

**YARROW POINT
TOWN COUNCIL MEETING AGENDA
April 13, 2021**

**7:00 p.m. via conference call at:
206-485-3849 Conference ID: 663 474 129#**

With the passage of the Town's Proclamation of Local Emergency, Town Hall is closed to the public. Council participation in this meeting will be by teleconference/online only. Members of the public may also participate by phone/online. Individuals wishing to speak live during the Virtual Town Council meeting will need to register their request with the Deputy Clerk at 425-454-6994 or email depclerk@yarrowpointwa.gov and leave a message before 4:30PM on the day of the April 13 Council meeting. Please reference Public Comments for April 13 Council Meeting on your correspondence. The Deputy Clerk will call on you by name or telephone number when it is your turn to speak. If you call in via telephone, please unmute yourself by dialing *6 when it is your turn to speak. You will be allotted 3 minutes for your comment and will be asked to stop when you reach the 3 minute limit.

PLEDGE OF ALLEGIANCE

CALL TO ORDER: Mayor Dicker Cahill

COUNCIL ROLL CALL: Carl Scandella, Stephan Lagerholm, Andy Valaas, Mary Elmore, and Steve Bush

APPEARANCES:

Members of the public may speak concerning items that either are or are not on the agenda. The Council takes these matters under advisement. Please state your name and address and limit comments to 3 minutes. If you call in via telephone, please unmute yourself by dialing *6 when it is your turn to speak. Comments via email may be submitted to depclerk@yarrowpointwa.gov or regular mail to: Town of Yarrow Point 4030 95th Ave NE Yarrow Point, WA. 98004.

The Mayor will present legalities of how public meetings must be held and what essential business can be discussed during the COVID-19 Pandemic, in accordance with State proclamations and guidelines.

1. MINUTES

A. Minutes of regular meeting of March 9, 2021.

2. CONSENT CALENDAR

Consists of routine items for which Council discussion is not required. A Councilmember may request that an item be moved to Regular Business for discussion. Consent items are approved with one vote.

3. STAFF REPORTS

REGULAR BUSINESS:

4. AB 21-12 – KC Council Chair Claudia Balducci to address the Town Council
5. AB 21-13 – 2020 Annual Report
6. AB 21-14 – ARCH budget and trust fund
7. AB 21-15 – CenturyLink Utility box wrap graphic design by Park Board – For approval
8. AB 21-16 – Comcast Franchise – For approval
9. AB 21-17 – Tree code discussion update from Planning Commission
10. AB 21-18 – ROW parking discussion
11. AB 21-19 – Roundabout safety discussion

12. MAYOR & COUNCIL REPORTS

13. ADJOURNMENT

*To subscribe to our email list, email Town Hall at: townhall@yarrowpointwa.gov
Town of Yarrow Point, 4030 95th Ave. NE, Yarrow Point, WA 98004
425-454-6994, townhall@ci.yarrow-point.wa.us*

**TOWN OF YARROW POINT
COUNCIL REGULAR MEETING (TELECONFERENCE) MINUTES
March 9, 2021
7:00 pm**

The following is a summary of the proceedings and is not a verbatim transcript.

CALL TO ORDER:

Mayor Dicker Cahill called the meeting to order at 7:04 pm

PRESENT:

Mayor: Dicker Cahill

Councilmembers: Stephan Lagerholm
Carl Scandella
Mary Elmore
Andy Valaas
Steve Bush

Staff: Bonnie Ritter – Clerk-Treasurer
Austen Wilcox – Deputy Clerk
Stacia Schroeder – Town Engineer
Mona Green – Town Planner
Scott Missall – Town Attorney
Steve Wilcox – Town Building Official

Guests: Vadim Bondarev – Resident
Jeff Levere – Resident
Jeffrey Shiu- Resident
Laurie Bugbee – Resident
Dan Guralnick – Resident
Tom Peters – Resident
Dan Williams – Resident
Gail Craddock – Resident
Geoff Pendergast – Resident
Amy Pellegrini – Resident
Carl Hellings – Resident
Mary Jane Swindley - Resident

Mayor Cahill noted that the agenda has been reordered to allow AB 21-07 to come first due to the amount of public interest around the topic.

APPEARANCES:

There were no public comments unrelated to parking enforcement that took place prior to the public comment period in AB 21-07.

PUBLIC MEETING GUIDELINES

Attorney Missall presented legalities of how public meetings must be held and what essential business can be discussed during the COVID-19 Pandemic, in accordance with State proclamations and guidelines.

REGULAR BUSINESS

1. AB 21-07: Right of way safety concerns and construction parking enforcement

Mayor Cahill shared that the Town has received a petition with 70 signatures for immediate action for enforcement of town code to ensure the safety of pedestrians and enforcement of construction parking violations. The Town has been researching the issue since November 2020.

Each Councilmember shared their individual views and opinions around parking issues and enforcement in response to the petition.

Mayor Cahill summarized an outline of steps the Town will immediately take in response to the petition:

- Daily random visits to construction sites by Town staff.
- \$500 violation fee.
- Evaluate violation notification system allowing residents to photograph perceived violations and send to the town to follow up and issue violations or warnings.
- Create link on Town website to allow residents to submit photos of construction parking violations.
- Reach out to builders and agents to inform them of changes.
- Modification to existing code if applicable.
- Maintain character of town and ROW parking.

The Town will immediately undertake a more aggressive enforcement position on construction parking.

Mayor Cahill opened the public comment period at 7:44 pm

1. Resident Vadim Bandarev at 4029 95th Ave NE. explained that parking in Yarrow Point has been an issue for many years. He compared construction parking plans to other jurisdictions and offered to pay the Building Official's time to do more parking enforcement in Yarrow Point. He suggests the use of offsite parking locations and putting the burden on the contractors to shuttle their workers in. He discussed the petition and requests that the Town enforce its existing construction parking code immediately.
2. Resident Jeffrey Shiu at 3812 94th Ave NE shared that he has encountered parking issues on his street. Cars are often parked in front of house and he has seen litter on his property. He has safety concerns for his children getting ran over when

construction workers drive by. He asked why construction parking enforcement has not been taking place.

3. Resident Laurie Bugbee at 9426 NE 37th Pl thanked the Council and Town Administration for the opportunity to voice her family's concerns. She stated the petition relating to construction parking is a separate issue over general ROW parking. Construction parking issues are a safety hazard and eye sore. Calls and emails have taken place to enforce the construction parking code but action has not taken place. She does not believe that residents should be put in the position to document parking violations. She reviewed Town code sections related to parking and requests that immediate parking enforcement take place.
4. Resident Dan Guralnick at 9429 NE 40th St is determined to restore Yarrow Point to how it was not very long ago. The current construction parking code is very reasonable and should be enforced. The Mayor has not taken action to enforce the construction parking code. Mr. Guralnick has witnessed people sleeping in vehicles. He has safety concerns and believes the neighborhood is unsightly compared other jurisdictions. He has concerns about a potential modification to the code that could favor developers. He demands immediate enforcement of the existing parking code and stated that the Mayor should recuse himself from any potential code change discussion due to his real estate business with developers.
5. Resident Tom Peters at 4652 95th Ave NE is building a house and discussed the required parking plan involved with the Town's permitting process. He questions why service providers would be exempted from ROW parking if safety and character of the neighborhood are concerns. There should be no exemptions for one type of vehicle and not for another. Neighborhoods have free access and you cannot stop certain people from walking in the neighborhood. Mr. Peters believes the code should be enforced for other issues such as litter and people sleeping in vehicles. The code should be enforced as soon as possible.
6. Resident Jeff Levere at 3848 94th Ave NE has been a resident for 37 years and seen a lot of positive change. He shared about an experience getting a parking ticket under a previous mayor who enforced all parking codes and the police were issuing lots of tickets. He said that residents should consider what could happen when police are directed to issue tickets as it will not just be contractors who are impacted. He stated that not all lots have enough onsite parking for construction vehicles.
7. Resident Dan Williams at 4224 95th Ave NE stated that he believes some of the comments by residents so far are confusing construction parking with general parking. This topic should be limited specifically to construction parking. There is not a good reason not to enforce the existing construction parking code when there is an existing enforcement mechanism in place that should be enforced. The reason the topic is so important is because it is suggesting that the Town favors developers over residents.

8. Resident Gail Craddock at 3798 94th Ave NE shared that Yarrow Point is densely built and can easily get congested. She requests that the existing construction parking code be enforced. She recognized that not all properties have enough room for all construction vehicles to park on site. She said that property values can be affected due to the look of construction vehicles parked on town streets.
9. Resident Geoff Pendergast at 4239 95th Ave NE thanked the Mayor and Council for listening to concerns that are very important to the residents. He stands behind having the existing construction code enforced. The last 3-4 years have been difficult from a safety perspective due to several big construction projects within close proximity of his house. There needs to be some organization due to enforcement that has diminished within recently years. The existing code should be enforced rather than a modification to it. He hopes that the Mayor and Council takes the residents' views to heart.

Resident Suzanne Knauss at 9021 NE 42nd St. submitted a fax to the Town that was received on March 6, 2021, requesting to be removed from the petition. The town replied nothing that her request would be included in the record.

Resident Ann Foster at 4421 91st Pl NE submitted a comment to the Town on March 8, 2021, noting that she and her husband Michael could not attend the meeting but would like to add their signatures to the petition and agree that current construction parking code should be enforced.

Mayor Cahill closed the public comment period at 8:16 pm

Mayor Cahill addressed comments from the residents.

