Exhibit C - Site Location Map](#)
[Exhibit D - Landscaping](#)

MOTION: Councilmember Baker moved to allow "Construction and Trade" as a temporary use for Interim Public Works Shop for a one-year period at real property located at 6532 NE Bothell Way, Kenmore, Washington, which is owned by City of Kenmore and zoned Downtown commercial, subject to conditions. Councilmember Kugler seconded the motion.

VOTE: 7 Yes; 0 No; 0 Abstain. MOTION PASSES UNANIMOUSLY

- C. Review Amendments to the 2021-2022 Biennial Budget presented by Finance & Administration Director Leticia Salcido, *for Discussion*
[Agenda Bill - Amendments to the 2021-2022 Biennial Budget \(with Exhibit\)](#)
[Presentation - 2021-2022 Budget Amendments](#)

Finance & Administration Director Leticia Salcido presented the 2021-2022 biennial budget amendments to Council. Prior to closing the budget period, the city has to ensure that the expenditures do not exceed the legally adopted budget. The budget needs to be updated for adjustments previously approved by Council actions and/or direction since the mid-biennial review and adjustment in 2021. There were also unanticipated increases in certain expenditures as well as better than expected revenues. The recommended adjustments are:

- General Fund Revenue: \$1,250,000
- General Fund Expenditure: \$3,720,000
- Strategic Opportunities Fund Expenditure: \$1,710,000
- Street Fund Expenditure: \$1.4 million + \$55,000
- Public Art Fund Expenditure: \$75,000
- ARPA Expenditure: \$300,000
- 2016 & 2021 UTGO Debt Service Fund Revenue: \$258,000
- 2016 & 2021 UTGO Debt Service Fund Expenditure: \$257,000
- Walkways & Waterways Bond Project Fund Revenue: \$202,000
- Walkways & Waterways Bond Project Fund Expenditure: \$1.3 million
- Transportation Capital Fund Revenue: \$2.1 million
- Transportation Capital Fund Expenditure: \$2.1 million
- Park Capital Fund Revenue: \$2.4 million
- Park Capital Fund Expenditure: \$500,000 + \$280,368
- Park Impact Fund Revenue: \$250,000
- Park Impact Fund Expenditure: \$280,368

- REET Expenditure: \$110,000
 - Public Works Shop Fund Revenue: \$318,000
 - Public Works Shop Fund Expenditures \$1.6 million + \$315,000 + \$200,000
 - Surface Water Management Fund Expenditure: \$133,000
- D. Ordinance No. 22-0563 Amending Kenmore Municipal Code Chapter 3.35 Utility Tax to include Surface Water Business as an occupation subject to tax, presented by Finance & Administration Director Leticia Salcido, *for Discussion and Direction*
[Agenda Bill - Surface Water Utility Tax](#)
[Attachment 1 - Ordinance No. 22-0563](#)
[Attachment 2 - Financial Sustainability Plan](#)
[Presentation - Surface Water Utility Tax](#)

Finance & Administration Director Leticia Salcido presented to Council about this revenue enhancement measure approved as part of the financial sustainability plan in 2020. Surface water assessment is imposed on each developed parcel in the city based on size of property and impervious surface. Funds are used to develop, maintain, manage, and improve the surface water system that serves the community. The service charge for a single-family residential property with 10% or less of impervious surface would be \$249.03 in 2023 and \$258.99 in 2024. A 6% surface water utility tax would be \$14.94 annually in 2023 and \$15.53 annually in 2024.

Councilmember clarified that the per capita utility tax revenue table should say average, not median, on the bottom left.

- E. Proposed City of Kenmore 2023 State Legislative Agenda and Policy Statements presented by City Manager Rob Karlinsey and Gordon Thomas Honeywell State Lobbyist Shelly Helder, *for Approval*
[Agenda Bill - 2023 Proposed Legislative Agenda and Policy Statements](#)
[Attachment 1 - 2023 Legislative Agenda \(Draft\)](#)
[Attachment 2 - 2023 Kenmore Policy Statements \(Draft\)](#)
[Presentation - Preparing for the 2023 Legislative Session](#)

State Lobbyist Shelly Helder presented Kenmore's 2023 state legislative agenda to the Council.

The 2022 legislative priorities included:

- 61st Avenue NE sidewalk replacement
- Local revenue for road and sidewalk maintenance and preservation
- Regional behavioral health resources
- Clean air
- Affordable housing

The 2023 draft legislative priorities include:

- Climate change planning & funding
- Plymouth affordable housing development (\$5 million support)
- Crisis receiving center in North King County
- Lift 1% property tax cap
- Funding affordable housing

Councilmembers provided questions and comments to Shelly Helder. Edits on language and additions to the policy statement will be revised and presented to Council at a future date for review.

The legislative sendoff is scheduled for January 4, 2023, and the legislative session begins on January 9, 2023.

STAFF REPORTS

City Manager Rob Karlinsey has been attending listening sessions to gather questions and comments from the public for Puget Sound Clean Air Agency (PSCAA) Order of Approval of a Notice of Construction Permit (#11861) for the Cadman asphalt facility in Kenmore. The listening sessions dates:

- Saturday, November 4, 2022
- Monday, November 7, 2022
- Tuesday, November 8, 2022

COUNCILMEMBER REPORTS & COMMENTS

Councilmembers discussed their Sound Cities Association (SCA) Committee Appointments.

ADJOURNMENT

Mayor Herbig adjourned the meeting at approximately 10:34 PM.

Nigel Herbig, Mayor

Michelle Kang, Deputy City Clerk

**City of Kenmore
City Council Meeting
Special Meeting Minutes
Wednesday, November 9, 2022**

These minutes are created to capture Council action. This is not a verbatim transcript. Meeting video and audio is available on the City YouTube channel.

PRESENT:

Councilmembers: Mayor Nigel Herbig
Deputy Mayor Melanie O’Cain
Councilmember Corina Pfeil
Councilmember Debra Srebnik
Councilmember David Baker – Excused
Councilmember Joe Marshall – Excused
Councilmember Angel Kugler – Excused

Staff: City Manager Rob Karlinsey
Assistant City Manager Stephanie Lucash
City Attorney Dawn Reitan
Cascadia Law Group Attorney Dennis McLerran
Deputy City Clerk Michelle Kang
Development Services Director Samantha Loyuk
Community Development Director Debbie Bent
Environmental Services Manager Richard Sawyer
Code Enforcement Officer Bridgit Baker

CALL SPECIAL MEETING TO ORDER

Mayor Herbig called the special meeting to order at 5:33 PM.

EXECUTIVE SESSION

Pursuant to RCW 42.30.110(1)(i), the City Council entered an executive session to discuss pending or potential litigation. Mayor Herbig announced the executive session was slated to last one hour. The executive session ended at approximately 6:33 PM. No action was taken.

ADJOURNMENT

Mayor Herbig adjourned the meeting at approximately 6:33 PM.

Nigel Herbig, Mayor

Michelle Kang, Deputy City Clerk



Business of the City Council City of Kenmore, WA

<p>Subject/Topic: Appointing a Planning Commissioner to fill an unexpected vacancy for a term ending 12/31/24</p> <p>Proposed Council Action/Motion: Motion to appoint Saad Qadri to the Planning Commission, effective immediately, to complete a three-year term ending 12/31/24</p>	<p>For Council Meeting Agenda of: 11/21/22</p> <p>Department: Community Development</p> <p>Prepared by: Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner</p> <table border="0"> <tr> <td></td><td style="text-align: right;"><u>Initial & Date</u></td></tr> <tr> <td>Approved by Department Head:</td><td style="text-align: right;">DB 11/8/22</td></tr> <tr> <td>Approved by City Attorney:</td><td style="text-align: right;">N/A</td></tr> <tr> <td>Approved by Finance Director:</td><td style="text-align: right;">N/A</td></tr> <tr> <td>Approved by City Manager:</td><td style="text-align: right;">RK 11/8/22</td></tr> </table> <p>Exhibits/Attachments: none</p>		<u>Initial & Date</u>	Approved by Department Head:	DB 11/8/22	Approved by City Attorney:	N/A	Approved by Finance Director:	N/A	Approved by City Manager:	RK 11/8/22
	<u>Initial & Date</u>										
Approved by Department Head:	DB 11/8/22										
Approved by City Attorney:	N/A										
Approved by Finance Director:	N/A										
Approved by City Manager:	RK 11/8/22										
<p>At the 11/21/22 Council meeting, staff recommends that Council pass a motion appointing Saad Qadri to serve on the Planning Commission, effective immediately, to complete a three-year term ending 12/31/24.</p> <p>Background On 11/30/21 Council interviewed eight candidates to fill four 3-year Planning Commission Terms (1/1/22-12/31/24). Mariel Torres Medipour, Derek Wycoff, Mike Vanderlinde and Christiana Mathews were appointed to the Planning Commission. Mariel stepped down from the Planning Commission 10/18/22 which left an unexpected vacancy. At the 11/30/21 Council meeting, Council direction was that for unexpected vacancies the other four candidates interviewed would be the “pool” of candidates to fill such a vacancy. The four candidates in the “pool” are Craig Hellman, Steven Fessler, Dennis Olson, and Saad Qadri.</p> <p>Staff reached out via e-mail 10/26/22 to the four “pool” candidates asking for a response if available to serve on the Planning Commission. Saad Qadri responded by e-mail 10/26/22 noting his availability. Steven Fessler responded 10/27/22 noting he is no longer a Kenmore resident (residency is a requirement to serve on the Planning Commission per KMC.230.020). Staff also left voicemail messages for Dennis Olson and Craig Hellman 11/2/22 but no response received.</p>											
<p><u>FISCAL CONSIDERATION:</u> None</p>											
<p><u>COUNCIL PRIORITY BEING ADDRESSED:</u> The Kenmore Municipal Code KMC Chapter 2.30.10 states, there is hereby created a planning commission consisting of seven voting members to provide guidance and recommendations to the City on policy matters relative to the amendment of the City’s comprehensive plan and related land use regulations.</p>											



Business of the City Council City of Kenmore, WA

Subject/Topic: Presentation of Planning Commission's Recommendations on Transit-Oriented Development (TOD) Amendments

Proposed Council Action/Motion: For information and discussion.

For Council Meeting Agendas of: 11/21/22 and 11/28/22

Department: Community Development

Prepared by: Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner

	<u>Initial & Date</u>
Approved by Department Head:	DB, 11/3/22
Approved by City Attorney:	NA
Approved by Finance Director:	NA
Approved by City Manager:	RGK 11/9/22

Exhibits/Attachments:

Attachment 1: Summary of amendments
 Attachment 2: Zoning map excerpt
 Attachment 3: Recommended code amendments
 Attachment 4: Public hearing comments and staff responses
 Attachment 5: Public hearing postcard
 Attachment 6: Related Comprehensive Plan policies

At your November 21 joint meeting with the Planning Commission, the Commission will present their recommendations on revised Transit-Oriented Development (TOD) standards for the area around the Kenmore Park and Ride, including an expansion of density and affordability standards west to Downtown. A summary of the changes is presented as Attachment 1. Attachment 2 is an excerpt from the Zoning Map showing the location of a proposed new zoning district: Urban Residential (UR).

Attachment 3 provides all of the proposed amendments, affecting multiple code sections. The Comprehensive Plan ordinance (22-0558) that the City Council adopted on November 7 includes policies supporting these changes.

Attachment 4 contains an overview of the Planning Commission public hearing comments and staff responses.

History of the Project

The City adopted an optional TOD overlay zone in 2015 "to reinforce the City's planned concentrations of pedestrian-oriented mixed-use development at intensities that support and are supported by multi-modal transportation options, including high-capacity transit." This overlay allows a developer to proceed either under the standards in the underlying zoning district of their property or through the TOD overlay standards which allow much higher densities, with corollary affordable housing requirements.

In January 2021, the City Council assigned to the Planning Commission review of the Comprehensive Plan Vision Statement and the Land Use and Housing Elements as part of the State-mandated 2024 Comprehensive Plan update. The Council also directed that the Commission consider expansion of the TOD district. The Commission has been working on this project since that time and a brief outline of their work follows:

- January-February 2021: Commission reviewed VISION 2050 (the multicounty planning policies) that identify Kenmore as a "High-Capacity Transit Community" with related regional responsibilities. Compact, mixed use development and transit-supportive densities are expected within about ¼ mile (walking distance) of the future bus rapid transit (BRT) route along SR-522.
- March 2021: Commission reviewed the TOD standards and information on development intensities.

- April 2021: Commission reviewed the multifamily tax exemption provisions in the TOD and began review of the King County Countywide Planning Policies.
- May 2021: Commission continued review of the Countywide Planning Policies, including growth targets, Kenmore's housing units and jobs capacity, and the City's role as a Candidate Countywide Growth Center (including the westernmost portions of the TOD as well as Downtown).
- June 2021: Commission reviewed TOD standards and preliminary policy options, reviewed standards for a Countywide Growth Center, and discussed Downtown heights and densities. The Planning Commission chose not to pursue TOD standards west of Downtown, given the impact of increased heights on views.
- August 2021: Commission reviewed the draft Vision Statement, including a new clause: "Kenmore embraces its role as a high-capacity transit community, supporting bus rapid transit and other transit options as part of the regional network."
- September-December 2021: Commission continued their review of the Comprehensive Plan update, including several goals and policies related to TOD (described more fully below under "Approval Criteria").
- January 2022: New Commissioners (3) were introduced to the project and the Commission confirmed the policy approaches to the TOD.
- February 2022: Commissioners hosted a TOD panel discussion and expressed interest in a more extensive review of the TOD standards.
- March 2022: Commission finalized the recommendations for the Land Use and Housing Elements, including the addition of a new implementing zoning district, "UR" (Urban Residential) to support the TOD amendments.
- May 17, 2022: Commission held a public hearing on the Comprehensive Plan update project.
- June 27, 2022: Commission presented their Comprehensive Plan recommendations to the City Council.
- June 30, 2022: Mike Stanger, with A Regional Coalition for Housing (ARCH) gave a presentation to the Planning Commission on how to assess the financial feasibility of affordable housing requirements in new development.
- July 2022: Commission began discussion of the TOD code amendments, including increased heights.
- August 2022: Commission discussed affordability requirements for the TOD and Downtown, including review of affordability standards from other jurisdictions.
- September 2022: Commission finalized TOD and Downtown recommendations in preparation for a public hearing.
- October 18, 2022: Commission held a public hearing on the proposed amendments. A matrix of public comments and staff responses is found in Attachment 4.
- November 1, 2022: Commission finalized their recommendations for presentation to the City Council.

TOD Moratorium and Interim Regulations

While the Planning Commission was considering the TOD recommendations, the City Council became aware of the potential for lower-density projects within the overlay area that could interfere with the intended planning. In August 2021, the Council adopted public emergency Ordinance 21-0533 that established an effective date for a six-month moratorium to and through February 16, 2022 to give the Planning Commission sufficient time for their review process. On September 27, 2021, following a public hearing, the Council adopted Ordinance 21-0535 amending Section 2 of Ordinance 21-0533 to allow an additional exemption for building permit applications for or the construction of transitional housing or permanent supportive housing or building permit application for or the construction of indoor emergency housing.

Six months later, the Council replaced the moratorium ordinances with interim regulations that allow certain development applications at appropriate densities within the TOD overlay consistent with the City's long-range planning (Ordinances 22-0543 and 22-0555). These interim regulations, which prohibit townhouse development, are set to expire on January 25, 2023.

A significant amount of public comment at the Planning Commission's public hearing related to a pre-application meeting for a development proposal on a property on 80th Avenue NE. Under current rules, this property could develop using the R-18 (Multifamily) or TOD overlay zoning, which would permit apartments or condominiums. The first pre-application proposal by the developer was to develop townhomes; this was prevented by the interim regulations. The developer then proposed a multifamily project under the current TOD overlay rules—which would permit a project up to 65' in height with design standards and affordable housing requirements applied. Alternatively, the developer could apply under the current R-18 zoning for a 60' tall multifamily project. No permit applications for this project have been submitted and required permits would include SEPA Review, Site Plan Review, and a Shoreline Substantial Development Permit.

The regulations recommended by the Planning Commission would continue to prohibit standalone townhouses, but would allow townhouses as one component of a larger, more dense, development. Permissible building heights in the new UR (Urban Residential) zone (which would replace both the R-18 and TOD overlay zonings in this area) would increase maximum height from 60' or 65' to 85'. The affordable housing percentage would increase from 10% to 25%, with reduced parking requirements.

Community Outreach

Throughout the TOD project, the Commission has encouraged involvement by the community. Public participation efforts included:

- Comprehensive Plan Vision Statement, Land Use and Housing Element outreach. Policies supporting the TOD District and extension of the density and affordability standards west to the Downtown, are part of the Comprehensive Plan updates. Comprehensive Plan public involvement included public hearings, E-news and Kenmore Quarterly articles, availability of Spanish interpreters at the public hearing, and email invitations to a number of local organizations to participate in the update project.
- Maintenance of the large Planning Commission mailing list and direct outreach to those who participated on the TOD developers' panel.
- Information on the City website.
- Postcard invitations to the TOD public hearing mailed to all property-owners within the TOD overlay area and the area of Downtown Commercial zoning (see Attachment 5).

Approval Criteria

As with the Comprehensive Plan updates most recently considered by the City Council, the proposed regulations must meet approval criteria identified in Zoning Code. Staff believes these criteria are satisfied and that the amendments could be approved. The criteria (and staff's responses) are:

1. The proposed amendment is consistent with the Growth Management Act and the countywide planning policies;

Staff response: The amendments reflect requirements from the Growth Management Act, VISION 2050 (the multicounty planning policies) and the King County Countywide Planning Policies. New emphases on growth in areas of high-capacity transit and housing affordable to all income levels come directly from these documents. Kenmore is designated as a "High-Capacity Transit Community" and the TOD amendments support that designation.

2. The proposed amendment eliminates an inconsistency or does not create an inconsistency within the comprehensive plan;

Staff response: The amendments are consistent with the 2022 Comprehensive Plan amendments adopted by the City Council on November 7. Related policies are included in Attachment 6.

3. The proposed amendment meet at least one of the following criteria:

- a. The proposed amendment is beneficial to the City as a whole and will not adversely affect public health, safety, and welfare; or
- b. The proposed amendment addresses changed circumstances within the City as a whole; or
- c. The proposed amendment accommodates new policy direction from the city council.

Staff response: The changes satisfy all of these criteria. The amendments would be beneficial to the City as a whole as future growth is accommodated in ways that do not adversely affect public health, safety, or welfare. The amendments would support transit use consistent with the City’s regional obligations as a high-capacity transit community and no adverse community impacts are anticipated.

The affordable housing crisis and arrival of bus rapid transit to Kenmore reflect changed circumstances in the Puget Sound Region to which these amendments respond.

Lastly, the new amendments accommodate new policy direction from the City Council which asked specifically that this topic be addressed.

4. The proposed amendment is consistent with the policies, objectives, and goals of the comprehensive plan.

Staff response: The TOD regulations and Zoning Map change (creation of Urban Residential—UR—zone) are consistent with the policies, objectives, and goals of the Comprehensive Plan update the Council adopted on November 7.

5. The proposed amendment does not duplicate or conflict with other portions of the Kenmore Municipal Code.

Staff response: Regulations in the Municipal Code were reviewed and amendments recommended, as necessary, to ensure that there is no conflict with the TOD changes.

Minority Report

On November 8, Planning Commissioner Tracy Banaszynski submitted a minority report on the TOD recommendations. She was the sole Commissioner voting against the recommendations and her report is provided as Attachment 7.

Next Steps

On November 21, the City Council will begin discussion of the project. On November 28, staff hopes to receive direction from the Council on how the project should move forward. Staff anticipates a final ordinance for City Council consideration in January—potentially before the expiration of the current interim regulations on January 25, 2023.

Washington State was notified of the proposed regulations in September and a SEPA Environmental Checklist is being submitted to the Development Services Department for review.

FISCAL CONSIDERATION: None.

COUNCIL PRIORITY BEING ADDRESSED: Many of the City Council’s 2021/2022 priorities are addressed by the TOD District project, including Priority 1: “Increase and preserve the options for affordable housing stock;” Priority 6: “Focus on and emphasize multimodal transportation safety...;” and Priority 11: “Engage and educate the community on growth and development in Kenmore.”

SUMMARY OF RECOMMENDED TOD AMENDMENTS

BACKGROUND

The recommended TOD amendments primarily affect two areas of the City: the area of the existing TOD overlay (east of 73rd Avenue NE on the north side of SR-522) and Downtown (the current Downtown Commercial zone). The Planning Commission considered expanding the TOD framework further to areas west of Downtown but concluded that view protection concerns precluded the building heights needed to effectively implement TOD.

ZONING DISTRICT APPROACH

The basic TOD standards (permitted uses, increased height, minimum density, maximum density, affordable housing, design standards, reduced parking, pedestrian connectivity, and tree grove preservation) have been incorporated into existing nonresidential zoning districts in the area: Downtown Commercial, Urban Corridor east subarea, and Public/Semi-Public (the Park and Ride property).

The residential zones in the TOD overlay would be converted into a single new zoning district: Urban Residential (UR).

PERMITTED USES

All zones under consideration allow mixed-use development, although smaller-scale commercial uses are envisioned in the Urban Residential zone. Prohibitions on standalone townhouse developments were added, although townhouses would be permitted as part of a larger development.

INCREASED HEIGHT

The TOD developers' panel suggested that allowing heights up to 85' would provide the most flexibility for future developers. (85' is the maximum height allowed for wood frame construction over a concrete podium.) The current TOD height limit is 65'. After reviewing images of various building heights, the Planning Commission concluded that a height limit of 85' in the TOD overlay area was appropriate. In the Downtown Commercial area, the Commission increased the height limit to 65' (without some current restrictions), but did not increase heights further in recognition of the need to do additional analysis of the Kenmore Air flyway.

As the TOD overlay area is near Kenmore's heron rookery, the Planning Commission's recommendations include a special requirement that would require new development in the area of the heron rookery to address height and building orientation issues in a habitat management plan, with recognition that height and building orientation standards may be adjusted to protect the rookery.

MINIMUM DENSITY

The TOD overlay minimum density (60 dwelling units per acre) was applied to the zoning districts in the overlay area and to standalone residential projects in the Downtown Commercial zone.

MAXIMUM DENSITY

The TOD overlay maximum density (150 dwelling units per acre) was applied to all zoning districts under consideration.

AFFORDABLE HOUSING

The most significant changes to the current TOD standards relate to the inclusionary affordable housing requirements. The existing TOD overlay has a very complicated formula for affordable housing provision that results in an overall maximum requirement of 10% affordable units.

During City Council discussions of the TOD interim regulations, interest was expressed in looking at a 25% inclusionary requirement for households making 50% area median income (AMI) or less.

After studying development feasibility, staff from A Regional Coalition for Housing (ARCH) concluded that this ambitious goal would be difficult to achieve given current development standards. The Commission suggested reducing parking requirements to make potential projects possible. On balance, the Planning Commission felt that provision of more deeply affordable housing was more important than more stringent parking requirements.

The recommended new requirement, then, is for a 25% inclusionary requirement for households making 50% AMI or less. (See reduced parking discussion, below.)

In the Downtown Commercial zone west of 73rd Avenue NE, the 25% inclusionary affordable housing requirement is included, but would be for households with incomes no greater than 70% AMI. This higher AMI reflects the fact that no parking adjustments have been made for Downtown and there is, as yet, no multifamily tax exemption (MFTE) in most of the zoning district.

(For the inclusionary requirements, a different level of affordability is assigned for rental versus ownership housing.)

Throughout the recommended amendments, affordable housing definitions have been adjusted for consistency with definitions used by the County and State.

DESIGN STANDARDS

The current TOD rules require projects to use Standard 1 of the downtown design guidelines (the most stringent standard) to achieve a pedestrian friendly streetscape. The Planning Commission's recommendations add these design standards to all of the zones in the TOD overlay area. (Downtown development already must conform.)

To clarify that the City's design guidelines are used in several areas (not just Downtown), the recommendations remove the specific references to "Downtown" in most sections of the guidelines and throughout the Zoning Code.

REDUCED PARKING

In the current TOD overlay area, parking requirements for nonresidential uses are reduced to 75% of the standard requirements. Residential parking requirements are 1.0 parking space per market rate dwelling plus guest parking. Affordable housing units and senior units are required to provide .6 parking

spaces per unit. These requirements may be reduced through a project-specific parking demand analysis or, for nonresidential uses, through a formula related to accessibility to transit.

Also under the existing rules, on-street parking immediately adjoining the property may be used to partially satisfy parking requirements and shared parking is encouraged. The rules place upper limits on the overall amount of parking that can be provided and require structured or under-building parking in some circumstances.

As previously discussed with the City Council, new State law mandates a maximum parking requirement of .75 parking stalls per residential unit within ¼ mile of transit (or a maximum of 1 stall per bedroom). For residential developments for seniors or people with disabilities, no parking for residents can be required. It is possible to require parking for staff and visitors of those developments.

The TOD developers' panel noted that parking stalls, particularly in a garage, are expensive to construct and add to the cost of housing. They also recognized that Kenmore is a suburban area and that developers anticipated providing parking for their tenants.

The Planning Commission recommendations reduce parking to .50 stall per unit in the zoning districts in the TOD overlay area. This choice is to support the feasibility of requiring a significant amount of affordable housing while acknowledging that parking adds to housing cost and may not be as critical in areas well-served by transit.

Consistent with State law, the recommendations include no requirement for parking for residential developments for senior citizens or those with disabilities. Completing a parking study is required for senior projects to determine appropriate levels of parking for staff and visitors.

The nonresidential parking standard, ability to consider street parking, support for shared parking, maximum parking allowances, and structured parking standards generally are unchanged. The current TOD requirement that parking exceeding the minimum required amount be placed in a garage or under-building and screened has been extended to all of the Downtown Commercial and Downtown Residential zones (currently this is only required in those zones west of 68th Avenue NE).

PEDESTRIAN CONNECTIVITY

The pedestrian connectivity standards in the TOD overlay have been incorporated into zones that do not currently have these standards.

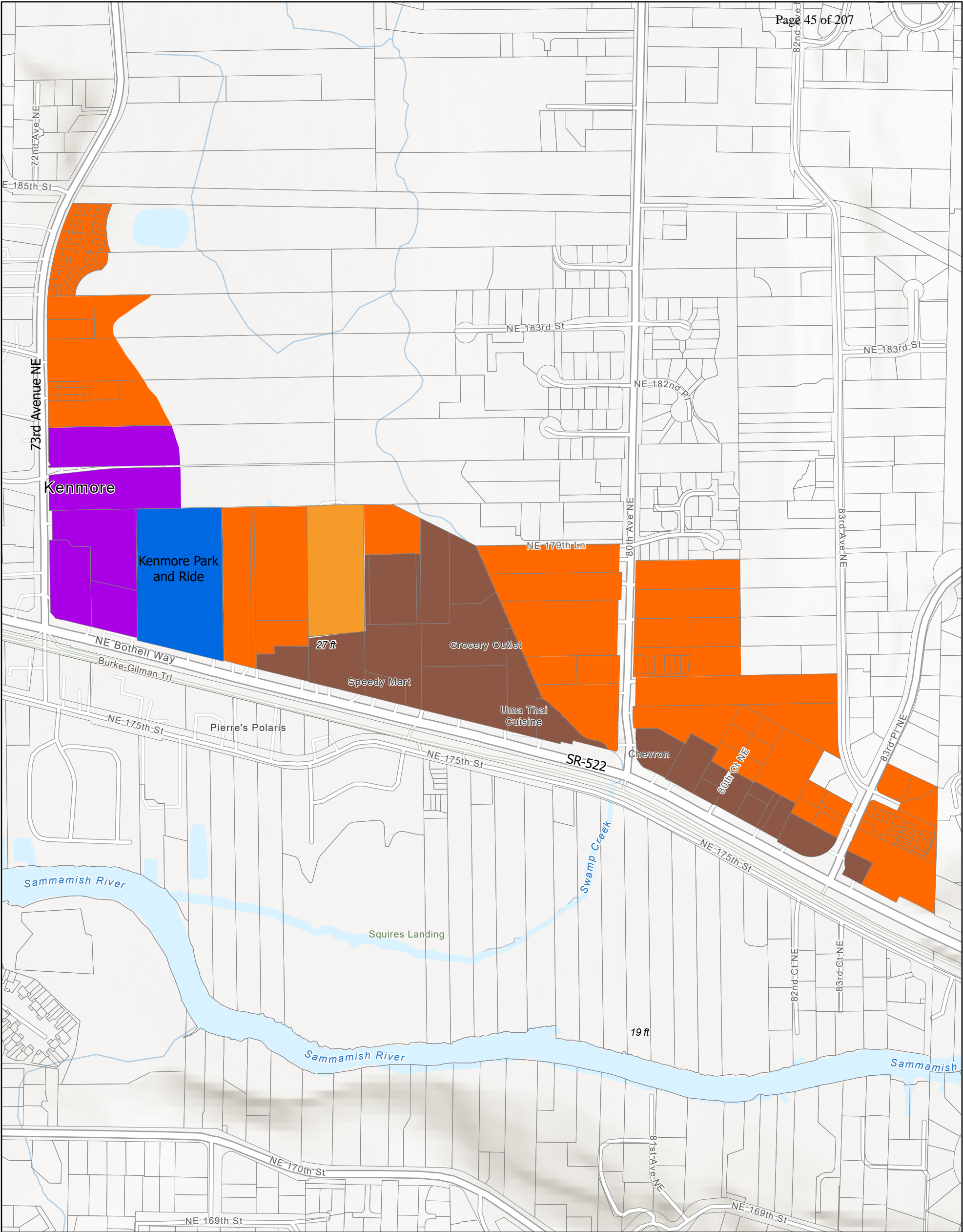
TREE GROVE PRESERVATION

The incentives to tree grove preservation from the TOD overlay have been moved into the Zoning Code chapter addressing trees.

OTHER RECOMMENDED CHANGES

- The Urban Residential (UR) zone has been added to the list of zones allowing a Development Agreement.
- Multifamily uses are now permitted on surplus public/semi-public (PSP) properties in neighborhoods, consistent with surrounding zoning standards. (This change was made as the PSP zone was being amended to add multifamily as a permitted use.)

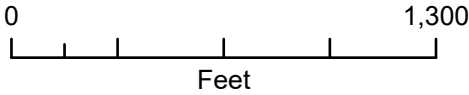
- Miscellaneous amendments were made to ensure consistency throughout the Code and with ARCH affordable housing implementation standards.



Draft Zoning Map | City of Kenmore

- Downtown Commercial
- Urban Residential
- Manufactured Housing Community
- Urban Corridor
- Public/Semi-Public

* Portions of the Burke-Gilman Trail & Tolt Pipeline occur in rights-of-way and not as separate parcels. However, these facilities are considered to be Parks along their full length.



This map is intended for planning purposes only and is not guaranteed to show accurate measurements.

new or deleted text

Zoning District Changes

Urban Corridor (UC) Zone Changes

18.25A.040 Use allowances – Urban corridor east subarea.

The following *uses* listed in Table B are identified as permitted, conditionally permitted, or *prohibited uses* in the urban corridor east subarea:

Table B. Urban Corridor East Subarea Use Allowances

PERMITTED	CONDITIONALLY PERMITTED	PROHIBITED
<i>Adult entertainment business¹</i> <i>Ambulatory surgery center</i> <i>Animal kennel/shelter²</i> <i>Arts, entertainment, indoor</i> <i>Arts, entertainment, outdoor³</i> <i>Business service, standard</i> <i>Cemetery, columbarium or mausoleum⁴</i> <i>Community residential facility⁵</i> <i>Day care</i> <i>Eating and drinking place⁶</i> <i>Educational service</i> <i>Funeral home/crematory</i> <i>Health care and social assistance</i> <i>Laboratory⁷</i> <i>Manufacturing, light</i> <i>Marijuana business</i> <i>Mobile food service⁸</i> <i>Multiple-family dwelling¹³</i> <i>Office</i> <i>Park</i> <i>Personal service</i> <i>Recreational facility, indoor</i> <i>Recreational facility, outdoor^{3,9}</i> <i>Religious institution</i> <i>Retail sales</i> <i>Retail sales, bulk^{5,10}</i> <i>Standalone parking¹¹</i> <i>Supportive living facility</i> <i>Temporary lodging</i> <i>Vehicle refueling station¹²</i>	<i>College/university</i> <i>Fire or police facility</i> <i>Hospital⁵</i> <i>Laboratory⁷</i> <i>Regional land use⁵</i> <i>Retail sales, bulk^{5,10}</i>	<i>Air transportation service</i> <i>Arts, entertainment, outdoor³</i> <i>Auction house</i> <i>Automotive sales and service, marine</i> <i>Automotive sales and service, nonmarine</i> <i>Business service, intensive</i> <i>Community residential facility⁵</i> <i>Construction and trade</i> <i>Family child-care home</i> <i>Hospital⁵</i> <i>Manufactured housing community</i> <i>Manufacturing, heavy</i> <i>Marijuana cooperative</i> <i>Recreational facility, outdoor³</i> <i>Regional land use⁵</i> <i>Resource land use</i> <i>Retail sales, bulk⁵</i> <i>Secure facility</i> <i>Single detached dwelling unit</i> <i>Standalone parking¹¹</i> <i>Transportation</i> <i>Utility facility</i> <i>Vehicle or equipment rental</i> <i>Vehicle refueling station¹²</i> <i>Warehousing</i> <i>Wholesale trade</i>

...

¹³ A standalone townhouse development is prohibited.

18.25A.060 Zoning standards.

The following zone-specific development standards in Table C apply in the urban corridor zone:

Table C. Urban Corridor Zone Development Standards

STANDARD	REQUIREMENT
Urban Corridor west subarea Base Density: <i>Dwelling Units/Acre</i>	48 du/ac
Urban Corridor west subarea Maximum Density: <i>Dwelling Units/Acre</i>	72 du/ac ¹
Urban Corridor east subarea Minimum Density: <i>Dwelling Units/Acre</i>	60 du/ac
Urban Corridor east subarea Maximum Density: <i>Dwelling Units/Acre</i>	150 du/ac
Minimum <i>Street Setback</i>	10 ft. ²
Minimum Interior <i>Setback</i>	20 ft. ³
Maximum Height:	
Urban corridor east subarea	55.85 ft. ^{5,6}
Urban corridor west subarea:	
• south of SR-522	35 ft.
• north of SR-522 west of 63rd Ave. NE	35 ft.
• north of SR-522 east of 63rd Ave. NE	35 ft. ⁴
Maximum <i>Impervious Surface</i> : Percentage	90%

- ¹ This density may only be achieved through the application of residential density incentives or *transfer of density credits in mixed use developments*. See Chapter [18.80](#) KMC.
- ² Gas station pump islands shall be placed no closer than 25 feet to *street* front lines.
- ³ Required on property lines adjoining residential zones.
- ⁴ The maximum height on a *site* north of SR-522 east of 63rd Avenue NE may be increased up to a maximum of 55 feet if (1) there is no intervening parcel between the *site* and the NE 181st Street right-of-way, and (2) if the *applicant* can demonstrate, based on ground elevation data, that a topographic change is adequate to protect views of Lake Washington from uphill lots. The measurement shall be taken as follows: a) determine average existing ground elevation along the centerline of the NE 181st Street right-of-way abutting the *site*; b) determine average existing ground elevation along an artificial east-west line 60 feet north of and paralleling the SR-522 right-of-way abutting the *site*; c) subtract the elevation calculated in b) from the elevation calculated in a). If this difference is more than 35 feet, the maximum height for the *site* may be increased to that difference. In no case, however, shall the maximum allowable height exceed 55 feet.
- ⁵ Portions of any property that are within 50 feet of an R-1, R-4, or R-6, or MHC zoning district shall have a maximum height of 35 feet within that area to provide a transition in height to the lower intensity uses.
- ⁶ Building heights and orientation for proposals within the great blue heron rookery buffer shall be carefully assessed through the required habitat management plan (see KMC 18.55, Articles XIII through XV). In particular, potential impacts related to the flyway and shadowing of nest trees shall be evaluated. The *city manager* may require adjustments to maximum building height and/or building orientation to protect the rookery.