- A plan can be put into place tomorrow, 3/10/2021, and will be done quickly.
- He addressed the question of a potential code modification and clarified the Town's current code does not allow construction parking on any ROW. The question is if it should be allowed in adjacent to the property owner. The Town will not change that code and it would have nothing to do with the elimination of the parking in front of Town Hall.
- Parking enforcement for service providers are under the Town's traffic parking code and not construction parking code.
- The Town has the budget to allow Town personnel to manage construction parking enforcement.
- The Town will research offsite parking options as an alternative option for to contractors to shuttle their workers in.
- He will enforce construction parking and act on citations as the Mayor and not a real estate agent.

Council discussed the following:

- Temporary, frequent, and long-term parking.
- Requesting feedback from residents on parking.
- The use of offsite parking and providing adequate options to builders and contractors.

- The use of ROW parking at Morningside Park for the Town’s playground and pickleball court.

The Council took a 10-minute recess at 8:44 pm and reconvened at 8:54 pm

2. AB 21-06: Proclamation honoring Amy Pellegrini’s term on the Planning Commission

Mayor Cahill read a proclamation of the Mayor and Council of the Town of Yarrow Point expressing gratitude for the service and contributions made to Town government by Amy Pellegrini. Amy was on the Planning Commission from January 19, 2010 – October 19, 2020. She will be dearly missed and the Mayor and Council thank her for her longtime service to the Town.

Amy thanked the Mayor, Council, Planning Commission, and staff for their support.

3. MINUTES

Minutes of regular meeting February 9, 2021.

MOTION: Councilmember Valaas moved to approve the regular meeting minutes of February 9, 2021 as presented. Councilmember Bush seconded the motion.

VOTE: 5 For, 0 Against. Motion carried.

4. CONSENT CALENDAR:

Mayor Cahill reported on the following large expenditure items for the month of February.

- Progress for PGH Excavating, Inc.
- PACE Engineering.
- LIDAR topography survey.
- Town Fountain/irrigation system maintenance & repair.
- Dropbox storage increase & license upgrade.

MOTION: Councilmember Valaas moved to approve the Consent Calendar as presented including the Payment Approval Report dated 3/3/2021 approving payments as shown totaling \$148,146.68 plus payroll, benefits, and tax expenses of \$28,596.11 as shown on the attached payroll and benefits reports for a grand total of \$176,742.79. Councilmember Scandella seconded the motion.

VOTE: 5 For, 0 Against. Motion carried.

STAFF REPORTS:

A. Police Report

Mayor Cahill provided the February police report on behalf of Clyde Hill PD. Council discussed the use of the Flock license plate reader cameras and their help with investigations with CHPD. Staff is working with Flock to configure the national “Hot List” which will automatically notify the CHPD in the event of a stolen vehicle entering the point.

Council discussed the issue of WSDOT temporarily closing down SR520 during a weekend day and redirecting traffic through the 92nd Ave lid. This caused safety concerns and congestion. Mayor Cahill stated that a letter will be signed collectively by local mayors that will go to WSDOT regarding detours and a request to improve safety measures. Council

suggests making the detour at a prior exit point rather than using the 92nd Ave lid as the turnaround point.

B. Engineer Report

2022 NE 36th Street Stormwater Project

The 2020 Town of Yarrow Point Stormwater Management Plan was published last May. In short, the new study incorporated known stormwater pipe alignments and sizes into the latest modeling software to identify and prioritize future capital improvement projects (CIPs) throughout the Town. A stormwater connection from 92nd Ave NE to NE 36th Street was identified as CIP #1. This project would divert flows along 92nd (south of NE 36th St) and Points Drive NE (east of the round-a-bout) to the storm system in NE 36th Street. As part of this project, several pieces of the NE 36th Street stormwater infrastructure (ie. catchbasins, broken pipes, and cross bores) will be addressed. Our current CIP includes this project as S-2 (\$25,000 for design in 2021), S-3 (\$184,000 for construction in 2022), and T-3 (\$85,000 for full grind and overlay in 2022). There is no power, phone, or cable conversion associated with this project. PACE completed survey Task Order No. 2 (\$12,750) and provided a preliminary drawing for review on January 28, 2021. Town Engineer Schroeder will be working on the civil engineering design over the next couple months in an effort to get a package out to bid in September.

2021 NE 37th Street Paving Project

The City of Bellevue contractor (Fury Site Works) began grinding NE 37th Street on February 24th in lieu of the anticipated permanent T-patch. The City of Bellevue will issue a change order (\$49,103.59) to Fury Site Works for the additional work related to grinding and overlaying the remaining roadway. The Town of Yarrow Point will then reimburse the City of Bellevue for the work. This is in lieu of the work planned by King County Roads (\$125,120.00). The scope of work will include: 1.) grind out 4-inches of the existing half roadway that hasn't been paved yet; 2.) re-plane 1.5-inches of the new pavement for the new full width overlay; 3.) Pave back 4-inches new pavement section and 1.5-inches overlay over the already existing 6'' new pavement section for the waterline trench patch. King County Roads mentioned the very minor costs incurred to date (less than \$1,000 for design) as well as \$12,500 for "full mobilization" will filter over to the NE 42nd St/ 91st Ave NE grind and overlay project to be done later this summer. This results in a net savings of roughly \$62,500 for the Town.

2019 NE 42nd Street/ 91st Ave NE Stormwater Upsizing & UGC Project

Engineer Schroeder discussed the daily reports by the onsite inspector, Gray & Osborne. Council discussed ROW parking and staging for public projects. The Town should be following the same standards for ROW parking that residential projects are adhering to. The Council requested that Engineer Schroeder contact the contractor about offsite storage.

2019 NE 42nd Street/ 91st Ave NE Stormwater Upsizing & UGC Project

The 2020 Town of Yarrow Point Stormwater Management Plan was published last May. In short, the new study incorporated known stormwater pipe alignments and sizes into the latest modeling software to identify and prioritize future capital improvement projects (CIPs) throughout the Town. A stormwater upsizing from 4405 – 4646 94th Ave NE was identified as CIP #2. In addition to addressing CIP #2 this project will result in an underground

conversion from 4000 – 4646 94th Ave NE. The preliminary design also shows the northern half of 94th Ave NE is set to receive a full road reconstruction and the southern half will have a 2-inch grind and overlay. Our current CIP includes this project as S-3 (\$30,000 for design in 2023), S-5 (\$300,000 for construction in 2024), and T-5 (\$260,000 for road restoration in 2024). Experience has shown that it takes a considerable amount of time to coordinate with Puget Sound Energy, Comcast, and CenturyLink on the underground conversion design. The Town Council therefore, approved PACE’s survey Task Order No. 3 (\$28,250) on January 12, 2021. PACE completed a draft base map on March 1st for not only this project, but 3800 – 4000 94th Ave NE, 9200 – 9400 NE 38th Street, and 9200 – 9500 NE 40th Street as well. Engineer Schroeder is in the process of verifying PACE’s information in the field and against known records and will work with PACE to prepare the final base map.

5. MAYOR AND COUNCIL REPORTS:

Councilmember Bush

The Town needs to make a visible difference in parking enforcement within the next couple of days. Residents are watching and expect a change.

Mayor Cahill

He thanked the Council for their support and for sharing their viewpoints regarding parking issues.

Councilmember Elmore

Residents who brought the parking enforcement issues up will be watching for change.

9. ADJOURNMENT:

MOTION: Councilmember Bush moved to adjourn the meeting at 9:47pm. Councilmember Elmore seconded the motion.

VOTE: 5 For, 0 Against. Motion carried.

APPROVED:

ATTEST:

Dicker Cahill, Mayor

Bonnie Ritter, Clerk-Treasurer

**Business of The Town Council
Town of Yarrow Point, WA**

Consent Calendar
April 13, 2021

Consent Calendar	Proposed Council Action: Approve Consent Calendar
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Presented by: Clerk-Treasurer

Exhibits: Consent Calendar Items

Summary:

The Consent Calendar consists of items considered routine for which a staff recommendation has been prepared, and for which Council discussion is not required. A council member may request that an item be removed from the Consent Calendar and placed under Regular Business for discussion. Items on the Consent Calendar are voted upon as a block and approved with one vote.

The following document are included in this section:

- Payment Approval and Payroll Reports

Recommended Action:

Move to: Approve the Consent Calendar as presented including the Payment Approval Report dated 4/7/2021 approving payments as shown totaling **\$ 277,128.33** plus payroll, benefits, and tax expenses of **\$28,272.79** as shown on the attached payroll & benefits report for a total of **\$ 305,401.12**.

Vendor	Vendor Name	Description	Invoice Date	Amount Paid	YTD Payments
Banner Bank					
700	Banner Bank	AWS-478.40 + misc.	03/18/2021	758.48	
700	Banner Bank	Office supplies	03/18/2021	435.45	
700	Banner Bank	Constant Contact	03/18/2021	77.07	
700	Banner Bank	Town cell phones	03/18/2021	277.05	
700	Banner Bank	ROW Maintenance	03/18/2021	141.62	
700	Banner Bank	Austen-clerks institute 475; Ritter-public records 140	03/18/2021	615.00	7,984.14
Total Banner Bank:				2,304.67	
CASELLE, INC.					
1300	CASELLE, INC.	Contract support and maintenance April & May	03/01/2021	1,420.30	3,550.10
Total CASELLE, INC.:				1,420.30	
CDW Direct					
131	CDW Direct	Server Warranty - 2 yrs.	03/21/2021	1,600.24	1,600.24
Total CDW Direct:				1,600.24	
City of Bellevue					
233	City of Bellevue	ARCH Contribution - Admin Budget	03/01/2021	2,401.00	2,401.00
Total City of Bellevue:				2,401.00	
CITY OF CLYDE HILL					
10	CITY OF CLYDE HILL	2nd Qtr '21 Police Contract	03/18/2021	106,884.00	
10	CITY OF CLYDE HILL	1st Qtr '21 Criminal Justice	03/18/2021	2,610.55	216,378.55
Total CITY OF CLYDE HILL:				109,494.55	
Comcast					
301	Comcast	Internet and fax line	03/14/2021	257.44	738.98
Total Comcast:				257.44	
Comcast Business- VoiceEdge					
1374	Comcast Business- VoiceE	Town Phone System	03/15/2021	500.46	750.69
Total Comcast Business- VoiceEdge:				500.46	
CRYSTAL AND SIERRA SPRINGS					
1046	CRYSTAL AND SIERRA S	Water cooler	03/22/2021	90.71	195.21
Total CRYSTAL AND SIERRA SPRINGS:				90.71	
DIGITAL REPROGRAPHICS					
256	DIGITAL REPROGRAPHIC	94th Prelim Survey	03/02/2021	37.51	
256	DIGITAL REPROGRAPHIC	March Council packets	03/02/2021	275.13	1,244.48
Total DIGITAL REPROGRAPHICS:				312.64	
Dreizin, Sergei and Yelena					
1449	Dreizin, Sergei and Yelena	Street Deposit Refund	04/06/2021	3,750.00	3,750.00
Total Dreizin, Sergei and Yelena:				3,750.00	

Vendor	Vendor Name	Description	Invoice Date	Amount Paid	YTD Payments
ELECTRONIC BUSINESS MACHINES, INC.					
303	ELECTRONIC BUSINESS	Copier Contract	03/05/2021	283.17	283.17
Total ELECTRONIC BUSINESS MACHINES, INC.:				283.17	
Gaylynn Brien					
1151	Gaylynn Brien	Sales Tax reports	03/31/2021	50.00	150.00
Total Gaylynn Brien:				50.00	
Gray & Osborne, Inc.					
9043	Gray & Osborne, Inc.	Services on 42nd - 91st Ave Stormwater Upsizing and	03/26/2021	24,921.63	41,147.86
Total Gray & Osborne, Inc.:				24,921.63	
ISOutsource					
1301	ISOutsource	Vulnerability & Security Assessment Tool Appliance	03/04/2021	55.05	
1301	ISOutsource	Backup error and questions on backup	03/15/2021	1,219.52	
1301	ISOutsource	WCIA questions	03/31/2021	261.31	2,271.91
Total ISOutsource:				1,535.88	
KING COUNTY FINANCE					
600	KING COUNTY FINANCE	4th Qtr 2020 - 2% Liquor and Excise Tax	03/19/2021	74.73	74.73
Total KING COUNTY FINANCE:				74.73	
MONA H. GREEN					
219	MONA H. GREEN	Building Permits	03/31/2021	1,518.75	
219	MONA H. GREEN	Pre-applications	03/31/2021	742.50	
219	MONA H. GREEN	SEPA	03/31/2021	978.75	
219	MONA H. GREEN	Shoreline Substantial Development	03/31/2021	135.00	
219	MONA H. GREEN	Mechanical Permits	03/31/2021	202.50	
219	MONA H. GREEN	General Administration	03/31/2021	1,923.75	11,205.00
Total MONA H. GREEN:				5,501.25	
MUNICIPAL PERMIT SERVICE, LLC					
350	MUNICIPAL PERMIT SER	Code enforcement	03/31/2021	474.25	
350	MUNICIPAL PERMIT SER	Building Permit Inspections	03/31/2021	2,883.23	
350	MUNICIPAL PERMIT SER	Fence Permit	03/31/2021	130.04	
350	MUNICIPAL PERMIT SER	Demolition permit	03/31/2021	94.59	
350	MUNICIPAL PERMIT SER	Mechanical/Plumbing Permits	03/31/2021	862.23	
350	MUNICIPAL PERMIT SER	Plan Review	03/31/2021	1,156.25	15,121.47
Total MUNICIPAL PERMIT SERVICE, LLC:				5,600.59	
NORTHWEST CIVIL SOLUTIONS					
450	NORTHWEST CIVIL SOLU	NE 36th Street CIP #1	03/31/2021	62.50	
450	NORTHWEST CIVIL SOLU	42nd - 91st Stormwater Upsizing and UGC PROJECT	03/31/2021	1,968.75	
450	NORTHWEST CIVIL SOLU	NE 37th Street SW Improvements	03/31/2021	156.25	
450	NORTHWEST CIVIL SOLU	94th Ave NE - Survey	03/31/2021	468.75	
450	NORTHWEST CIVIL SOLU	Pre-applications	03/31/2021	531.25	
450	NORTHWEST CIVIL SOLU	Plan Review	03/31/2021	1,906.25	
450	NORTHWEST CIVIL SOLU	Right of Way Permits	03/31/2021	531.25	
450	NORTHWEST CIVIL SOLU	General Administration	03/31/2021	531.25	14,406.25

Vendor	Vendor Name	Description	Invoice Date	Amount Paid	YTD Payments
Total NORTHWEST CIVIL SOLUTIONS:				6,156.25	
Ogden Murphy Wallace					
1390	Ogden Murphy Wallace	Clerk	03/11/2021	650.00	
1390	Ogden Murphy Wallace	Contracts	03/11/2021	420.50	
1390	Ogden Murphy Wallace	Council	03/11/2021	1,527.50	
1390	Ogden Murphy Wallace	Land Use	03/11/2021	677.50	
1390	Ogden Murphy Wallace	Mayor/Executive	03/11/2021	2,490.00	
1390	Ogden Murphy Wallace	Comcast Franchise	03/11/2021	32.50	13,289.35
Total Ogden Murphy Wallace:				5,798.00	
Pace Engineers, INC.					
1152	Pace Engineers, INC.	NE 37th Street - adjustment	03/08/2021	4.00	
1152	Pace Engineers, INC.	NE 36th Street	03/08/2021	19.75	
1152	Pace Engineers, INC.	94th Ave NE	03/08/2021	13,733.25	48,500.00
Total Pace Engineers, INC.:				13,757.00	
PGH Excavating, Inc.					
318	PGH Excavating, Inc.	NE 42nd St - 91st Ave Stormwater and UGC Project	03/26/2021	84,577.72	160,721.80
Total PGH Excavating, Inc.:				84,577.72	
PUGET SOUND ENERGY					
604	PUGET SOUND ENERGY	Town Hall	03/22/2021	266.79	
604	PUGET SOUND ENERGY	Street Lights	03/22/2021	635.59	3,722.57
Total PUGET SOUND ENERGY:				902.38	
Seaborn Pile Driving Co.					
319	Seaborn Pile Driving Co.	Overpayment on building permit	03/22/2021	4.60	4.60
Total Seaborn Pile Driving Co.:				4.60	
SEA-TAC SWEEPING SERVICE					
46	SEA-TAC SWEEPING SE	Street Cleaning for Feb & March	03/08/2021	670.00	
46	SEA-TAC SWEEPING SE	Street Cleaning	03/08/2021	670.00	2,055.00
Total SEA-TAC SWEEPING SERVICE:				1,340.00	
State Department of Transportation					
280	State Department of Trans	Gas for town truck	02/28/2021	108.28	
280	State Department of Trans	Gas for town truck	03/31/2021	74.34	362.80
Total State Department of Transportation:				182.62	
THE SEATTLE TIMES					
192	THE SEATTLE TIMES	Publications	03/18/2021	250.92	
192	THE SEATTLE TIMES	Notice of App for Shoreline Mgmt	03/12/2021	168.30	
192	THE SEATTLE TIMES	Notice for SEPA determination	03/12/2021	62.73	
192	THE SEATTLE TIMES	Publications	03/01/2021	53.55	851.97
Total THE SEATTLE TIMES:				535.50	
Vigneault, Francois					
1450	Vigneault, Francois	Street Deposit Refund	04/06/2021	3,750.00	3,750.00

Vendor	Vendor Name	Description	Invoice Date	Amount Paid	YTD Payments
	Total Vigneault, Francois:			3,750.00	
WA Department of Retirement Systems					
93	WA Department of Retirement	Old Age Survivors Ins. 2020 Tax Year	03/22/2021	25.00	25.00
	Total WA Department of Retirement Systems:			25.00	
	Grand Totals:			277,128.33	

Certification of the Consent Calendar as presented including the Payment Approval Report dated 4/7/2021 approving payments as shown totaling \$277,128.33, plus payroll, tax, and benefit expenses of \$28,272.79; as shown on the attached payroll & tax and benefits report for a grand total of \$ 305,401.12.

I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claim is a just, due and unpaid obligation against the Town of Yarrow Point, and that I am authorized to authenticate and certify to said claim.