18.25A.070 Additional development standards. (view corridor standards relocated for clarity)

A. Where the urban corridor zone abuts a residential zone, the *city manager* may require additional landscaping pursuant to Chapter [18.35](#) KMC, blank wall treatments pursuant to Chapter [18.52](#) KMC, and/or measures to address building mass and bulk pursuant to KMC [18.52.310](#) and/or [18.52.330](#) in order to mitigate impacts of new development on neighboring residential areas.

B. In the urban corridor west subarea, parcels on the south side of SR-522 shall provide a public view corridor from SR-522 to Lake Washington. The intent of the corridor is to provide an unobstructed view from SR-522 to the lake. A minimum view corridor equivalent to 30 percent

of the average east-west dimension of the development proposal site shall be maintained. The location of the view corridor shall be designed to meet the following standards and must be approved by the *city manager*:

1. The view corridor must be adjacent to one of the two side property lines, whichever will result in the widest view corridor, considering the following in order of priority:

a. Locations of existing view corridors;

b. Existing development or potential development on adjacent properties, given the topography, access and likely location of future improvements;

c. Locations of existing sight-obscuring structures, parking areas or vegetation that are likely to remain in place in the foreseeable future.

2. The view corridor must be in one continuous piece.

3. For land divisions, the view corridor shall be established as part of the land division and shall be located to create the largest view corridor on the subject property.

4. The following shall be permitted within a view corridor:

a. Areas provided for public access, such as public pedestrian walkways, public use areas, or viewing platforms;

b. Parking lots for passenger vehicles and subsurface parking structures; provided, that the parking does not completely obstruct the view of the lake from the public right-of-way;

c. Structures, if the slope of the subject property permits full, unobstructed views of the lake over the structures from the public right-of-way;

d. Vegetation, including required vegetation screening, provided it is designed and of a size that will not obscure the view from the public right-of-way to the lake at the time of planting or upon future growth. Low growing, native vegetation is encouraged. In the event of a conflict between required landscaping and view preservation, view preservation shall take precedence over landscaping requirements;

e. Open fencing that is designed not to obscure the view from the public right-of-way to the lake.

5. The *applicant* shall execute a covenant or similar legal agreement, in a form acceptable to the city attorney, and record the agreement with the county records and elections

division to protect the view corridor. Land survey information shall be provided by the applicant for this purpose in a format approved by the city manager.

CB. Drive-through service is not permitted in the urban corridor east subarea. In the urban corridor west subarea, drive-through service is permitted as an accessory use. Drive-through service shall be oriented to the side and/or rear of the building, and integrated into the exterior wall. Drive-through lanes shall not be located between the street and the main pedestrian access to the buildings. Modifications to these requirements may be reviewed through the site plan or building permit review process when meeting the intent of pedestrian orientation pursuant to Chapter 18.52 KMC, Downtown Design Standards.

DC. Outdoor storage is prohibited in the urban corridor zone, west subarea, and in the urban corridor zone, east subarea, east of 80th Avenue NE. In the urban corridor zone, east subarea, west of 80th Avenue NE, accessory outdoor storage is limited to a maximum of 50 percent of the site area.

18.25.075 View corridors in the Urban Corridor zone, west subarea. (changes made for clarity)

A. In the urban corridor west subarea, parcels on the south side of SR-522 shall provide a public view corridor from SR-522 to Lake Washington. The intent of the corridor is to provide an unobstructed view from SR-522 to the lake. A minimum view corridor equivalent to 30 percent of the average east-west dimension of the development proposal site shall be maintained. The location of the view corridor shall be designed to meet the following standards and must be approved by the city manager:

1. The view corridor must be adjacent to one of the two side property lines, whichever will result in the widest view corridor, considering the following in order of priority:

a. Locations of existing view corridors;

b. Existing development or potential development on adjacent properties, given the topography, access and likely location of future improvements;

c. Locations of existing sight-obscuring structures, parking areas or vegetation that are likely to remain in place in the foreseeable future.

2. The view corridor must be in one continuous piece.

3. For land divisions, the view corridor shall be established as part of the land division and shall be located to create the largest view corridor on the subject property.

4. The following shall be permitted within a view corridor:

a. Areas provided for public access, such as public pedestrian walkways, public use areas, or viewing platforms;

b. Parking lots for passenger vehicles and subsurface parking structures; provided, that the parking does not completely obstruct the view of the lake from the public right-of-way;

c. Structures, if the slope of the subject property permits full, unobstructed views of the lake over the structures from the public right-of-way;

d. Vegetation, including required vegetation screening, provided it is designed and of a size that will not obscure the view from the public right-of-way to the lake at the time of planting or upon future growth. Low growing, native vegetation is encouraged. In the event of a conflict between required landscaping and view preservation, view preservation shall take precedence over landscaping requirements;

e. Open fencing that is designed not to obscure the view from the public right-of-way to the lake.

5. The *applicant* shall execute a covenant or similar legal agreement, in a form acceptable to the city attorney, and record the agreement with the county records and elections division to protect the view corridor. Land survey information shall be provided by the *applicant* for this purpose in a format approved by the *city manager*.

18.25A.090 Connectivity requirements in the Urban Corridor zone, east subarea.

The urban corridor zone, east subarea, should remove impediments to pedestrian use of the district and the downtown area by fostering the creation of an extensive network of sidewalks and pedestrian walkways.

Development proposals shall:

A. Provide any direct pedestrian connections between proposed development and transit facilities, or arterials providing transit access in order to minimize walking distances to transit.

B. Comply with the ~~downtown~~ design standards pertaining to pedestrian walkways, as set forth in KMC 18.52.100.

C. Properties abutting water bodies (i.e., wetlands or streams) shall provide a public access trail paralleling the water body from one property line to the next with setbacks that are consistent with the requirements of KMC Title 16 and Chapter 18.55 KMC. The public access trail shall connect to a public right-of-way.

1. Where a development proposal abuts a property with a public access trail segment, the public access segment on the subject property shall connect to abutting property public access segment(s).

2. The public access easement for public access trails shall be documented on the face of the plat or plan and recorded with the King County Department of Records and Elections. Public access easements shall run with the land in perpetuity.

18.25A.100 Affordable housing requirements in the Urban Corridor zone, east subarea.

Development in the urban corridor zone, east subarea, containing residential units shall provide affordable housing as described in Chapter 18.77 KMC.

18.25A.080105 Conflict with design standardsDesign requirements.

Development within the Urban Corridor zone shall comply with the provisions of the design standards, as set forth in Chapter 18.52 KMC. In the event of a conflict between Chapter 18.52 KMC, Downtown Design Standards, and urban corridor zone standards, the Kenmore downtown design standards shall prevail.

Note: 18.52.070.A.1, map of design districts, will be changed to show UC East as Design Standard 1 (most stringent).

18.25A.075110 Wireless communication facilities.

Use allowances and development regulations for *wireless communication facilities* are located in Chapter 18.60 KMC.

Downtown Commercial (DC) Zone Changes

18.25.040 Zoning standards.

The following zone-specific development standards in Table B apply in the downtown commercial zone:

Table B. Downtown Commercial Development Standards

STANDARD	REQUIREMENT
Base Density: <i>Dwelling Units/Gross Acre</i>	48; applies east of 68th Avenue NE
Maximum Density: <i>Dwelling Units/Gross Acre</i> with Density Bonus Incentives	72; density incentives or bonuses not required west of 68th Avenue NE150
Minimum Density: <i>Dwelling Units/Net Acre</i> for Stand-Alone Multifamily Proposals	3660
Street Setback	Minimum 10 ft. from SR-522, unless otherwise allowed through Chapter 18.52 KMC, Downtown Design Standards; other <i>streets</i> 0 ft. Maximum 10 ft. unless otherwise allowed through Chapter 18.52 KMC, Downtown Design Standards The <i>City</i> may authorize intrusions of structural elements into the public right-of-way, including awnings, columns, bay windows, or others, through the design review, site plan review, building permit review, or right-of-way use permit processes, if such intrusions would not impede safe travel by pedestrians, solar access is not significantly diminished, and <i>City</i> liability is limited
Minimum Interior Setback	0 ft.; except when property adjoins R-1 to R-12 property, then 20 ft.
Base Height	35 ft.
Maximum Height Applicable to <i>mixed use developments</i> containing residential dwellings at a minimum 50 percent of square footage to a maximum of 75 percent square footage; or to <i>developments</i> achieving density bonus; or to <i>developments</i> providing structured parking	65 ft. ¹
Maximum <i>Impervious Surface</i> : Percentage	90%
Pedestrian Connections	Pedestrian connections are required to be provided in accordance with Chapter 18.52 KMC, Downtown Design Standards

¹ Building heights and orientation for proposals within the great blue heron rookery buffer shall be carefully assessed through the required habitat management plan (see KMC 18.55, Articles XIII through XV). In particular, potential impacts related to the flyway and shadowing of nest trees shall be evaluated. The *city manager* may require adjustments to maximum building height and/or building orientation to protect the rookery.

18.25.041 Affordable housing requirements.

Development containing residential units shall provide affordable housing as described in Chapter 18.77 KMC.

Public and Semi-Public (PSP) Zone Changes

18.27.020 Public and semi-public zone – Use allowances.

A. The following *uses* listed in Table A are identified as *permitted*, conditionally permitted, or *prohibited uses* in the public and semi-public zone:

Table A. Public and Semi-Public Zone Use Allowances

PERMITTED	CONDITIONALLY PERMITTED	PROHIBITED
Arts, entertainment, indoor	College/university	Marijuana business
Arts, entertainment, outdoor ¹	Construction and trade ⁴	Marijuana cooperative
Educational service		Regional land use ⁵
Fire or police facility		Secure facility
Multiple-family dwelling ^{6,7}		
Office ²		
Park		
Recreational facility, indoor		
Recreational facility, outdoor		
Standalone parking ³		
Utility facility		

1. Except outdoor performance center which is conditionally permitted.
2. Limited to *public agency offices*.
3. Limited to commuter parking facilities for users of transit, carpools or ride-share programs. Standalone parking garages shall be part of a *mixed use development* and shall use techniques such as architectural screening treatments and/or “wrapping” of the building with other uses to mitigate the visual impacts of the garage.
4. Limited to *public agency* maintenance yards or facilities.

5. Landfill and transfer station are specifically prohibited. Consideration of all other *regional land uses* shall follow the process outlined in KMC Section [18.27.060](#).

6. Limited to: (1) developments sponsored by a *public agency* on properties abutting SR-522 containing at least 25% *very-low or low-income affordable housing units*; or (2) developments on surplus *public agency* property. Developments containing *very-low or low-income affordable housing units* shall meet the standards of Chapter 18.77 KMC.

⁷ A standalone townhouse development is prohibited on properties abutting SR-522.

B. Classified land *uses* not listed or prohibited in Table A may be allowed through completion of a site plan review process pursuant to KMC [18.27.060](#) and Chapter [18.105](#) KMC.

C. *Uses* Established by *Master Plan*. Adopted *master plans* that specify *uses* include the following:

1. Bastyr University Master Plan, December 2009, approved by *City Ordinance* 09-0304.

18.27.040 Public and semi-public zone – Development standards.

A. Specific zone-based development standards for the public and semi-public zone in Table B shall apply to the public and semi-public zone as follows:

**Table B. Public and Semi-Public Zone
Development Standards**

Standard	Requirement
Maximum Density: <i>Dwelling Units</i> /Gross Acre	0.10 ¹ 150 ¹
Minimum Lot Size	4,500 sq. ft. ²
Minimum Lot Width	35 ft.
Minimum <i>Street Setback</i>	0 ft., 10 ft., or 20 ft. ³
Minimum Interior <i>Setback</i>	0 ft., 5 ft., or 20 ft. ³
Base Height	35 ft. ^{4,5}
Maximum <i>Impervious Surface</i> : Percentage	70%, 90% ^{5,6}

¹ *Dwelling unit, single detached uses*: limited to one *single detached dwelling unit* per existing legal lot as of December 16, 2008. Maximum density allowed only for development

projects abutting SR-522 and containing at least 25% *very low-income or low-income affordable housing units*. Permitted densities for other housing projects shall be consistent with permitted residential densities in adjoining zoning districts.

² The minimum lot size may be reduced if the *city manager* determines *use* on the *site* is compatible with adjoining property, does not impair *development* of adjoining property and does not adversely affect the public health, safety or welfare.

³ a. *Street setbacks*: the minimum *street setback* for nonresidential or mixed use development varies depending on the adjacent zoning:

(1) Zero feet if adjacent zoning is downtown commercial or downtown residential.

(2) Twenty feet if adjacent zoning is R-1 to R-6.

(3) Ten feet in all other cases.

b. *Interior setbacks* for nonresidential or mixed use development: zero feet if adjacent zoning is downtown commercial or downtown residential; 20 feet if adjacent zoning is R-1 to R-6; five feet in all other cases.

c. *Setbacks* for residential development shall match those of the adjoining zoning district.

⁴ Height limits may be increased when portions of the *building* which exceed the base height limit provide one additional foot of *street* and interior *setback* for each foot above the base height limit, provided the maximum height does not exceed 75 feet. Properties abutting downtown commercial or downtown residential zones or regional business zones may achieve the heights allowed by those abutting zones if meeting conditions for the maximum height as expressed in those abutting zones.

⁵ Building heights and orientation for proposals within the great blue heron rookery buffer shall be carefully assessed through the required habitat management plan (see KMC 18.55, Articles XIII through XV). In particular, potential impacts related to the flyway and shadowing of nest trees shall be evaluated. The *city manager* may require adjustments to maximum building height and/or building orientation to protect the rookery.

⁵⁶ a. Ninety percent if abutting properties are zoned downtown commercial or downtown residential or regional business. Seventy percent in all other cases.

b. Measures to reduce *impervious surfaces* and to promote *low impact development* shall be employed unless infeasible, consistent with adopted Kenmore stormwater management standards.

B. Standards may be varied through a *variance* process pursuant to Chapter [19.25](#) KMC and KMC [18.115.030](#), or through the site plan review process in KMC [18.27.060](#).

18.27.052 Connectivity requirements for properties abutting SR-522.

Properties in the public/semi-public zone abutting SR-522 should remove impediments to pedestrian use of the area by fostering the creation of an extensive network of sidewalks and pedestrian walkways.

Development proposals shall:

A. Provide any direct pedestrian connections between proposed development and transit facilities, or arterials providing transit access in order to minimize walking distances to transit.

B. Comply with the ~~downtown~~ design standards pertaining to pedestrian walkways, as set forth in KMC [18.52.100](#).

C. Properties abutting water bodies (i.e., wetlands or streams) shall provide a public access trail paralleling the water body from one property line to the next with setbacks that are consistent with the requirements of KMC Title [16](#) and Chapter [18.55](#) KMC. The public access trail shall connect to a public right-of-way.

1. Where a development proposal abuts a property with a public access trail segment, the public access segment on the subject property shall connect to abutting property public access segment(s).

2. The public access easement for public access trails shall be documented on the face of the plat or plan and recorded with the King County Department of Records and Elections. Public access easements shall run with the land in perpetuity.

Urban Residential (UR) Zone

(new zoning district based on TOD overlay standards)

Chapter 18.29

TOD DISTRICT OVERLAY URBAN RESIDENTIAL ZONE

Sections:

- [18.29.010 Intent.](#)
- [18.29.020 Area.](#)
- [18.29.030 Applicability.](#)
- [18.29.040 Use allowances.](#)
- [18.29.045 Accessory uses.](#)
- [18.29.050 Zoning standards.](#)
- [18.29.060 Affordable housing requirements.](#)
- [18.29.070 Parking.](#)
- [18.29.080 Design requirements.](#)
- [18.29.090 Connectivity requirements.](#)
- [18.29.100 Significant tree grove retention.](#)
- [18.29.055105 Wireless communication facilities.](#)

18.29.010 Intent.

The purpose of the ~~transit-oriented development (TOD) district overlay~~ **Urban Residential zone** is to reinforce the City's planned concentration of pedestrian-oriented mixed use **residential** development at intensities that support and are supported by multi-modal transportation options, including high capacity transit. The ~~TOD district overlay~~ **Urban Residential zone** revitalizes the City's core by creating incentives and **provides** opportunities for a mix of jobs and **high-density** residences, cultivates a respectful relationship among development within the **district area**, the natural environment, and nearby traditional neighborhoods, and provides a framework for future infrastructure and service decisions. The ~~TOD district overlay~~ **Urban Residential zone** provides public benefits in the form of **encouraging housing affordable to all economic groups housing**, increased pedestrian connectivity, quality design, and incentives to preserve significant tree groves where they exist.

18.29.020 Area.

The area of the TOD district overlay is shown on Figure 18.29.020.1. In order to develop under the TOD district overlay, at least 50 percent of a parcel shown on Figure 18.29.020.1 shall be located within the TOD district overlay.

18.29.030 Applicability.

A. The TOD district overlay is an incentive-based zoning overlay. Applicants who elect to develop under the provisions of the TOD district overlay shall adhere to all development standards set forth in this chapter; except that development standards not addressed in this chapter shall be governed by provisions of the underlying zone.

B. In order to be eligible to develop under the TOD district overlay regulations, a development application shall meet the following criteria:

1. The property must be located within the TOD district overlay area as described in KMC [18.29.020](#);

2. The proposed development must either:

a. Be considered a mixed use development as defined in KMC [18.20.1740](#); or

b. Be a residential-only development or mixed use development with commercial permitted only on the ground floor if located in the R-12, R-18, or R-24 underlying zones, which are areas designated as primarily residential.

C. Eligible properties within the TOD district overlay that do not choose to develop under the provisions of this chapter shall comply with the provisions of the underlying zone in their entirety. [Ord. 15-0406 § 1 (Att. A).]

18.29.040 Use allowances.

The following uses listed in Table A are identified as *permitted*, conditionally permitted or *prohibited uses* for properties electing to develop under provisions of the TOD district overlayUrban Residential zone.

All uses not specifically listed in this section shall be prohibited.

Table A - TOD
OverlayDistrictUrban Residential Zone
Use Allowances

PERMITTED	CONDITIONALLY PERMITTED	PROHIBITED
Day care	Arts, entertainment, indoor ^{1,2}	Adult entertainment business
Eating and drinking place ¹	Business service, standard ^{1,2}	Air transportation service

**Table A – TOD
 Overlay District Urban Residential Zone
 Use Allowances**

PERMITTED	CONDITIONALLY PERMITTED	PROHIBITED
<i>Educational service¹</i>	<i>Health care and social assistance^{1,3}</i>	<i>Ambulatory surgery center¹</i>
<i>Mobile food service^{4,2}</i>	<i>Manufacturing, light^{1,3,5,2}</i>	<i>Animal kennel/shelter^{2,5}</i>
<i>Multiple-family dwelling⁴</i>	<i>Park</i>	<i>Arts, entertainment, outdoor</i>
<i>Office¹</i>	<i>Personal service^{1,2}</i>	<i>Auction house</i>
	<i>Recreational facility, indoor^{1,3}</i>	<i>Automotive sales and service, marine</i>
	<i>Regional land use</i>	<i>Automotive sales and service, non-marine</i>
	<i>Retail sales^{1,3,5,2}</i>	<i>Business service, intensive</i>
	<i>Temporary lodging^{1,3}</i>	<i>Cemetery, columbarium or mausoleum</i>
		<i>College/university²</i>
		<i>Community residential facility</i>
		<i>Construction and trade</i>
		<i>Family child-care home</i>
		<i>Fire or police facility²</i>
		<i>Funeral home/crematory</i>
		<i>Hospital</i>
		<i>Laboratory²</i>
		<i>Manufactured housing community</i>
		<i>Manufacturing, heavy</i>
		<i>Marijuana business</i>
		<i>Marijuana cooperative</i>
		<i>Recreational facility, outdoor</i>
		<i>Religious institution²</i>
		<i>Resource land use</i>
		<i>Retail sales, bulk</i>
		<i>Secure facility</i>
		<i>Single detached dwelling unit</i>
		<i>Standalone parking</i>
		<i>Supportive living facility²</i>

**Table A – TOD
Overlay District Urban Residential Zone
Use Allowances**

PERMITTED	CONDITIONALLY PERMITTED	PROHIBITED
		<i>Transportation</i>
		<i>Utility facility</i>
		<i>Vehicle or equipment rental</i>
		<i>Vehicle refueling station</i>
		<i>Warehousing</i>
		<i>Wholesale trade</i>

¹ Commercial use limitations in residentially oriented underlying zones: If these uses are proposed for property with underlying zoning of R-12, R-18, or R-24, then each use is limited to maximum 5,000 square feet per use and 15,000 square feet total contiguous nonresidential area within the development.

² Conditional use permit required in underlying urban corridor, downtown commercial, and public/semi-public zones. Prohibited in all other underlying zones within the TOD district overlay area.

³ Conditional use permit required in underlying R-12, R-18, R-24 zones. Permitted in underlying urban corridor, downtown commercial, and public/semi-public zones within the TOD district overlay area.

⁴² *Mobile food service* is permitted subject to the following requirements:

- a. For a stand, location shall be on a sidewalk or near a storefront consistent with barrier-free regulations;
- b. For a stand, location on the sidewalk or near a storefront shall provide for at least four feet of unobstructed sidewalk between the stand and the sidewalk edge for pedestrian movement;
- c. No permanent fencing, walls, or other structures are installed which hinder removal of the structure from the site;
- d. No required parking stall shall be blocked or rendered unusable as a result of the *mobile food service*;
- e. Safe ingress and egress to the site shall be maintained. Visibility for transportation and pedestrian access shall be maintained;

f. The limited duration of the *mobile food service* shall be established as a condition of approval of any applicable permits; if accessory to a use, such operation is removed daily at the time of or prior to the close of business hours;

g. A sign permit is required for exterior signage in accordance with the sign code, Chapter [18.42](#) KMC.

⁵³ No *outdoor storage* of materials shall be permitted.

⁴ A standalone *townhouse* development is prohibited.

18.29.045 Accessory uses.

Accessory uses, when consistent with the definition in Chapter [18.20](#) KMC, are allowed as determined by the *city manager*.

18.29.050 Zoning standards.

The following development standards in Table B apply to properties electing to develop under provisions of the ~~TOD district overlay~~ Urban Residential zone:

Table B – ~~TOD Overlay District~~ Urban Residential Zone Development Standards

STANDARD	REQUIREMENT
Minimum Density: <i>Dwelling Units</i> /Gross Acre	60 ⁺
Maximum Density: <i>Dwelling Units</i> /Gross Acre	150 ⁺
Maximum Height	65 85' ²¹²
<u>Minimum Lot Width</u>	<u>30'³</u>
<u>Street Setback</u>	<p><u>Minimum 10' from SR-522 unless otherwise allowed through Chapter 18.52 KMC, Downtown Design Standards; other streets 0'</u></p> <p><u>Maximum 10' unless otherwise allowed through Chapter 18.52 KMC, Downtown Design Standards.</u></p>
<u>Minimum Side Setback⁴</u>	<u>5'</u>
<u>Minimum Rear Setback⁴</u>	<u>5'</u>
<u>Maximum Impervious Surface</u>	<u>90%</u>

¹ Portions of any property developing under the TOD district overlay regulations with an underlying zoning of R-1 shall cluster development away from critical areas or corridors such as urban separators or the wildlife habitat network to the extent possible and the open space shall be placed in a separate tract that includes at least 50 percent of the site. The open space tract shall be permanent and meet the provisions of KMC [17.20.130\(B\)](#).

² Portions of any property developing under the TOD district overlay regulations that are within 50 feet of an existing single-family zone (R-1, R-4, R-6, or MHC) zoning district shall have a maximum height of 35 feet within that area to provide a transition in height to the lower intensity uses.

² Building heights and orientation for proposals within the great blue heron rookery buffer shall be carefully assessed through the required habitat management plan (see KMC 18.55, Articles XIII through XV). In particular, potential impacts related to the flyway and shadowing of nest trees shall be evaluated. The city manager may require adjustments to maximum building height and/or building orientation to protect the rookery.

³ Minimum lot width measurement is described in KMC [18.30.110](#).

⁴ In addition, the following design requirements shall apply:

Relational Setback Requirements. Any proposed development within the TOD district overlay adjacent to an existing single-family zone (R-1, R-4, or R-6, or MHC) zoning district shall be required to provide an interior ground-level setback of 15 feet on the side of the property facing the single-family zone, unless a larger setback is required in the underlying zone. In that event, the larger of the two setback requirements shall govern. The setback required by this subsection shall be landscaped with Type II landscaping as defined described in KMC [18.35.040\(B\)](#) [18.35.045](#) to provide a visual buffer.

18.29.060 Affordable housing requirements.

For properties choosing to develop under the TOD district overlay, development containing residential units shall provide affordable housing as described in Chapter [18.77](#) KMC. Development choosing to develop under the TOD district overlay shall not utilize the provisions of residential density incentives found in Chapter [18.80](#) KMC to achieve maximum densities.

18.29.080 Design requirements.

Development within the TOD district overlay urban residential zone shall comply with Standard 1 provisions of the downtown design standards, as set forth in Chapter [18.52](#) KMC.

Note: 18.52.070.A.1, map of design districts, will be changed to show UR as Design Standard 1 (most stringent).

18.29.090 Connectivity requirements.

Development in the TOD district overlay urban residential zone should remove impediments to pedestrian use of the district and the downtown area by fostering the creation of an extensive network of sidewalks and pedestrian walkways.

Development proposals within the boundaries of the TOD district overlay that elect to develop under the provisions of this chapter shall:

- A. Provide any direct pedestrian connections between proposed development and transit facilities, or arterials providing transit access in order to minimize walking distances to transit.
- B. Comply with the downtown design standards pertaining to pedestrian walkways, as set forth in KMC [18.52.100](#).
- C. Properties abutting water bodies (i.e., wetlands, rivers, lakes, or streams) shall provide a public access trail paralleling the water body from one property line to the next with setbacks that are consistent with the requirements of KMC Title [16](#) and Chapter [18.55](#) KMC. The public access trail shall connect to a public right-of-way.
 - 1. Where a development proposal abuts a property with a public access trail segment, the public access segment on the subject property shall connect to abutting property public access segment(s).
 - 2. The public access easement for public access trails shall be documented on the face of the plat or plan and recorded with the King County Department of Records and Elections. Public access easements shall run with the land in perpetuity.

Amendments Related to Affordable Housing

Definitions:

18.20.098 Affordable housing unit.

"Affordable housing unit" means housing reserved for occupancy by eligible households and having monthly housing expenses less than or equal to 30 percent of the monthly household income described in the subsections below, adjusted for household size. (Housing expenses for

ownership housing include mortgage and mortgage insurance, property taxes, property insurance, and homeowner's dues. Housing expenses for rental housing include rent, and appropriate utility allowance utilities, expenses required by the landlord, and parking to the extent that the city requires the property or development to provide off-street parking.)

A. For rental housing:

1. A "moderate low-income affordable housing unit" is affordable at or below 70 percent of median income, adjusted for household size;
2. A "very low-income affordable housing unit" is affordable at or below 50 percent of median income, adjusted for household size;
3. A "very low-income affordable housing unit" is affordable at or below 35 percent of median income, adjusted for household size.

B. For ownership housing:

1. A "moderate-income affordable housing unit" is affordable at 80 percent of median income, adjusted for household size;
2. A "low-income affordable housing unit" is affordable at 65 percent of median income, adjusted for household size;
3. A "very low-income affordable housing unit" is affordable at 50 percent of median income, adjusted for household size.

Pursuant to the authority of RCW 36.70A.540, the City finds that the higher income levels specified in the definition of "affordable housing" under this section, rather than those stated in the definition of "low-income households" in RCW 36.70A.540, are needed to address local housing market conditions in the City.

Chapter 18.77 AFFORDABLE HOUSING

Sections:

- [18.77.010 Affordable housing – Purpose and intent.](#)
- [18.77.015 General provisions.](#)
- [18.77.020 Downtown residential and downtown commercial zones.](#)
- [18.77.025 Downtown commercial zone.](#)
- [18.77.030 Transit oriented development \(TOD\) district overlay Urban corridor zone, east subarea.](#)
- [18.77.040 Community business zone, Juanita subarea.](#)
- [18.77.042 Urban residential zone.](#)

[18.77.045 Alternative compliance.](#)

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18.77.010 Affordable housing – Purpose and intent.

The purpose of this chapter is to implement, through regulations, the responsibility of the *City* under the Washington State Growth Management Act to consider the housing needs of all economic segments of the community, and to assure an adequate affordable housing supply in the *City*. The *City* recognizes that the marketplace is the primary supplier of adequate housing for those in the upper economic groups, but that some combination of appropriately zoned land, regulatory incentives, innovative planning techniques, and requirements will be necessary to make adequate provisions for the needs of households whose incomes are at or below median income.

18.77.015 General provisions.

A. Determination of Number of Affordable Housing Units Required – Rounding. See KMC [18.30.020](#)(D) for method of rounding to determine the number of affordable housing units required.

B. Adjacent Developments. Adjacent *developments* by the same or affiliated *developer* will be considered as a single *development* for the purpose of applying the thresholds for compliance.

C. Designation of Affordable Housing Units. Prior to the issuance of any permit(s), the *City* shall review and approve the location and unit mix of the affordable housing units consistent with the following standards:

1. Location. The location of the affordable housing units shall be approved by the *City*, with the intent that they generally be intermingled with all other *dwelling units* in the *development*.
2. Tenure. The tenure of the affordable housing units (ownership or rental) shall be the same as the tenure for the rest of the housing units in the *development*.
3. Size (Bedroom). The affordable housing units shall consist of a range of number of bedrooms that is comparable to units in the overall *development*.
4. Size (Square Footage). The size of the affordable housing units, if smaller than the other units with the same number of bedrooms in the *development*, shall be approved by the *city manager*. If there is a proposal that the affordable units be smaller than the market rate units, in no case shall the affordable housing units be less than 500 square feet for a studio unit, 600 square feet for a one-bedroom unit, 800 square feet for a two-bedroom unit, or 1,000 square feet for a three-bedroom unit.

5. Design. The exterior design of the affordable housing units shall be compatible and comparable with the rest of the *dwelling units* in the *development* and shall comply with any applicable design standards. The interior finish and quality of construction of the affordable housing units shall at a minimum be comparable to entry level rental or ownership housing in the *City*.

D. Duration. Housing shall serve only income-eligible households for a minimum period of 50 years from the latter of the date when the affordability agreement between the housing owner and the *City*, as described in KMC [18.77.050](#), is recorded, or the date when the affordable housing becomes available for occupancy as determined by the *City*.

E. Timing/Phasing. The affordable housing units shall be available for occupancy in a time frame comparable to the availability of the rest of the *dwelling units* in the *development*.

18.77.020 Downtown residential and downtown commercial zones.

The provisions of this section shall apply to multifamily residential *developments* proposed on property four acres or greater in size within the downtown residential ~~or downtown commercial~~ zones that lie west of 68th Avenue NE, and which are providing for more than 20 *multiple-family dwelling units*.

A. Twenty-five percent of the total number of units in the *development* shall be reserved for eligible households and affordable to households with incomes no greater than 70 percent of the King County median income, if renter-occupied, or affordable to households with incomes no greater than 80 percent of median income, if owner-occupied~~moderate-income affordable housing units.~~

B. Subject to *City* authorization, the affordable units need not be provided within the *development*, but must be provided within the downtown commercial, downtown residential, urban corridor, waterfront commercial, or regional business zone.

18.77.025 Downtown commercial zone.

A. Multifamily or mixed-use development proposed within the downtown commercial zone east of 73rd Avenue NE shall provide affordable housing as follows:

Twenty-five percent of the total number of residential units in the development shall be very low-income affordable housing units if renter-occupied or low-income affordable units if owner-occupied.

B. Multifamily or mixed-use development proposed within the downtown commercial zone west of 73rd Avenue NE shall provide affordable housing as follows:

Twenty-five percent of the total number of units in the *development* shall be reserved for eligible households and affordable to households with incomes no greater than 70 percent of the King County median income, if renter-occupied, or affordable to households with incomes no greater than 80 percent of median income, if owner-occupied.

18.77.030 Transit oriented development (TOD) district overlayUrban corridor zone, east subarea.

Multifamily or *mixed use development* proposed within the urban corridor zone, east subarea, shall provide affordable housing as follows:

Twenty-five percent of the total number of residential units in the development shall be *very low-income affordable housing units* if renter-occupied or *low-income affordable housing units* if owner-occupied.

A. Properties developed under the TOD district overlay, Chapter 18.29 KMC, shall include affordable housing units.

B. Cap on Total Number of Affordable Housing Units Required. Affordable housing requirements shall be capped at 10 percent of the total number of *dwelling units* being provided.

C. Number of Affordable Housing Units Required. Affordable housing units shall be provided for any *development* exceeding the base density of the underlying zone as follows:

1. Tier 1. If the number of bonus units is less than or equal to 30 percent of the total number of *dwelling units*, then for every three bonus units, one *dwelling unit* shall be a *moderate-income affordable housing unit* and two bonus *dwelling units* may be bonus market rate *dwelling units*.

2. Tier 2. If the number of bonus units is greater than 30 percent of the total number of *dwelling units* and if the overall project density is less than or equal to 120 *dwelling units* per acre, then a combination of *low-income affordable housing units* and *moderate-income affordable housing units* shall be provided as follows: For every four bonus units allowed beyond that needed to achieve the 10 percent *moderate-income affordable housing units*, one of the *moderate-income affordable housing units* shall be made into a *low-income affordable housing unit* up to a maximum of 33 percent of the affordable housing units (or 3.3 percent of the total *dwelling units* in the *development*).