Clerk/Treasurer: Bonnie Ritter _____

Dated: April 13, 2021

Mayor Dicker Cahill: _____

Councilmember Steve Bush: _____

Councilmember Mary Elmore: _____

Councilmember Stephan Lagerholm: _____

Councilmember Carl Scandella: _____

Councilmember Andy Valaas: _____

Report Criteria:

- Computed checks included
- Manual checks included
- Supplemental checks included
- Termination checks included
- Transmittal checks included
- Void checks included

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Payee ID	Description	GL Account	Amount
03/31/2021	CDPT		0	EMPLOYMENT SECURITY DEPT	8	Quarterly WA FMLA WA Paid Fa	001-2200000	86.04-
03/31/2021	CDPT	03/18/2021	320205	Association of Washington Cities	9	Health and Dental Insurance Insu	001-2200000	1,711.75-
03/31/2021	CDPT	03/18/2021	320205	Association of Washington Cities	9	Health and Dental Insurance Hea	001-2200000	2,366.22-
03/31/2021	CDPT	03/18/2021	320205	Association of Washington Cities	9	Health and Dental Insurance Den	001-2200000	164.37-
03/31/2021	CDPT	03/18/2021	320205	Association of Washington Cities	9	Health and Dental Insurance Visi	001-2200000	36.06-
03/31/2021	CDPT	03/18/2021	320206	DEPT OF RETIREMENT SYSTE	1	State Retirement PERS II Pay P	001-2200000	1,481.90-
03/31/2021	CDPT	03/18/2021	320206	DEPT OF RETIREMENT SYSTE	1	State Retirement PERS II Pay P	001-2200000	2,432.93-
03/31/2021	CDPT	03/18/2021	320207	Federal Tax	2	941 Taxes Social Security Pay P	001-2200000	1,333.51-
03/31/2021	CDPT	03/18/2021	320207	Federal Tax	2	941 Taxes Social Security Pay P	001-2200000	1,333.51-
03/31/2021	CDPT	03/18/2021	320207	Federal Tax	2	941 Taxes Medicare Pay Period:	001-2200000	311.87-
03/31/2021	CDPT	03/18/2021	320207	Federal Tax	2	941 Taxes Medicare Pay Period:	001-2200000	311.87-
03/31/2021	CDPT	03/18/2021	320207	Federal Tax	2	941 Taxes Federal Withholding T	001-2200000	3,348.52-
03/31/2021	PC	03/31/2021	320211	Lovas, Istvan	9002		999-1010110	4,284.06-
03/31/2021	PC	03/31/2021	320212	Wilcox, Austen	9037		999-1010110	3,470.76-
03/31/2021	PC	03/31/2021	320213	Ritter, Bonnie	9041		999-1010110	5,565.77-
03/31/2021	PC	03/31/2021	320214	Cahill, Richard	9030			
03/31/2021	CDPT	03/31/2021	8232017	EMPLOYMENT SECURITY DEPT	8	Quarterly WA FMLA WA Paid Fa	001-2200000	82.69
03/31/2021	CDPT	03/31/2021	8232017	EMPLOYMENT SECURITY DEPT	8	Quarterly WA FMLA WA Paid Fa	001-2200000	82.69
03/31/2021	CDPT	03/31/2021	8232017	EMPLOYMENT SECURITY DEPT	8	WA FMLA WA Paid Family Medic	001-2200000	82.69
03/31/2021	CDPT	03/18/2021	8232019	DEPT OF LABOR & INDUSTRY	6	Quarterly L & I Workers Compens	001-2200000	238.65-
03/31/2021	CDPT	03/18/2021	8232019	DEPT OF LABOR & INDUSTRY	6	Quarterly L & I	001-2200000	.04-
03/31/2021	CDPT	03/18/2021	8232019	EMPLOYMENT SECURITY DEPT	5	Quarterly Employment Security P	001-2200000	43.01-
03/31/2021	CDPT	03/18/2021	8232019	EMPLOYMENT SECURITY DEPT	5	Quarterly Employment Security P	001-2200000	.02-
Grand Totals:			22					28,272.79-

STAFF REPORTS

1. Engineer Reports
 - A. NE 36th Street
 - B. NE 37th Street
 - C. NE 42nd Street
 - D. 94th Ave NE
2. Police Report
3. Fire-EMS Reports for February and March
4. 1st Quarter 2021 Financial Report
5. Commission Minutes
 - March 15, 2021 Planning Commission Minutes
 - March 23, 2021 Park Board Minutes



PROJECT STATUS REPORT

REPORT DATE	PROJECT NAME	PREPARED BY
4/13/21	2022 NE 36 th Stormwater Project	Stacia Schroeder

STATUS SUMMARY

The 2020 Town of Yarrow Point Stormwater Management Plan was published last May. In short, the new study incorporated known stormwater pipe alignments and sizes into the latest modeling software to identify and prioritize future capital improvement projects (CIPs) throughout the Town.

A stormwater connection from 92nd Ave NE to NE 36th Street was identified as CIP #1. This project would divert flows along 92nd (south of NE 36th St) and Points Drive NE (east of the round-a-bout) to the storm system in NE 36th Street. As part of this project, several pieces of the NE 36th Street stormwater infrastructure (ie. catchbasins, broken pipes, and cross bores) will be addressed.

Our current CIP includes this project as S-2 (\$25,000 for design in 2021), S-3 (\$184,000 for construction in 2022), and T-3 (\$85,000 for full grind and overlay in 2022). There is no power, phone, or cable conversion associated with this project.

PACE completed survey Task Order No. 2 (\$12,750) and provided a preliminary drawing for review on January 28, 2021. I will be working on the civil engineering design over the next several months in an effort to get a package out to bid in September.

PROJECT OVERVIEW

TASK	% DONE	TARGET DUE DATE	LEAD	NOTES
Survey	100	January 2021	PACE/ Town Engineer	
Design	0	Spring/ Summer 2021	Town Engineer	
Bid	0	Fall 2021	Town Engineer	
Construction	0	Spring 2022	Town Engineer	

BUDGET OVERVIEW

CATEGORY	BUDGETED	EXPENDED	ON TRACK?	NOTES
Dec. 2020 – Mar. 2021 Town Engineer Design/ Bid	\$12,250	\$781.25		CIP S-2: Design \$25,000; Project Management
Jan. 2021 – Mar. 2021 PACE Surveying Consultant Task Order No. 2	\$12,750	\$12,750.00		Completed
Total:	\$25,000	\$13,531.25		

Jan. 2022 -- Contractor TBD	\$242,100	\$0		CIP S-3 & T-3: Construction \$269,000
Jan. 2022 - Town Engineer Project Management	\$ 26,900	\$0		
Total:	\$269,000	\$0		

RISK AND ISSUE HISTORY

ISSUE	STATUS	DATE

CONCLUSIONS/NEXT STEPS



PROJECT STATUS REPORT

REPORT DATE	PROJECT NAME	PREPARED BY
4/13/21	2021 NE 37 th Paving Project	Stacia Schroeder

STATUS SUMMARY

The City of Bellevue contractor (Fury Site Works) began grinding NE 37th Street on February 24th in lieu of the anticipated permanent T-patch. I questioned the site superintendent that same day on what led to the change and he mentioned the double sawcut for the T-patch was very labor intensive and with the good price he was getting for asphalt, deemed it a better choice to grind and overlay the main east/ west trench line. At that same meeting we also discussed the condition of the underlying road (ie. alligator cracking) which caused him to grind the entire thickness (~4 inches) to subgrade so the cracks would not show a few years later. After follow up conversations with the City of Bellevue, King County Roads, the Town Attorney, and the contractor for an estimate to do the remaining portion of the road, it became very apparent the Town would benefit from the City of Bellevue's contractor completing the grind and overlay he started.

The City of Bellevue will issue a change order (\$49,103.59) to Fury Site Works for the additional work related to grinding and overlaying the remaining roadway. The Town of Yarrow Point will then reimburse the City of Bellevue for the work. This is in lieu of the work planned by King County Roads (\$125,120.00). The scope of work will include: 1.) grind out 4-inches of the existing half roadway that hasn't been paved yet; 2.) re-plane 1.5-inches of the new pavement for the new full width overlay; 3.) Pave back 4-inches new pavement section and 1.5-inches overlay over the already existing 6" new pavement section for the waterline trench patch.

King County Roads mentioned the very minor costs incurred to date (less than \$1,000 for design) as well as \$12,500 for "full mobilization" will filter over to the NE 42nd St/ 91st Ave NE grind and overlay project to be done later this summer. This results in a net savings of roughly \$62,500 for the Town.

As of March 30, 2021, I am still waiting for final agreements from the City of Bellevue.

PROJECT OVERVIEW

TASK	% DONE	TARGET DUE DATE	LEAD	NOTES
Survey	100	January 2021	PACE/ Town Engineer	
Design/Bid	N/A	N/A	N/A	
Construction	0	Summer 2021	City of Bellevue/ Town Engineer	

BUDGET OVERVIEW

CATEGORY	BUDGETED	EXPENDED	ON TRACK?	NOTES
Dec. 2020 – Mar. 2021 Town Engineer Design	\$17,500	\$1,093.75	YES	CIP T-2: Design \$25,000
Jan. 2021 – Feb. 2021	\$7,500	\$7,500.00	YES	Completed cost

PACE Surveying Consultant Task Order No. 1				
Total:	\$25,000	\$8,593.75		
<hr/>				
Mar. 2021 - Town Engineer Project Management	\$10,000	\$0		CIP T-2: Construction \$135,000
Summer 2021 - City of Bellevue Consultant/ Contractor	\$49,103.59	\$0		
Total:	\$59,103.59	\$0		

RISK AND ISSUE HISTORY

ISSUE	STATUS	DATE

CONCLUSIONS/NEXT STEPS



PROJECT STATUS REPORT

REPORT DATE	PROJECT NAME	PREPARED BY
4/13/21	2019 NE 42 nd Street/ 91 st Ave NE Stormwater Upsizing & UGC Project	Stacia Schroeder

STATUS SUMMARY

In general the project is moving along well. There have been a few bumps in construction as well as a few minor resident complaints, but overall things are moving smoothly. The contractor has made an effort to move materials to 91st Ave NE and continues to work with residents on daily access. As of April 5, 2021, PGH's main task is to complete the undergrounding and stormwater infrastructure on NE 42nd Street. PSE is expected to be on-site April 19th, 2021, for ~20 working days (1 month) to pull wire and energize the underground system and this will give them a place to start while PGH finishes the remaining duct work on 91st Ave.

Of the nine property owners that are directly impacted by the undergrounding due to existing overhead services (power, phone, and/or cable) to their home, I am continuing to have trouble reaching the absentee owner of 9035 NE 42nd Street directly. However, Mayor Cahill and I are actively working to reach this owner as well as answer any questions and help resolve any issues with others. As you recall state law requires that the homeowner receives 90 calendar days notice once the underground system is energized before the Town can remove overhead services. This exact date will become increasingly important as the project moves closer to completion.

PROJECT OVERVIEW

TASK	% DONE	TARGET DUE DATE	LEAD	NOTES
Bidding	100	October 2020	Gray & Osborne Town Engineer	Ad date 9/16 and 9/23 Bids Due 9/30
Award	100	October 2020	Town Engineer	October 2020
Construction	15	July 2021	Gray & Osborne Town Engineer	Delay start until January 11, 2021; G&O – survey staking & inspection
Project Close Out	0	July 2021	Town Engineer	
Grind & Overlay – KC Roads	0	August 2021	Town Engineer	Under Contract w/ KC Roads; \$227,000 estimate

BUDGET OVERVIEW

CATEGORY	BUDGETED	EXPENDED	ON TRACK?	NOTES
Stormwater Design (2019)	\$30,000			CIP S-1: Design
UGC Design (2019)	\$40,000			CIP U-1: Design
Jan 2019 – Oct. 2020 Town Engineer Project Management		\$19,718.75		Task Completed: 10/13/20; Change to Construction Management

Jan 2019 – Oct. 2020 Civil Engineering Consultant Gray & Osborne, Inc.		\$52,300.00		
Evergreen Concrete Cutting:		\$2,043.00		Coring Pavement to determine depth
Total:	\$70,000	\$74,061.75		
Jan. 2021 - Mar. 2021 – PGH Excavating, Inc. (Stormwater & UGC)	\$854,655.50	\$160,721.80	Yes	CIP S-1: \$475,000 Budget; CIP U-1: \$475,000 Budget
Oct. 2020 – Mar. 2020 Town Engineer Project Management	\$40,000	\$7,312.50	Yes	
Oct. 2020 – Mar. 2020 Civil Engineering Consultant Gray & Osborne, Inc.	\$87,500	\$42,613.21	Yes	
Total:	\$982,155.50	\$210,647.51		
Summer 2021 – King County Roads (2-inch grind and overlay)	\$200,000	\$0		CIP T-1: \$220,000 Budget; KC Roads Final Estimate ~\$180,658; will be bid later in Spring 2021
Total:	\$200,000.00	\$0.00		

RISK AND ISSUE HISTORY

ISSUE	STATUS	DATE

CONCLUSIONS/NEXT STEPS



PROJECT STATUS REPORT

REPORT DATE	PROJECT NAME	PREPARED BY
4/13/21	2024 94 th Ave NE UGC & Full Road Reconstruction	Stacia Schroeder

STATUS SUMMARY

The 2020 Town of Yarrow Point Stormwater Management Plan was published last May. In short, the new study incorporated known stormwater pipe alignments and sizes into the latest modeling software to identify and prioritize future capital improvement projects (CIPs) throughout the Town. A stormwater upsizing from 4405 – 4646 94th Ave NE was identified as CIP #2. In addition to addressing CIP #2 this project will result in an underground conversion from 4000 – 4646 94th Ave NE. The preliminary design also shows the northern half of 94th Ave NE is set to receive a full road reconstruction and the southern half will have a 2-inch grind and overlay.

Our current CIP includes this project as S-3 (\$30,000 for design in 2023), S-5 (\$300,000 for construction in 2024), and T-5 (\$260,000 for road restoration in 2024).

Experience has shown that it takes a considerable amount of time to coordinate with Puget Sound Energy, Comcast, and CenturyLink on the underground conversion design. The Town Council therefore, approved PACE’s survey Task Order No. 3 (\$28,250) on January 12, 2021. PACE completed a draft base map on March 1st for not only this project, but 3800 – 4000 94th Ave NE, 9200 – 9400 NE 38th Street, and 9200 – 9500 NE 40th Street as well.

I have verified PACE’s information in the field and against known records and the Town has since received a final base map. The base map can now be used for: 1.) assessing existing and potential parking areas; 2.) coordination for the future underground conversion with PSE/ CenturyLink/ Comcast; 3.) designing stormwater system upgrades; and 4.) an overall look towards a future landscape/restoration plan.

PROJECT OVERVIEW

TASK	% DONE	TARGET DUE DATE	LEAD	NOTES
Survey	90	January 2021	PACE/ Town Engineer	
PSE/ Comcast/ CenturyLink Preliminary Design	0	Summer 2021	PSE/Comcast/ CenturyLink Town Engineer	NOTE: The Town may decide to expand the 2023/2024 scope of work only prior to this agreement.
Stormwater & Landscape Design including Bid Documents	0	2022-2023	Town Engineer	NOTE: The Town may decide to solicit bids for this design based on the outcome of the NE 42 nd St/ 91 st Ave NE project.
Bidding	0	Fall 2023		
Construction	0	2024		

BUDGET OVERVIEW

CATEGORY	BUDGETED	EXPENDED	ON TRACK?	NOTES
Jan. 2021 – Mar. 2021 PACE Surveying Consultant Task Order No. 3	\$28,250	\$28,250		Completed
Total:	\$28,250	\$28,250		
Summer 2021 – PSE/ Comcast/ CenturyLink Preliminary & Final Design	\$15,000	\$0		NOTE: I will work with PSE on UGC design agreement in Summer 2021. Council approval will be required to proceed.
Total:	\$15,000	\$0		
Jan. 2021 – Mar. 2021 Town Engineer Design	\$30,000	\$687.50		CIP S-3: Design \$30,000 (2023)
Total:	\$30,000	\$687.50		
Jan. 2024 – Contractor TBD	\$504,000	\$0		CIP S-5 & T-5: Construction \$560,000
Jan. 2024 – Town Engineer Project Management	\$ 56,000	\$0		
Total:	\$560,000	\$0		

RISK AND ISSUE HISTORY

ISSUE	STATUS	DATE

CONCLUSIONS/NEXT STEPS



MEMO

To: Yarrow Point Town Council
From: Chief Kyle Kolling
Date: April, 2021
Re: March 2021 Summary

Greetings,

Significant progress was made towards WASPC accreditation. WASPC was notified of our intent to submit our portfolio; we await the assignment of a mentor by WASPC to review our portfolio. The goal is to be State Accredited by the fall of 2021.

March was a slower month for training as COVID restrictions forced some cancellations:

- Regular monthly training through PoliceOne Academy continued with 2 hours of instruction on opioids and NarCan.
- Records Manager Jones attended a two-day training on property and evidence management.
- Ofc. Humphreys renewed his field sobriety test and alcohol breath test certifications.

12 Facebook posts were created in March. There are currently 14 people following our page, and our page was viewed over 90 times this month with over 20 engagements by the public (reactions, comments, and shares). In addition, the Sentinel e-newsletter continued with four editions published to 800 recipients.



Town of Yarrow Point
March 2021

2021-0493	03-05-21	9000 BLK Point Dr	DV	Swai
Officer dispatched to a report of a verbal DV. Upon arrival, all parties had separated. Officers determined no crime had occurred. Report for information/documentation purposes only.				
2021-0554	03-12-21	9000 BLK NE 33 rd St	Burglary	Fernandez
Officer dispatched to a vacant home that had been burglarized. Officers discovered extensive damage throughout the residence including to doors, windows, appliances, cabinetry, flooring, and fixtures. Estimated damages over \$100,000. Evidence recovered and submitted for testing. Pending further investigation.				
2021-0708	03-31-21	9000 BLK NE 37 th PI	Fraud	Fernandez
Officer was dispatched to a report of identity theft. The RP was notified by their bank that someone attempted to obtain a loan in their name. Police report needed to resolve the issue with the bank. No suspects or evidence at this time. Report for information/documentation purposes only.				