3. Tier 3. If the overall development density is greater than 120 *dwelling units* per acre, a combination of *very low-income affordable housing units*, *low-income affordable housing units* and *moderate-income affordable housing units* shall be provided as follows: The required numbers of *low-income affordable housing units* and *moderate-income affordable housing units* shall be equivalent to those that would be required under Tier 2, assuming

that the project were to be developed at a density of 120 *dwelling units* per acre. An amount of *very low-income affordable housing* shall be required so that the total combined amount of *very low-income, low-income and moderate-income affordable housing units* is equal to 10 percent of the total number of *dwelling units* in the *development*.

4. Affordable Housing Example. Example is a one-and-one-half-acre property with a base density of 48 *dwelling units* (du)/acre. Without the TOD district overlay, the property could achieve up to 72 *dwelling units*.

Tier 1 example: Proposed TOD *development* would achieve 93 *dwelling units on site* for 62 du/acre. This provides 21 "bonus" *dwelling units* above the 48 du/acre base density of the zone. Since the number of bonus units (21) is less than 30 percent of the total units (93), seven of the 21 bonus units must be affordable to moderate-income households, meeting Tier 1 affordability requirements.

Tier 2 example: Proposed TOD *development* would achieve 113 *dwelling units on site* for 75 du/acre. This provides 41 "bonus" *dwelling units* above the 48 du/acre base density of the zone.

Since the number of bonus units (41) is greater than 30 percent of the total units (113), 11 of the 41 bonus units must be affordable, meeting the 10 percent affordability cap. Nine of these are affordable to moderate-income households and two are affordable to low-income households (33 of the bonus units used toward achieving 10 percent affordable units (11×3) plus eight of the bonus units applied toward making two of the affordable units low-income affordable units ($8 \times .25 = 2$).

Tier 3 example: Proposed TOD *development* would achieve 210 *dwelling units on site* for 140 du/acre. The first step is to determine how many affordable units would have been required assuming 120 du/acre using the Tier 2 formula. This calculation results in 13 *moderate-income affordable housing units* and five *low-income affordable housing units*. To achieve the requirement that 10 percent of the total units in the *development* be affordable, three additional affordable housing units would be needed ($21 - 18 = 3$). These three units would be required to be *very low-income affordable housing units*. In summary, the *development* would provide 13 *moderate-income affordable housing units*, five *low-income affordable housing units*, and three *very low-income affordable housing units*.

18.77.040 Community business zone, Juanita subarea.

A. For properties choosing to develop at higher residential densities in the CB Juanita subarea, Chapter 18.23 KMC, affordable housing units shall be provided for any *development* exceeding the base density of 24 *dwelling units* per acre as follows:

1. For every four *bonus units*, one bonus *dwelling unit* shall be reserved for eligible households and affordable to households with incomes no greater than 70 percent of the King County median income, if renter-occupied, or affordable to households with incomes

no greater than 80 percent of median income, if owner-occupied, a *moderate-income affordable housing unit* and three bonus *dwelling units* may be bonus market rate *dwelling units*.

2. Each *low-income affordable housing unit* provided counts as two *moderate-income affordable housing units* for the purpose of satisfying the affordable unit requirement under subsection (A)(1) of this section:

a. Each *very low-income affordable housing unit* provided counts as two renter-occupied affordable units required by subsection (A)(1).

b. Each unit provided, affordable at 65 percent of the King County median income, counts as two owner-occupied affordable units required by subsection (A)(1).

Example: Proposed *development* would achieve 36 *dwelling units* on a one-acre *site* for a density of 36 du/acre. This provides 12 "bonus" *dwelling units* above the 24 du/acre base density of the zone. Three of the 12 *bonus units* must be *affordable units as described in subsection (A)(1) moderate-income affordable housing units*. Alternatively, the project could provide two one affordable unit as described in subsection (A)(2) and one affordable unit as described in subsection (A)(1) *low-income affordable housing units (rounded)*.

18.77.042 Urban residential zone.

Multifamily or mixed use development proposed within the urban residential zone shall provide affordable housing as follows:

Twenty-five percent of the total number of residential units in the development shall be *very low-income affordable housing units* if renter-occupied or *low-income affordable housing units* if owner-occupied.

18.77.045 Alternative compliance.

Alternative Compliance. While the *City* prefers to achieve affordable housing on-site, the *city manager* may approve a request for satisfying all or part of the affordable housing requirements with alternative compliance methods as follows:

A. Application. Applications for alternative compliance shall be submitted at the time of permit application, and must be approved prior to issuance of any building permit.

B. Off-Site Provision. A project proponent may propose to satisfy all or part of affordable housing requirements off site.

1. The project proponent must demonstrate that off-site provision of new affordable housing achieves a result equal to or better than providing affordable housing on site.

2. Affordable housing units provided through this method must be the same type of units as the units in the project which gave rise to the requirement.

3. Priority is for the project to be located within the same zoning district as the *development* responsible for providing affordable housing. However, the *city manager* may approve a project located outside the zoning district if the location has access to commercial *uses* and transit, does not result in an undue concentration of affordable housing, and has adequate infrastructure.

4. The proposal must demonstrate that the affordable units provided off site will be completed before or within the same time period as the *development* generating the affordable housing requirement. For projects approved for off-site affordable housing, there will be a recorded agreement on both the “sending” property and the “receiving” property. The covenant on the sending site will be released once the affordable housing is completed on the receiving property.

C. Contribution to Preservation of Existing Affordable Housing. A project proponent may propose to satisfy all or part of affordable housing requirements through purchase and long-term preservation of existing affordable housing, particularly in the *City’s manufactured housing communities*. The *applicant* shall provide information demonstrating affordability of the units to be preserved and a long-term covenant shall be placed over the preserved units, ensuring preservation and maintenance of the affordable units.

D. Fee in Lieu. Cash payments in lieu of providing actual housing units may be proposed and, if approved by the *City city manager*, shall be used only for the subsequent preservation or provision of affordable housing units by the *City* or other housing provider approved by the *city manager*.

1. Payments in lieu shall be based on the difference between the cost of construction for a prototype affordable housing unit on the subject property, including land costs and development fees, and the revenue generated by an affordable housing unit.
2. Prior to issuance of building permits for the project, the *City* and *applicant* shall execute a written agreement that establishes the *applicant’s* payment obligations (amounts and due dates) will be established at the time of issuance of building permits for the project. The *City* may require the *applicant* to secure its payment obligations by irrevocable letter of credit or other form acceptable to the *City*.
3. The *City* shall deposit collected payments in an affordable housing fund established by the *City*.
4. Before the *city manager* approves or executes an agreement to accept payment in lieu of affordable housing, the *City* must have a plan for investing funds in affordable housing

that supports *City* objectives. The *City* should make every effort to use these funds as quickly as possible.

5. The highest priority location for affordable housing funded wholly or in part with in-lieu fees is the subarea location of the project that generated the in-lieu fee; however, the *city manager* may authorize the use of these funds for affordable housing projects in other subareas of the *City* (as a second priority) or within another jurisdiction (as a third priority) with close proximity to commercial uses, transit services, and/or employment opportunities.

18.77.050 Affordability agreement.

A. Prior to issuing any building permit, an agreement in a form approved by the *city manager* that addresses price restrictions, homebuyer or tenant qualifications, phasing of construction, monitoring of affordability, duration of affordability, and any other applicable topics of the affordable housing units shall be recorded with King County Department of Records and Elections. This agreement shall be a covenant running with the land and shall be binding on the assigns, heirs and successors of the *applicant*. The *City* may agree, at its sole discretion, to subordinate any affordable housing regulatory agreement for the purpose of enabling the owner to obtain financing for *development* of the property.

B. Monitoring and Fees. The *City* reserves the right to establish, in the affordability agreement referred to in subsection A of this section, monitoring fees for the affordable housing unit, which can be adjusted over time to account for inflation. The purpose of any monitoring fee is for the review and processing of documents to maintain compliance with income and affordability restrictions of the affordability agreement.

18.77.060 Expedited permit processing.

A. Certain projects containing ~~very~~extremely low-income or very low-income affordable housing units in the R-12, R-18, R-24, NB, CB, DR, DC, UC, UR, WC, RB, and PSP zones that require a Type 2 land use decision as described in KMC [19.25.020](#) may have that process reduced to a Type 1 land use decision unless the proposal includes any of the following:

1. Short subdivision, including revisions and alterations;
2. Zoning variance;
3. Conditional use permit;
4. Shoreline permit; or
5. Critical area exceptions, variances or modifications under Chapter [18.55](#) KMC.

B. Any applicant for a project containing ~~very~~**extremely** low-income or **very** low-income affordable housing units may request that review of the project be expedited. The request may be made on forms provided by the City. If a determination is made by the city manager that City staffing or other permit priorities do not allow expedited permit review, the applicant may request that the project be reviewed by a consultant working for the City at the applicant's expense.

Parking

18.40.030 Computation of required off-street parking spaces.

A. Except as modified in KMC **18.40.035**, **18.40.040**, **18.40.050** or **18.40.090**, off-street parking areas shall contain at a minimum the number of *parking spaces* as stipulated in the following table. Off-street parking ratios expressed as number of spaces per square feet means the usable or net square footage of floor area, exclusive of nonpublic areas. Nonpublic areas include but are not limited to building maintenance areas, storage areas, closets, restrooms and exterior walls. If the formula for determining the number of off-street *parking spaces* results in a fraction, the number of off-street *parking spaces* shall be rounded to the nearest whole number with fractions of 0.50 or greater rounding up and fractions below 0.50 rounding down.

. . .

~~F. Exceedance of Minimum Parking – Downtown Commercial and Downtown Residential Zones West of 68th Avenue NE. Provision of parking in excess of the minimum parking requirements shall require the excess parking be included in a structured parking garage, or under building and screened from the street frontage, unless the additional parking is associated with a phased, mixed use development and is interim in nature.~~ (standard relocated for clarity)

GF. Exceedance of Minimum Parking – Zones Other Than Downtown Commercial and Downtown Residential Zones West of 68th Avenue NE. Provision of parking shall not exceed 30 percent more than the minimum parking requirements unless the excess parking spaces are included in a structured parking garage, or under building and screened from the street frontage, unless the additional parking is associated with a phased, mixed use development and is interim in nature.

HG. Tree Retention – DC and DR Zones. Where an applicant proposes retention of *trees* in accordance with KMC **18.35.100**(G) in the DC and DR zones, the city manager may reduce parking requirements by one *parking space* for every two *significant trees* that are saved in excess of the significant tree ordinance requirements.

IH. Critical Area or Buffer Protection. When unavoidable, the city manager may reduce minimum parking requirements in order to maximize the protection of a *critical area* or its *buffer*. The

reduction in the number of parking stalls or alternative stall or drive aisle dimensional requirements shall be in proportion to the area to be retained in the *buffer* or *critical area*.

18.29.070 Parking 18.40.035 Parking in the Urban Residential zone, Downtown Commercial zone east of 73rd Avenue NE, Public and Semi-Public zone abutting SR-522, and the Urban Corridor zone, east subarea

Parking in the ~~TOD district overlay~~ urban residential zone, the downtown commercial zone east of 73rd Avenue NE, the public and semi-public zone abutting SR-522, and the urban corridor zone, east subarea should be sufficient to support local businesses and residential development, while at the same time promoting transit ridership, walkable streets, and efficient use of land. Proposed development ~~choosing to develop under the TOD district overlay~~ shall provide parking as follows:

A. Minimum parking requirements for nonresidential uses may be reduced to 75 percent of the minimum requirement computed according to the provisions of KMC 18.40.030.

B. Minimum residential parking shall be supplied at the following ratios:

1. ~~1.00.50~~ parking spaces per ~~market rate dwelling unit~~, except as follows:

a. Pioneer Project Incentive. For purposes of this section, a pioneer project consists of the first 100 bonus housing units provided in the city under the TOD district overlay regulations. The first 100 bonus housing units in a pioneer project(s) may elect to provide parking spaces for market rate bonus units at 0.6 parking spaces per dwelling unit.

2. ~~1.00.50~~ additional parking space per every five ~~market rate dwelling units~~ shall be provided and designated as guest parking for use by all guests.

3. ~~0.60~~ parking spaces per dwelling unit for ~~affordable or senior dwelling units~~. There are no minimum parking requirements for multifamily residential developments specifically for housing *senior citizens* or people with disabilities. For residential *developments* specifically for housing *senior citizens*, an *applicant* shall prepare a parking demand analysis to determine parking requirements for staff and visitors. Parking requirements for *senior citizen assisted living* facilities are addressed in Sections 18.40.030.A and 18.40.050 KMC.

4. Affordable housing shall be as defined under KMC ~~18.29.060~~. Senior housing shall be defined as housing restricted to those meeting the definition of "senior citizen" as found in KMC ~~18.20.2500~~.

C. The following factors shall count towards minimum parking standards for residential and nonresidential development:

1. On-street parking immediately adjoining a property proposed for development or provided as part of the proposed development may be counted toward the minimum parking requirement.

2. Minimum on-site parking may be reduced further by provisions of KMC 18.40.090(B) for properties within the TOD district overlay that meet the requirements of KMC 18.40.090(B) for accessibility to high frequency transit service.

32. Shared parking among uses is encouraged within the TOD district overlay as described in KMC 18.40.040. Developments that propose shared parking arrangements shall submit a *parking management plan* as defined in KMC 18.20.1995 that describes the terms and conditions of shared parking arrangements on site.

D. Parking Provided in Excess of Minimum. Provision of parking in excess of the minimum parking requirements outlined in subsections A and B of this section shall require the excess parking be included in a structured parking garage, or under building and screened from the street frontage, unless the additional parking is associated with a phased, mixed use development, is interim in nature, and is temporarily located on land reserved for future phases not yet built. (standard relocated for clarity)

ED. Maximum parking within the TOD district overlay shall not exceed the minimum requirement calculated under the provisions of KMC 18.40.030.

1. Applicants may be allowed to exceed the maximum parking if the applicant can produce a parking study that demonstrates probable on-site parking needs that are significantly higher than similar uses. This traffic study shall be subject to review by the city manager before approval for additional parking is granted. All parking granted in excess of the maximum shall be provided in a structured parking garage or under building and screened from the street frontage.

FE. All other parking requirements shall be as provided in Chapter 18.40 KMC this chapter.

18.40.038 Exceedance of Minimum Parking - Downtown Commercial Zone, Downtown Residential Zone, Urban Corridor Zone, East Subarea, and Urban Residential Zone.

Provision of parking in excess of the minimum parking requirements shall require the excess parking be included in a structured parking garage, or under *building* and screened from the *street frontage*, unless the additional parking is associated with a phased, *mixed use development* and is interim in nature.

Miscellaneous amendments

(includes significant tree grove retention standards)

3.65.040 Project eligibility. (MFTE)

To be eligible for exemption from property taxation under this chapter, the property shall satisfy all of the following requirements:

- A. The property must be located in a residential targeted area.
- B. A building or buildings in the project on the property shall have at least four dwelling units. Any project may be proposed in phases. If applicable, the *affordable housing* units may be located in all or some of the buildings in the project.
- C. For new construction, a minimum of four new dwelling units must be created; for rehabilitation or conversion of existing occupied structures, a minimum of four additional dwelling units must be added.
- D. Existing dwelling units proposed for rehabilitation shall have been unoccupied for a minimum of 12 months prior to submission of an application and shall fail to comply with one or more requirements of the building code as set forth in KMC Title [15](#).
- E. No application may result in the net loss of existing *affordable housing* which receives housing assistance through Federal low- or moderate-income housing programs (e.g., HUD Section 8 program).
- F. Prior to issuing a certificate of occupancy, an agreement in a form acceptable to the city attorney that addresses *eligible household* qualifications and any other applicable topics of the *affordable housing* units shall be recorded with the King County department of records and elections. This agreement shall be a covenant running with the land and shall be binding on the assigns and successors of the *owners*.
- G. The project shall comply with all applicable zoning, land use, building and housing requirements contained in this code, including, but not limited to, if the project is on property located in the transit-oriented development district overlay, the project shall comply with Chapter 18.29 KMC and all other applicable zoning regulations.

18.15.010 Zones and map designations established.

In order to accomplish the purposes of this title, the following zoning designations and zoning map symbols are established:

ZONING DESIGNATIONS	MAP SYMBOL
Residential	R (base density in dwellings per acre)
Manufactured Housing Community	MHC
Neighborhood Business	NB
Community Business	CB
Downtown Residential	DR
Downtown Commercial	DC
Urban Corridor	UC
<u>Urban Residential</u>	<u>UR</u>
Waterfront Commercial	WC
Regional Business	RB
Public and Semi-Public	PSP
Parks	P
Golf Course	GC
Property-Specific Development Standards	P-suffix
Special District Overlay	SO

18.30.040 Fences.

Fences are permitted as follows:

- A. *Fences* exceeding a height of eight feet shall comply with the applicable *street* and interior *setbacks* of the zone in which the property is located;
- B. *Fences* located on a rockery, *retaining wall*, or *berm* within a required *setback* area are permitted subject to the following requirements:

1. In R-1 through R-18, P and GC zones:

- a. The total height of the *fence* and the rockery, *retaining wall* or *berm* upon which the *fence* is located shall not exceed a height of 12 feet. This height shall be measured from the top of the *fence* to the ground on the low side of the rockery, *retaining wall* or *berm*; and
- b. The total height of the *fence* itself, measured from the top of the *fence* to the top of the rockery, *retaining wall* or *berm*, shall not exceed eight feet;

2. In the R-24, R-48, **UR**, DR, PSP, and commercial zones, the height of the *fence*, measured from the top of the *fence* to the top of the rockery, *retaining wall* or *berm*, shall not exceed eight feet;

3. Any portion of the *fence* above a height of eight feet, measured to include both the *fence* and the rockery, *retaining wall*, or *berm* (as described in subsection (B)(1)(a) of this section), shall be an *open-work fence*;

C. *Fences* located on a rockery, *retaining wall* or *berm* outside required *setback* areas shall not exceed the building height for the zone, measured in accordance with the standards established in the *City* building code, KMC Title [15](#);

. . .

18.30.112 Marijuana businesses – Standards.

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

The following standards shall apply to *marijuana businesses*:

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

B. *Marijuana businesses* shall maintain a 1,000-foot separation from the perimeter of the grounds of any of the following entities:

1. Elementary or secondary school;

2. Playground;
3. Recreation center or facility;
4. Child care center;
5. Public park;
6. Public transit center;
7. Library;
8. Any game arcade (where admission is not restricted to persons age 21 or older);
9. Properties owned or under contract by a public entity such as a school district or the City where a future elementary or secondary school or public park is planned when such plans have been approved or adopted by the public entities' governing authority; or
10. Another *marijuana business*, except that a *marijuana researcher* shall not have this particular separation requirement.

Definitions of subsections (B)(1) through (8) of this section, and the methodology for measuring the buffers outlined above, shall be as provided in Chapter [314-55](#) WAC.

C. *Marijuana businesses* shall not be located on a parcel any portion of which is within 200 feet of a residential zone (R-1, R-4, R-6, R-12, R-18, R-24, ~~or R-48, or UR~~).

. . .

18.30.130 Recreation space – On-site areas.

A. ~~Excluding age restricted senior citizen housing,~~ Single-family detached subdivisions, ~~apartment, townhouse and mixed use development~~ of more than nine units in the R-4 through R-48, ~~UR~~, and DR zones; and standalone ~~apartment or townhouse developments~~ in the NB, UC or DC zone of more than nine units, ~~excluding age restricted senior citizen housing,~~ shall provide a common recreational open space area on site, except when facilities are available to the public that meet all of the following requirements:

1. Are developed as a county, municipal or regional *park*;
2. Are located within one-quarter mile walking distance; and
3. Are accessible without crossing any arterial *street*.

...

18.30.230 Setbacks – Projections and structures allowed.

...

B. Uncovered porches and decks which exceed 18 inches above the finished grade may project:

1. Eighteen inches into interior *setbacks* in the NB, CB, **UR**, DR, DC, UC, WC, RB, PSP, P, and GC zones;
2. Eighteen inches into side *setbacks* in the R and MHC zones;
3. Eighteen inches into rear *setbacks* in the R-12 through R-24 and MHC zones;
4. Five feet into rear *setbacks* in the R-1 through R-6 zones; and
5. Five feet into *street setbacks*;

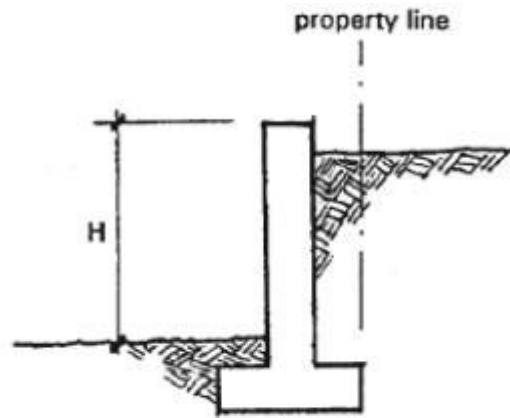
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G. Rockeries, *retaining walls* and curbs may project into or be located in any *setback*, provided these *structures*:

1. Do not exceed a height of six feet in the R-1 through R-18, parks and golf course zones;
2. Do not exceed a height of eight feet in the R-24, R-48, MHC, **urban residential**, and downtown residential zones; and

3. Do not exceed the building height for the zone in commercial and public/semi-public zones, measured in accordance with the standards established in the *City* building code,

RETAINING WALL IN SETBACK



H maximum 6' in R-1— R18, P and GC zones

H maximum of 8' in R-24, R-48 and DR zones

H not to exceed building height requirement in commercial and PSP zones

KMC Title [15](#);

Note to staff: illustration must be revised to add UR zone.

18.35.045 Landscaping – General requirements.

	Street frontage perimeter landscaping (average width) ⁹	Interior lot line perimeter landscaping (average width) ¹⁴	Surface parking lots of 10 or more stalls
Residential development ¹	10' Type III ⁸	5' Type II ⁸ 10' Type II ¹¹	20 sq. ft. per stall in common parking areas.
Commercial development ²	10' Type III	20' Type I ¹⁰	20 sq. ft. per stall if 10 – 30 stalls provided; 25 sq. ft. per stall if 31 or more stalls provided.
Industrial development ³	10' Type II	10' Type II ¹² 20' Type I ¹⁰	20 sq. ft. per stall if 10 – 30 stalls provided;

	Street frontage perimeter landscaping (average width) ⁹	Interior lot line perimeter landscaping (average width) ¹⁴	Surface parking lots of 10 or more stalls
			25 sq. ft. per stall if 31 or more stalls provided.
Institutional development ⁴	20' Type II ⁶	10' Type II	20 sq. ft. per stall if 10 – 30 stalls provided; 25 sq. ft. per stall if 31 or more stalls provided.
Utility development ⁵	10' Type II ⁷	10' Type II ¹³	20 sq. ft. per stall if 10 – 30 stalls provided; 25 sq. ft. per stall if 31 or more stalls provided.

¹ As described in KMC [18.35.030\(A\)](#).

² As described in KMC [18.35.030\(D\)](#).

³ As described in KMC [18.35.030\(E\)](#).

⁴ As described in KMC [18.35.030\(F\)](#).

⁵ As described in KMC [18.35.030\(G\)](#).

⁶ Excluding playgrounds and playfields.

⁷ For an above-ground *utility facilities development* only, excluding distribution and transmission corridors.

⁸ Only for attached/group residence *development* as described in KMC [18.35.030\(B\)](#).

⁹ For all zones except the **UR**, DC and DR zones. In the CB zone, where *street frontage setbacks* are required, the area within the *setback* must contain Type II *landscaping*.

¹⁰ Along any portion adjacent to a residential *development* as described in KMC [18.35.030\(A\)](#).

¹¹ Along portions of an attached/group residence *development* as described in KMC [18.35.030\(B\)](#) adjacent to property developed with single detached residences or vacant property that is zoned R-1 through R-6.

¹² Along any portion adjacent to a commercial or institutional *development* as described in KMC [18.35.030\(D\)](#) and (F).

¹³ Excluding distribution or transmission corridors.

¹⁴ In the DC zone, where interior *setbacks* are required and/or provided, *setbacks* shall be landscaped with Type II *landscaping*. In the CB zone, where interior *setbacks* are required and/or provided, *setbacks* shall be landscaped with Type II *landscaping*.

18.35.070 Landscaping – Surface parking areas.

. . .

D. Landscaping around the perimeter of a *site* that is in addition to the perimeter *landscaping* required by KMC [18.35.045](#) may count toward 10 percent of the required surface parking area *landscaping* in all zones except the DC, [and DR](#), [and UR](#) zones, or RB-zoned properties that are not subject to P-suffix condition NS-P4, and which lie north of NE 175th Street (see subsection F of this section), if it is adjacent to the parking area;

. . .

F. Standards for perimeter *landscaping* and screening of surface parking lots for the DC, [and DR](#), [and UR](#) zones, or RB-zoned properties that are not subject to P-suffix condition NS-P4, and which lie north of NE 175th Street, are defined in Chapter [18.52](#) KMC, [Downtown](#) Design Standards. All other landscape requirements for surface parking lot landscaping in this section apply to the DC, [and DR](#), [and UR](#) zones, and RB-zoned properties that are not subject to P-suffix condition NS-P4, and which lie north of NE 175th Street.

18.42.090 Residential zone signs.

Signs in the downtown residential, [urban residential](#), R and MHC zones are limited as follows:

A. Nonresidential *Use*.

1. One *sign* identifying nonresidential *uses*, not exceeding 25 square feet and not exceeding six feet in height, is permitted;
2. Schools are permitted one *sign* per school or school facility entrance, which may be located in the *setback*. Two additional *wall signs* attached directly to the school or school facility are permitted;
3. *Home occupation* and *home industry signs* are limited to *wall signs* not exceeding six square feet.

B. Residential *Use*.

1. One *sign* not exceeding two square feet is permitted; and

2. One *permanent residential development identification sign* not exceeding 32 square feet is permitted per neighborhood, subdivision, manufactured housing community, apartment/condominium complex, or other residential area. The maximum height for the *sign* shall be six feet. The *sign* may be freestanding or mounted on a wall, *fence*, or other *structure*.

Chapter 18.52

DOWNTOWN DESIGN STANDARDS

Note to staff: "Downtown" must be eliminated from references to the design standards

Sections:

Article I. Introduction and Applicability

- [18.52.010 Purpose and intent.](#)
- [18.52.020 Pedestrian-oriented streets and uses.](#)
- [18.52.030 Scale of **downtown** development.](#)
- [18.52.040 Example images included in standards.](#)
- [18.52.050 Recommended guiding principles – **General Downtown**.](#)
- [18.52.060 Additional principles – Northwest Quadrant.](#)
- [18.52.070 Applicability.](#)
- [18.52.075 Design review process.](#)

Article II. Site Design – Standards for All Uses

- [18.52.100 Pedestrian walkways.](#)
- [18.52.110 Northwest Quadrant circulation plan.](#)
- [18.52.120 Public spaces and plazas.](#)
- [18.52.130 Furnishings.](#)
- [18.52.140 Site lighting.](#)
- [18.52.150 Building location/setbacks \(for commercial/mixed use buildings\).](#)
- [18.52.160 Building setbacks \(for residential/primarily residential uses\).](#)
- [18.52.170 Surface parking lot location.](#)
- [18.52.180 Parking lot screening.](#)
- [18.52.190 Location of driveways.](#)
- [18.52.200 Outdoor service and storage areas.](#)

Article III. Building Design – Standards for All Uses

- [18.52.210 Corner features.](#)
- [18.52.220 Roof form.](#)

- [18.52.230 Structured parking.](#)
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- [18.52.250 Pedestrian bridges.](#)

Article IV. Building Design – Standards for Commercial/Mixed Use Buildings

- [18.52.260 Visible building entrances.](#)
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Article V. Building Design – Standards for Residential/Primarily Residential Uses

- [18.52.320 Primary residential entrances.](#)
- [18.52.330 Building mass and bulk.](#)
- [18.52.340 Materials.](#)
- [18.52.350 Windows.](#)

Article I. Introduction and Applicability

18.52.010 Purpose and intent.

The Kenmore **downtown** design standards are intended to implement the City's comprehensive plan and vision for the creation of "...a community with an attractive, vital, pedestrian-oriented City center offering commercial, civic, cultural and park spaces, integrated with higher density housing..." and "...a community with... that has clear design standards creating attractive, functional, and enduring *buildings* and places..."

The purpose of the **downtown** design standards is to create a pedestrian-oriented **downtown mixed use areas** by identifying appropriate *site* and development standards, including green infrastructure, for new *development*.

The Kenmore design standards are structured in the following manner.

...

18.52.030 Scale of **downtown** development.

18.52.050 Recommended guiding principles – **General Downtown.**

18.52.070 Applicability.

A. Design standards shall apply as depicted in Figure 18.52.070.A.1.

B. A property owner or developer electing to develop under Chapter 18.29 KMC, Transit Oriented Development (TOD) District Overlay, shall comply with Standard 1 as described in subsection C of this section.

. . .

D. In the event of conflict between the **downtown** design standards and any other applicable code, the *city manager* shall determine the appropriate application of the conflicting codes, recognizing the need to protect public health, safety, and welfare, any specific interpretation criteria, as well as furtherance of the intent of the comprehensive plan and these **downtown** design standards.

. . .

G. The degree to which each standard applies to a redevelopment project shall be evaluated on a case-by-case basis in an effort to achieve an overall design which meets the purpose and intent of the **downtown** design standards. In determining the degree of applicability, the *city manager* shall give priority to design standards which address *building* placement, parking standards, window/door treatments, and *first floor facades*.

H. For proposed existing *structure* exterior remodels, or existing *structure* expansions, parking reconfigurations, or other activities subject to design standards that are less than new construction, the *city manager* shall determine the extent of compliance with the design standards as appropriate to recognize current conditions and further the intent of the **downtown** design standards. The required design or development standards shall be related to the improvement proposed. For example, if a parking reconfiguration is proposed, the required design standards should address *pedestrian walkways* between parking lots and building entrances or parking lot screening; or if a building entrance is modified, visible building entrance requirements should be applied.

18.52.100 Pedestrian walkways.

. . .

B. Standards – Required.

1. Locations. Clear and visible *pedestrian walkways* shall be provided in the following locations:

a. Through Block Connections.

(1) Northwest Quadrant. If the property abuts a proposed pedestrian route designated in the Northwest Quadrant circulation plan, see KMC [18.52.110](#). In areas not identified on the circulation plan, one *pedestrian walkway* shall be provided for an average of every 300 feet or less of *street frontages* in the north-south and east-west directions to create a linked *pedestrian walkway* system around and through the Northwest Quadrant. Distances may vary from exactly 300 feet to accommodate linking adjacent *development* on a case-by-case basis.

(a) *Public spaces* shall be linked to adjacent *streets* and *developments*.

(b) Exact locations of *pedestrian walkways* shall be determined at the time of *development* to accommodate linkages between adjacent *developments*.

(2) Northeast Quadrant and TOD District Overlay, Urban Corridor zone, east subarea, Urban Residential zone, and Public/Semi-Public properties abutting SR-522. In the Northeast Quadrant, Urban Corridor zone, east subarea, Urban Residential zone, and Public/Semi-Public properties abutting SR-522 and for properties electing to develop under Chapter [18.29](#) KMC in the TOD district overlay, one *pedestrian walkway* shall be provided between the north and south end of the property, spaced an average of every 300 feet or less of *street frontages*. The walkway must connect with walkways located on other properties established in accordance with this condition. Distances may vary from exactly 300 feet to accommodate linking adjacent *developments* on a case-by-case basis. The comprehensive plan downtown circulation concept shall be a general guide to priority pedestrian links.

(a) *Public spaces* shall be linked to adjacent *streets* and *developments*.

(b) Exact locations of *pedestrian walkways* shall be determined at the time of *development* to accommodate linkages between adjacent *developments*.

. . .

18.52.150 Building location/setbacks (for commercial/mixed use buildings).

A. Intent.

1. Retail Visibility. To ensure visibility of retail businesses, to establish active, lively uses along the sidewalk, and to encourage strolling in the downtown.

18.52.160 Building setbacks (for residential/primarily residential uses).

A. Intent.

1. Pedestrian Orientation and Densities. To ensure pedestrian orientation and desired densities ~~in downtown~~.

18.52.210 Corner features.

A. Intent.

1. To ensure architectural interest and pedestrian-scaled detail ~~in downtown~~.
2. To allow for comfortable pedestrian queuing space.

18.52.220 Roof form.

...

C. Not Allowed.

1. Flat, Unadorned Roofs. Flat roofs without architectural embellishments are not allowed ~~on buildings in the downtown~~.

18.52.230 Structured parking.

A. Intent.

1. Visually Integrated. To visually integrate parking garages with other ~~downtown~~ *uses* through active *ground floor uses*, and the use of architectural treatments, such as materials, treatments of openings, and *human-scaled facade elements*.

18.52.250 Pedestrian bridges.

...

2. *Building* and Landscape Treatments. Pedestrian bridges shall be designed as unique *structures* which serve as a key gateway feature ~~to the~~ *in* downtown.

18.52.290 Weather protection.

A. Intent.

1. *Weather Protection*. To provide *weather protection* for pedestrians ~~throughout downtown~~.

18.52.300 Building materials.

A. Intent.

1. To develop a visual downtown identity and to ensure that ~~downtown development in~~ Kenmore's commercial and higher-density residential areas forms a cohesive visual whole over time. This shall be accomplished through the use of a primarily masonry materials palette.
2. To provide a materials palette which allows for individual and creative architectural expression in individual *development*.

B. Standards – Required.

1. Primary Materials Palette. Commercial and mixed use *buildings* shall be built with materials which will form a visually cohesive identity over time. Facades of commercial and commercial levels of mixed use *buildings* shall be primarily of the following masonry materials:
 - a. Brick;
 - b. Stone;
 - c. Ceramic Tile. Alternate coursing with changes in color and/or texture is required with use of tile. Alternate coursing can be vertical, horizontal, or both;
 - d. Split Face Alternate Course Concrete Masonry Units. Alternate coursing with changes in color and/or texture is required with use of split face masonry units. Alternate coursing can be vertical, horizontal, or both;
 - e. Stucco, if limited to a maximum 50 percent of total building surface area.
2. On any facade adjoining a public sidewalk, at the first two stories above the public sidewalk level, and at exposed stories below the public sidewalk level, primary materials must cover 85 percent of the opaque surfaces on any elevation. On other facades in the public view (from adjacent public *streets, pedestrian walkways, or public spaces*), primary materials must cover more than 50 percent of the opaque surfaces.

Exceptions:

- a. Transparent glass may cover 75 percent of the first story of any one facade. Transparent glass may cover 40 percent of the second story of any one facade.

b. Where there are two front property lines, transparent glass may cover 75 percent of a second facade if the facade is within 15 feet of the property line.

3. Residential Floors, Mixed Use *Buildings*. Nonmasonry materials may be used as a primary material in the residential portions of mixed use *buildings* subject to any applicable restrictions in this section.