Town of Yarrow Point

ACTIVITY REPORT

	2021 March	2021 February	2021 YTD	2020 YTD
CRIMES AGAINST PERSONS				
Assault	0	0	0	0
Domestic Violence/Disturbance	1	1	2	1
Harassment	1	0	1	2
Order violation	0	0	0	0
Rape/sex offenses	0	0	0	0
Robbery	0	0	0	0
Other (<i>Abuse, APS, civil, CPS, custodial interference, extortion</i>)	0	1	1	0
PROPERTY CRIMES				
Burglary	1	0	1	0
Fraud	1	0	1	0
MV Prowl	1	1	2	2
MV Theft	0	0	0	0
Theft	0	0	2	3
Other (<i>Arson, illegal dumping, malicious mischief, prowler, trespass</i>)	0	1	2	1
ARRESTS				
Drug/alcohol	0	0	0	0
Warrants	0	0	0	1
Other	0	0	0	4
TRAFFIC ACTIVITY				
Citations	0	0	0	3
Infractions	1	1	2	12
Warnings	10	9	25	24
Traffic accidents	0	0	0	1
Traffic stops	11	10	29	31
OTHER				
Alarms	1	3	6	9
Complaints				
~Animal	1	0	1	0
~Fireworks	0	0	0	0
~Noise	0	0	1	0
~Parking	7	2	10	7
~Soliciting	0	0	0	1
Deaths	0	0	0	0
QA	1	1	2	8
Drug/alcohol	0	0	0	0
PUBLIC SERVICES				
Other Public Services (<i>area check, assist, community policing, contacts, direct enforcement/patrol, 911 hang-ups, fire assist, follow up, on-view, order service, walk through, welfare check</i>)	16	27	76	43



Issued Ticket Report Summary
Yarrow Point
3/1/2021 through 3/31/2021

Citations - Non-Traffic	0	Location
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Citations - Traffic	0	Location
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Infractions - Traffic	1	Location
SPEED 11-15 MPH OVER LIMIT (40 OR UNDER)	1	8900 BLK POINTS DR

Infractions - Parking	3	Location
ILLEGAL PARKING	1	4000 BLK 94TH AVE NE
PARKED BLOCKING LANE OF TRAVEL	2	4200 BLK 94TH AVE NE

CLYDE HILL

POLICE DEPARTMENT

March 19th, 2021

All,

Clyde Hill Police Department has achieved Gold level recognition for 2020 as part of the Lexipol Connect Customer Recognition Program, which recognizes police agencies for excellence in policy maintenance and training.

Up-to-date policy and ongoing training are a priority for our agency and we are honored and excited to be recognized for our continued commitment to serving the communities of Clyde Hill and Yarrow Point in this way. This recognition would not be possible without the dedication of all our personnel to reading, understanding and acknowledging policy updates and completing Daily Training Bulletins (DTBs). This is the highest level of recognition currently offered by Lexipol.

Thank you for all your hard work to make Clyde Hill PD an exemplary agency! We will be receiving a plaque from Lexipol to commemorate this achievement, which will be on display in our lobby.

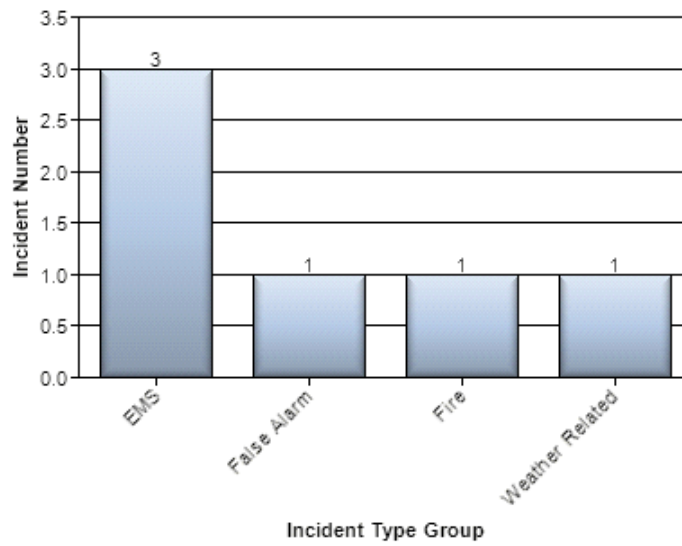
Sincerely,

Kyle L. Kolling
Chief of Police



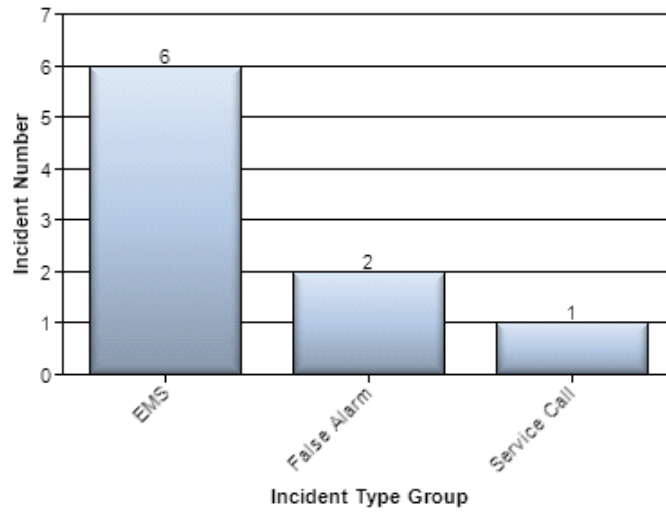
Incident Date between 2021-02-01 and 2021-02-28
City equal to Yarrow Point

Incident Type Group	Incident Count
EMS	3
False Alarm	1
Fire	1
Weather Related	1



Incident Date between 2021-03-01 and 2021-03-31
City equal to Yarrow Point

Incident Type Group	Incident Count
EMS	6
False Alarm	2
Service Call	1



TOWN OF YARROW POINT STAFF REPORT

Date: April 13, 2021

To: Town Council

From: Bonnie Ritter, Clerk-Treasurer

Subject: 1st Quarter 2021 Financials

Following is the 1st Quarter financial report at the fund level.

Please note that all transfers from fund to fund have been completed in the first quarter, as has been the past practice.

Here are the transfers that were made in compliance with the 2021 budget, and are reflected in this report:

Amount	From	To	
40,000	301.597.00.83	211.397.00.83	Bond Redemption Fund
40,000	304.597.00.83	211.397.00.83	Bond Redemption Fund
25,000	301.597.00.00	311.397.00.00	Capital Improvement Fund
25,000	304.597.00.00	311.397.00.00	Capital Improvement Fund
50,000	301.597.00.00	401.397.00.00	Stormwater
50,000	304.597.00.00	401.397.00.00	Stormwater

Account Number	Account Title	2021 Period Actual	03/2021 Current year Actual	2021 Current year Budget	Remaining	Percentage
GENERAL FUND #001						
	GENERAL FUND #001 Revenue Total:	130,307.03	270,148.21	1,263,700	993,551.79	21%
	GENERAL FUND #001 Expenditure Total:	23,039.19	193,128.85	1,157,141	964,012.15	17%
	Net Total GENERAL FUND #001:	107,267.84	77,019.36	106,559	29,539.64	72%
WETHERILL NAT PRES. FUND #023						
	WETHERILL NAT PRES. FUND #023 Revenue Total:	249.49	3,919.16	44,850	40,930.84	9%
	WETHERILL NAT PRES. FUND #023 Expenditure Total:	4,684.76	4,684.76	46,000	41,315.24	10%
	Net Total WETHERILL NAT PRES. FUND #023:	4,435.27-	765.60-	1,150-	384.40-	67%
STREET FUND #101						
	STREET FUND #101 Revenue Total:	9,345.46	32,800.56	98,000	65,199.44	33%
	STREET FUND #101 Expenditure Total:	17,643.18	37,961.16	468,030	430,068.84	8%
	Net Total STREET FUND #101:	8,297.72-	5,160.60-	370,030-	364,869.40-	1%
COMMUNITY DEVELOPMNT FUND #104						
	COMMUNITY DEVELOPMNT FUND #104 Revenue Total:	17,877.27	91,372.21	221,500	130,127.79	41%
	COMMUNITY DEVELOPMNT FUND #104 Expenditure Total:	18,074.92	41,446.64	281,685	240,238.36	15%
	Net Total COMMUNITY DEVELOPMNT FUND #104:	197.65-	49,925.57	60,185-	110,110.57-	-83%
BOND REDEMPTION FUND #211						
	BOND REDEMPTION FUND #211 Revenue Total:	80,001.52	80,005.01	80,400	394.99	100%
	BOND REDEMPTION FUND #211 Expenditure Total:	.00	.00	85,607	85,607.00	.00
	Net Total BOND REDEMPTION FUND #211:	80,001.52	80,005.01	5,207-	85,212.01-	-1536%

Account Number	Account Title	2021 Period Actual	03/2021 Current year Actual	2021 Current year Budget	Remaining	Percentage
CAPITAL IMPROVEMNT I FUND #301						
	CAPITAL IMPROVEMNT I FUND #301 Revenue Total:	16,588.88	40,253.66	201,000	160,746.34	20%
	CAPITAL IMPROVEMNT I FUND #301 Expenditure Total:	115,000.00	115,000.00	115,000	.00	100%
	Net Total CAPITAL IMPROVEMNT I FUND #301:	98,411.12-	74,746.34-	86,000	160,746.34	-87%
CAPITAL IMPROVMNT IV FUND #304						
	CAPITAL IMPROVMNT IV FUND #304 Revenue Total:	16,586.33	40,245.26	201,000	160,754.74	20%
	CAPITAL IMPROVMNT IV FUND #304 Expenditure Total:	115,000.00	115,000.00	115,000	.00	100%
	Net Total CAPITAL IMPROVMNT IV FUND #304:	98,413.67-	74,754.74-	86,000	160,754.74	-87%
CURRENT YEAR CAPITAL FUND #311						
	CURRENT YEAR CAPITAL FUND #311 Revenue Total:	50,047.91	50,158.72	50,100	58.72-	100%
	CURRENT YEAR CAPITAL FUND #311 Expenditure Total:	90,235.11	92,912.81	600,000	507,087.19	15%
	Net Total CURRENT YEAR CAPITAL FUND #311:	40,187.20-	42,754.09-	549,900-	507,145.91-	8%
STORMWATER FUND #401						
	STORMWATER FUND #401 Revenue Total:	105,165.78	107,028.10	168,338	61,309.90	64%
	STORMWATER FUND #401 Expenditure Total:	23,113.96	35,749.82	769,080	733,330.18	5%
	Net Total STORMWATER FUND #401:	82,051.82	71,278.28	600,742-	672,020.28-	-12%
AGENCY REMITTANCE FUND #631						
	AGENCY REMITTANCE FUND #631 Revenue Total:	611.25	860.37	3,050	2,189.63	28%
	AGENCY REMITTANCE FUND #631 Expenditure Total:	.00	.00	3,000	3,000.00	.00

Account Number	Account Title	2021 Period Actual	03/2021 Current year Actual	2021 Current year Budget	Remaining	Percentage
	Net Total AGENCY REMITTANCE FUND #631:	611.25	860.37	50	810.37-	1721%
WETHERILL ENDOWMENT FUND #701						
	WETHERILL ENDOWMENT FUND #701 Revenue Total:	4.46	14.72	400	385.28	4%
	WETHERILL ENDOWMENT FUND #701 Expenditure Total:	.00	.00	400	400.00	.00
	Net Total WETHERILL ENDOWMENT FUND #701:	4.46	14.72	.00	14.72-	.00
	Net Grand Totals:	19,994.26	80,921.94	1,308,605-	1,389,526.94-	-6%

**TOWN OF YARROW POINT
PLANNING COMMISSION (TELECONFERENCE) MEETING MINUTES
March 15, 2021**

The following is a condensation of the proceedings and is not a verbatim transcript.