4. Vinyl Siding. Vinyl siding is only permitted on floors three and above, and shall not exceed 15 percent of the total building surface area of those floors.

C. Not Allowed.

1. Plain Faced and/or Uncolored Concrete Masonry Units. Plain faced and/or uncolored concrete masonry units shall not cover an area greater than five percent of any facade.

2. Siding Materials Not Allowed. The following siding materials are not allowed on any *building facade*:

- a. Asphalt siding;
- b. Aluminum lap siding;
- c. Siding grade plywood. [Ord. 11-0329 § 3 (Exh. 1).]

18.52.310 Upper level stepbacks, mass, and bulk.

A. Intent.

1. Develop Pedestrian Scale. To ensure that multiple-storied *building facades* do not overwhelm the pedestrian orientation and scale of downtown.

18.52.320 Primary residential entrances.

A. Intent.

1. Active and Lively *Street*. To face residential entrances onto *streets* to create and maintain a lively and active downtown environment.

18.52.330 Building mass and bulk.

A. Intent.

1. Reduce Building Bulk with Smaller Architectural Components. To reduce the apparent bulk of *buildings* by breaking them down into smaller components which are consistent with the pedestrian scale of downtown.

18.52.350 Windows.

A. Intent.

1. Active and Lively *Street*. To face windows onto *streets* to create and maintain a lively and active downtown environment.

18.57.065 Significant tree grove retention in the Urban Residential zone, Downtown Commercial zone east of 73rd Avenue NE, Public and Semi-Public zone abutting SR-522, and the Urban Corridor zone, east subarea

18.29.100 Significant tree grove retention.

A. Definitions.

1. Significant Tree Grove Definition. A "significant tree grove" shall consist of two or more trees with a minimum of five and one-half tree units total. A qualifying tree has two tree units minimum. The maximum distance measured in feet between qualifying trees shall be equal to two times the critical root zone in order to be defined as a significant tree grove. For example a 24-inch d.b.h. tree must be within 24 feet of another tree in the grove to be included in the significant tree grove. A tree of any size that is topped or considered a "hazard tree" as defined in KMC [18.20.3084](#) may not qualify as part of a significant tree grove as herein defined. For purposes of this chapter, a significant tree grove may not contain trees that are located within a critical area or critical area buffer protected under Chapter [18.55](#) KMC. A significant tree grove is not the same as a "grove," as defined in KMC [18.20.1273](#).

2. Tree Units. See KMC [18.57.060](#)(A) for translation of *diameter at breast height* (d.b.h.) to tree units.

B. Applicability.

1. If the underlying zone within the TOD district overlay requires tree retention as provided in Chapter [18.57](#) KMC, then the provisions of Chapter [18.57](#) KMC shall be

retained. If Chapter [18.57](#) KMC exempts a property from tree retention then it shall remain exempt.

21. Development proposals within the boundaries of the TOD district overlay that elect to develop under the provisions of this chapter in the urban residential zone, downtown commercial zone east of 73rd Avenue NE, public and semi-public zone abutting SR-522, and the urban corridor zone, east subarea shall be eligible to benefit from providing less parking or more dwelling units or any combination of the two if the development retains one or more significant tree grove(s) as defined in this section in perpetuity. A development may be able to benefit from both reduced parking and additional dwelling units by preserving a significant tree grove so long as the same tree credits are not counted towards both reductions in parking and additional bonus dwellings. Trees or groves retained through the other provision of Chapter [18.57](#) KMC this chapter may count towards the significant tree grove retention if they meet the definitions found in subsection A of this section.

32. Tree on Property Line. In instances where one or more trees that would qualify as part of a significant tree grove is located on a property line such that the tree is on more than one property, and the properties are in separate ownerships, the tree shall qualify to be counted as part of a separate tree grove by each property owner.

C. Reduced Parking. In order to retain qualifying significant tree groves, required parking may be reduced at the maximum rate of one stall per each five and one-half tree units. Parking quantities may be reduced up to a maximum of 20 percent from the parking requirement after other reductions are applied, if any.

D. Residential Bonus Units. In order to retain qualifying significant tree groves, residential units are offered at the rate of one bonus unit per each 11 tree units preserved. Grove bonus units are not included in maximum unit density calculations. Grove bonus units are not subject to the affordability requirements of KMC [18.29.060](#) [18.27.020](#) and [18.77](#).

E. Significant Tree Grove Preservation Requirements.

1. Tree Protection Plan Required. A tree protection plan as identified in KMC [18.57.050](#) shall be required for any development application proposing to protect one or more significant tree groves through this section.

2. Recorded on Title. The map of significant tree groves preserved through this section, along with a covenant preventing removal, shall be recorded and shown on the property title.

3. Subject to Tree Protection Measures of Chapter [18.57](#) KMC. Significant tree groves protected under this section shall be subject to the tree protection measures during construction found in KMC [18.57.090](#), the post-construction replacement, financial

guarantee, and maintenance requirements of KMC [18.57.100](#), and the penalties and enforcement of KMC [18.57.110](#).

18.60.050 Wireless communication facility review processes and maximum allowable heights.

P – Permitted Use

C – Conditional Use – reviewed through Type 2 process outlined in KMC [19.25.020](#).

X – Prohibited Use⁵

Type of wireless communication facility	Residential zones R-1 through R-6 and MHC	Residential zones R-12 through R-24, <u>UR</u>, and DR	Nonresidential zones RB, UC east, DC, CB Juanita, and NB	Nonresidential zones UC west, WC, and CB west (view zones)	Other nonresidential zones PSP, P, and GC
Antenna collocation on an existing conforming tower	P Maximum height: same as existing tower	P Maximum height: same as existing tower	P Maximum height: same as existing tower	P Maximum height: same as existing tower	P Maximum height: same as existing tower
Rooftop antenna	X, C ^{1,2} , P ^{1,7} Maximum height: 15' above the roof height at the antenna location	P Maximum height: 15' above the roof height at the antenna location	P Maximum height: 15' above the roof height at the antenna location	X	P Maximum height: 15' above the roof height at the antenna location
Facade antenna	X, C ^{1,2} , P ^{1,7} Maximum height: 2' above the roofline or parapet wall	P Maximum height: 2' above the roofline or parapet wall	P Maximum height: 2' above the roofline or parapet wall	P Maximum height: May not extend above the roofline or parapet wall	P Maximum height: 2' above the roofline or parapet wall
Amateur (ham) radio facilities	P Maximum height ³ : Ground-mounted facility – 65'.	P Maximum height ³ : Ground-mounted facility – 65'.	P Maximum height ³ : Ground-mounted facility – 65'. Rooftop facility – 30' above the roof	P Maximum height: 35'	P Maximum height ³ : Ground-mounted facility – 65'.

Type of wireless communication facility	Residential zones R-1 through R-6 and MHC	Residential zones R-12 through R-24, UR , and DR	Nonresidential zones RB, UC east, DC, CB Juanita, and NB	Nonresidential zones UC west, WC, and CB west (view zones)	Other nonresidential zones PSP, P, and GC
	Rooftop facility – 30' above the roof height at the antenna location	Rooftop facility – 30' above the roof height at the antenna location	height at the antenna location		Rooftop facility – 30' above the roof height at the antenna location
Antennas on utility or light poles. (Nearest abutting zone is used to determine process if in the right-of-way.)	C ² , P ⁷ Maximum height: 55'	P Maximum height: 55'	P Maximum height: 55'	C ² , P ⁸ Maximum height: up to the building height limit as specified in the underlying zoning district	P Maximum height: 55'
Satellite dish	C ² if no more than 2 meters (6.6') in diameter; otherwise X Maximum height: Ground-mounted dishes – 15'. Rooftop dishes – 15' above the roof height at the dish location	P if no more than 2 meters (6.6') in diameter and limited to a maximum of 1 dish per site; otherwise C ² Maximum height: Ground-mounted dishes – 15'. Rooftop dishes – 15' above the roof height at the dish location	P if no more than 2 meters (6.6') in diameter and limited to a maximum of 3 dishes per site; otherwise C ² Maximum height: Ground-mounted dishes – 15'. Rooftop dishes – 15' above the roof height at the dish location	P if ground-mounted; otherwise X Maximum height: Ground-mounted dishes – 15'	C ² Maximum height: Ground-mounted dishes – 15'. Rooftop dishes – 15' above the roof height at the dish location
Tower ⁶	X	X	X in the DC zone; otherwise C ^{2,4} Maximum height: up to the building height limit as specified in the	X	C ^{2,4} Maximum height: up to the building height limit as specified

Type of wireless communication facility	Residential zones R-1 through R-6 and MHC	Residential zones R-12 through R-24, UR , and DR	Nonresidential zones RB, UC east, DC, CB Juanita, and NB	Nonresidential zones UC west, WC, and CB west (view zones)	Other nonresidential zones PSP, P, and GC
			underlying zoning district		in the underlying zoning district

18.60.110 Landscaping requirements.

A *wireless communication facility site*, with the exception of an *amateur (ham) radio facility*, shall provide *landscaping* as follows:

A. When the facility is located in:

1. The NB, CB, PSP, RB, WC, UC, DC, **UR**, or DR zone, the base of any *tower* and any ground equipment, whether or not in a *structure* or cabinet, shall be landscaped with eight feet of Type II *landscaping* as defined by KMC [18.35.040](#)(B). This landscaped area shall be increased to 10 feet of Type I *landscaping* as defined by KMC [18.35.040](#)(A) in areas adjacent to residential development as described in KMC [18.35.030](#)(A). For *satellite dishes*, the visual screen may be reduced to the height of the center of the dish on the transmitting side.

2. The R, MHC, GC, and P zones, the base of any *tower* and any ground equipment, whether or not in a *structure* or cabinet, shall be landscaped with 10 feet of Type I *landscaping* as defined by KMC [18.35.040](#)(A). For *satellite dishes*, the visual screen may be reduced to the height of the center of the dish on the transmitting side.

...

18.73.120 Home industry.

In all zones except R-12, R-18, R-24, **UR**, CB Juanita subarea, and NB, a resident may establish a *home industry* as an accessory activity, provided:

...

18.80.020 Permitted locations of residential density incentives.

Residential density incentives (RDIs) shall be used only on *sites* served by public sewers and only in the following zones:

A. In R-4 through R-24, **and** **and** downtown residential, **and urban residential** zones; and

B. In DC, NB, CB, UC, WC, and RB zones when part of a *multiple-family dwelling* or *mixed use development*.

18.80.040 Public benefits and density incentives.

E. The following are the public benefits eligible to earn density incentives through RDI review:

BENEFIT	DENSITY INCENTIVE
1. AFFORDABLE HOUSING	
a. Benefit units consisting of rental housing permanently <u>affordable to very low-income households, as defined in KZC 18.20.098</u> priced to serve low-income households (i.e., no greater than 30 percent of gross income for households at or below 50 percent of King County median income, adjusted for household size). A covenant on the site that specifies the income level being served, rent levels, and requirements for reporting to the City shall be recorded at final approval.	2.0 bonus units per benefit unit.
b. Benefit units consisting of assisted housing units 600 square feet or less.	1.0 bonus unit per benefit unit.
c. Benefit units consisting of rental housing permanently <u>affordable (as defined in KZC 18.20.098)</u> priced to serve moderate-income households (i.e., no greater than 30 percent of gross income for <u>to households with incomes at or below 70 percent of King County median income, adjusted for household size</u>). A covenant on the site that specifies the income level being served, rent levels, and requirements for reporting to the City shall be recorded at final approval.	1.0 bonus unit per benefit unit.
d. Benefit units consisting of <u>moderate-low-income, owner-occupied</u> housing <u>(as defined in KZC 18.20.098)</u> , reserved for <u>income- and asset-qualified eligible</u> home buyers <u>(total</u>	1.0 bonus unit per benefit unit.

household income at or below 80 percent of King County median, adjusted for household size). Benefit units shall be limited to owner-occupied housing, with prices restricted to same income group, based on current underwriting ratios and other lending standards for 30 years from date of first sale.

A covenant on the site that specifies the income level and other aspects of buyer eligibility, price levels, and requirements for reporting to the City shall be recorded at final approval.

e. Projects in which units are reserved for moderate-Benefit units consisting of very low-income, owner-occupied housing (as defined in KZC 18.20.098), reserved for eligible home and asset-qualified buyers, (total household income at or below 50 percent of the King County median, adjusted for household size). All units shall be limited to owner-occupied housing with prices restricted based on current underwriting ratios and other lending standards, and with prices restricted to same income group, for 30 years from date of first sale. Final approval conditions shall specify requirements for reporting to the City on both buyer eligibility and housing prices. A covenant on the site that specifies the income level and other aspects of buyer eligibility, price levels, and requirements for reporting to the City shall be recorded at final approval.

2.0 bonus units per benefit unit.

...

g. Affordable housing units provided under this section shall remain affordable housing for a minimum of 50 years from the date of initial sale, if owner-occupied, or the life of the project (i.e., the duration of the property's residential use), if renter-occupied.

g. Affordable housing units provided under this section shall remain affordable housing for a minimum of 50 years from the date of initial sale, if owner-occupied, or the life of the project (i.e., the duration of the property's residential use), if renter-occupied

18.110.020 General provisions.

D. A *development agreement* may be proposed and approved only for the following properties:

1. Properties in the downtown commercial (DC), regional business (RB), waterfront commercial (WC), urban corridor (UC), urban residential (UR), downtown residential (DR), community business (CB), neighborhood business (NB), public and semi-public (PSP), parks (P) and golf course (GC) zones.

Staff Responses to Public Comments: Transit-Oriented Development

(This matrix contains comments received between 10/10/22 and 10/24/22.)

	Commenter	Concern	Staff Response
1.	Colleen Anderson 10/18/22 public hearing	Don't have enough parking Downtown. People farther from the core won't have services. Need additional infrastructure. Want firm requirement for affordable housing.	<ul style="list-style-type: none"> • New regulations would require .75 stall per unit within ¼-mile of transit consistent with State law. Parking adds to the cost of construction and increases impervious surface. Parking on the street, when street widths are adequate, makes use of existing impervious surface. • The area where densities are being increased is within ¼-mile of SR-522 and services along the corridor. • Including 25% affordable housing units would be a requirement.
2.	Mark Carpenter 10/18/22 public hearing	Don't want to live in Ballard or Capitol Hill with increased density. Occupants will own cars. The proposal on NE 80 th is a giant box. King County is losing population so no need for this. Opposed to the change. Townhomes would be better.	<ul style="list-style-type: none"> • Kenmore has a regional responsibility as a "High-Capacity Transit Community" to provide transit-supportive densities near the bus rapid transit (BRT) line. Putting more housing close to transit provides an opportunity for residents to reduce driving; townhomes are not developed at transit-supportive densities. • Design regulations should keep any development from being a "giant box." • The zoning rules that would allow a TOD development on NE 80th have been in place since 2015.
3.	Marcia Fischer 10/18/22 public hearing	Kenmore doesn't have an economic base so people must drive. The bus takes too long, with many transfers. Where do Kenmore residents work? Are those workers served by transit? Transit systems aren't centralized—the lake makes it difficult.	<ul style="list-style-type: none"> • It is true that most Kenmore residents do not work in Kenmore. • Providing additional housing close to transit makes it possible to reduce driving. • BRT should improve transit options for the community, with links to light rail to Seattle to the west and to new eastside transit opportunities.

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4.	Corey Holder 10/18/22 public hearing	Not opposed to TOD, but no confidence that infrastructure will be distributed equitably. Loss of street parking conflicts with these plans. Is there a commercial/retail requirement on the ground floor? How is TOD going to impact the neighbors?	<ul style="list-style-type: none"> • A policy in the City's Comprehensive Plan speaks to the need to distribute improved infrastructure equitably. • Although there is no requirement that commercial/retail be on the main floor, that opportunity is provided at a small scale in the Urban Residential area and at any scale in the Urban Corridor and Downtown Commercial areas. • TOD will add new density, but design regulations should ensure building quality.
5.	Brian Houten 10/18/22 letter	Must plan for the future without impacting current residents.	<ul style="list-style-type: none"> • The opportunity to develop TOD in the area under consideration has been in place since 2015. With the exception of increased heights and a more significant affordable housing requirement, the new standards are relatively unchanged from the existing rules.
	10/18/22 public hearing	Proximity to Bothell Way shouldn't be the only thing considered. TOD will impact townhomes—block out sun. Those living there will be renters not owners. Driveway will be right outside window. Garbage smell. Not enough parking. Net result will be a negative impact to the quality of life. Will further destroy Swamp Creek.	<ul style="list-style-type: none"> • The opportunity to develop TOD has been in place since 2015. • State law mandates that parking be reduced in areas within ¼-mile of transit. • Complaints about driveway location and garbage smell are related to a specific development under consideration using the existing TOD rules and for which the final site plan has not been established. • The City's critical area and shoreline rules are unaffected by the TOD changes and will continue to protect Swamp Creek. Additional protection would be given to the heron rookery.
6.	Jan Howard 10/18/22 public hearing	The proposal at 17715 80 th Avenue NE is for a 6 story TOD development. Current neighborhood is townhomes. Neighborhood has limited sidewalks and no crosswalks. Should only allow TOD directly along Bothell Way.	<ul style="list-style-type: none"> • The project of concern being proposed under the existing TOD rules. Although the neighborhood may contain townhomes, the TOD zoning has been in place since 2015 and even the underlying R-18 zoning allows heights up to 60'. • TOD is proposed for the area within ¼-mile of the transit corridor to place more housing in close proximity to the high-capacity transit service. New

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			developments are to provide pedestrian connections to facilitate walking to transit.
7.	Jim Howard 10/23/22, 10:45 a.m.	<ul style="list-style-type: none"> • Slow down on any changes to the TOD standards until a new community vision plan can be developed. The City of Redmond Overlake Village planning document provides a vision for new Overlake Village TOD located next to the new Sound Transit light rail station. • The City of Kenmore Downtown vision plan was prepared 20 years ago. This plan does not provide the vision needed to ensure a vibrant and pedestrian friendly, multimodal downtown. • Need new landscape codes and environmental BMP's be considered for the TOD as part of any new changes. 	<ul style="list-style-type: none"> • The City has envisioned TOD in this area since 2015. The proposed zoning standards are little changed from the original regulations. • Design standards address pedestrian-friendly development. • Critical area and shoreline rules were last updated in 2020, using best available science.
8.	Scott Inslee 10/18/22 public hearing	TOD will go all the way to Finn Hill. Not enough parking. This proposal is to expand the tax base.	<ul style="list-style-type: none"> • Not quite sure why the comment about Finn Hill (in Kirkland) is made. TOD is only proposed on the north side of SR-522 within about ¼-mile of the SR-522 transit corridor. • Expanding the tax base was not the motivation behind the proposal. The City's regional responsibilities as a "high-capacity transit community" were the impetus to making the TOD standards mandatory instead of optional.
9.	Alicia Kelly 10/18/22 public hearing	Don't put apartments at 17715 80 th Avenue NE. There are 600 new homes on 80 th —lots of traffic. Renters will have cars and use parking spots on the neighboring condo properties. There is no street parking. There are school bus stops on 80 th .	<ul style="list-style-type: none"> • The project of concern is being proposed under the existing TOD rules not the new regulations. Although a pre-application meeting for this development has been held, no permits have been applied for or issued. • People cannot park on others' private property.
10.	Dave Lange 10/10/22, 11:31 a.m. email	<ul style="list-style-type: none"> • The transit corridor is ripe for density in many people's minds. A common metric is a quarter mile off the corridor should be densified. For zoning, HWY522 is an arterial with transit stations not a transit corridor. Kenmore is only getting 3 stations for BRT and the expectation of suburban light rail won't add more stations. There has been no city efforts to densify the corridor between the stations. 	<ul style="list-style-type: none"> • Mapping shows that areas within ¼-mile of the transit stops include the TOD area under consideration. • The TOD standards are focused around the Kenmore Park and Ride. The extension of some standards to Downtown recognizes the stop at 68th Avenue NE. • No TOD is proposed west of Downtown.

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		<ul style="list-style-type: none"> • Kenmore should be building medium high density up to a quarter mile from the station areas with transitions back to residential for the second quarter mile and leaving the nonstation arterial alone. • Urban planners have no business reducing car garages on the transit corridor away from the stations. Those dwellings are going to need every car since they have few destinations in the pedshed. • Density along an arterial increases the crosswalks and signals at intersections because residents need to cross the road. • Please keep the building heights lower on the lake side of the street to increase views from the hillside of the street. The goal should be reducing driveways on Hwy522 and making sure left turns across traffic are accounted for. The normal designs for arterial density are back exits to sidestreets, but Hwy522 doesn't have those for the whole corridor. 	<ul style="list-style-type: none"> • The draft Transportation Element shows a future roadway east-west through the TOD area that would provide additional access. • Parking within ¼ mile of SR-522 is regulated by the State. • The TOD does not extend to the lake side of SR-522.
	10/18/22, 12:49 p.m. email	<ul style="list-style-type: none"> • From the middle station to the west station is about .7 miles. If you take a quarter mile toward the other station we have about a quarter mile with little penetration for TOD zoning. • Do not weaponize the existing service access/driveways on HWY 522 with more density sending cars turning into the bus lanes. The Transit Corridor should have depended on a sideroad a block away from HWY 522 as well as radi around the transit stations and sidewalks. Intersections would provide the crosswalks and turn lanes to access the sideroads and the back/side accesses for the new density. • Make sure the local fire departments have appropriate ladder trucks. • We have little research how the daily two hump commute has changed with work at home. • TOD is residential and the businesses and services to attract those from out of the area to come here. If you are considering towers of density near the transit stations consider more than the ground level as commercial. A second floor of professional offices is recommended. 	<ul style="list-style-type: none"> • The TOD does not extend all along SR-522, but only in the area near the Kenmore Park and Ride and Downtown. • As previously mentioned, an additional roadway east-west through the TOD area is proposed. • The Fire Department has confirmed that they have ladders that will access an 85' height. • Traffic impacts will be assessed through the State Environmental Policy Act review. However, the ability to develop TOD has been in place since 2015 so current traffic analyses include that possibility. • Commercial/retail/office uses are allowed in the Urban Corridor and Downtown Commercial zones. Smaller scale uses also would be permitted in the Urban Residential zone. • If TOD is not planned for, development may occur at a lower density that is not supportive of transit. Once buildings are built, they generally remain in place for

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		<ul style="list-style-type: none"> King County publishes daily trip research every couple of years. It shows distributed residents (Kenmore's R6?) use transit about 7% when you densify the residents (Shoreline South) we get about 11% transit adoption. Its clear the urbanist view of no cars is hardly the observable view that the wrong mode of travel is still the dominant mode. Until we can see enough business and services in the transit corridor to promote walkability, Single Occupant Cars are the appropriate design metric in Kenmore when BRT is a decade away and light rail or real mass transit is still questionable for the Transit Corridor. 	<p>many years. The new regulations plan for a future where transit provides alternatives to driving.</p> <ul style="list-style-type: none"> BRT is not a decade away, but is expected in 2026.
11.	<p>Metro/Sound Transit, Mike Chargualaf, Interim Director of Capital Division, and Alex Krieg, Director of Access, Integration and Station Area Planning 10/18/22 letter</p>	<p>Metro and Sound Transit support the City's desire to increase density in the zone, to realize affordable housing goals, while protecting environmentally sensitive areas. We encourage the city to embrace flexibility while still providing clear guidance and simplify the code where possible.</p> <p>Affordable Housing Concerned that the combination of the total number of units required at the depth of affordability sought is high and may limit or prevent housing production. Rather than a flat 25% inclusionary requirement, consider a tiered approach that would increase developers' choice such as:</p> <ul style="list-style-type: none"> 15% at 50% of AMI or below, or 20% at 60% of AMI or below, or 25% at 70% of AMI or below. <p>Parking Take a district level approach to parking management, to reduce excess supply cost for individual projects, while improving access and parking availability for existing and new projects across the zone. Include:</p> <ul style="list-style-type: none"> Comprehensive evaluation of the existing supply, and utilization of on- and off-street parking Establishing a District-wide maximum number of new parking spaces (based on a ratio of no more than 0.75 spaces per unit) 	<ul style="list-style-type: none"> Research by A Regional Coalition for Housing has determined that, with parking reductions, the 25% affordability level is feasible. A district level analysis of parking is not possible at this time given the project's schedule. The standalone parking provision is not designed to be flexible, but to ensure an attractive building with a pedestrian-friendly façade. The City does not use FAR to regulate building size. "Transportation" is a specific defined term and includes things like trucking companies or taxi services. In the Urban Corridor, Downtown Commercial, and Urban Residential zoning districts, the Park and Ride is considered a "Regional Land Use" and is permitted with review processes. In the Public/Semi-Public zone, "Standalone parking" is permitted with conditions as is "Regional Land Use" through a site plan review process. Drive-throughs are permitted in the Urban Corridor zoning district. Again, FAR is not used in the City so a bonus FAR is not possible.

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		<ul style="list-style-type: none"> • Eliminating parking minimum requirements for individual uses and adding further flexibility for efficient shared use of existing and new off-street parking throughout the zoning district. • The standalone parking garage provision should be more flexible. For example: <i>"Where feasible, parking shall be integrated with mixed-use wrapped with active ground floor uses, or screened."</i> <p>Density Requirements Consider setting Floor Area Ratio (FAR) maximum density rather than dwelling unit per acre maximum density</p> <p>Use Allowances</p> <ul style="list-style-type: none"> • Ensure that transportation is a permitted use on the existing park and ride lot and adjacent properties. • Discourage uses that include provision for auto-oriented features (e.g., drive-thrus) in this zone. <p>Tree Retention Simplify the code provisions related to tree retention. To incentivize tree protection while supporting transit-oriented development, replace the option for a reduction in off-street parking requirements with an option to deliver "Bonus FAR," allowing additional housing and commercial development in the zone.</p>	
12.	Annie Matthews 10/18/22 public hearing	Can walk to store; takes buses to Seattle. Tall buildings will impact her as she works from home. There will be noise from construction; sun will be blocked. Parking reduction is unrealistic.	<ul style="list-style-type: none"> • The existing building height in the underlying multifamily zone is 60'. The current TOD rules allow up to 65'. The proposal is for buildings up to 85'. • The State has standards for parking reductions in the area within ¼-mile of a transit corridor.
13.	John Paul Mickle 10/18/22 public hearing	Not enough parking. All new development will exacerbate street parking. Projects for seniors also need parking. Need space for small businesses, not housing. 85' height limit will block views.	<ul style="list-style-type: none"> • The State has established parking minimums for areas within ¼-mile of a transit corridor, including senior housing projects. The City could establish parking requirements for staff and visitors of senior housing projects. • Parking adds to the cost of construction and increases impervious surface. Parking on the street, when street widths are adequate, makes use of existing impervious

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			<p>surface and allows for more greenspace and, potentially, more tree retention, on building lots.</p> <ul style="list-style-type: none"> • The zoning districts under consideration allow commercial uses. • Views to Lake Washington in the areas east of Downtown have not been identified.
14.	Elizabeth Mooney 10/18/22 public hearing	Citizens need time—slow down the process. Supports heron rookery protections. Wary of fee-in-lieu. Concerned that parking enforcement will be needed. Shouldn't put affordable housing in path of asphalt fumes.	<ul style="list-style-type: none"> • Comments noted. • The recommendations include standards for use of a fee-in-lieu that should mitigate concerns.
15.	Chris Olson 10/18/22 public hearing	Cost to construct a parking space is about \$60,000. If people want lots of parking, they could move elsewhere. Should emphasize mixed use. Wants more plazas, greenspaces, recovery of environmental areas. Shouldn't have to drive to the transit station. For transit to work, must have higher density.	<ul style="list-style-type: none"> • Parking does add to the cost of housing. • Commercial uses (mixed use) are permitted in the TOD area. • The goal of TOD is to place more residents within walking distance of transit so that driving can be reduced.
	10/18/22, 7:09 p.m. email	A comment proposes circular regions only 1/4 mile from transit stations should be TOD and states that this is not what's planned. I drew a quick map showing circles centered on the station, one with a radius of 1/4 mile and then another with a 1/2 mile radius. In addition, I drew a line offset 1/4 mile from 522 to show that everything within a 1/4 mile of 522 is well within the 1/2 mile max walk shed distance. In addition, comments state that decreasing speed through downtown and along 522 would be a mistake. I disagree, 522 is the most dangerous road in Kenmore, and changing safety and perceived safety along the road in Kenmore will have dramatically positive impacts on the city.	<ul style="list-style-type: none"> • Comments noted. The area under consideration is generally within ¼-mile of the transit stops.
16.	James Olson 10/18/22 public hearing	More parking encourages more people to drive and makes it dangerous to walk or bike. Kenmore can't remain unchanged.	<ul style="list-style-type: none"> • Comments noted.
17.	Kimberly Taylor 10/18/22 letter	I reside in the Transit Oriented Development area. I understand its purpose to revitalize the City's core by creating incentives and opportunities for a mix of jobs and residences, cultivating a respectful relationship among development within the	<ul style="list-style-type: none"> • The project of concern is being considered under the existing TOD rules that have been in place since 2015. A preapplication meeting has been held, but no application has been received or permits issued.

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		<p>district, the natural environment, nearby traditional neighborhoods and incentive to preserve significant tree groves where they exist. Themes from the Comprehensive Plan include environmental stewardship, enhancing the exceptional quality of life in residential neighborhoods, and a diversity of housing types that complement the neighborhoods in which they occupy.</p> <p>How is a proposed 6-story, 65 feet tall apartment building, 150 feet from Swamp Creek consistent with these values? Concerned about tree retention, blocking of daylight and sky view, roll-up metal garage door, parking, and compatibility?</p>	<p>Neighborhood concerns will be considered during the permitting process.</p> <ul style="list-style-type: none"> • Current multifamily rules (without the TOD overlay) allow building heights up to 60'. The existing TOD overlay rules allow building heights up to 65'. • The City's critical area and shoreline rules would apply to the project.
	10/18/22 public hearing	<p>Read Comprehensive Plan materials. Concerned about environmental protection, good neighborhoods, compatible building types. How does the proposed project fit with these goals? New building will tower over its tallest neighbor.</p>	<ul style="list-style-type: none"> • See comments above.
18.	<p>Stacey Valenzuela 10/18/22 public hearing</p>	<p>Support 25% affordable housing. Do not allow fee-in-lieu. Height may be too tall. Should have lower heights around Swamp Creek. Don't create the UR zone; keep previous TOD rules. May be a while before transit comes to Kenmore.</p>	<ul style="list-style-type: none"> • Comments noted. • The recommendations include standards for use of a fee-in-lieu that should mitigate concerns. • Height limits under current standards generally would allow a 55'-65' height limit, depending on the zoning district and whether the TOD overlay is used. • BRT is scheduled to arrive in Kenmore by 2026.

Transit-Oriented Development Public Hearing: October 18, 2022

Hello!

We are contacting you because your property is within an area that is being rezoned to support transit-oriented development (TOD). TOD is pedestrian-oriented commercial and residential development that is built at densities that support transit.

As Bus Rapid Transit (BRT) is coming to Kenmore along SR-522, TOD is proposed along the transit corridor. Taller buildings, higher densities, and reduced parking are recommended, along with a requirement that new development include some affordable housing.

Kenmore Public Hearing on Transit-Oriented Development Zoning Changes

When: Tuesday, October 18, 2022 at 7:00 p.m.

Where: Kenmore City Hall at 18120 68th Avenue NE

To learn more about the project, please contact Lauri Anderson, landerson@kenmorewa.gov, 425-984-6184 or visit the City's webpage:

www.kenmorewa.gov/TOD



**You're invited to attend the upcoming
Kenmore Public Hearing on Transit-Oriented
Development Zoning Changes:**

When:

Tuesday, October 18, 2022 at 7:00 p.m.

Where:

Kenmore City Hall
18120 68th Avenue NE

To learn more, visit:

www.kenmorewa.gov/TOD

or scan here with your phone:



City of Kenmore
18120 68th Ave NE
Kenmore, WA 98028



OUR KIRKLAND NEIGHBOR
705 3RD ST
KIRKLAND WA 98033-5581

COMPREHENSIVE PLAN LANGUAGE RELATED TO TOD

(Ordinance 22-0558)

VISION STATEMENT

Kenmore “embraces its role as a high-capacity transit community, supporting bus rapid transit and other transit options as part of the regional network”

FUTURE LAND USE

The future development pattern would show:

- **Transit-oriented development in the area centered on the Metro/Sound Transit Park and Ride.** This concentration of pedestrian-oriented mixed use residential development is at intensities that support and are supported by multi-modal transportation options, including bus rapid transit. Transit-oriented development reinforces Kenmore’s designation as a High Capacity Transit Community.

LAND USE CLASSIFICATIONS

Purpose statements for the classifications in the area of the TOD read:

- **URBAN CORRIDOR:** East of downtown, portions of the district (nearest the transit center) would be an enterprise zone, allowing for a wide range of commercial uses, including bulk retail, as well as high-density multifamily development with affordable housing requirements. Farther to the east, near the city limits, office and multifamily uses are envisioned.
- **HIGH DENSITY RESIDENTIAL:** In this classification, land uses are predominantly larger apartment or condominium buildings with a variety of densities according to district. Base densities generally exceed 18 dwelling units per acre. In the area near the Metro/Sound Transit Park and Ride, development intensities support and are supported by multi-modal transportation options, including high capacity transit. The provision of affordable housing is a key feature of this transit-oriented development.
- **DOWNTOWN COMMERCIAL:** The Downtown Commercial classification features a mix of private and public uses designed to create a pedestrian-friendly downtown consistent with Kenmore’s designation in the Regional Growth Strategy as a High Capacity Transit Community and as a Candidate King County Countywide Growth Center. Public places, sidewalks, extensive landscaping, transit-orientation, shared or structured parking, protection of environmentally sensitive areas, affordable housing, and high quality design and signage are key features. Permitted uses emphasize mixed or multiple use developments, and include high-density housing, civic and governmental uses, offices, small-scale commercial and retail businesses, and locally oriented professional and personal services.
- **PUBLIC AND PRIVATE FACILITIES:** The purpose of the Public and Private Facilities classification is to identify and retain public and private lands primarily utilized for parks, recreation, schools, utilities, government buildings, and other administrative or institutional uses. In some locations, housing may also be an appropriate use. Master plans would be encouraged to determine the type and extent of these primary uses as well as compatible accessory uses. Development regulations include a

process to reclassify smaller properties to the zone most prevalent immediately surrounding the site subject to the provision of information by the institution about the need to convert to a different use.

POLICIES

Related policies include:

- Policy LU-2.1.3 High density residential classifications should be applied as follows:
 - a. Primarily located in or near the Downtown area and in the area of transit-oriented development near the Metro/Sound Transit Park and Ride;
- Policy LU-2.3.1 Through future planning efforts over the next twenty years, seek to achieve a mix of residential densities and housing types, appropriately located. Higher density classifications should be applied primarily in and around the Downtown and in the transit-oriented development area near the Metro/Sound Transit Park and Ride. Medium density classifications should be applied within a walkable and/or bikeable distance to transit and services. Lower density classifications, generally no less than four dwelling units per acre, should be applied to established single-family neighborhoods without easy access to transit and services. A lower density zone may be used to recognize significant environmentally sensitive areas.
- Policy LU-2.3.8 In parts of Downtown near transit, in the high-density residential classification near the Metro/Sound Transit Park and Ride, and in the Urban Corridor classification east of 73rd Avenue NE, require inclusion of affordable housing in new residential or mixed use development.
- Policy LU-3.1.2 Continue plans for a mix of uses, providing housing and employment at densities that support high-capacity transit. *(Related to development of Downtown as a Countywide Growth Center)*
- Policy LU-3.1.6 Plan for a variety of housing types including affordable housing. *(Related to development of Downtown as a Countywide Growth Center)*
- Policy H-3.2.1 Develop mixed-use, higher density districts in Downtown Kenmore, meeting community goals to develop community identity, provide vital business and service opportunities, concentrate higher density housing close to high-capacity transit, and provide multi-modal transportation services and connections to those services.
- Policy H-3.2.2 When higher densities are applied to residential and mixed use development in the Downtown, include requirements for the provision of affordable housing.
- Policy H-3.2.6 East of Downtown, in the area of transit-supportive development near the Park and Ride, require long-term low-cost housing as a condition of development.

- Policy H-4.2.6 As part of any rezone that increases residential capacity, consider requiring that a portion of the new units be affordable to extremely low-, very low- or low-income households.

IMPLEMENTATION STRATEGIES

New regulations should address:

- Transit-oriented development density increases and revised standards in the area near the Metro/Sound Transit Park and Ride.

New rules are needed for:

- Downtown densities in conformance with Countywide Growth Center criteria.

Minority Report

Kenmore Planning Commission Recommendations for Comprehensive Plan Transit-Oriented Development Code Amendments

To: Kenmore City Council

From: Tracy Banaszynski, Kenmore Planning Commissioner

November 8, 2022

cc: Kenmore Planning Commission

I respectfully dissent from the Planning Commission Recommendation for Approval of the Comprehensive Plan Transit-Oriented Development Code Amendments.

What we build now will be with us for decades, possibly up to a century. The more densely we develop in the Swamp Creek corridor in the Transit-Oriented Development zone, the more difficult it will be to recover healthy ecological functioning of Swamp Creek and the Swamp Creek wetland. Current degraded conditions in the Swamp Creek corridor contribute to large scale and localized flooding, poor water quality, and poor habitat for fish and other wildlife (resulting in biodiversity loss), all variables connected to human health and prosperity.

We can change that by updating the Transit-Oriented Development zone boundaries at the same time we update code amendments.

Context and Background

Staff and Commission worked hard to craft a document that meets State requirements while being sensitive to local concerns. We had extensive conversations about Kenmore's commitment to our share of regional housing and jobs growth, the ecologically sensitive areas¹ included in or adjacent to the Transit-Oriented Development zone, and resident concerns about Transit-Oriented Development density coming to their neighborhood.² Staff, Commissioners, and community members identified unsatisfied concerns through this process and modified the proposal to generate as much agreement as possible. That means some concerns were satisfied, but some were not.

I concur with many of the recommendations included in the Transit-Oriented Development Code

¹ Currently known ecologically sensitive areas in or adjacent to the TOD include Swamp Creek, the Swamp Creek wetland, and the Heron Rookery.

² Transit Oriented-Development density has been included in the Comprehensive Plan since 2015. Many residents coming forward with concerns were not aware until recently that their homes were included in TOD boundaries, and a recent development proposal represents a sudden change for the residents directly impacted.

Amendments forwarded to Council; my dissent is grounded in being unable to recommend those code amendments within current Transit-Oriented Development boundaries.³

Objections

The current Transit-Oriented Development boundaries allow inappropriately high levels of density too close to ecologically sensitive areas. With dense development as close as would be allowed, even strict adherence to current critical areas regulations will fail to protect the environment. Further, buffers outlined in critical areas regulations do not create the space needed for meaningful restoration (e.g., unarmoring, floodplain reconnection, the reintroduction of stream complexity) of natural ecological watershed functions, making future restoration efforts difficult to impossible.

Request and Remedy

The following recommendations will improve the Transportation-Oriented Development Code Amendments and align them with Kenmore's commitment to protecting environment and climate:

- Redraw boundaries of the Transit-Oriented Development zone. Give Swamp Creek and the Swamp Creek wetland the space needed to restore natural functions that will accrue multiple benefits to Kenmore, including but not limited to reducing large scale flooding up and downstream, improving water quality, protecting property and public infrastructure, creating habitat connectivity, and contributing to climate resiliency.
- Remove the area west of 80th Ave NE to Swamp Creek from the Transit-Oriented Development zone.
- For areas west of Swamp Creek, work with wetlands scientists, fish biologists, wildlife scientists, and other experts to craft evidence-based Transit-Oriented Development boundaries that allow us to protect the natural environment at the same time that we meet our jobs and housing targets with dense development that supports transit and a walkable urban core.
- When redrawn Transportation-Oriented Development boundaries cannot adequately protect Swamp Creek, the Swamp Creek wetland, and the Heron Rookery, consider other remedies including but not limited to conservation easements, land donations, and funded land acquisition and policies that support the same.

Responses to Staff Statements

During Planning Commission discussion regarding Transit-Oriented Development, Staff expressed reluctance to reconsider Transit-Oriented Development boundaries. This cautious approach is not surprising given the many stakeholders involved in land use decisions and the associated complicated nature of coming to mutually agreeable arrangements.

³ Transit-Oriented Development boundaries have not changed since 2015 (except for the removal of some areas presently zoned R-1).

I acknowledge that these decisions are not easy, that we are attempting to balance multiple, often competing, needs and priorities, and an advisory group like Planning Commission has many policy hurdles to clear. But robust conversation about land use, especially when ideas deviate from current standard practices, is crucial in the face of the existential threat posed by climate crisis.

What follows is a partial list of Staff statements expressing preference not to reconsider Transit-Oriented Development boundaries and my responses. This section captures conversation that occurred over the course of months as Planning Commission worked with Staff to craft recommendations for Comprehensive Plan Transit-Oriented Development Code Amendments.

Statement: We currently use best available science to protect our critical areas, all of which apply to the environmentally sensitive areas in or adjacent to the Transit-Oriented Development zone.

Response: As Staff themselves noted, best available science changes over time. As such, decisions may need to be revisited as new scientific information becomes available.

The current best available science was published by the Department of Ecology, in partnership with the Washington Department of Fish and Wildlife, in 2005. Updates in 2013 included revisions where new information meant the conclusion needed to be expanded or modified. However, the 2013 update did not address how new information could be incorporated into critical areas ordinances, and for the 2015-2019 ordinance update cycle, the Department of Ecology did not propose any changes to the buffer widths recommended in their 2005 guidance.

Unless local decisions have been made that depart from Department of Ecology and Department of Fish and Wildlife official guidance, Kenmore critical areas code is relying on best available science from 9 to seventeen years ago. It seems reasonable to suggest that we study whether the best available science underlying our critical areas regulations remains best available science.

Further, when best available science relies exclusively on western scientific methods, we may be missing insights from indigenous or traditional knowledge.⁴ Indigenous or traditional knowledge systems embody a wealth of wisdom and experience with nature gained over millennia from direct observations and transmitted—most often orally—over generations. It is different from the Western system of empirical, lab-based science, but is equally valid and efficacious.

Finally, best available science is filtered through a political process. There is a lag between what federal, state, and local governments have deemed best available science and what the earth is suggesting about the same. Our climate and environment are in crisis, resulting in material suffering and harm to humans and other species. We have the opportunity to mitigate or potentially reverse negative outcomes by revisiting best available science in Kenmore critical areas code and making land use decisions accordingly.

⁴ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1479546/>

Statement: The areas around Swamp Creek and the Swamp Creek wetland in the Transit-Oriented Development zone are already moderately to densely developed and/or covered in asphalt and concrete. There are less disturbed areas in Kenmore that would be easier to restore, making this a lower priority area.

Response: It is true that land in the Transit-Oriented Development zone has been highly degraded and that other less disturbed areas would be easier to restore. I largely agree that we are wise to prioritize development on already disturbed land; however, when highly disturbed land is in or adjacent to critical areas, the long term benefits of returning ecological functioning to that land must be included in decision making about continued land use no matter the perceived difficulty in doing so.

Both the Growth Management Act and Shoreline Management Act have an existing “no net loss” standard for shoreline and critical area ecological functions and values. Bills to modernize state land use, development, and environmental laws and regulations to result in a net gain of ecological health by replacing the current Washington State standard of “no net loss” for development with a new “net ecological gain”⁵ policy have been proposed. The Legislature funded an effort to define and determine how to achieve net ecological gain in 2020; however, the funding was returned due to pandemic response and uncertainty around revenue forecasts before being secured in the 2021-2023 operating budget for the State to publish a report to the Legislature by December 2022 on how to achieve net ecological gain.

The current policy of “no net loss” is not working. Salmon runs have declined from their historic numbers by 90%. The Southern Resident Killer Whale population is down to 73.

We have the opportunity to experiment with new ideas about land use that are likely going to be a reality in the near future through State mandates. We don’t need to wait when it is clear that action is needed now.

Statement: High density development is more protective of watershed health than low density development; therefore, we should develop densely in the Transit-Oriented Development zone.

Response: I agree with evidence showing that high density development can be more protective of watershed health than low density development.⁶ Among other things, denser developments consume less land to accommodate the same number of houses. Consuming less land creates less impervious cover in the watershed.

However, as the EPA writes, “Increasing development densities is *one strategy* (emphasis mine) communities can use to minimize regional water quality impacts. To fully protect water resources,

⁵ <https://apps.ecology.wa.gov/publications/documents/1911079.pdf>

⁶ <https://www.epa.gov/smartgrowth/protecting-water-resources-higher-density-development>

communities need to employ a *wide range of land use strategies* (emphasis mine) that are based on their local conditions, context, and goals. Such strategies could include building a range of development densities, incorporating adequate open space, preserving critical ecological and buffer areas, and minimizing land disturbance.”

Building densely is a useful and necessary tool in creating a healthy and sustainable Kenmore, but we must be mindful about where density is placed. Continuing to build densely in and adjacent to critical areas is a mistake from the past that will not result in improved watershed health if we allow it to continue.

Statement: Kenmore is inside the Urban Growth Area. By building densely here, we are protecting environmentally sensitive areas and farmland in rural areas.

Response: I agree with the idea underlying the Urban Growth Boundary. Sprawl and building communities that rely on individual modes of gas combustible transportation has been disastrous for climate and environment. (The jury is still out on whether simply replacing gas-powered vehicles for electric ones will result in much better outcomes.) Containing sprawl and encouraging public transit are wise planning decisions. I, too, value the ecologically sensitive areas and farmland outside the Urban Growth Area. We should be doing our part in Kenmore to protect those areas by encouraging density *in appropriate places* in our own community.

Not all policies in the Growth Management Act are working to protect our environment and climate. Our ecosystems are just that — systems that are part of a larger whole. The health of the parts must be attended to if the whole is to be healthy. We must plan for more robust ecologically healthy riparian zones, wildlife corridors, and critical areas buffers in Kenmore — inside the Urban Growth Area — in order to support the density we need here to protect areas outside the Urban Growth Area. It is all connected.

Summary

Reconsidering Transit-Oriented Development zone boundaries now will ensure we are making the best possible decisions we can, with information currently available, to support a vibrant, thriving, and sustainable Kenmore.

It is for this reason and the reasons outlined in *Context and Summary* and *Responses to Staff Statements* that I dissented from the Planning Commission recommendation for Approval of the Comprehensive Plan Transit-Oriented Development Code Amendments. My requests and remedies are my best thinking on the topic to date with the hope that they would be refined and improved with study and expert input.

I would be happy to answer questions about my dissent if clarification is required. Thank you for your consideration.



KENMORE 2044

Transit-Oriented Development (TOD)






What is TOD?

- An area of concentrated pedestrian-oriented mixed-use development at intensities that support and are supported by multi-modal transportation options, including high-capacity transit.
- As Bus Rapid Transit (BRT) comes to Kenmore along SR-522, transit-oriented development is proposed along the transit corridor.
- Previously an “overlay zone”

- [illegible]

Where is the Downtown Commercial zoning district?

-  Downtown Commercial
-  Manufactured Housing Community
-  Public/Semi-Public



What does the Comprehensive Plan say?

(Ordinance 22-0558 adopted 11/7/22)

- **Vision Statement**

- Kenmore supports bus rapid transit

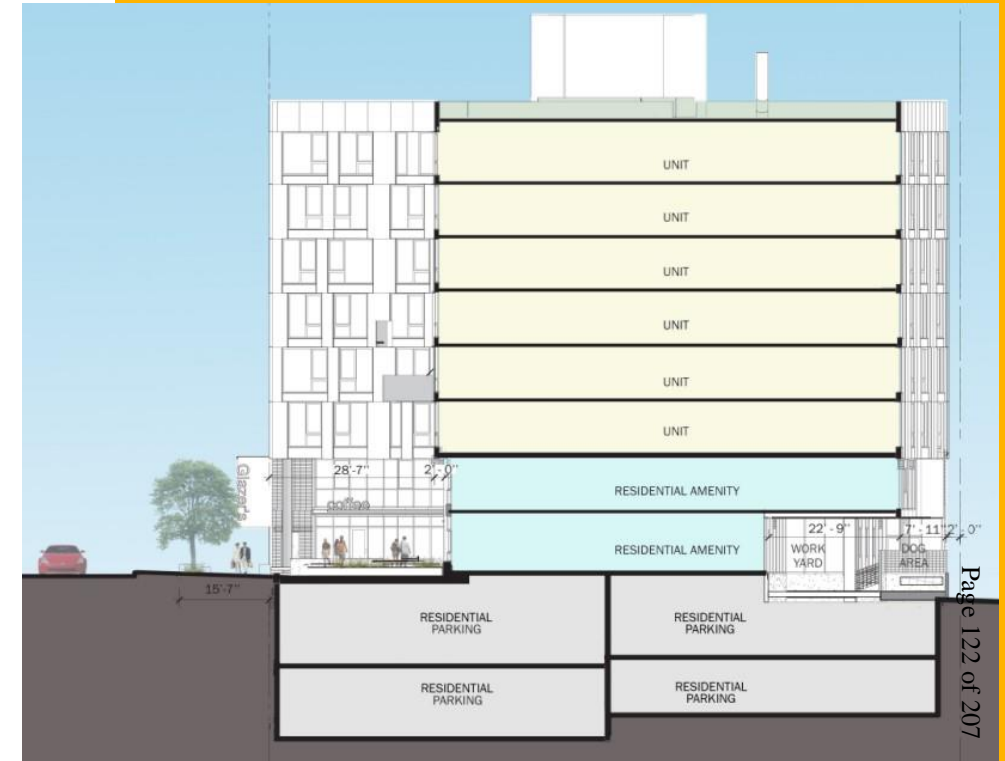
- **Land Use and Housing Elements**

- High-Capacity Transit Community
 - Candidate Countywide growth center
 - High density residential expected near the Park and Ride and Downtown
 - UR zone is high density residential
 - Affordable housing is a key feature and should be required



What are the most significant changes?

- Overlay standards put into existing zoning districts or in appropriate chapters—no longer optional
- New zone created: Urban Residential (UR)
- Height increase from 65' to 85'
- 25% of the rental units must be affordable to those at or below 50% area median income (AMI)
- Parking reduction to .50 stall per unit
- Heron rookery protection



Development Regulation changes, continued

- Some standards extended west to Downtown: minimum and maximum densities, increased height, and affordable housing requirements
- Parking exceeding the minimum must be placed in a garage or screened throughout the Downtown Commercial and Downtown Residential zones (currently this is only required west of 68th Avenue NE)



Development Regulation changes, continued

- Development Agreement permitted in the UR zone
- Multifamily allowed on surplus public/semi-public (PSP) properties consistent with surrounding zoning
- Miscellaneous amendments made for consistency throughout the Code and with ARCH affordable housing implementation standards



Building Heights

Planning
Commission
reviewed
images of
varying
building
heights during
their
discussions



85' (TOD east of 73rd Ave NE)

65' (DC zoning west of 73rd Ave NE)

Residential Parking

- TOD provides opportunities to not have a car and use alternate travel modes.
- Reducing parking encourages transit use.
- Reducing parking lowers housing costs.
- Market decides how much parking is appropriate.

Current rules:

- 1.00 space per market rate unit
- .60 space per affordable unit

Proposed rules:

- .50 space per market rate or affordable unit



Affordable Housing

Current rules:

- Complicated formula with varying tiers of affordability
- Mandatory affordable units capped at 10% of the total units
- No requirements in most of Downtown

Proposed rules:

- TOD: 25% of rental units at 50% AMI or less (80% AMI or less for ownership units)
- Downtown: 25% of rental units at 70% AMI or less (80% AMI or less for ownership units)

Feasibility factors:

Density increases
Parking reductions



What's next?

- **Planning Commission presentation**
- **Continued City Council discussion (and direction) on November 28**
- **Code adoption in January, lifting interim regulations**





City Council Business Agenda Item City of Kenmore, WA

Subject/Topic:

Final Public Hearing on the 2023-2024 Proposed Preliminary Biennial Budget

For Council Meeting Agenda of: November 21, 2022

Department: Finance and Administration

Prepared by: Leticia Salcido, Director of Finance and Administration

Initial & Date

Approved by Department Head: LS 11/9/22

Approved by City Attorney: _____

Approved by Finance Director: LS 11/9/22

Approved by City Manager: RAK

Proposed Council Action/Motion:

Final Public Hearing on the 2023-2024 Proposed Preliminary Biennial Budget

Exhibits/Attachments:

- A) Summary of All Revenues and Expenditures by Fund
- B) 2023 Employee Salary Plan

INFORMATION/BACKGROUND:

Passage of a biennial budget by year-end is required by State law. A public hearing was held November 7 and November 14, 2022, regarding the 2023-2024 proposed preliminary budget. A public hearing on the 2023 tax levy was held on October 10, 2022. The final public hearing on the 2023-2024 proposed preliminary budget will be held November 21, 2022.

The proposed budget document was distributed to the City Council on October 3, 2022, and is also available at City Hall and at www.kenmorewa.gov/finance.

City Council reviews of department and fund budgets were held throughout October and into November and the adoption of the 2023-2024 Biennial Budget is scheduled for November 21. The public is invited and encouraged to attend public sessions and offer public comment.

The 2023 Employee Salary Plan is included with this agenda. Every other year as part of the biennium budget preparation process, the city conducts an employee salary study to align employee salaries and wages with the market. The attached 2023 salary plan reflects the market study and the proposed cost of living increase.

FISCAL CONSIDERATION:

The City wide 2023-2024 Proposed Budget expenditures are \$87,284,869 and budgeted revenues are \$79,889,537. The General Fund is balanced in that budgeted expenditures do not exceed budgeted revenues and the projected ending fund balance at 12/31/2024 is \$4,143,057.

The Public Works Shop Fund was adjusted to reflect the updated amount for the capital project, debt service and corresponding revenues (transfers from other funds). The other funds (Surface Water Management, REET, Transportation Benefit District and Street Fund) have been updated to reflect the lower amount of transfer to Public Works Shop Fund for debt service.

The total Proposed Budget expenditures are 46% less than the 2021-2022 budget primarily due to decreased capital project expenditures and use of capital project funding sources such as bond funds, grants, real estate excise taxes and impact fees. Most significantly this includes the West Sammamish River Bridge project and the Walkways and Waterways park and transportation projects.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

RCW 35A.33.055 The legislative body must schedule hearings on the budget or parts of the budget prior to the final approval.

City of Kenmore, Washington

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Summary of All Revenues and Expenditures By Fund 2021-2024

FUND	2021-2022	2021	2022	2021-2022	2023	2024	2023-2024
	Amended Revenue Budget			Biennial Total			Proposed Revenue Budget
General Fund	\$ 28,289,770	\$ 14,427,485	\$ 15,717,874	\$ 30,145,359	\$ 15,379,292	\$ 15,925,839	\$ 31,305,131
Strategic Reserve Fund	22,000	7,174	8,500	15,674	13,610	13,746	27,356
Strategic Opportunities Fund	2,976,718	1,262,308	1,213,000	2,475,308	68,730	66,288	135,018
Street Fund	3,765,526	1,818,349	1,538,800	3,357,149	1,869,572	1,980,808	3,850,380
KAPE (kenmore Automated Photo Enf. Fund	0	0	0	0	400,000	400,000	800,000
Public Art Fund	400	687	700	1,387	700	700	1,400
Transportation Benefit District	700,000	369,122	361,300	730,422	361,439	364,866	726,305
ARPA Fiscal Recovery Fund	6,447,480	3,223,740	3,265,565	6,489,305	0	0	0
2016 & 2021 UTGO Debt Service Fund	1,824,000	774,135	1,050,000	1,824,135	1,059,500	1,057,250	2,116,750
Transportation Capital Fund	25,136,959	13,434,873	13,101,903	26,536,776	3,766,383	1,870,000	5,636,383
Real Estate Excise Tax Fund	5,574,459	3,671,215	2,920,262	6,591,477	2,443,815	2,452,353	4,896,168
Walkways & Waterways Bonds	10,047,000	10,127,397	70,014	10,197,411	11,300	11,400	22,700
Park Capital Fund	13,420,494	3,942,681	10,265,704	14,208,385	539,300	210,000	749,300
Park Impact Fee Fund	560,422	561,886	264,000	825,886	250,159	255,511	505,670
Transportation Impact Fee Fund	1,264,695	690,104	700,000	1,390,104	519,003	524,331	1,043,334
Sammamish River Bridge Fund	30,785,658	19,984,121	5,329,416	25,313,537	1,345,285	36,500	1,381,785
Public Works Shop Fund	9,410,000	5,925,048	2,875,183	8,800,231	4,575,604	11,375,402	15,951,006
Surface Water Management Fund	6,232,337	2,958,870	3,375,336	6,334,206	3,104,643	3,213,972	6,318,615
Surface Water Capital Fund	3,903,467	605,836	1,144,624	1,750,460	3,289,540	925,956	4,215,496
Swamp Creek Basin Fund	148,234	4,971	5,000	9,971	5,000	5,000	10,000
Equipment Replacement Fund	244,101	11,501	241,500	253,001	103,370	93,370	196,740
TOTAL	\$ 150,753,720	\$ 83,801,503	\$ 63,448,681	\$ 147,250,184	\$ 39,106,245	\$ 40,783,292	\$ 79,889,537

FUND	2021-2022	2021	2022	2021-2022	2023	2024	2023-2024
	Amended Expenditure Budget			Biennial Total			Proposed Expenditure Budget
General Fund	\$ 31,030,904	\$ 14,303,405	\$ 16,337,671	\$ 30,641,076	\$ 15,350,789	\$ 15,901,636	\$ 31,252,425
Strategic Reserve Fund	0	0	0	0	0	0	0
Strategic Opportunities Fund	5,218,503	1,345,707	3,216,801	4,562,508	313,000	263,000	576,000
Street Fund	3,363,167	1,369,215	1,743,410	3,112,625	1,855,182	1,949,798	3,804,980
KAPE (kenmore Automated Photo Enf. Fund	0	0	0	0	176,500	464,700	641,200
Public Art Fund	144,473	36,110	75,000	111,110	0	0	0
Transportation Benefit District	720,000	350,000	363,372	713,372	350,000	350,000	700,000
ARPA Fiscal Recovery Fund	1,570,900	816,284	740,610	1,556,894	4,242,200	690,211	4,932,411
2016 & 2021 UTGO Debt Service Fund	1,835,100	778,654	1,056,150	1,834,804	1,059,500	1,057,250	2,116,750
Transportation Capital Fund	25,586,959	13,083,940	12,487,652	25,571,592	3,766,383	1,870,000	5,636,383
Real Estate Excise Tax Fund	7,298,412	1,551,102	3,854,248	5,405,350	4,219,888	1,629,012	5,848,900
Walkways & Waterways Bonds	13,347,681	7,317,896	5,782,265	13,100,161	0	0	0
Park Capital Fund	13,790,097	3,658,281	10,109,588	13,767,869	552,500	223,200	775,700
Park Impact Fee Fund	829,412	52,347	706,000	758,347	0	0	0
Transportation Impact Fee Fund	3,862,547	1,222,440	2,245,000	3,467,440	600,000	100,000	700,000
Sammamish River Bridge Fund	30,699,860	19,203,470	5,376,369	24,579,839	1,345,285	36,500	1,381,785
Public Works Shop Fund	8,868,000	5,895,424	2,900,618	8,796,042	4,575,604	11,375,402	15,951,006
Surface Water Management Fund	7,836,809	2,217,216	3,451,280	5,668,496	4,487,782	3,979,997	8,467,779
Surface Water Capital Fund	3,918,467	834,478	1,145,341	1,979,819	3,172,900	776,650	3,949,550
Swamp Creek Basin Fund	795,697	328,158	233,000	561,158	40,000	40,000	80,000
Equipment Replacement Fund	448,456	33,661	214,526	248,187	310,000	160,000	470,000
TOTAL	\$ 161,165,444	\$ 74,397,788	\$ 72,038,901	\$ 146,436,689	\$ 46,417,513	\$ 40,867,356	\$ 87,284,869

City of Kenmore
Proposed 2023 Salary Wage Plan

Position	Proposed 2023 Monthly Salary & Wage Ranges	
	Low	High
Deputy City Manager	\$ 12,746	\$ 16,187
Assistant City Manager	\$ 12,746	\$ 16,187
Public Works Director	\$ 11,853	\$ 15,053
Finance & Administration Director	\$ 11,853	\$ 15,053
Community Development Director	\$ 11,693	\$ 14,851
Development Services Director	\$ 11,693	\$ 14,851
City Engineer/Engineering Director	\$ 11,375	\$ 14,447
Operations Director	\$ 9,736	\$ 12,365
Environmental Services Director	\$ 9,736	\$ 12,365
Human Resources Manager	\$ 8,882	\$ 11,281
Senior Engineer	\$ 8,540	\$ 10,846
Traffic Engineer	\$ 8,540	\$ 10,846
Senior Development Review Engineer	\$ 8,540	\$ 10,846
Principal Planner	\$ 8,540	\$ 10,846
Project Manager (Transportation, Parks, etc.)	\$ 8,540	\$ 10,846
Civil Engineer	\$ 7,971	\$ 10,123
Development Review Engineer	\$ 7,971	\$ 10,123
Building Official	\$ 7,971	\$ 10,123
City Clerk	\$ 7,803	\$ 9,910
Senior Planner	\$ 7,709	\$ 9,790
Maintenance Supervisor (Parks & Streetscape, Streets & SWM, Facilities & Fleet (new), etc.)	\$ 7,484	\$ 9,505
Communications Specialist	\$ 7,365	\$ 9,353
Assistant To the City Manager	\$ 7,365	\$ 9,353
Building Inspector/Plans Examiner	\$ 7,273	\$ 9,237
Senior Environmental Services Technician	\$ 7,273	\$ 9,237
Planner	\$ 6,970	\$ 8,852
Management Analyst	\$ 6,970	\$ 8,852
GIS Analyst	\$ 6,970	\$ 8,852
Accountant	\$ 6,628	\$ 8,417
Code Compliance Officer/Building Inspector	\$ 6,628	\$ 8,417
Executive Assistant	\$ 6,469	\$ 8,215
Deputy City Clerk	\$ 6,469	\$ 8,215
Inspector (Right of Way, Construction, etc.)	\$ 6,355	\$ 8,071
Senior Maintenance Worker	\$ 6,194	\$ 7,866
Environmental Services Technician	\$ 5,972	\$ 7,584
Senior Permit Coordinator (new)	\$ 5,972	\$ 7,584
Assistant Planner	\$ 5,868	\$ 7,453
Recreation Program Supervisor	\$ 5,868	\$ 7,453
Volunteer & Events Supervisor	\$ 5,868	\$ 7,453
Senior Facilities Maintenance Tech	\$ 5,618	\$ 7,135
Payroll Coordinator	\$ 5,618	\$ 7,135
Permit Coordinator	\$ 5,618	\$ 7,135
Specialist (Administrative, Permit, Events, Records, etc.)	\$ 5,318	\$ 6,753
Maintenance Worker	\$ 5,275	\$ 6,699
Administrative Assistant	\$ 5,027	\$ 6,384
Facility Maintenance Technician	\$ 4,728	\$ 6,005
Receptionist	\$ 4,419	\$ 5,612
Seasonal/Temporary Positions (hourly):	Hourly Low	Hourly High
Seasonal Maintenance Worker, Intern, Office Aide	\$ 20.00	\$ 31.00

Signature: RGK
RGK (Nov 9, 2022 12:32 PST)




AB 2021-2022 Final PH 2023-2024 Budget-11-21-22-3

Final Audit Report

2022-11-09

Created:	2022-11-09
By:	Leticia Salcido (lsalcido@kenmorewa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAAnuPVpaNLRw2CuebrXLE4EHdjenB02iqJ

"AB 2021-2022 Final PH 2023-2024 Budget-11-21-22-3" History

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2023-2024 Proposed Biennial Budget

PUBLIC HEARING

November 21, 2022

This Evening's Session:

- ✓ FINAL Public Hearing
 - ✓ Receive public testimony prior to adoption
 - ✓ 2023-2024 Proposed Biennial Budget

Ordinance for adoption

Adopt 2021-2022 Budget Amendments

Adopt 2023 Property Tax Levy

Adopt 2023 Excess Tax Levy

Adopt 2023-2024 Biennial Budget

BUDGET POLICY DIRECTION

- ❖ Supports and implements **City Council Goals**
 - considers the results of Service Level Budgeting
- ❖ A balanced operating budget that utilizes:
 - **conservative** approach to both revenues and expenditures
- ❖ Maintains a positive financial forecast that meets the City's reserve policies
- ❖ Includes Financial Sustainability Plan measures

Total Proposed City Budget - All Funds

<u>FUND</u>	2023 Proposed	2024 Proposed	2023-2024 Proposed Expenditure Budget
General Fund	\$ 15,350,789	\$ 15,901,636	\$ 31,252,425
Strategic Reserve Fund	0	0	0
Strategic Opportunities Fund	313,000	263,000	576,000
Street Fund	1,855,182	1,949,798	3,804,980
KAPE (kenmore Automated Photo Enf. Fund	176,500	464,700	641,200
Public Art Fund	0	0	0
Transportation Benefit District	350,000	350,000	700,000
ARPA Fiscal Recovery Fund	4,242,200	690,211	4,932,411
2016 & 2021 UTGO Debt Service Fund	1,059,500	1,057,250	2,116,750
Transportation Capital Fund	3,766,383	1,870,000	5,636,383
Real Estate Excise Tax Fund	4,219,888	1,629,012	5,848,900
Walkways & Waterways Bonds	0	0	0
Park Capital Fund	552,500	223,200	775,700
Park Impact Fee Fund	0	0	0
Transportation Impact Fee Fund	600,000	100,000	700,000
Sammamish River Bridge Fund	1,345,285	36,500	1,381,785
Public Works Shop Fund	4,575,604	11,375,402	15,951,006
Surface Water Management Fund	4,487,782	3,979,997	8,467,779
Surface Water Capital Fund	3,172,900	776,650	3,949,550
Swamp Creek Basin Fund	40,000	40,000	80,000
Equipment Replacement Fund	310,000	160,000	470,000
TOTAL	\$ 46,417,513	\$ 40,867,356	\$ 87,284,869

2023-2024 Biennial Budget

Two Components to City Operations

■ Operating Revenues and Expenditures

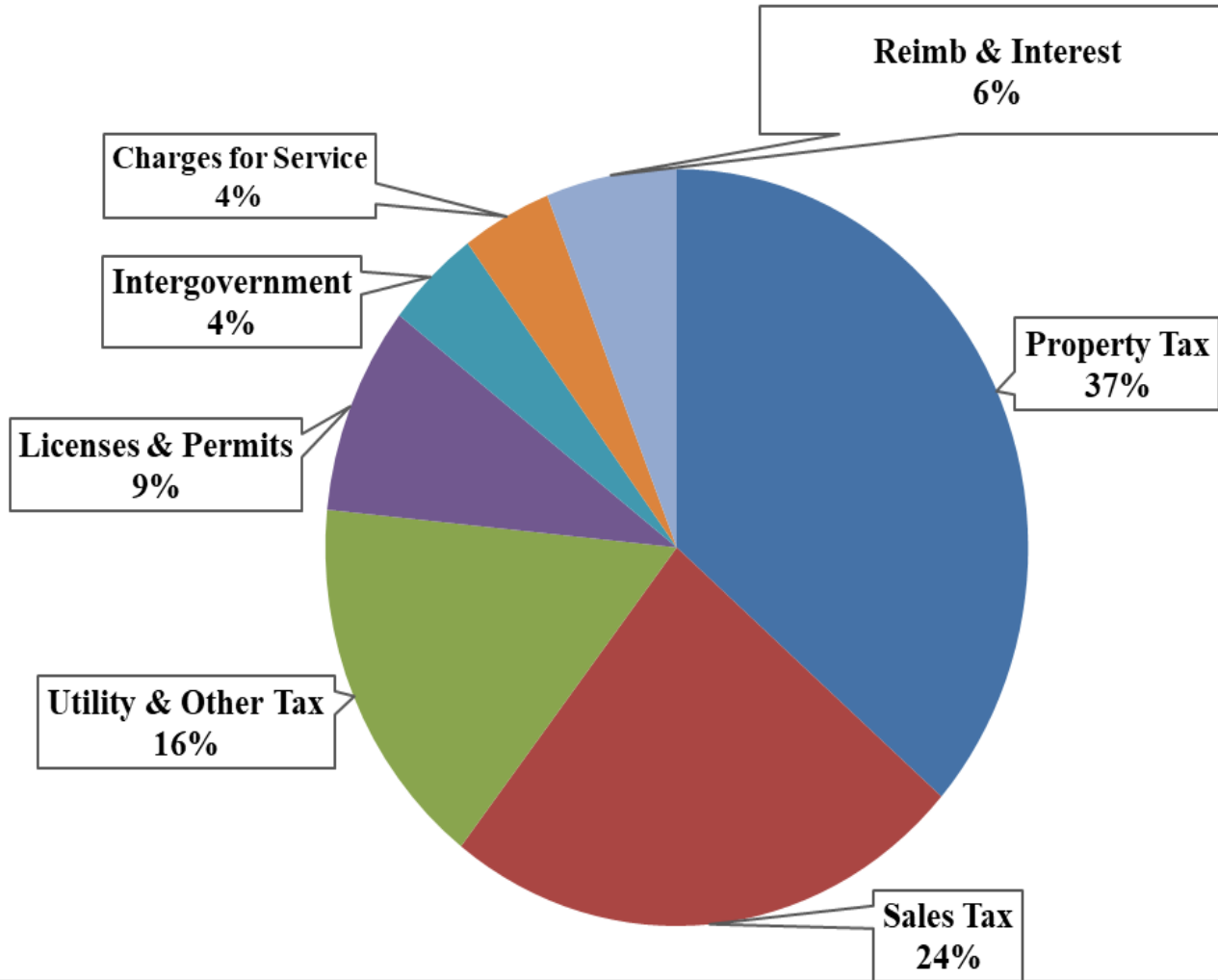
- ▶ General Fund
- ▶ Street Fund
- ▶ Enterprise (Surface Water Management Fund)
- ▶ Other Special Revenue Funds (Public Art, TBD, REET, ARPA, Impact)
- ▶ Debt Service Funds (for Bonds)
- ▶ Internal Service Funds (Equipment Replacement)

■ Major Capital Expenditures and Resources

- ▶ Capital Improvement Program (CIP) adopted in October
- ▶ Transportation, Parks, Surface Water, City Facility,
- ▶ Capital Resource Funds (Impact Fees, REET, Bonds, Grants, surface water utility, debt)

GENERAL FUND & STREET FUND

General Fund Revenues 2023-2024



Significant Revenues

General Fund - Property Tax

- **Property Taxes- Biennium - \$11,403,392**
 - Largest ongoing revenue source
 - 37% of total budgeted revenues
- **Tax Levy increase 2023 - revenues**
 - \$138,045
 - 1.9% (using banked capacity)
 - + new construction
 - Tax Rate decrease = \$0.69/\$1000 AV
- 2024 3.3%

Property Taxes, Levy and Assessed Value

2023

- **\$5,609,624** - Proposed Regular Property Tax Levy
 - \$138,045 - Increase over 2022 Levy
 - \$101,749 from 1% statutory limit + .86% banked Capacity
 - \$36,296 from new construction

\$0.69 - Tax rate projected per \$1,000AV

- $5,609,624 / 8,087,603,533 \times 1000$

- **\$8.1 Billion** - Preliminary Assessed Valuation (AV) - 2023
 - increase of 31.19%
 - Causes levy rate to decline

Tax Effect on Homeowner

(City of Kenmore Taxes Only)

2022 -

- \$920,000 - Assumed home value
- 0.8875 - Tax rate 2022
- \$816

2023 -

- \$920,000 - Assume NO CHANGE in value of home
- 0.6936 - Tax rate 2023
- = \$638 (\$178 less than 2022)

➤ 2023 - Assume 30% increase in value of home at \$1.2M

- 0.6936 - Tax rate 2023
- = \$832 (\$16 More than 2022)

2022 Property Tax Distribution for \$950K Property

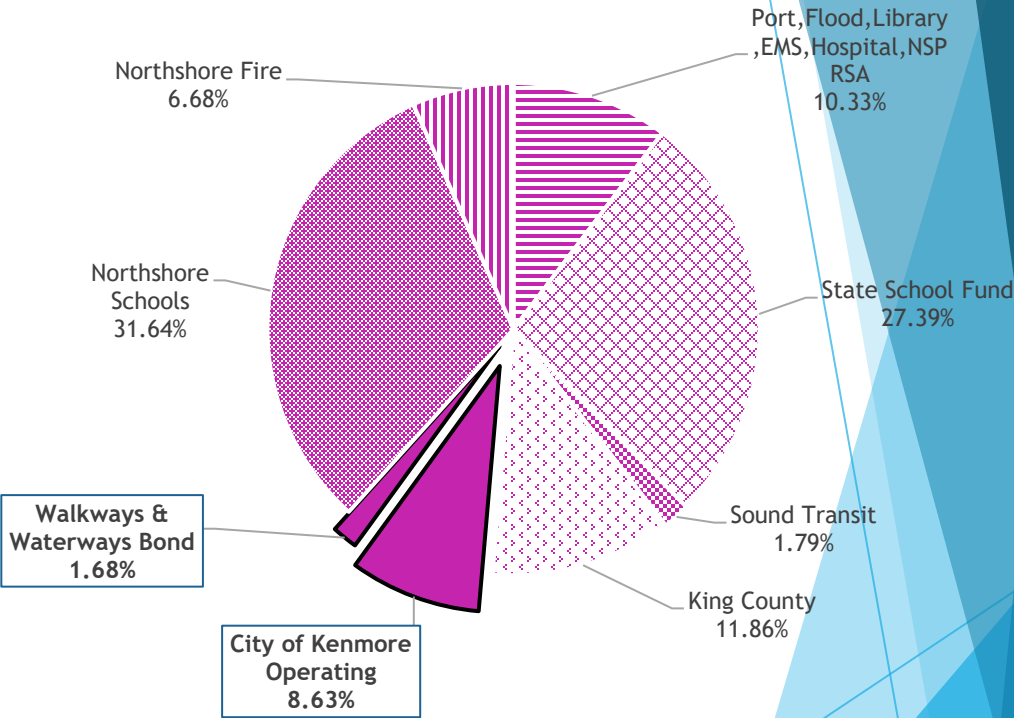
There are 12 taxing districts that impact Kenmore taxpayers.