CALL TO ORDER:

Carl Hellings Planning Commission Chairman called the meeting to order at 7:02pm

PRESENT:

Chairman:	Carl Hellings
Commissioners:	Trevor Dash Chuck Hirsch Jennifer Whittier David Feller
Staff:	Austen Wilcox – Town Deputy Clerk Mona Green – Town Planner
Guests:	Debbie Prudden - Resident

APPEARANCES:

The Commission referenced an email sent from resident Jennifer Crowell at 3624 92nd Ave NE who sent a link to the town on 2-26-2021 regarding 5G cell tower information and requested that it to be forwarded to the Council and Planning Commission.

MINUTES:

Minutes of February 16, 2021 Special Meeting.

MOTION: Commissioner Hirsch moved to approve the minutes of the February 16, 2021 special meeting as presented. Commissioner Dash seconded the motion.

VOTE: 4 For, 0 Against, 1 Abstained. Motion carried. Planning Commissioner Feller abstained as he was not present at the February special meeting.

STAFF REPORTS:

Town staff gave a report of the March 9 Council meeting. Construction related ROW construction parking was the main issue.

- A petition was submitted to the town for immediate action for enforcement of existing code for ROW construction parking.
- Resident testimony was heard.
- The Council reviewed and discussed proposed solutions such as requiring workers to be shuttled in from an offsite location. Mayor Cahill is exploring the option of a local church parking lot to be used for this purpose.
- The Council received updates on various town related ROW projects.
- The Council discussed the storage of materials for town related ROW projects. The Council requested that materials be stored offsite until they are needed.

- A proclamation was read for former Planning Commissioner Amy Pellegrini honoring her longtime role on the Commission.

REGULAR BUSINESS:

PCAB 21-03 Continued tree code discussion

Chairman Hellings recapped the discussion from the February special Planning Commission meeting noting they left off on the topic of tree replacement ratios based on lot size.

The Commission discussed:

- Tree density.
- Replacement tree strategy.
- Property rights.
- Informal private property tree survey done in February to gain a basic understanding of trees on private properties.
- Views.

They discussed the requirement of replacement trees per lot square footages. The Commission debated different formulas and also if a tree code is really needed in the town. The Planning Commission was not unanimous in this discussion however the general consensus was that 1 replacement tree per 5000sqft is a fair balance.

They discussed presenting an update to Council on their research and discussions. Staff will put the Planning Commission on an upcoming Council meeting agenda. Chairman Hellings will write a memo to the Council and provide it to the Planning Commission for review prior to the Council meeting.

Resident Debbie Prudden at 3805 94th Ave NE thanked the Commission for their efforts researching a tree code.

Commissioner Whittier left the meeting at 8:54pm.

ADJOURNMENT:

MOTION: Commissioner Feller moved to adjourn the meeting at 8:55pm. Commissioner Dash seconded the motion.

VOTE: 4 For, 0 Against, 0 Abstain. Motion carried

APPROVED:

ATTEST:

Carl Hellings, Chairman

Austen Wilcox, Deputy Clerk

**TOWN OF YARROW POINT
PARK BOARD (TELECONFERENCE) MEETING MINUTES
March 23, 2021
7:00pm**

The following is a condensation of the proceedings and is not a verbatim transcript.

CALL TO ORDER:

Park Board Chairman John McGlenn called the meeting to order at 7:02pm

IN ATTENDANCE:

Chairperson: John McGlenn

Members: Kathy Smith
Doug Waddell
Carolyn Whittlesey
Trevor Dash
Krista Fleming

Staff: Austen Wilcox - Deputy Clerk

Guests: Bruce McGlenn – Wetherill Nature Preserve Chairman
Steve Fleming – Resident
Laurie Bugbee – Resident

APPEARENCES

Bruce Jones, Wetherill Nature Preserve Chairman and former Yarrow Point resident / Council Member shared recent updates about work progression in the Preserve. He stated they could use some assistance in the Preserve and asked the Park Board if they would be interested in helping out.

Park Board Chairman John McGlenn responded stating that the Park Board has been discussing an annual work party but due to social distancing reasons, logistics have been more difficult to arrange. He said that we should wait for more people to get vaccinated and then schedule some work parties at a later time.

REGULAR BUSINESS:

PB AB 21-05 Review and potentially select wrap option for utility boxes in Town ROW

The Park Board reviewed four graphic design options created by Park Board Member Krista Fleming. They voted on a final version to present to Council for their approval.

Deputy Clerk Wilcox will check with the utility box owner, CenturyLink, to get written approval of the design.

PB AB 21-06 Discuss status and role on the two home building projects adjacent to Sally's Alley

The Park Board discussed the future development of properties located at the east and west ends of Sally's Alley, boundaries, and potential impact to Sally's Alley. They will review further once the boundaries are staked out.

They discussed creating a Master Plan to incorporate several improvements to Sally's Alley and will continue their discussion in future meetings.

Resident Steve Fleming at 3798 94th Ave NE shared that Sally's Alley is a charming place on Yarrow Point that get used by many each day and should be protected. He supports the maintenance of it and provided suggestions on improvements.

Chairman John McGlenn responded to Mr. Fleming stating that the Park Board plans to maintain and improve Sally's Alley.

The Park Board discussed the cutting of 3 trees in the town ROW (1 sick and 2 with heavy leans towards the new home under permit review) next to the undeveloped lot at the 95th end of Sally's. The tree permit required the replacement of 6 guaranteed Evergreen trees. Replanting will happen in the Fall of 2021.

The Park Board discussed the recent removal of a bench memorial in Sally's Alley. A complaint was made and the Town requested that the bench be moved onto private property.

Resident Laurie Bugbee at 9426 NE 37th Pl shared about the complaint made and that she responded to the Town's request to move the bench onto her private property.

PB AB 21-07 Thoughts and work done on modified "Spring Clean Up" program

Park Board Member Carolyn Whittlesey offered to help organize a spring cleanup effort and Chairman John McGlenn will assist. They discussed the possibility of having Town interns help and Deputy Clerk Wilcox will check with Mayor Cahill about the option.

OTHER REPORTS:

None.

ADJOURNMENT:

Park Board Chairman John McGlenn adjourned the meeting at 8:04pm.

APPROVED:

ATTEST:

John McGlenn, Park Board Chairman

Austen Wilcox, Deputy Clerk

King County Council Chair Claudia Balducci to address the Town Council	Proposed Council Action: None
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Presented by: Mayor Cahill

Exhibits: None

Summary:

King County Council Chair Claudia Balducci is on the Beaux Arts agenda at 7:00 p.m. and will join our meeting immediately thereafter.

Recommended Action:

None

Approval of 2020 Annual Report	Proposed Council Action: Approve 2020 year-end annual report to be submitted to the State Auditor
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Presented by: Bonnie Ritter – Clerk-Treasurer

- Exhibits:**
- *C4 and C5 Financial Statements: These reports are the result of the line-by-line year-end revenues and expenditures.
 - *Notes to the Financial Statement: This document is to serve as an explanation to the public of the Town’s financial practices and financial picture
 - *Schedule 6: Summary of Bank Reconciliation
 - *Schedule 9: Liabilities

Summary:

According to RCW 43.09.230, the state auditor shall require from every local government financial reports covering the full period of each fiscal year, in accordance with the forms and methods prescribed by the state auditor, which shall be uniform for all accounts of the same class. This report is due 150 days after the close of the fiscal period, or May 30, 2020.

Recommended Action:

Approval of the 2020 Annual Report as presented, to be submitted to the State Auditor by May 30, 2020.