The total tax rate for most taxpayers in the City last year was \$10.284 per \$1,000 AV.

The tax bill:
on a \$950K property
could have been about \$9770.

Only 10% of that tax bill belongs to the City of Kenmore.

Per County in 2022 \$753K is the median residential property value in Kenmore in 2022 (tax bill=\$7744)



Other Operating Revenues

General Fund:

• Capital/Overhead Reimbursement	\$1,540,000
• Franchise Fees	1,707,003
• Criminal Justice Sales Tax	1,631,308
• Plan Review & Land Use Permit Fees	1,254,576
• Other Permit Revenue	1,054,509
• Liquor Board Taxes	703,082

Street Fund:

• Fuel Tax Revenue (Street Fund)	917,905
• TBD Fees (Transportation Benefit District)	723,600
• Water/Sewer Franchise Fees	1,118,585

Surface Water Management Fund:

• Surface Water Charges	6,270,040
-------------------------	-----------

Major Operating Costs: On-Going/Non-Discretionary 2-Year Totals

✓ 14,196,000	Salaries & Benefits (General, Street Funds)
✓ 8,555,000	Police Contract
✓ 1,030,000	Jail/Court Services/prosecuting attorney public defender
✓ 700,000	Legal Services
✓ 1,059,000	Insurance (WCIA)
✓ 962,000	Utilities
✓ 592,000	Human Services Contributions (\$371K) and ARCH (\$172K + Affordable Housing Sales Tax 49K)
<hr/>	
✓ \$27,094,000	

✓ These costs comprise 77% of the total operating (general fund and street fund) budget (\$35,057,407)

New Positions/Salaries/Benefits

Funded by General Fund:

- ▶ 1 FTE Construction Inspector
- ▶ .625 FTE Permit Specialist (25 hours/week)
- ▶ 1 FTE Facilities Fleet Manager
- ▶ 1 FTE Maintenance Worker
- ▶ .625 Adm. Spec.

Funded by Street Fund:

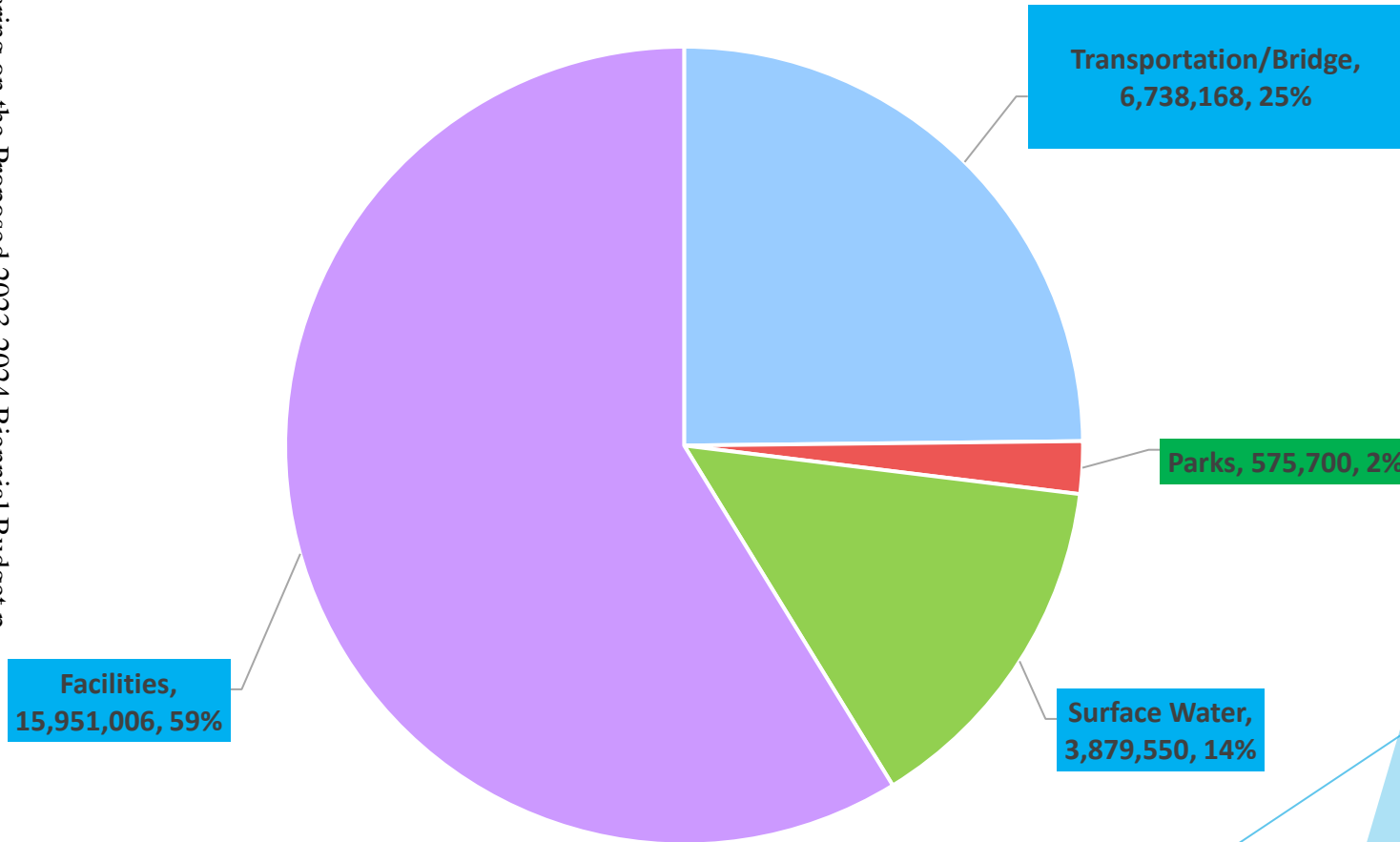
- ▶ 1 FTE Maintenance Worker
- ▶ .33 FTE GIS Analyst

Funded by Surface Water Management Fund

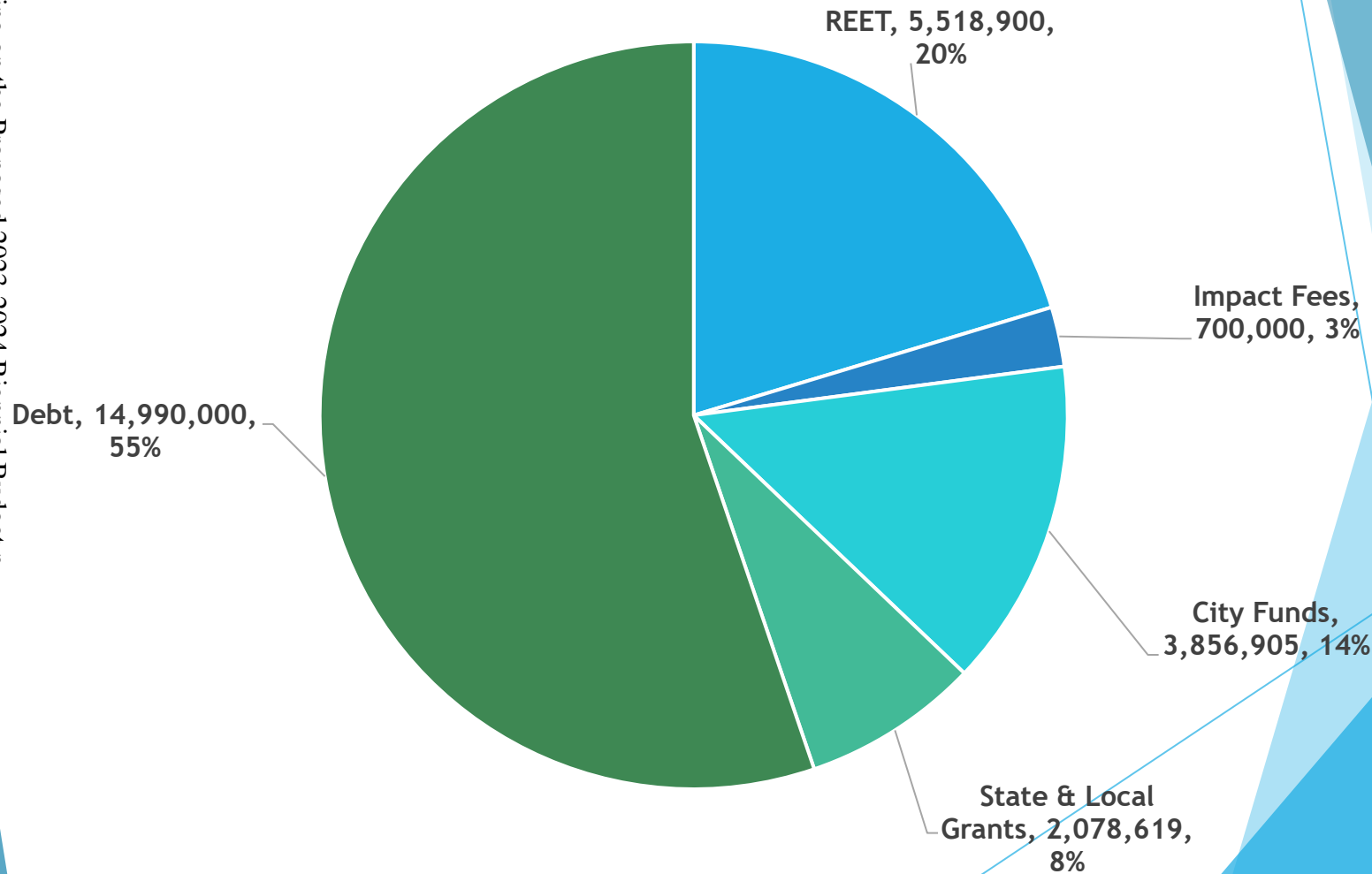
- ▶ .67 FTE GIS Analyst
- ▶ 1 FTE Senior Environmental Technician

Salary ranges budgeted to increase 6% in 2023 and 4% in 2024 / benefits average increase of 4%

2023-2024 Capital Project Costs \$27,144,424



2023-2024 Capital Project Resources \$24,144,424



This concludes the Public Hearing on the 2023-2024 Proposed Preliminary Biennial Budget

Questions? Comments?

**Copies of the complete budget are available for review
at City Hall**

Budget message and other information is on the web at:

www.kenmorewa.gov



City Council Business Agenda Item City of Kenmore, WA

<p>Subject/Topic: Adopting 2021-2022 Budget Amendments, Ordinance No. 22-0561</p>	<p>For Council Meeting Agenda of: November 21, 2022</p> <p>Department: Finance and Administration</p> <p>Prepared by: Leticia Salcido, Finance and Administration Director</p>										
	<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"></th><th style="text-align: right;"><u>Initial & Date</u></th></tr> </thead> <tbody> <tr> <td>Approved by Department Head:</td><td style="text-align: right;">LS 11/9/22</td></tr> <tr> <td>Approved by City Attorney:</td><td style="text-align: right;">_____</td></tr> <tr> <td>Approved by Finance Director:</td><td style="text-align: right;">LS 11/9/22</td></tr> <tr> <td>Approved by City Manager:</td><td style="text-align: right;"><u>RGK</u> RGK</td></tr> </tbody> </table>		<u>Initial & Date</u>	Approved by Department Head:	LS 11/9/22	Approved by City Attorney:	_____	Approved by Finance Director:	LS 11/9/22	Approved by City Manager:	<u>RGK</u> RGK
	<u>Initial & Date</u>										
Approved by Department Head:	LS 11/9/22										
Approved by City Attorney:	_____										
Approved by Finance Director:	LS 11/9/22										
Approved by City Manager:	<u>RGK</u> RGK										
<p>Proposed Council Action/Motion: Adopt Ordinance No. 22-0561 Amending the 2021-2022 Biennial Budget</p>	<p>Exhibits/Attachments: Exhibit I: November 7, 2022 Agenda Bill with Year End Recommended Budget Adjustments</p> <p>Ordinance No. 22-0561</p>										

INFORMATION/BACKGROUND:

On November 23, 2020, the City of Kenmore City Council adopted the 2021-2022 biennial budget. The city-wide budget was amended on November 22, 2021, during the Mid Biennium Review. The amended budget includes revenue (\$150,901,432) and expenditure (\$151,782,022) projections for both years which support the City Council priorities, departmental work programs, various municipal obligations, as well as Federal and State mandates.

Prior to the close of 2022, which will conclude the 2021-2022 biennial budget period, it is important to review all funds' budgets, consider actions taken by the City Council since the last budget amendment, consider any significant unappropriated expenditures, and adjust fund budgets accordingly so as not to exceed approved legal appropriations.

Amendments to the General Fund, Strategic Opportunities Fund, Street Fund, ARPA Fiscal Recovery Fund, 2016 UTGO Debt Service Fund, Transportation Capital Fund, Real Estate Excise Tax Fund, W&W Bond Project Fund, Park Capital Fund, Park Impact Fund, Public Works Shop Fund, and Surface Water Management Fund will be recommended, and details are included on attachment.

Amendments to the following funds will be recommended and details will be provided prior to and at the Council Meeting:

General Fund, Strategic Opportunities, Street, Public Art, ARPA Fiscal Recovery, 2016 & 2021 UTGO Debt Service, Transportation Capital, REET, W&W Bond Project, Park Capital, Sammamish Bridge Replacement, Public Works Shop, Surface Water Management and Surface Water Management Capital Fund.

XIII. A. Ordinance No. 22-0561: Amending the 2021-2022 Biennial Budget, ...

In the General Fund, the most significant adjustments are due to the land acquisition Holt Property and an interfund loan to Park Capital Fund to prevent a negative cash balance at the end of 2022 due to the lag in receiving grant reimbursements.

A presentation for review and discussion was held at the Council meeting of November 7, 2022. Following Council's direction on the proposed budget amendments, a public hearing will be held on November 14, 2022. An ordinance to formally amend the budget will be presented for approval at the Council meeting of November 21, 2022.

FISCAL CONSIDERATION:

Details of proposed revenue and expenditure adjustments accompany the agenda bill presented to the City Council on November 7, 2022, which is attached.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Per RCW 35A the budget is the legal authority to expend public funds and controls those expenditures by setting the amount of the appropriation at the fund level by ordinance.

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 22-0561**

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, RELATING TO THE 2021-2022 BUDGET; AMENDING THE 2021-2022 BUDGET, TO ADJUST REVENUES AND APPROPRIATIONS FOR THE GENERAL FUND, THE STRATEGIC OPPORTUNITIES FUND, THE STREET FUND, THE ARPA FISCAL RECOVERY FUND, THE 2016 UTGO DEBT SERVICE FUND, THE TRANSPORTATION CAPITAL FUND, THE REAL ESTATE EXCISE TAX FUND, THE W&W BOND PROJECT FUND, THE PARK CAPITAL FUND, THE PARK IMPACT FUND, THE PUBLIC WORKS SHOP FUND, AND THE SURFACE WATER MANAGEMENT FUND; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council (the “Council”) of the City of Kenmore, Washington, (the “City”), is required by applicable State law to finalize its biennial budget prior to the commencement of the first fiscal year of the biennium; and

WHEREAS, the amount of revenue and expenditures can only be estimated at the time of finalization of the budget; and

WHEREAS, by Ordinance No. 20-0517, the City Council adopted the 2021-2022 Biennial Budget on November 23, 2020; and

WHEREAS, by Ordinance No. 21-0540 the City Council amended the 2021-2022 Biennial Budget; and

WHEREAS, the City Council finds it in the best interest of the City to adjust revenues and expenditures in the General Fund, the Strategic Opportunities Fund, The Street Fund, The ARPA Fiscal Recovery Fund, the 2016 UTGO Debt Service Fund, The Transportation Capital Fund, the Real Estate Excise Tax Fund, the W&W Bond Project Fund, the Park Capital Fund, the Park Impact Fund, The Public Works Shop Fund and the Surface Water Management Fund;

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

Section 1. Funds Appropriated. The 2021-2022 Biennial Budget is amended by fund to reflect the adjustments to revenues and appropriations as shown below:

REVENUE					
FUND NO.	FUND	2021-2022 Adopted Revenue Budget	2021 Mid-Biennium Amendments	2022 Mid-Biennium Amendments	2021-2022 Amended Revenue Budget
001	General Fund	28,567,770	2,022,000	1,250,000	31,839,770
045	Strategic Reserve fund	22,000	-	-	22,000
046	Strategic Opportunities Fund	476,718	2,500,000	-	2,976,718
101	Street fund	3,065,526	700,000	-	3,765,526
110	Public Art Fund	400	-	-	400
115	Transportation Benefit District	-	700,000	-	700,000
130	ARPA Fiscal Recovery Fund	-	6,447,480	-	6,447,480
200	2016 UTGO Debt Service Fund	1,580,000	-	258,000	1,838,000
300	Transportation Capital Fund	25,978,459	(1,691,500)	2,158,000	26,444,959
301	Real Estate Excise Tax Fund (REET)	2,074,459	4,251,712	-	6,326,171
302	W&W Bond Project fund	10,047,000	-	202,000	10,249,000
303	Park Capital Fund	8,601,548	4,818,946	3,230,368	16,650,862
304	Park Impact Fee Fund	185,263	375,159	250,000	810,422
305	Transportation Impact fee Fund	687,708	576,987	-	1,264,695
306	Sammamish Bridge Replacement	26,668,658	4,117,000	-	30,785,658
307	Public Works Shop fund	6,500,000	2,600,000	318,000	9,418,000
401	Surface Water Management Fund	5,085,947	1,146,390	-	6,232,337
402	SWM Capital Fund	3,918,467	(15,000)	-	3,903,467
403	Swamp Creek Basin	6,600	141,634	-	148,234
501	Equipment Replacement Fund	244,101	-	-	244,101
	TOTAL	\$ 123,710,624	\$ 28,690,808	\$ 7,666,368	\$ 160,067,800
EXPENDITURES					
FUND NO.	FUND	2021-2022 Adopted Expenditure Budget	2021 Mid-Biennium Amendments	2022 Mid-Biennium Amendments	2021-2022 Amended Expenditure Budget
001	General Fund	27,067,770	1,550,000	3,720,000	32,337,770
045	Strategic Reserve fund	-	-	-	-
046	Strategic Opportunities Fund	2,063,503	1,500,000	1,710,000	5,273,503
101	Street fund	3,328,167	-	1,455,000	4,783,167
110	Public Art Fund	144,473	-	-	144,473
115	Transportation Benefit District	-	700,000	-	700,000
130	ARPA Fiscal Recovery Fund	-	1,570,900	300,000	1,870,900
200	2016 UTGO Debt Service Fund	1,581,100	-	256,900	1,838,000
300	Transportation Capital Fund	24,286,959	-	2,158,000	26,444,959
301	Real Estate Excise Tax Fund (REET)	6,301,961	1,638,161	110,000	8,050,122
302	W&W Bond Project fund	11,235,993	1,011,688	1,326,000	13,573,681
303	Park Capital Fund	8,549,948	4,990,149	530,368	14,070,465
304	Park Impact Fee Fund	829,412	-	280,368	1,109,780
305	Transportation Impact fee Fund	3,817,547	45,000	-	3,862,547
306	Sammamish Bridge Replacement	26,668,658	4,031,202	-	30,699,860
307	Public Works Shop fund	3,500,000	2,500,000	3,165,000	9,165,000
401	Surface Water Management Fund	7,821,398	(114,587)	133,000	7,839,811
402	SWM Capital Fund	3,918,467	-	-	3,918,467
403	Swamp Creek Basin	645,546	150,151	-	795,697
501	Equipment Replacement Fund	448,456	-	-	448,456
	TOTAL	\$ 132,209,358	\$ 19,572,664	\$ 15,144,636	\$ 166,926,658

The City Manager is hereby authorized and instructed to effectuate the necessary changes to the 2021-2022 Biennial Budget and to make any necessary and appropriate line-item entries and adjustments in order to reflect the amendments of this ordinance.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be preempted by State or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This ordinance shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after the date of the publication.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON
THE 21st DAY OF NOVEMBER 2022.

CITY OF KENMORE

Nigel Herbig, Mayor

ATTEST/AUTHENTICATED:

Michelle Kang, Deputy City Clerk

Approved as to form:

Dawn Reitan, City Attorney



City Council Business Agenda Item City of Kenmore, WA

Subject/Topic:

Amendments to the 2021-2022 Biennial Budget

For Council Meeting Agenda of: November 7, 2022

Department: Finance and Administration

Prepared by: Leticia Salcido, Finance and Administration Director

Initial & DateApproved by Department Head: [Signature] 11/2/22Approved by City Attorney: [Signature] 11/2/22Approved by Finance Director: [Signature] 11/2/22Approved by City Manager: RGK
RGKProposed Council Action/Motion:

Review and discuss:

1. Amendments to the 2021-2022 Biennial Budget

Exhibits/Attachments:

Exhibit 1 – Year End Recommended Budget Adjustments

INFORMATION/BACKGROUND:

On November 23, 2020, the City of Kenmore City Council adopted the 2021-2022 biennial budget. The City-wide budget was amended on November 22, 2021, during the Mid Biennium Review. The amended budget includes revenue (\$150,901,432) and expenditures (\$151,782,022) projections for both years which support the City Council priorities, departmental work programs, various municipal obligations, as well as Federal and State mandates.

Prior to the close of 2022, which will conclude the 2021-2022 biennial budget period, it is important to review all funds' budgets, consider actions taken by the City Council since the last budget amendment, consider any significant unappropriated expenditures, and adjust fund budgets accordingly so as not to exceed approved legal appropriations.

Amendments to the following funds will be recommended and details will be provided prior to and at the Council Meeting:

General Fund, Strategic Opportunities, Street, Public Art, ARPA Fiscal Recovery, 2016 & 2021 UTGO Debt Service, Transportation Capital, REET, W&W Bond Project, Park Capital, Sammamish Bridge Replacement, Public Works Shop, Surface Water Management and Surface Water Management Capital Fund.

In the General Fund, the most significant adjustments are due to the land acquisition Holt Property and an interfund loan to Park Capital Fund to prevent a negative cash balance at the end of 2022 due to the lag in receiving grant reimbursements.

Following Council's direction on the proposed budget amendments, a public hearing will be held on November 14, 2022. An ordinance to formally amend the budget will be presented for approval at the Council meeting of November 21, 2022.

FISCAL CONSIDERATION:

Details of proposed revenue and expenditure adjustments are included as part of exhibit 1 & 2.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED: - All City Council Priorities

Per RCW 35A the budget is the legal authority to expend public funds and controls those expenditures by setting the amount of the appropriation at the fund level by ordinance.

BUDGET ADJUSTMENTS - NOVEMBER 2022

EXHIBIT 2

Account No.	Account Name	Current 2021-2022 Amended Budget	Recommended Budget Amendment Increase (decrease)	2021-2022 Amended Budget
Fund 001 General Fund				
REVENUES				
001.000.31311000	Local Sales & Use Tax	5,954,280	800,000	6,754,280
	To adjust revenue projections			-
001.019.38120000	Interfund Loan Repayment Received	2,850,000	450,000	3,300,000
	to reflect loan repayment from Public Works Shop Fund			
				-
				-
EXPENDITURES				
001.019.59448.6025	Land	-	2,200,000	2,200,000
	To record land acquisition- Holt Property (GF portion)			-
001.019.59700.0307	Transfer to Public Works Shop Fund	-	20,000	20,000
	to record transfer for debt service			-
001.019.58110.9007	Interfund Loan to Public Works Shop Fund	550,000	450,000	1,000,000
	to reflect loan			
001.019.58110.9008	interfund loan to Park Capital Fund	-	1,050,000	1,050,000
	for cash flow purposes due to lag in reimbursement			
Fund 046 Strategic Opportunities Fund				
REVENUES				
				-
EXPENSE				
046.000.59448.6025	Land	-	1,710,000	1,710,000
	To record land acquisition- Holt Property & Cozy Inn (SOF portion)			-
				-

BUDGET ADJUSTMENTS - NOVEMBER 2022

EXHIBIT 2

Account No.	Account Name	Current 2021-2022 Amended Budget	Recommended Budget Amendment Increase (decrease)	2021-2022 Amended Budget
Fund 101 Street Fund -				
REVENUE				
		-		-
				-
EXPENSE				
101.000.59700.0307	Transfer to Public Works Shop Fund to reflect transfer for debt service public works shop debt	-	55,000	55,000
				-
101.000.58110.9008	interfund loan to Park Capital Fund for cash flow purposes due to lag in receiving grant reimbursements	-	1,400,000	1,400,000
				-
				-
				-
Fund 110- Public Art Fund				
REVENUES				
				-
EXPENSE				
110.000.57320.6006	1% for Arts Program	144,473	(75,000)	69,473
110.000.59700.0303	Transfer to Park Capital Fund for projects P18, P27, P28 (original budget included in Park Capital Fund but not in Public Art)	-	75,000	75,000
				-
				-
				-
Fund 130 - ARPA Fiscal Recovery Fund				
REVENUE				
		-		-
				-
				-
EXPENDITURES				
130.000.51810.5016	ARPA Business Assistance Grant	-	100,000	100,000
130.000.51810.4310	ARPA Affordable Housing	-	100,000	100,000
130.000.51810.4300	Consulting services to budget for expenditures	20,000	100,000	120,000
		-		-
		-		-
		-		-
		-		-
Fund 200 - 2016 & 2021 UTGO Debt Service Fund				
REVENUE				
200.000.31110001	W&W Excess Property Tax Levy To increase budgeted amount to actual	1,580,000	258,000	1,838,000
				-
EXPENDITURES				
200.000.59131.7001	Redemption of Debt	890,000	155,000	1,045,000
200.000.59231.8001	Bonds-Interest To increase budgeted amount to actual	691,100	101,900	793,000

BUDGET ADJUSTMENTS - NOVEMBER 2022

EXHIBIT 2

Account No.	Account Name	Current 2021-2022 Amended Budget	Recommended Budget Amendment Increase (decrease)	2021-2022 Amended Budget
Fund 300 Transportation Capital Fund				
REVENUE				
300.000.33403101	T41 State DOE grant-Juanita Dr.	-	943,000	943,000
300.000.39700302	Transfer from W&W Bond Project Fund	6,308,160	700,000	7,008,160
300.000.36701002	Juanita Dr. project NUD reimbursement	76,958	391,000	467,958
300.000.36700301	Transfer from REET Fund	5,105,050	124,000	5,229,050
	To update budget amount to actual for T41 project			-
EXPENSE				
300.000.59530.6719	T41 Juanita Dr. Ped & Bike Safety	10,255,932	2,158,000	12,413,932
	To update budget amount to actual biennium expenditures			-
				-
				-
Fund 301 REET				
REVENUE				
				-
				-
				-
EXPENSE				
301.000.59700.0307	Transfer to Public Works Shop Fund	-	110,000	110,000
	to record transfer for debt service			-
				-
				-
				-
Fund 302 W&W Bond Project Fund				
REVENUE				
302.000.36110000	Investment interest	47,000	80,000	127,000
302.000.39200000	Bond proceeds (premium)	-	122,000	122,000
	To reflect increase in revenues			-
				-
				-
EXPENSE				
302.000.59700.0303	Transfer to Parks Capital Fund	5,939,521	500,000	6,439,521
	To budget for reimbursement to Park Capital Fund for 2020 expenditures			-
302.000.59700.0300	Transfer to Transportation Capital Fund	6,308,160	700,000	7,008,160
	to reflect expenditure reimbursement			-
				-
302.000.51420.4016	Bank Fees	-	126,000	126,000
	To increase budget for 2021 UTGO bond fees			-
				-

BUDGET ADJUSTMENTS - NOVEMBER 2022

EXHIBIT 2

Account No.	Account Name	Current 2021-2022 Amended Budget	Recommended Budget Amendment Increase (decrease)	2021-2022 Amended Budget
Fund 303 Park Capital Fund				
REVENUE				
				-
303.000.39700302	Transfer from W&W Bond Project Fund	5,939,521	500,000	6,439,521
	reimbursement for 2020 expenditures not in budget			-
				-
				-
303.000.38110000	Interfund loan received (from General Fund)	-	1,050,000	1,050,000
303.000.38110000	Interfund loan received (from Street Fund)	-	1,400,000	1,400,000
	for cash flow purposes due to lag in grant reimbursement			-
				-
303.000.39700304	Transfer from Park Impact Fund	829,412	280,368	1,109,780
	to cover P30 Rhodo. Park Boathouse expenditures over budgeted amount (21/22)			-
EXPENSES				
				-
303.000.59476.6115	P30 Rhody Park Public Boathouse	6,400	280,368	286,768
	To reflect increase in expenditure from budget amount			-
				-
				-
303.000.59476.6112	P27 Squires Landing waterfront	8,257,952	250,000	8,507,952
	To adjust budget to projected			-
Fund 304 Park Impact Fee Fund				
REVENUES				
304.000.34585000	Park Impact Fees	250,462	250,000	500,462
	To increase budget amount to reflect better than expected revenues in 2022			-
EXPENSE				
				-
304.000.59700.0303	Transfer to Park Capital Fund	829,412	280,368	1,109,780
	to cover P30 Rhododendron Park Boathouse expenditures 2021-2022			-

BUDGET ADJUSTMENTS - NOVEMBER 2022

EXHIBIT 2

Account No.	Account Name	Current 2021-2022 Amended Budget	Recommended Budget Amendment Increase (decrease)	2021-2022 Amended Budget
Fund 307 Public Works Shop Fund				
REVENUE				
307.000.39700401	Transfer from Surface Water Management Fund	-	133,000	133,000
307.000.39700301	Transfer from REET Fund	-	110,000	110,000
307.000.39700101	Transfer from Street Fund	-	55,000	55,000
307.000.39700001	Transfer from General Fund	-	20,000	20,000
	To reflect transfer for debt service			-
				-
EXPENSE				
307.000.58120.0001	Interfund Loan Repayment (to General Fund)	-	1,000,000	1,000,000
307.000.58120.0046	Interfund Loan Repayment (to Strategic Opp. Fund)	-	1,200,000	1,200,000
307.000.58120.0401	Interfund Loan Repayment (to Surface Water Management Fund)	-	400,000	400,000
	to payback loan received in 2021 prior to bond issuance			-
				-
				-
307.000.59148.7001	Redemption of Debt	-	75,000	75,000
307.000.59248.8001	Bond Interest	-	240,000	240,000
	to reflect debt service payment on OST and Banner Bank bonds			-
				-
				-
307.000.59448.6026	Public Works Shop	-	250,000	250,000
	To adjust budget amount to reflect projected expenditures			-
				-
				-
Fund 401 Surface Water Management Fund (SWM fund)				
REVENUE				
				-
				-
				-
EXPENSE				
401.000.59700.0307	Transfer to Public Works Shop Fund	-	133,000	133,000
	to reflect transfer for debt service public works shop debt			-
				-
				-
				-
				-

REVENUE					
FUND NO.	FUND	2021-2022 Adopted Revenue Budget	2021 Mid-Biennium Amendments	2022 Mid-Biennium Amendments	2021-2022 Amended Revenue Budget
001	General Fund	28,567,770	2,022,000	1,250,000	31,839,770
045	Strategic Reserve fund	22,000	-	-	22,000
046	Strategic Opportunities Fund	476,718	2,500,000	-	2,976,718
101	Street fund	3,065,526	700,000	-	3,765,526
110	Public Art Fund	400	-	-	400
115	Transportation Benefit District	-	700,000	-	700,000
130	ARPA Fiscal Recovery Fund	-	6,447,480	-	6,447,480
200	2016 UTGO Debt Service Fund	1,580,000	-	258,000	1,838,000
300	Transportation Capital Fund	25,978,459	(1,691,500)	2,158,000	26,444,959
301	Real Estate Excise Tax Fund (REET)	2,074,459	4,251,712	-	6,326,171
302	W&W Bond Project fund	10,047,000	-	202,000	10,249,000
303	Park Capital Fund	8,601,548	4,818,946	3,230,368	16,650,862
304	Park Impact Fee Fund	185,263	375,159	250,000	810,422
305	Transportation Impact fee Fund	687,708	576,987	-	1,264,695
306	Sammamish Bridge Replacement	26,668,658	4,117,000	-	30,785,658
307	Public Works Shop fund	6,500,000	2,600,000	318,000	9,418,000
401	Surface Water Management Fund	5,085,947	1,146,390	-	6,232,337
402	SWM Capital Fund	3,918,467	(15,000)	-	3,903,467
403	Swamp Creek Basin	6,600	141,634	-	148,234
501	Equipment Replacement Fund	244,101	-	-	244,101
	TOTAL	\$ 123,710,624	\$ 28,690,808	\$ 7,666,368	\$ 160,067,800

EXPENDITURES					
FUND NO.	FUND	2021-2022 Adopted Expenditure Budget	2021 Mid-Biennium Amendments	2022 Mid-Biennium Amendments	2021-2022 Amended Expenditure Budget
001	General Fund	27,067,770	1,550,000	3,720,000	32,337,770
045	Strategic Reserve fund	-	-	-	-
046	Strategic Opportunities Fund	2,063,503	1,500,000	1,710,000	5,273,503
101	Street fund	3,328,167	-	1,455,000	4,783,167
110	Public Art Fund	144,473	-	-	144,473
115	Transportation Benefit District	-	700,000	-	700,000
130	ARPA Fiscal Recovery Fund	-	1,570,900	300,000	1,870,900
200	2016 UTGO Debt Service Fund	1,581,100	-	256,900	1,838,000
300	Transportation Capital Fund	24,286,959	-	2,158,000	26,444,959
301	Real Estate Excise Tax Fund (REET)	6,301,961	1,638,161	110,000	8,050,122
302	W&W Bond Project fund	11,235,993	1,011,688	1,326,000	13,573,681
303	Park Capital Fund	8,549,948	4,990,149	530,368	14,070,465
304	Park Impact Fee Fund	829,412	-	280,368	1,109,780
305	Transportation Impact fee Fund	3,817,547	45,000	-	3,862,547
306	Sammamish Bridge Replacement	26,668,658	4,031,202	-	30,699,860
307	Public Works Shop fund	3,500,000	2,500,000	3,165,000	9,165,000
401	Surface Water Management Fund	7,821,398	(114,587)	133,000	7,839,811
402	SWM Capital Fund	3,918,467	-	-	3,918,467
403	Swamp Creek Basin	645,546	150,151	-	795,697
501	Equipment Replacement Fund	448,456	-	-	448,456
	TOTAL	\$ 132,209,358	\$ 19,572,664	\$ 15,144,636	\$ 166,926,658

EXHIBIT 3

PROJECTED ENDING FUND BALANCE							
FUND NO.	FUND	2020 Actual Ending Fund Balance	Budget Revenues	Budget Expenditures	Amendments Revenues	Amendments Expenditures	2022 Projected Ending Fund Balance
001	General Fund	2,286,831	28,567,770	27,067,770	3,272,000	5,270,000	1,788,831
045	Strategic Reserve fund	1,345,298	22,000	-	-	-	1,367,298
046	Strategic Opportunities Fund	2,560,223	476,718	2,063,503	2,500,000	3,210,000	263,438
101	Street fund	1,606,797	3,065,526	3,328,167	700,000	1,455,000	589,156
110	Public Art Fund	154,032	400	144,473	-	-	9,959
115	Transportation Benefit District	126,886	-	-	700,000	700,000	126,886
130	ARPA Fiscal Recovery Fund	-	-	-	6,447,480	1,870,900	4,576,580
200	2016 UTGO Debt Service Fund	189,434	1,580,000	1,581,100	258,000	256,900	189,434
300	Transportation Capital Fund	476,337	25,978,459	24,286,959	466,500	2,158,000	476,337
301	Real Estate Excise Tax Fund (REET)	1,995,415	2,074,459	6,301,961	4,251,712	1,748,161	271,464
302	W&W Bond Project fund	3,347,911	10,047,000	11,235,993	202,000	2,337,688	23,230
303	Park Capital Fund	185,588	8,601,548	8,549,948	8,049,314	5,520,517	2,765,985
304	Park Impact Fee Fund	338,409	185,263	829,412	625,159	280,368	39,051
305	Transportation Impact fee Fund	2,602,602	687,708	3,817,547	576,987	45,000	4,750
306	Sammamish Bridge Replacement	7,707	26,668,658	26,668,658	4,117,000	4,031,202	93,505
307	Public Works Shop fund	-	6,500,000	3,500,000	2,918,000	5,665,000	253,000
401	Surface Water Management Fund	2,443,642	5,085,947	7,821,398	1,146,390	18,413	836,168
402	SWM Capital Fund	229,359	3,918,467	3,918,467	(15,000)	-	214,359
403	Swamp Creek Basin	1,092,182	6,600	645,546	141,634	150,151	444,719
501	Equipment Replacement Fund	482,376	244,101	448,456	-	-	278,021
	TOTAL	\$ 21,471,029	\$ 123,710,624	\$ 132,209,358	\$ 36,357,176	\$ 34,717,300	\$ 14,612,171

Signature: Rob Karlinsey
 Rob Karlinsey (Nov 2, 2022 18:18 PDT)

Email: rkarlinsey@kenmorewa.gov




AB 2021-2022 Budget Amendments Nov 2022-2

Final Audit Report

2022-11-03

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By:	Leticia Salcido (lsalcido@kenmorewa.gov)
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"AB 2021-2022 Budget Amendments Nov 2022-2" History

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Signature: *RGK*
RGK (Nov 9, 2022 11:19 PST)

Email: rkarlinsey@kenmorewa.gov

Page 167 of 207


AB Ordinance 2021-2022 Budget Amendments

Final Audit Report

2022-11-09

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"AB Ordinance 2021-2022 Budget Amendments" History

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City Council Business Agenda Item City of Kenmore, WA

Subject/Topic:

Adopting 2023 Property Tax Levy, Ordinance No. 22-0560

For Council Meeting Agenda of: November 21, 2022

Department: Finance and Administration

Prepared by: Leticia Salcido, Director of Finance and Administration

Initial & Date

Approved by Department Head: LS 11/9/22

Approved by City Attorney: DFR 11/10/22

Approved by Finance Director: LS 11/9/22

Approved by City Manager: 
RGK

Proposed Council Action/Motion:

Adopt Ordinance No. 22-0560 of the City of Kenmore, Washington, Relating to the 2023 Regular Property Tax Levy

Exhibits/Attachments:

Presentation from October 10, 2022, Public Hearing

Ordinance No. 22-0560

INFORMATION/BACKGROUND:

The City Council has reviewed the proposed preliminary 2023-2024 Biennial Budget with public hearings held November 7 and November 14, 2022. A public hearing was held October 10, 2022, to receive public comment on the proposed 2023 tax levies.

Since the date of the public hearing, the King County Assessor's estimate of the new construction levy has increased from \$36,296 to \$68,745 and the City's assessed valuation has increased from \$8,087,603,533 to \$8,122,805,871.

Adoption of the 2023 regular property tax levy is scheduled for November 21, 2022, along with adoption of the 2023 excess property tax levy for the voted Walkways and Waterways bonds, the proposed amendments to the 2021-2022 Biennial Budget and the adoption of the 2023-2024 Biennial Budget.

The regular property tax levy ordinance specifies a levy request of \$5,666,300 which includes an increase of 1.86% over 2022 (\$101,749), estimated new construction of \$68,745, and re-levy for prior year refunds of \$24,143. Since this is preliminary information from King County, the requested levy amount is rounded up to make sure it is not lower than the final determinations.

The 1.86% increase in tax levy is comprised of the 1% statutory limit plus 0.86% of banked capacity from the years when the levy was set below that allowed by law.

Should the City Council choose not to increase the regular property tax levy by 1.86%, and approve no (0%) increase to the levy, this would reduce the levy request to \$5,564,467 and the expected tax rate to \$0.6850 per \$1,000 of AV.

FISCAL CONSIDERATION:

The 2022 property tax levy was \$5,471,579. For 2023 the City is allowed by statute to increase its levy by the lesser of one (1) percent or the percentage increase in the July IPD (Implicit Price Deflator). The IPD this year is 6.457%.

The 2023-2024 preliminary budget, as proposed, includes a 1.86% levy increase in 2023 which provides revenue of \$101,749 to the tax levy.

In summary and based on the updated preliminary assessment data from the King County Assessor, the proposed property tax levy for 2023 of \$5,666,300 will include an increase over last year's levy of 1.86%, an increase for new construction taxes of \$68,745 and a re-levy amount of \$24,143. With an increase in assessed valuation (AV) across the City, to \$8,122,805,871, the tax rate is expected to decline from \$0.887 in 2022 to \$0.698 per 1,000 of AV.

Tax Relief

State law provides two tax benefit programs for senior citizens and the disabled: Property tax exemptions and property tax deferrals. Basic qualifications include an annual household income under \$58,423; owning and occupying the property as principal residence for at least nine months per year; age 61 or older or disabled with at least an 80% total disability rating. More information can be found on the King County Assessor's website or by calling 206-263-2338 or 206-296-5126.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

November 30, 2022, is the deadline for cities/towns using a biennial budget to certify to the county assessor the amount of property taxes to be levied for the second year of the biennium.

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 22-0560**

**AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON,
RELATING TO THE 2023 REGULAR PROPERTY TAX LEVY;
PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN
EFFECTIVE DATE.**

WHEREAS, the City Council of the City of Kenmore, Washington, has met and considered its biennial budget for calendar years 2023-2024; and

WHEREAS, the City Council held Public Hearings on October 10, November 7, November 14, and November 21, 2022, to consider the City's general fund revenue sources and proposed budget pursuant to RCW 84.55.120; and

WHEREAS, after the Public Hearings, and after duly considering all relevant evidence and testimony presented, the City Council determined that the City of Kenmore requires an estimated regular tax levy in the amount of \$5,666,300 which includes a 1.86% increase from the previous year and amounts resulting from the addition of new construction and improvements to property and any increase in the value of State-assessed property, and amounts authorized by law as a result of any annexations that have occurred and refunds made, in order to discharge the expected expenses and obligations of the City and in its best interest (the actual levy to be calculated by the King County Assessor's Office once the City's assessed value is certified by the Assessor);

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

Section 1. Regular Tax Levy. An increase in the regular property tax levy is hereby authorized for the 2023 levy in the amount of \$101,749 which is a 1.86 percent (1.86%) increase from the previous year. This increase is exclusive of additional revenue resulting from the addition of new construction and improvements to property and any increase in the value of State-assessed property, and any additional amounts resulting from any annexations that have occurred, and refunds made.

Section 2. Transmittal. The City Clerk is directed to transmit a certified copy of this Ordinance to the Office of the Auditor of the State of Washington, Division of Municipal Corporations, to the King County Assessor, to the Clerk of the King County Council, and to any other agency required by law to receive a copy of this Ordinance.

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

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

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE
21st DAY OF NOVEMBER 2022.

CITY OF KENMORE

Nigel Herbig, Mayor

ATTEST/AUTHENTICATED:

Michelle Kang, Deputy City Clerk

APPROVED AS TO FORM:

Dawn Reitan, City Attorney

Signature: 
RGK Nov 10, 2022 17:02 PST)

Email: rkarlinsey@kenmorewa.gov


AB 2023 Tax Levy Ordinance-2

Final Audit Report

2022-11-11

Created:	2022-11-10
By:	Leticia Salcido (lsalcido@kenmorewa.gov)
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"AB 2023 Tax Levy Ordinance-2" History

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City Council Business Agenda Item City of Kenmore, WA

Subject/Topic:

Adopting 2023 Excess Tax Levy for the Purpose of Paying Debt Service, Ordinance No. 22-0568

For Council Meeting Agenda of: November 21, 2022

Department: Finance and Administration

Prepared by: Leticia Salcido, Finance and Administration Director

Initial & Date

Approved by Department Head: LS 11/10/22

Approved by City Attorney: DG 11/13/22

Approved by Finance Director: LS 11/10/22

Approved by City Manager: RGK
RGK

Proposed Council Action/Motion:

Adopt Ordinance No. 22-0568 Setting 2023 Excess Property Tax Levy for the Purpose of Paying Debt Service on the Walkways and Waterways Bonds

Exhibits/Attachments:
Ordinance No. 22-0568

INFORMATION/BACKGROUND:

A presentation and public hearing were held October 10, 2022, regarding the recommended excess property tax levy for 2023. A public hearing was held November 7, and continued to November 14 and again to November 21, 2022, on the preliminary proposed 2023-2024 Biennial Budget.

FISCAL CONSIDERATION:

An excess property tax levy is necessary for the 2023 principal and interest payments due on the City's voter approved 2016 and 2021 Unlimited Tax General Obligation Bonds for the Walkways and Waterways projects.

In 2022 the City levied \$1,056,150 (approximately \$0.17 per \$1,000 of assessed value) to cover the 2022 debt service payments on the bonds of \$1,056,150.

For 2023, principal and interest due on the bonds is \$1,059,500. The total needed to be collected from the levy is \$1,059,500. This would result in a levy rate of approximately \$0.13 per \$1,000 of assessed value.

Ordinance No. 22-0568 to approve the excess property tax levy for 2023, in the amount of \$1,059,500 to satisfy debt service on the 2016 and 2021 Unlimited Tax General Obligation Bonds is recommended for adoption by the City Council.

Tax Relief

State law provides two tax benefit programs for senior citizens and the disabled: Property tax exemptions and property tax deferrals. Basic qualifications include an annual household income under \$58,423; owning and occupying the property as principal residence for at least nine months per year; age 61 or older or disabled with at least an 80% total disability rating. More information can be found on the King County Assessor's website or by calling 206-263-2338 or 206-296-5126.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

November 30, 2022, is the deadline for cities/towns using a biennial budget to certify to the county assessor the amount of property taxes to be levied for the second year of the biennium.

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 22-0568**

**AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON,
LEVYING AN EXCESS PROPERTY TAX LEVY FOR THE
PURPOSE OF PAYING DEBT SERVICE ON THE CITY'S
UNLIMITED TAX GENERAL OBLIGATION BONDS;
PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN
EFFECTIVE DATE.**

WHEREAS, at an election held in the City of Kenmore, Washington (the "City") on November 8, 2016, the City submitted the question to the qualified electors of the City of whether the City shall issue unlimited tax general obligation bonds in the aggregate principal amount of not to exceed \$19,750,000 ("Bond Authorization") to provide the funds to construct, develop, equip, upgrade, acquire, and improve arterial walkways and waterfront access in the City, including the acquisition of property, as identified in Exhibit A attached to Ordinance No. 16-0422 passed by the City Council on June 13, 2016; and

WHEREAS, the number and proportion of the qualified electors of the City required by law for the adoption thereof voted in favor of the Bond Authorization and the election results were certified by King County Elections, as *ex officio* supervisor of elections in King County, Washington, on November 29, 2016; and

WHEREAS, the City, pursuant to Bond Ordinance No. 16-0434, adopted by the City Council on November 21, 2016, issued and sold \$9,220,000 aggregate principal amount of Unlimited Tax General Obligation Bonds, 2016 (together with original issue premium resulted in a project fund deposit of \$9,750,000), and pursuant to Bond Ordinance No. 21-0530 adopted by the City Council on July 26, 2021, issued and sold \$8,920,000 aggregate principal amount of Unlimited Tax General Obligation Bonds, 2021A and 2021B (together with original issue premium resulted in a project fund deposit of \$10,000,000) (together, the "Bonds"), and has determined that to provide the money necessary to pay the debt service requirement on the Bonds in the year 2023 an excess property tax levy in the amount of \$1,059,500 for the Bonds must be levied for collection in 2023;

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

Section 1. Voter Approved Excess Tax Levy for Unlimited General Obligation Bonds.
A tax is hereby levied to raise revenue for the purpose of debt service payments on the voter-approved unlimited tax general obligation Bonds for the fiscal year of 2023 in the amount of \$1,059,500 on all taxable property in the City of Kenmore, Washington.

Section 2. Transmittal. The City Clerk is directed to transmit a certified copy of this Ordinance to the Office of the Auditor of the State of Washington, Division of Municipal Corporations, to the King County Assessor, to the Clerk of the King County Council, and to any other agency required by law to receive a copy of this Ordinance.

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

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

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 21st DAY OF NOVEMBER, 2022.

CITY OF KENMORE

Nigel Herbig, Mayor

ATTEST/AUTHENTICATED:

Michelle Kang, Deputy City Clerk

APPROVED AS TO FORM:

Dawn Reitan, City Attorney

Signature: RGK
RGK (Nov 14, 2022 10:48 PST)

Email: rkarlinsey@kenmorewa.gov

AB Ordinance Excess Tax Levy 2023

Final Audit Report

2022-11-14

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"AB Ordinance Excess Tax Levy 2023" History

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City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic:
Adopting the 2023-2024 Biennial Budget and
2023 Salary Plan, Ordinance No. 22-0562

For Council Meeting Agenda of: November 21, 2022

Department: Finance and Administration

Prepared by: Leticia Salcido, Finance and
Administration Director

Proposed Council Action/Motion:
Adopt Ordinance No. 22-0562 Approving a
Biennial Budget for the Period January 1, 2023,
through December 31, 2024, Establishing
Appropriations of Funds for the 2023-2024
Biennium and Approving the 2023 Employee Salary
Plan

	<u>Initial & Date</u>
Approved by Department Head:	LS 11/8/22
Approved by City Attorney:	
Approved by Finance Director:	LS 11/8/22
Approved by City Manager:	<u>Rgk</u> Rgk

Exhibits/Attachments:

Ordinance No. 22-0562
Exhibit A - 2023 Employee Salary Plan
November 14, 2022, Public Hearing Presentation

INFORMATION/BACKGROUND:

On October 3, 2022, the proposed preliminary 2023-2024 biennial budget was presented to the City Council. Public budget review sessions were conducted from October 10, through November 14, 2022. Public hearings were held to receive public comment and testimony on the tax levy and the proposed budget on October 10, November 7, and November 14, 2022.

The Ordinance No. 22-0562, as presented for adoption, reflects the 2023-2024 biennial budgets for all funds as directed, adjusted, and approved by the City Council as of the November 14, 2022, Public Hearing.

FISCAL CONSIDERATION:

The 2023-2024 Proposed Preliminary Biennium Budget presented to the City Council includes total revenues for the biennium of \$79,889,537 and total expenditures for the biennium of \$87,284,869.

The General Fund is balanced in that budgeted expenditures equal budgeted revenues. Other special revenue funds, debt service funds, capital funds, and enterprise funds utilize fund reserves to support restricted purposes, capital improvement programs and interfund transactions.

The proposed budget also includes a 6.0% wage adjustment for 2023 and 4% for 2024 for all city employees, with the 2023 recommendation of 6% based on the CPI W Seattle-Tacoma-Bellevue Index. Exhibit A to the Ordinance will establish positions and salary schedules for 47 regular full-time positions and the seasonal/temporary positions of maintenance worker, intern and office aide.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Washington State statutes require adoption of the budget prior to the beginning of the ensuing fiscal year.

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 22-0562**

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AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, ADOPTING A BIENNIAL BUDGET FOR THE PERIOD JANUARY 1, 2023 THROUGH DECEMBER 31, 2024; ESTABLISHING APPROPRIATIONS OF FUNDS FOR THE 2023-2024 BIENNIUM; AND ESTABLISHING POSITIONS AND SALARY SCHEDULES FOR 2023; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, a Preliminary Proposed 2023-2024 Biennial Budget was submitted to the City Council and the City Clerk on October 3, 2022; and

WHEREAS, the City Council scheduled and held Public Hearings on the 2023 Tax Levy and Proposed 2023-2024 Biennial Budget on October 10, November 7, and November 14, 2022,

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

Section 1. Funds Appropriated. The Budget for January 1, 2023 through December 31, 2024 is appropriated by fund as follows:

<u>FUND</u>	<u>2023-2024 Revenue Budget</u>
General Fund	\$ 31,305,131
Strategic Reserve Fund	27,356
Strategic Opportunities Fund	135,018
Street Fund	3,850,380
KAPE (Kenmore Automated Photo Enf. Fund	800,000
Public Art Fund	1,400
Transportation Benefit District	726,305
ARPA Fiscal Recovery Fund	0
2016 & 2021 UTGO Debt Service Fund	2,116,750
Transportation Capital Fund	5,636,383
Real Estate Excise Tax Fund	4,896,168
Walkways & Waterways Bonds	22,700
Park Capital Fund	749,300
Park Impact Fee Fund	505,670
Transportation Impact Fee Fund	1,043,334
Sammamish River Bridge Fund	1,381,785
Public Works Shop Fund	15,951,006
Surface Water Management Fund	6,318,615
Surface Water Capital Fund	4,215,496
Swamp Creek Basin Fund	10,000
Equipment Replacement Fund	196,740
TOTAL	\$ 79,889,537

<u>FUND</u>	<u>2023-2024 Expenditure Budget</u>
General Fund	\$ 31,252,425
Strategic Reserve Fund	0
Strategic Opportunities Fund	576,000
Street Fund	3,804,980
KAPE (kenmore Automated Photo Enf. Fund	641,200
Public Art Fund	0
Transportation Benefit District	700,000
ARPA Fiscal Recovery Fund	4,932,411
2016 & 2021 UTGO Debt Service Fund	2,116,750
Transportation Capital Fund	5,636,383
Real Estate Excise Tax Fund	5,848,900
Walkways & Waterways Bonds	0
Park Capital Fund	775,700
Park Impact Fee Fund	0
Transportation Impact Fee Fund	700,000
Sammamish River Bridge Fund	1,381,785
Public Works Shop Fund	15,951,006
Surface Water Management Fund	8,467,779
Surface Water Capital Fund	3,949,550
Swamp Creek Basin Fund	80,000
Equipment Replacement Fund	470,000
TOTAL	\$ 87,284,869

Section 2. Wage Adjustment. The 2023-2024 Biennial Budget includes a 6.0% CPI based wage adjustment for City employees, effective January 1, 2023.

Section 3. Positions and Salary Schedules. The various positions and salary ranges for City employees for the biennium are attached to this Ordinance as Exhibit A.

Section 4. Transmittal. A complete copy of the budget as adopted, together with a copy of this adopting Ordinance, shall be transmitted by the City Clerk to the Division of Municipal corporations of the Office of the State Auditor and to the Association of Washington Cities.

Section 5. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be preempted by State or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 6. Effective Date. This Ordinance shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after the date of publication.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 21st DAY OF NOVEMBER 2022.

Mayor Nigel Herbig

ATTEST/AUTHENTICATED:

Michelle Kang, Deputy City Clerk

Approved as to form:

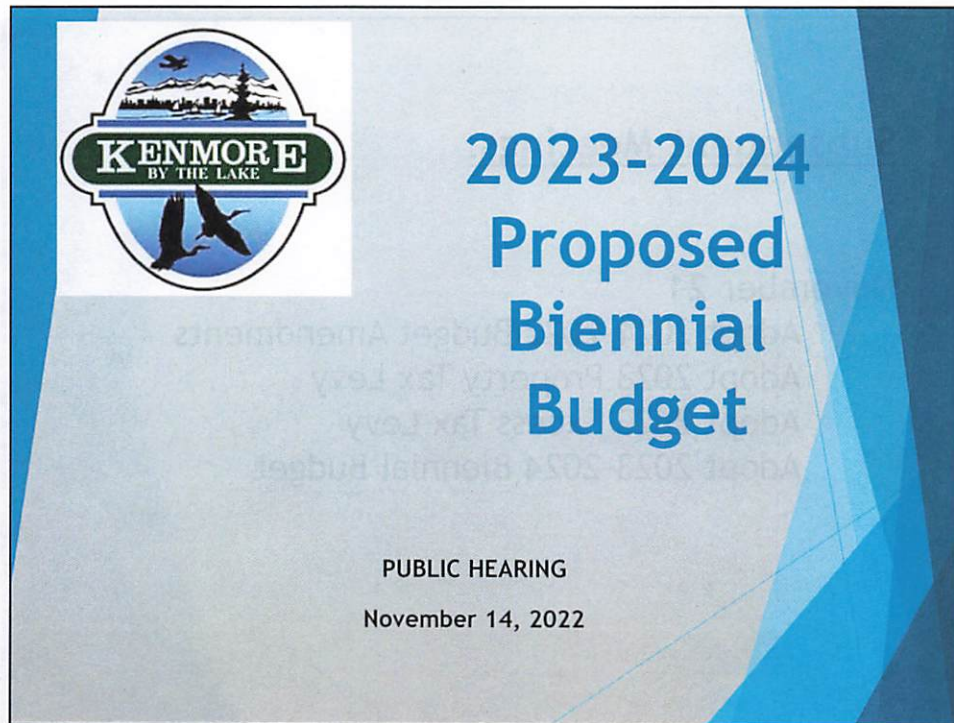
Dawn Reitan, City Attorney

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO.

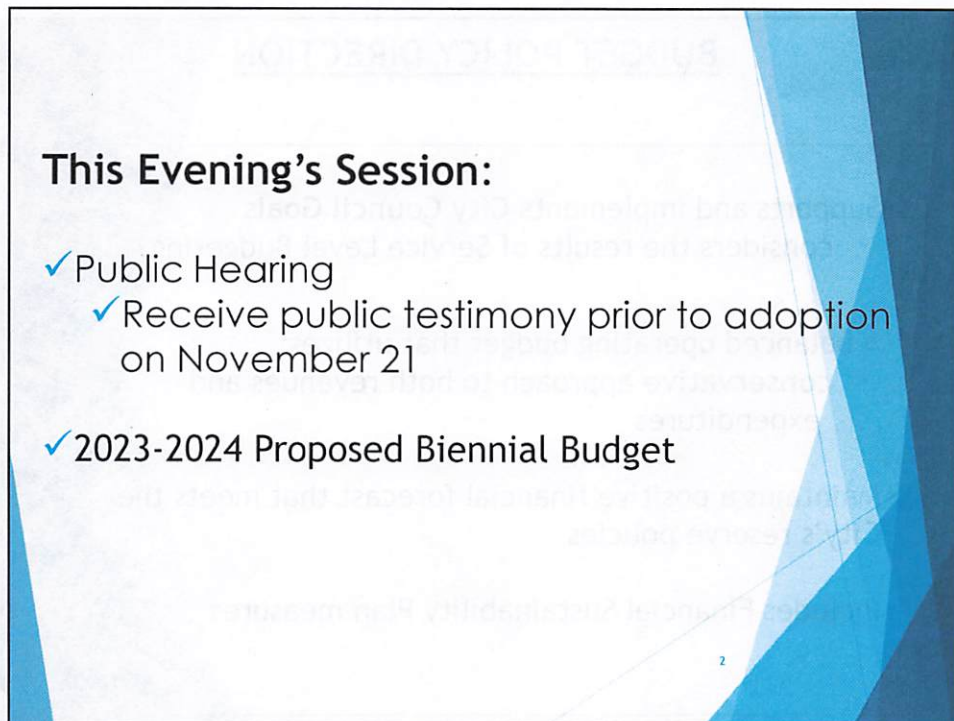
City of Kenmore
Proposed 2023 Salary Wage Plan

Exhibit A

Position	Proposed 2023 Monthly Salary & Wage Ranges	
	Low	High
Deputy City Manager	\$ 12,746	\$ 16,187
Assistant City Manager	\$ 12,746	\$ 16,187
Public Works Director	\$ 11,853	\$ 15,053
Finance & Administration Director	\$ 11,853	\$ 15,053
Community Development Director	\$ 11,693	\$ 14,851
Development Services Director	\$ 11,693	\$ 14,851
City Engineer/Engineering Director	\$ 11,375	\$ 14,447
Operations Director	\$ 9,736	\$ 12,365
Environmental Services Director	\$ 9,736	\$ 12,365
Human Resources Manager	\$ 8,882	\$ 11,281
Senior Engineer	\$ 8,540	\$ 10,846
Traffic Engineer	\$ 8,540	\$ 10,846
Senior Development Review Engineer	\$ 8,540	\$ 10,846
Principal Planner	\$ 8,540	\$ 10,846
Project Manager (Transportation, Parks, etc.)	\$ 8,540	\$ 10,846
Civil Engineer	\$ 7,971	\$ 10,123
Development Review Engineer	\$ 7,971	\$ 10,123
Building Official	\$ 7,971	\$ 10,123
City Clerk	\$ 7,803	\$ 9,910
Senior Planner	\$ 7,709	\$ 9,790
Maintenance Supervisor (Parks & Streetscape, Streets & SWM, Facilities & Fleet (new), etc.)	\$ 7,484	\$ 9,505
Communications Specialist	\$ 7,365	\$ 9,353
Assistant To the City Manager	\$ 7,365	\$ 9,353
Building Inspector/Plans Examiner	\$ 7,273	\$ 9,237
Senior Environmental Services Technician	\$ 7,273	\$ 9,237
Planner	\$ 6,970	\$ 8,852
Management Analyst	\$ 6,970	\$ 8,852
GIS Analyst	\$ 6,970	\$ 8,852
Accountant	\$ 6,628	\$ 8,417
Code Compliance Officer/Building Inspector	\$ 6,628	\$ 8,417
Executive Assistant	\$ 6,469	\$ 8,215
Deputy City Clerk	\$ 6,469	\$ 8,215
Inspector (Right of Way, Construction, etc.)	\$ 6,355	\$ 8,071
Senior Maintenance Worker	\$ 6,194	\$ 7,866
Environmental Services Technician	\$ 5,972	\$ 7,584
Senior Permit Coordinator (new)	\$ 5,972	\$ 7,584
Assistant Planner	\$ 5,868	\$ 7,453
Recreation Program Supervisor	\$ 5,868	\$ 7,453
Volunteer & Events Supervisor	\$ 5,868	\$ 7,453
Senior Facilities Maintenance Tech	\$ 5,618	\$ 7,135
Payroll Coordinator	\$ 5,618	\$ 7,135
Permit Coordinator	\$ 5,618	\$ 7,135
Specialist (Administrative, Permit, Events, Records, etc.)	\$ 5,318	\$ 6,753
Maintenance Worker	\$ 5,275	\$ 6,699
Administrative Assistant	\$ 5,027	\$ 6,384
Facility Maintenance Technician	\$ 4,728	\$ 6,005
Receptionist	\$ 4,419	\$ 5,612
Seasonal/Temporary Positions (hourly):	Hourly Low	Hourly High
Seasonal Maintenance Worker, Intern, Office Aide	\$ 20.00	\$ 31.00



1



2

Subsequent Meetings:

November 21

- Adopt 2021-2022 Budget Amendments
- Adopt 2023 Property Tax Levy
- Adopt 2023 Excess Tax Levy
- Adopt 2023-2024 Biennial Budget

3

BUDGET POLICY DIRECTION

- ❖ Supports and implements **City Council Goals**
 - considers the results of Service Level Budgeting
- ❖ A balanced operating budget that utilizes:
 - **conservative** approach to both revenues and expenditures
- ❖ Maintains a positive financial forecast that meets the City's reserve policies
- ❖ Includes Financial Sustainability Plan measures

4

Total Proposed City Budget - All Funds

FUND	2023 Proposed	2024 Proposed	2023-2024 Proposed Expenditure Budget
General Fund	\$ 15,350,789	\$ 15,901,636	\$ 31,252,425
Strategic Reserve Fund	0	0	0
Strategic Opportunities Fund	313,000	263,000	576,000
Street Fund	1,855,182	1,949,798	3,804,980
KAPE (kenmore Automated Photo Enf. Fund)	176,500	464,700	641,200
Public Art Fund	0	0	0
Transportation Benefit District	350,000	350,000	700,000
ARPA Fiscal Recovery Fund	4,242,200	690,211	4,932,411
2016 & 2021 UTGO Debt Service Fund	1,059,500	1,057,250	2,116,750
Transportation Capital Fund	3,766,383	1,870,000	5,636,383
Real Estate Excise Tax Fund	4,219,888	1,629,012	5,848,900
Walkways & Waterways Bonds	0	0	0
Park Capital Fund	552,500	223,200	775,700
Park Impact Fee Fund	0	0	0
Transportation Impact Fee Fund	600,000	100,000	700,000
Sammamish River Bridge Fund	1,345,285	36,500	1,381,785
Public Works Shop Fund	4,575,604	11,375,402	15,951,006
Surface Water Management Fund	4,487,782	3,979,997	8,467,779
Surface Water Capital Fund	3,172,900	776,650	3,949,550
Swamp Creek Basin Fund	40,000	40,000	80,000
Equipment Replacement Fund	310,000	160,000	470,000
TOTAL	\$ 46,417,513	\$ 40,867,356	\$ 87,284,869

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2023-2024 Biennial Budget

Two Components to City Operations

■ Operating Revenues and Expenditures

- ▶ General Fund
- ▶ Street Fund
- ▶ Enterprise (Surface Water Management Fund)
- ▶ Other Special Revenue Funds (Public Art, TBD, REET, ARPA, Impact)
- ▶ Debt Service Funds (for Bonds)
- ▶ Internal Service Funds (Equipment Replacement)

■ Major Capital Expenditures and Resources

- ▶ Capital Improvement Program (CIP) adopted in October
- ▶ Transportation, Parks, Surface Water, City Facility,
- ▶ Capital Resource Funds (Impact Fees, REET, Bonds, Grants, surface water utility, debt)

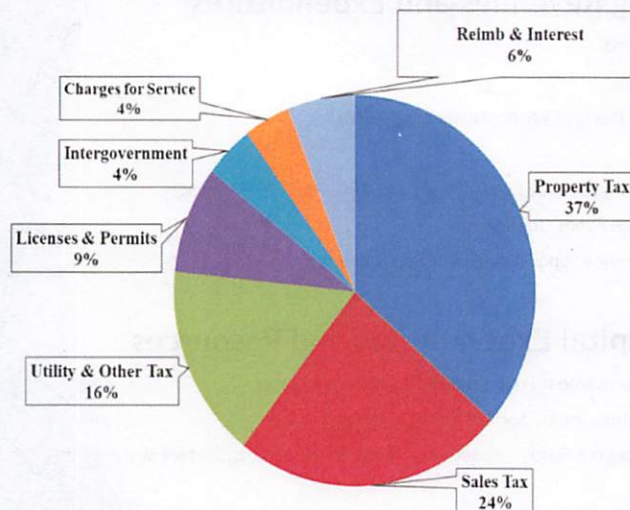
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6

GENERAL FUND & STREET FUND

7

General Fund Revenues 2023-2024



8

Significant Revenues General Fund - **Property Tax**

- **Property Taxes- Biennium - \$11,403,392**
 - Largest ongoing revenue source
 - 37% of total budgeted revenues
- **Tax Levy increase 2023 - revenues**
 - \$138,045
 - 1.9% (using banked capacity)
 - + new construction
 - Tax Rate decrease = \$0.69/\$1000 AV
 - 2024 3.3%

9

Property Taxes, Levy and Assessed Value

- **2023**
 - **\$5,609,624 - Proposed Regular Property Tax Levy**
 - \$138,045 - Increase over 2022 Levy
 - \$101,749 from 1% statutory limit + .9% banked Capacity
 - \$36,296 from new construction
 - **\$0.69 - Tax rate projected per \$1,000AV**
 - $5,609,624 / 8,087,603,533 \times 1000$
 - **\$8.1 Billion - Preliminary Assessed Valuation (AV) - 2023**
 - increase of 31.19%
 - Causes levy rate to decline

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Tax Effect on Homeowner

(City of Kenmore Taxes Only)

- 2022 -
 - \$920,000 - Assumed home value
 - 0.8875 - Tax rate 2022
 - \$816
- 2023 -
 - \$920,000 - Assume NO CHANGE in value of home
 - 0.6936 - Tax rate 2023
 - = \$638 (\$178 less than 2022)
- 2023 - Assume 30% increase in value of home at \$1.2M
 - 0.6936 - Tax rate 2023
 - = \$832 (\$16 More than 2022)

11

2022 Property Tax Distribution for \$950K Property

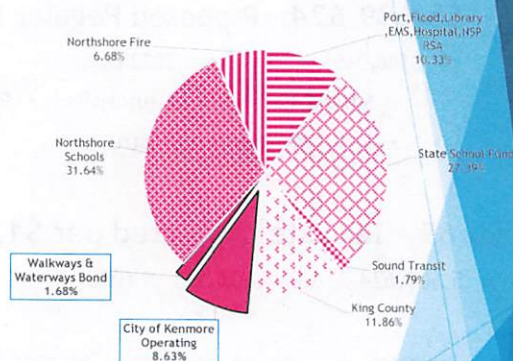
There are 12 taxing districts that impact Kenmore taxpayers.

The total tax rate for most taxpayers in the City last year was \$10.284 per \$1,000 AV.

The tax bill:
on a \$950K property
would have been about \$9770.

Only 10% of that tax bill belongs to the City of Kenmore.

Per County in 2022 \$753K is the median residential property value in Kenmore in 2022 (tax bill=\$7744)



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Other Operating Revenues

General Fund:

• Capital/Overhead Reimbursement	\$1,540,000
• Franchise Fees	1,707,003
• Criminal Justice Sales Tax	1,631,308
• Plan Review & Land Use Permit Fees	1,254,576
• Other Permit Revenue	1,054,509
• Liquor Board Taxes	703,082

Street Fund:

• Fuel Tax Revenue (Street Fund)	917,905
• TBD Fees (Transportation Benefit District)	723,600
• Water/Sewer Franchise Fees	1,118,585

Surface Water Management Fund:

• Surface Water Charges	6,270,040
-------------------------	-----------

13

Major Operating Costs:

On-Going/Non-Discretionary 2-Year Totals

✓ 14,196,000	Salaries & Benefits (General, Street Funds)
✓ 8,555,000	Police Contract
✓ 1,030,000	Jail/Court Services/prosecuting attorney public defender
✓ 700,000	Legal Services
✓ 1,059,000	Insurance (WCIA)
✓ 962,000	Utilities
✓ 592,000	Human Services Contributions (\$371K) and ARCH (\$172K + Affordable Housing Sales Tax 49K)
<hr/>	
\$27,094,000	
✓	These costs comprise 77% of the total operating (general fund and street fund) budget (\$35,057,407)

14

14

New Positions/Salaries/Benefits

Funded by General Fund:

- ▶ 1 FTE Construction Inspector
- ▶ .625 FTE Permit Specialist (25 hours/week)
- ▶ 1 FTE Facilities Fleet Manager
- ▶ 1 FTE Maintenance Worker
- ▶ .625 Adm. Spec.

Funded by Street Fund:

- ▶ 1 FTE Maintenance Worker
- ▶ .33 FTE GIS Analyst

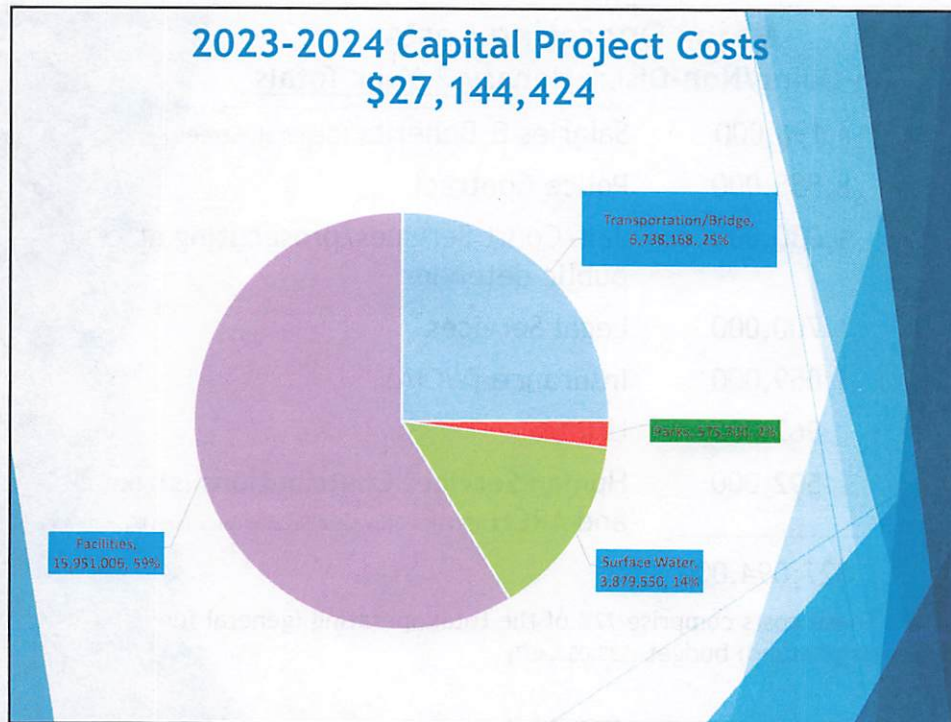
Funded by Surface Water Management Fund

- ▶ .67 FTE GIS Analyst
- ▶ 1 FTE Senior Environmental Technician

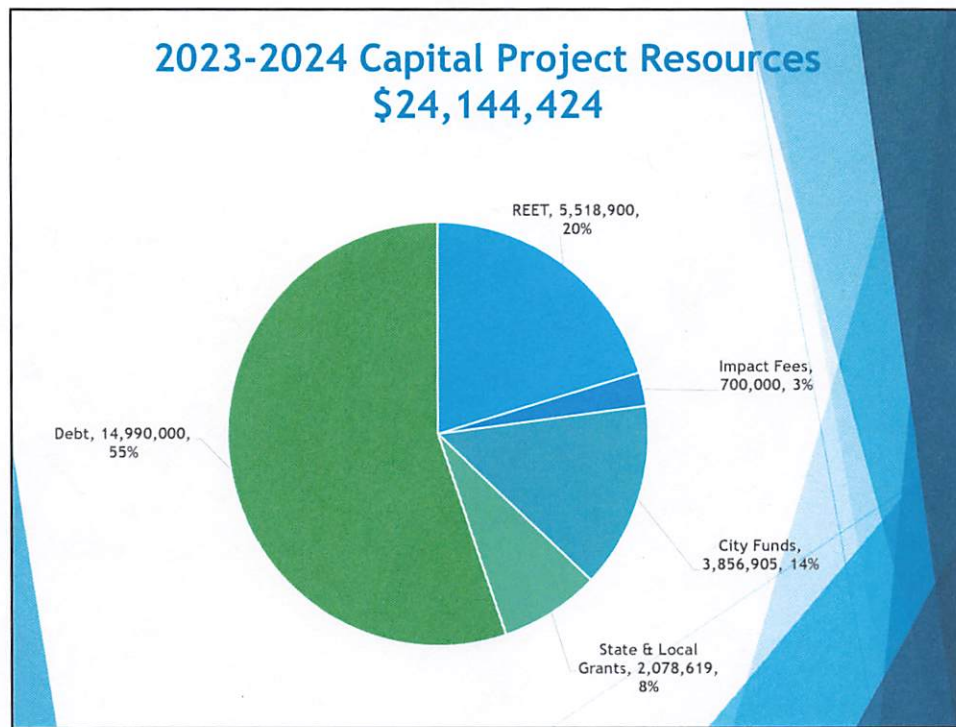
Salary ranges budgeted to increase 6% in 2023 and 4% in 2024 / benefits average increase of 4%

15

2023-2024 Capital Project Costs \$27,144,424



16



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**This concludes the
Public Hearing
on the
2023-2024 Proposed Preliminary Biennial
Budget**

Questions? Comments?

**Copies of the complete budget are available for review
at City Hall**

Budget message and other information is on the web at:
www.kenmorewa.gov

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AB-Budget 2023-2024 Ordinance Adoption

Final Audit Report

2022-11-09

Created:	2022-11-09
By:	Leticia Salcido (lsalcido@kenmorewa.gov)
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"AB-Budget 2023-2024 Ordinance Adoption" History

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-  Signer rkarlinsey@kenmorewa.gov entered name at signing as RGK
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City Council Business Agenda Item City of Kenmore, WA

Subject/Topic:

Surface Water Utility Tax –
Amendment to Kenmore Municipal Code to
include surface water business as an
occupation subject to utility tax.

For Council Meeting Agenda of: November 21, 2022

Departments:

Finance and Administration


Prepared by:

Leticia Salcido - Finance and Administration Director

Initial & Date

Approved by Department Head: LS 10/14/22 

Approved by City Attorney: _____ 

Approved by Finance Director: LS 10/14/22 

Approved by City Manager: RGK

Proposed Council Action/Motion:

- 1) Adopt Ordinance No. 22-0563
Amending Kenmore Municipal Code
Chapter 3.35 Utility Tax to include
Surface Water Business as an
occupation subject to tax.

Attachments/Exhibits:

Exhibit A: Ordinance No. 22-0563

Exhibit B: Financial Sustainability Plan

INFORMATION/BACKGROUND:

The City of Kenmore has adopted balanced budgets and maintained healthy fund balances over the years but in 2019 the City's financial forecasts showed that operating expenditures were likely to exceed operating revenues in future years. The contributors to the situation were a combination of state-imposed restrictions on property tax growth, unfunded mandates, flat or little growth in other revenues and growth in operating revenues that was not keeping up with the cost of providing City services.

The City retained a firm to serve as independent consultant to review the financial condition and to assist in working toward a balanced financial forecast. The financial consultant confirmed the projected structural deficit. The consultant reviewed Kenmore's fiscal capacity and concluded that compared to other cities in the area, Kenmore's General fund revenues per capita were relatively low.

The City approved a Financial Sustainability Task Force to advise the City Manager on ways to resolve the structural deficit. Community input via means of a budget simulator tool was also obtained. The task force presented their findings and recommendations for a Financial Sustainability Plan (FSP) to the City Manager and City Council. The Financial Sustainability Plan included a combination of expenditure reductions and revenue enhancements. The strategies in the Plan were to strengthen the City's financial position and maintain fund balance at the City Council's target threshold (20% of operating expenditures) through 2028.

One of the strategies in the Financial Sustainability Plan was the implementation of a six percent (6%) Surface Water utility tax. The following is a table presented by the FSP consultant in their report indicating the cities around Kenmore and the applicable Cable Utility Tax rate at that point in time.

City	Surface Water Utility Tax
Kenmore	0%
Bothell	6%
Kirkland	6.98%
Lake Forest Park	0%
Mercer Island	8%
Mill Creek	0%
Mountlake Terrace	10%
SeaTac	0%
Shoreline	6%
Woodinville	0%

Because of inflationary pressures, expenditures continue to increase, and revenues are not keeping up with that growth. As an example, the preliminary 2023-2024 biennium budget includes an increase in police services contract of approximately \$825,000, risk insurance of \$348,000 etc. It is for those reasons that the budget had to incorporate the surface water utility tax revenue (per FSP) in the amount of \$253,000 for the biennium.

A surface water utility tax at six percent will cost single family residential property owners, at the 2023 surface water management fee rate, \$14.94 per year or \$1.24 per month (note that this tax will be paid annually or semiannually as part of the property tax bill). Surface Water utility tax rates will vary for commercial property owners, based on impervious surface area coverage. In the Financial Sustainability Plan, one reason a surface water utility tax was recommended over other utility taxes is the full exemption from surface water management fees for lower income seniors and disabled residents.

FISCAL CONSIDERATION:

The surface water utility tax approved in the Financial Sustainability Plan is in the amount of 6% and is to begin in 2023. The projected revenue to the City's operating fund from this utility tax is in the estimated amount of \$125,000 per year.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

City Council Goal - Create and Implement a Financial Sustainability Plan

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 22-0563**

AN ORDINANCE OF THE CITY OF KENMMORE, WASHINGTON, AMENDING SECTIONS 3.35.020 AND 3.35.040 OF THE KENMORE MUNICIPAL CODE TO ESTABLISH AND LEVY A UTILITY TAX ON THE PRIVILEGE OF CONDUCTING A SURFACE WATER UTILITY BUSINESS IN THE CITY; PROVIDING FOR REFERENDUM; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Kenmore desires to protect the future financial soundness of the City, minimize financial risk, and promote sound financial management; and

WHEREAS, the City Council is authorized by Chapters 35.21 and 35A.82 RCW, among other laws, to establish and collect excise taxes from persons conducting business within the City, including utility businesses; and

WHEREAS, the City Council has previously established and levied excise taxes on the privilege of conducting electrical energy, natural gas, telephone, cellular telephone and cable television businesses within the City, as stated in Chapter 3.35 of the Kenmore Municipal Code; and

WHEREAS, in 2019, the City's financial forecast demonstrated that the City is experiencing structural revenue issues whereby the City's operating revenue is not keeping pace with the cost of providing City services, and this trend still exists in 2022; and

WHEREAS, in 2020, the City convened the Financial Sustainability Plan Task Force, which held nine meetings from January 2020 to August 2020, and in September 2020 the Task Force presented its findings and recommendations for a Financial Sustainability Plan to the City Council, which recommendations included establishing certain utility taxes in the amount of six percent of gross revenues, as a strategy to increase revenues to support the provision of City services; and

WHEREAS, also in 2020, the City conducted public outreach on the issues relating to the Financial Sustainability Plan, by mailing postcards to all City residents, conducting a survey, accepting public comment at all Task Force meetings, holding an online open house, and placing articles in mailed newsletters, e-news articles, and social media; and

WHEREAS, after considering all of the information gathered by the City, on October 26, 2020, the City Council adopted Resolution No. 20-357, adopting the City of Kenmore Financial Sustainability Plan 2021 through 2028, in order that the City can sustain funding City services at current levels through 2028, and which includes the establishment of a surface water utility tax in the amount of six percent of gross income of said businesses, beginning in 2023, as one of the adopted revenue strategies; and

WHEREAS, this Ordinance implements the City of Kenmore Financial Sustainability Plan 2021 through 2028, by establishing a surface water utility tax in the amount of six percent of total gross income of said businesses; and

WHEREAS, the City Council desires to amend certain sections in Chapter 3.35 of the Kenmore Municipal Code, to establish and levy an excise tax on the privilege of conducting a surface water utility business within the City in the amount of six percent of gross income of said businesses, in accordance with the provisions of Chapter 3.35; and

WHEREAS, the City Council has determined that the provisions of this Ordinance are in the best interests of the City, are necessary to implement the City of Kenmore Financial Sustainability Plan 2021 through 2028, and will protect and promote the public health, safety and general welfare;

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

Section 1. Amendment. The City Council amends Section 3.35.020 of the Kenmore Municipal Code to read as follows:

3.35.020 Utility Tax.

The tax provided for in this chapter shall be known as the “utility tax,” and is levied upon the privilege of conducting an electrical energy, natural gas, telephone, cellular telephone, or cable television or surface water utility business within the city.

Section 2. Amendment. The City Council amends Section 3.35.040 of the Kenmore Municipal Code to read as follows:

3.35.040 Occupations subject to tax -- Amount.

There is levied upon, and shall be collected from, a person, because of certain business activities engaged in or carried on in the City, taxes in the amount to be determined by the application of rates given against gross income as follows:

- A. Upon a person engaged in or carrying on the business of selling, furnishing, or transmitting electric energy, a tax equal to four percent of the total gross income from such business in the City during the period for which the tax is due;
- B. Upon a person engaged in or carrying on the business of selling, furnishing, or transmitting natural gas, a tax equal to four percent of the total gross income from such business in the City during the period for which the tax is due;
- C. Upon a person engaged in or carrying on the business of selling, furnishing, or transmitting telephone service, a tax equal to six percent of the total gross income from such business in the City during the period for which the tax is due;
- D. Upon a person engaged in or carrying on the business of selling, furnishing, or transmitting cellular telephone service, a tax equal to six percent of the total gross

income from such business in the City during the period for which the tax is due;
and

E. Upon a person engaged in or carrying on the business of selling, furnishing, or transmitting cable television service, a tax equal to six percent of the total gross income from such business in the City during the period for which the tax is due;
and

F. Upon a person engaged in or carrying on the business of selling or furnishing surface water utility service, a tax equal to six percent of the total gross income from such business in the City during the period for which the tax is due.

Section 3. Referendum. This Ordinance shall be subject to the referendum procedures and provisions stated in KMC 3.35.150 and KMC 3.35.160, copies of which are attached to this Ordinance as **Attachment A**; provided, that a referendum petition seeking to repeal this Ordinance shall be filed with the city clerk within seven days of passage by the City Council of this Ordinance, or publication thereof, whichever is later. In accordance with RCW 35.21.706 and KMC 3.35.160, the referendum procedure stated in KMC 3.35.150 and this Section 3 shall be the exclusive referendum procedure for the utility tax first imposed in this Ordinance, and shall supersede the procedures, to the extent applicable, under Chapters 35.17 and 35A.11 RCW and all other statutory provisions for initiative and referendum which might otherwise apply.

Section 4. Severability. If any section, sentence, clause or phrase of this Ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 5. Effective Date. This Ordinance shall be published in the City's newspaper of record, and shall take effect and be in full force on January 1, 2023, which date shall be at least five (5) days after the date of publication.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE
___ DAY OF ___, 2022.

CITY OF KENMORE

Nigel Herbig, Mayor

ATTEST/AUTHENTICATED:

Michelle Kang, Deputy City Clerk

Approved as to form:

Dawn Reitan, City Attorney

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
ORDINANCE NO.:
DATE OF PUBLICATION:
EFFECTIVE DATE:

ATTACHMENT A

KMC 3.35.150 and KMC 3.35.160

3.35.150 Referendum procedure.

The provisions of this chapter are subject to the referendum procedure as follows:

A. A referendum petition seeking to repeal the ordinance codified in this chapter shall be filed with the city clerk, who shall be designated the person to receive petitions of all types, within seven days of the passage by the city council of the ordinance codified in this chapter or publication thereof, whichever is later.

B. Within 10 days, the city clerk shall confer with the petitioner concerning the form and style of the petition, issue an identification number for the petition, and cause to be written a ballot title for the measure.

C. The ballot title shall be posed as a question, so that an affirmative answer to the question and an affirmative vote on the measure results in the tax or tax rate increase being imposed, and a negative answer to the question and a negative vote on the measure results in the tax or tax rate increase not being imposed. The petitioner shall be notified of the identification number and ballot title within this 10-day period.

D. After notification of the identification number and ballot title, the petitioner shall have 30 days in which to secure on petition forms the signatures of not less than 15 percent of the registered voters of the City and to file the signed petitions with the city clerk.

E. Each petition form shall contain the ballot title and the full text of the measure to be referred. The city clerk shall verify the sufficiency of the signatures on the petitions. If sufficient, valid signatures are properly submitted, the city clerk shall cause the referendum measure to be submitted to the City voters at a general or special election held on one of the dates provided in RCW [29.13.010](#), as determined by the city council, which election shall not take place later than 120 days after the signed petition has been filed with the city clerk. [Ord. 98-0037 § 15.]

3.35.160 Exclusive procedure.

Pursuant to RCW [35.21.706](#), the referendum procedure set forth in KMC [3.35.150](#) shall be the exclusive referendum procedure for the utility tax imposed herein, and shall supersede the procedures, to the extent applicable, under Chapters [35.17](#) and [35A.11](#) RCW and all other statutory or charter provisions for initiative or referendum which might otherwise apply. [Ord. 98-0037 § 16.]

Signature: 
RGK (Nov 3, 2022 11:19 PDT)

Email: rkarinsey@kenmorewa.gov


AB Surface Water Utility Tax-ordinance adoption-2

Final Audit Report

2022-11-03

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By:	Leticia Salcido (lsalcido@kenmorewa.gov)
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-  Signer rkarlinsey@kenmorewa.gov entered name at signing as RGK
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**CITY OF KENMORE
WASHINGTON
RESOLUTION NO. 20-357**

**A RESOLUTION OF THE CITY COUNCIL OF KENMORE,
WASHINGTON, APPROVING THE CITY OF KENMORE
FINANCIAL SUSTAINABILITY PLAN THROUGH 2027**

WHEREAS, Kenmore incorporated and became a City on August 31, 1998; and

WHEREAS, the City of Kenmore has historically adopted balanced budgets and accumulated healthy fund balances over the years; and

WHEREAS, Kenmore is a residential bedroom community with property tax as its largest source of operating revenue; and

WHEREAS, state law restricts property tax growth to one percent per year plus property tax from new construction; and

WHEREAS, the City is experiencing a structural revenue problem whereby the City's operating revenue growth is not keeping pace with the cost of providing City services; and

WHEREAS, the City's pre-pandemic financial forecast predicted that the City's operating expenses would exceed operating revenues as early as 2022; and

WHEREAS, an independent consultant reviewed the City's financial projections and confirmed that operating expenses would exceed operating revenues as early as 2022; and

WHEREAS, on October 7, 2019, the City Council approved a process to create a financial sustainability plan. This process authorized the creation of a City Financial Sustainability Plan Task Force to advise the City Manager on ways to resolve the City's upcoming structural deficit. On November 12, 2019, the Council approved the Task Force's charter, and the City Manager appointed Task Force members soon thereafter; and

WHEREAS, the Task Force held nine meetings between January 2020 and August 2020. These meetings included opportunity for public comment and other opportunities for public input, including the Balancing Act financial public engagement tool; and

WHEREAS, the Task Force considered the information provided by City staff, the independent consultant, and the public and created a recommended financial sustainability plan through 2027 that includes multiple actions phase over several years; and

WHEREAS, the Task Force members presented their findings and recommendations for a financial sustainability plan to the City Manager and City Council on September 10, 2020, and the City Council provided comments and feedback regarding the Task Force's recommended financial sustainability plan; and

WHEREAS, the Kenmore City Council desires to establish a balanced six-year financial sustainability plan and has directed the City Manager to bring forward a proposed plan for City Council approval;

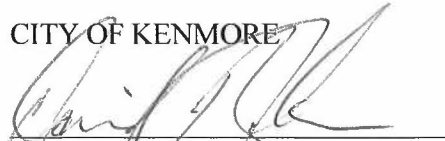
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council approves the Financial Sustainability Plan, as set forth in Exhibit A, attached hereto and incorporated by reference.

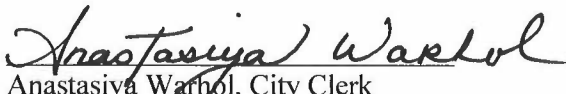
Section 2. The Financial Sustainability Plan shall become effective immediately upon approval of this resolution.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, AT A REGULAR MEETING THEREOF THIS 26th DAY OF OCTOBER, 2020.

CITY OF KENMORE


David Baker, Mayor

ATTEST/AUTHENTICATED:


Anastasiya Warhol, City Clerk

APPROVED AS TO FORM:



Dawn Reitan, City Attorney

Exhibit A**City of Kenmore****Financial Sustainability Plan****2021 through 2028****Introduction and Background**

Due to state-imposed limits on property tax growth, flat or slow growth in other revenues, unfunded state and federal mandates, and other factors, the City's operating revenues are not projected to keep pace with the cost of providing city services. As a result, the City of Kenmore faces an upcoming structural deficit in its operating budget (General Fund and Street Fund).

In 2019, the City Council directed staff to embark on the public process of creating a Financial Sustainability Plan (FSP) by examining the City's priorities, services, costs, and revenues. The City Council further directed that a Financial Sustainability Plan for Kenmore should produce balanced Street Fund and General Fund operating budgets for three biennia, or six years.

The process of creating a Financial Sustainability Plan began with the following activities in the 4th quarter of 2019 and early 2020:

- Formal establishment of the FSP process and timelines, as well as the creation of a charter for a Task Force of community members to recommend a financial sustainability plan to the City (October and November 2019)
- A community survey (December 2019)
- An independent assessment of the City's financial projections and long-range forecasts, provided by the firm Management Partners (November and December 2019)
- Updates to the City's Priority-Based Budgeting system (Fall 2019)
- Communications about the budget and City finances, including a financial forecast report to the City Council in January 2020 (ongoing through 2019 and into 2020)

Financial Sustainability Plan Task Force—January 2020 through August 2020

Starting in January 2020, the issue of financial sustainability and possible solutions were discussed through a public engagement process, including the use of a Task Force of community members to examine the issue and advise the City Manager on the City's options.

In addition to providing an independent review of the City's financial projections, Management Partners was retained to advise the City and the Task Force on evaluating budget balancing strategies. Management Partners also provided specific strategies for the Task Force to consider.

The Task Force held nine meetings between January 2020 and August 2020. During the first several meetings, Management Partners reported on its findings about the City's financial projections, and City staff provided the Task Force with information on city functions, funding sources, and how financial resources are allocated. The Task Force also learned about Priority Based Budgeting and how City programs were prioritized and scored against results established by the City Council.

The concept of "Price of Government" was also discussed, including Kenmore's tax revenue trends compared to household income in Kenmore. The Price of Government analysis showed that City revenues as a percentage of household income has been declining over the years.

The Task Force met several times up until April of 2020, then paused its work due to the pandemic. The Task Force resumed its meetings in an online virtual format in August 2020, including an online open house for additional public comment.

Public Outreach and Engagement

In August 2020, an online budget simulator tool, known as "Balancing Act," was provided as an interactive way for the public to consider Kenmore's budget challenges and offer input on how to balance the City budget. A post card was sent to all mailboxes in the city with the purpose of encouraging the public to engage the Balancing Act tool and provide comments on the City's finances. Preliminary results of public input from Balancing Act were provided to the Task Force at the August 24th, 2020 meeting.

Going back to 2019 up through the present, other methods of informing the public and seeking public participation included a statistically valid survey, public comment at all Task Force meetings, online public open house, FSP articles in several mailed newsletters, e-news articles, and social media posts.

Task Force Recommendations

At the ninth and Final Task force meeting on August 25, the Task Force deliberated and produced a set of recommendations for the City Manager and the City Council to consider. The recommendations included a combination of budget cuts, service level efficiencies, and new revenues.

At the September 10, 2020 City Council online budget retreat, the City Council heard additional public comment on the topic of financial sustainability, received an update on Priority Based Budgeting results and program rankings, reviewed a forecast update and potential strategies from the consultant, Management Partners, processed the results of the public feedback from the Balancing Act budget simulator, and listened to the Task Force recommendations for financial sustainability through 2027.

During deliberations, the Task Force established the following five principles in guiding their discussions and decisions:

1. Implement a balanced approach that recognizes and reflects: a) changes in state regulations; b) that Kenmore has changed since it became a City twenty-two years ago; and c) community conditions, needs, and interests.
2. Minimize the impacts on low-income residents.
3. Fund services of the highest value to Kenmore residents and businesses.
4. Where possible, shift the burden of paying for services to those who use them, including non-residents.
5. Maintain realistic levels of service, including when revenues increase.

The Task Force recommendations included the following:

Task Force's Proposed Expenditure Strategy	Year
Discontinue Contribution to School Resource Officer Program	2021
Continue most of the expenditure reductions made in 2020	2021
Add HR/Diversity, Equity, Inclusion Position & Program	2021
Increase Mental Health RADAR Program	2021
Increase Pavement Preservation Funding	2022
Seek Alternative Jail Providers	2024

Task Force's Proposed Revenue Strategy	Year	Phased In?
Property Tax Banked Capacity	2022	Yes; over three years
Cable TV Utility Tax (6%)	2022	Yes; begin in mid 2022
Traffic Photo Enforcement	2022	Yes; begin in mid 2022
User Fee Study	2022	No
Admissions Tax	2023	Yes; begin in mid 2023
Utility Tax on Solid Waste	2024	No

The Task Force's final report is attached as an addendum to this Financial Sustainability Plan.

After the Task Force report was presented to the City Council at the September 14, 2020 meeting, the City Council asked questions and provided feedback and direction. The City Council then directed the City Manager to finalize a Financial Sustainability Plan and bring it forward for City Council approval in October 2020.

Financial Sustainability Plan: 2021-2028

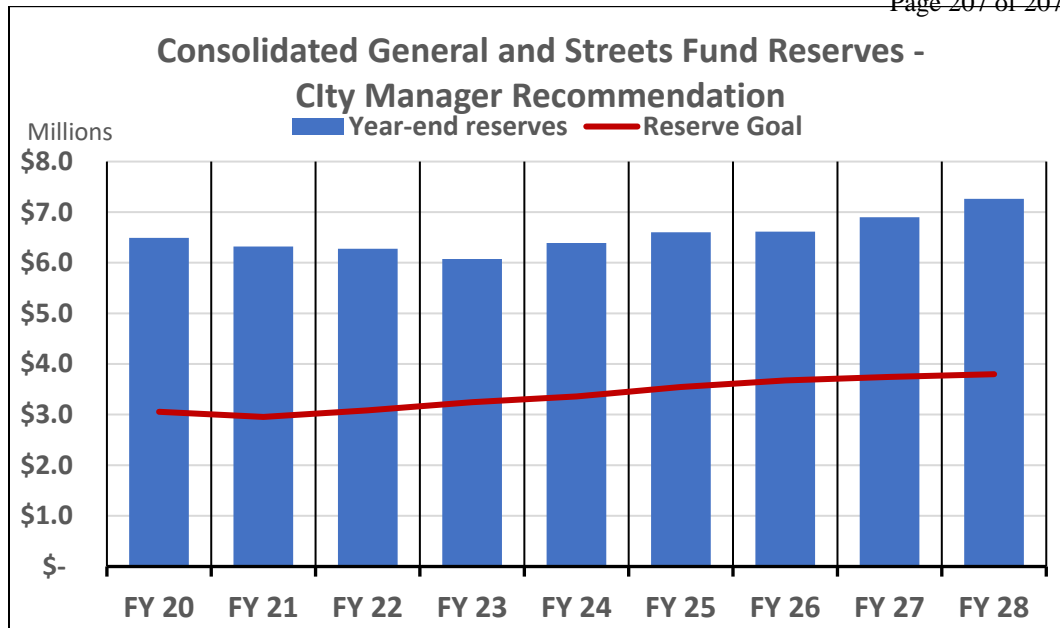
The following financial sustainability plan is based on the Task Force recommendations and subsequent direction from the City Council. Using conservative revenue and expenditure forecast assumptions, the following plan sustains funding of City services at current levels through 2028:

Expenditure Strategy

Discontinue Contribution to School Resource Officer Program	2021
Continue most of the expenditure reductions made in 2020	2021
Add HR/Diversity, Equity, Inclusion Position & Program	2021
Increase Mental Health RADAR Program	2021
Increase Pavement Preservation Funding	2022
Seek Alternative Jail Providers	2024

Revenue Strategy	Year	Phased In?
Cable TV Utility Tax (6%)	2022	Yes; begin in mid 2022
Traffic Photo Enforcement	2022	Yes; begin in mid 2022
User Fee Study	2022	No
Property Tax Banked Capacity	2023	Yes; over four years
Surface Water Utility Tax (6%)	2023	No
Admissions Tax	2024	No
Voter-Approved Transportation Sales Tax Increase (0.1%-0.2%)	2027	No

The above strategies for expenditures and revenues will strengthen the City's financial position and maintain fund balances above the City Council's target threshold (20% of annual budgeted operating expenditures) through 2028, assuming current service levels and the adjusted recessionary forecast assumptions used in Management Partners' report:



This financial sustainability plan accomplishes the goal set forth by the City Council in the fall of 2019, which was to create a sustainable financial plan for six years, or three biennia through 2026. This plan meets that goal with councilmanic authority. For continued financial sustainability beyond 2026, this plan recommends a voter-approved transportation sales tax increase to go into effect no later than 2027 and thereby extends the City's financial sustainability at least two years beyond the original six-year goal.

This plan should be reviewed regularly and adjusted as needed. Economic conditions that turn out to be worse than the recession-based assumptions in the plan may drive the need to accelerate some of the strategies in the plan; reductions in state-shared revenues or new unfunded mandates may also give cause to move up some of the strategies. On the other hand, better-than-anticipated financial conditions may delay the need to move forward with certain strategies.

The City appreciates the Task Force members for their many hours of service and their most helpful ideas and recommendations. We would also like to thank Steve Toler of Management Partners and his team for providing much needed analysis and expertise throughout this process.