IF YOU HAVE QUESTIONS, PLEASE EMAIL ME AND I CAN CALL YOU TO DISCUSS: clerk-treasurer@yarrowpointwa.gov

Town of Yarrow Point
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		Total for All Funds (Memo Only)	001 General	101 Street Fund	104 Community Development Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	4,166,945	1,521,381	471,971	357,942
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	1,584,976	1,095,812	-	-
320	Licenses and Permits	297,080	67,030	62,840	167,210
330	Intergovernmental Revenues	51,987	31,412	20,575	-
340	Charges for Goods and Services	155,018	-	-	74,280
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	116,917	100,749	2,760	2,169
Total Revenues:		<u>2,205,978</u>	<u>1,295,003</u>	<u>86,175</u>	<u>243,659</u>
Expenditures					
510	General Government	397,638	314,349	-	83,289
520	Public Safety	700,570	700,570	-	-
530	Utilities	-	-	-	-
540	Transportation	274,932	-	175,001	10,111
550	Natural/Economic Environment	142,143	16,437	-	125,706
560	Social Services	300	300	-	-
570	Culture and Recreation	41,482	39,392	-	2,090
Total Expenditures:		<u>1,557,065</u>	<u>1,071,048</u>	<u>175,001</u>	<u>221,196</u>
Excess (Deficiency) Revenues over Expenditures:		648,913	223,955	(88,826)	22,463
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	1,000,000	-	20,000	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	45,122	7,422	37,700	-
Total Other Increases in Fund Resources:		<u>1,045,122</u>	<u>7,422</u>	<u>57,700</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	58,268	-	17,750	9,630
591-593, 599	Debt Service	85,607	-	-	-
597	Transfers-Out	1,000,000	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	15,000	-	15,000	-
Total Other Decreases in Fund Resources:		<u>1,158,875</u>	<u>-</u>	<u>32,750</u>	<u>9,630</u>
Increase (Decrease) in Cash and Investments:		<u>535,160</u>	<u>231,377</u>	<u>(63,876)</u>	<u>12,833</u>
Ending Cash and Investments					
50821	Nonspendable	51,307	-	-	-
50831	Restricted	884,581	-	-	-
50841	Committed	17,432	-	-	-
50851	Assigned	1,996,027	-	408,095	370,775
50891	Unassigned	1,752,759	1,752,759	-	-
Total Ending Cash and Investments		<u>4,702,106</u>	<u>1,752,759</u>	<u>408,095</u>	<u>370,775</u>

The accompanying notes are an integral part of this statement.

Town of Yarrow Point
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

	211 Bond Redemption Fund	301 Capital Improvement Fund 1	304 Capital Improvement Fund IV	311 Current Year Capital Fund	
Beginning Cash and Investments					
308	Beginning Cash and Investments	22,700	709,402	680,456	163,003
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	244,582	244,582	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	339	2,866	2,693	2,284
Total Revenues:		339	247,448	247,275	2,284
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		339	247,448	247,275	2,284
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	80,000	-	-	400,000
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		80,000	-	-	400,000
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	11,800
591-593, 599	Debt Service	85,607	-	-	-
597	Transfers-Out	-	500,000	500,000	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		85,607	500,000	500,000	11,800
Increase (Decrease) in Cash and Investments:		(5,268)	(252,552)	(252,725)	390,484
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	456,850	427,731	-
50841	Committed	17,432	-	-	-
50851	Assigned	-	-	-	553,487
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		17,432	456,850	427,731	553,487

The accompanying notes are an integral part of this statement.

Town of Yarrow Point
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		401 Stormwater Fund	701 Wetherill Endowment Fund
Beginning Cash and Investments			
308	Beginning Cash and Investments	189,087	51,003
388 / 588	Net Adjustments	-	-
Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	-
340	Charges for Goods and Services	80,738	-
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	2,753	304
Total Revenues:		83,491	304
Expenditures			
510	General Government	-	-
520	Public Safety	-	-
530	Utilities	-	-
540	Transportation	89,820	-
550	Natural/Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		89,820	-
Excess (Deficiency) Revenues over Expenditures:		(6,329)	304
Other Increases in Fund Resources			
391-393, 596	Debt Proceeds	-	-
397	Transfers-In	500,000	-
385	Special or Extraordinary Items	-	-
381, 382, 389, 395, 398	Other Resources	-	-
Total Other Increases in Fund Resources:		500,000	-
Other Decreases in Fund Resources			
594-595	Capital Expenditures	19,088	-
591-593, 599	Debt Service	-	-
597	Transfers-Out	-	-
585	Special or Extraordinary Items	-	-
581, 582, 589	Other Uses	-	-
Total Other Decreases in Fund Resources:		19,088	-
Increase (Decrease) in Cash and Investments:		474,583	304
Ending Cash and Investments			
50821	Nonspendable	-	51,307
50831	Restricted	-	-
50841	Committed	-	-
50851	Assigned	663,670	-
50891	Unassigned	-	-
Total Ending Cash and Investments		663,670	51,307

The accompanying notes are an integral part of this statement.

Town of Yarrow Point
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		<u>Custodial</u>
308	Beginning Cash and Investments	7,916
388 & 588	Net Adjustments	-
310-390	Additions	4,707
510-590	Deductions	<u>1,726</u>
	Net Increase (Decrease) in Cash and Investments:	2,981
508	Ending Cash and Investments	10,897

The accompanying notes are an integral part of this statement.

Town of Yarrow Point, Washington
For the Fiscal Year Ended December 31, 2020

Note 1 - Summary of Significant Accounting Policies

The Town of Yarrow Point was incorporated on June 30, 1959 and operates under the laws of the state of Washington applicable to a mayor-council form of government. The Town is a general purpose local government and provides street maintenance/improvements, parks, a beach, a playground, a nature preserve, building permits and inspection services, and general administrative services. The Town provides police services through the City of Clyde Hill. The City of Bellevue provides fire and emergency services, as well as water and sewer services.

The Town reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are presented using classifications that are similar to the ending balance classification in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.

Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

Permanent Funds

These funds account for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support programs for the benefit of the government or its citizenry.

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the government in a trustee capacity or as a custodian on behalf of others.

Custodial Funds

These funds are used to account assets that the government holds on behalf of others in a custodial capacity.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the Town also recognizes expenditures paid during the Open Period after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

See Note 4 - *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$7,500 and an estimated useful life in excess of five years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 240 hours and is payable upon separation or retirement. Sick

leave may be accumulated up to 500 hours. Upon separation or retirement employees do receive payment for 30% of unused sick leave. Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 5 - *Debt Service Requirements*.

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by RCW 82.46.010. When expenditures that meet restrictions are incurred, the Town intends to use the most restricted resources first.

Restrictions of Ending Cash and Investments consist of Real Estate Excise Tax and accumulated interest according to state law. Commitment of funds for the payment of long-term debt is established by Ordinance No. 656 of February 10, 2015.

Note 2 - Budget Compliance

The Town adopted the 2020 annual appropriated budgets for eleven funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund	\$ 1,166,200	\$ 1,071,047	\$ 95,153
Street Fund	\$ 340,036	\$ 207,751	\$ 132,285
Community Development	\$ 251,650	\$ 230,824	\$ 20,826
Bond Redemption	\$ 85,607	\$ 85,607	\$ 0
Capital Improvement	\$ 500,000	\$ 500,000	\$ 0
Capital Improvement IV	\$ 500,000	\$ 500,000	\$ 0
Current Year Capital	\$ 475,000	\$ 11,800	\$ 463,200
Stormwater	\$ 638,460	\$ 108,907	\$ 529,553
Wetherill Endowment	\$ 800	\$ 0	\$ 800
Agency Remittance	\$ 2,520	\$ 1,726	\$ 794

Budgeted amounts are authorized to be transferred between funds; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by Town legislative body.

Note 3 – COVID-19 Pandemic

In February 2020, the Governor of the state of Washington declared a state of emergency in response to

the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

The Town has not incurred extraordinary expenses related to COVID-19 in 2020. Expenses were limited to hand sanitizers, disinfectants, and face masks for customers. Town Hall was closed by Mayor proclamation, and to date remains accessible by appointment only.

The length of time these measures will continue to be in place, and the full extent of the financial impact on the Town is unknown at this time.

Note 4 – Deposits and Investments

Investments are reported at original cost. Deposits and investments by type at December 31, 2020 are as follows:

Type of deposit or investment	Town’s own deposits and investments
Bank deposits	\$ 522,592.15
Certificates of deposit	0
Local Government Investment Pool	\$ 4,226,480.86
U.S. Government securities	
Total	\$ 4,749.073.01

It is the Town’s policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

Investments in the State Local Government Investment Pool (LGIP)

The Town is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-

0200, online at www.tre.wa.gov.

Note 5 – Long-Term Debt (formerly *Debt Service Requirements*)

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the Town and summarizes the Town transactions for year ended December 31, 2020.

The debt service requirements for general obligation bonds, are as follows:

Year	Principal	Interest	Total
2021	\$ 77,279.38	\$ 8,327.76	\$ 85,607.14
2022	\$ 79,409.38	\$ 6,197.76	\$ 85,607.14
2023	\$ 81,598.09	\$ 4,009.05	\$ 85,607.14
2024	\$ 83,840.65	\$ 1,766.49	\$ 85,607.14
2025	\$ 1,329.55	\$ 8.68	\$ 1,338.23
Total	\$323,457.05	\$20,309.74	\$343,766.23

Note 6 – Pension Plans

A. State Sponsored Pension Plans

Substantially all Town full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plan PERS 2/3.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2020 (the measurement date of the plans), the Town’s proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	11,055	0.001525%	53,841

PERS 2/3	18,223	0.001978%	25,927
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Note 7 Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed throughout each month.

Property tax revenues are recognized when cash is received by the Town. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The Town’s regular levy for the year 2020 was \$0.42102 per \$1,000 on an assessed valuation of \$1,474,661,425 for a total regular levy of \$620,876.

Note 8 – Risk Management

The Town of Yarrow Point is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 162 members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, errors or omissions, stop gap, employment practices and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$20 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance for property, automobile physical damage, and fidelity are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members’ deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members’ deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, reinsurance and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA.

TOWN OF YARROW POINT
SCHEDULE SUMMARY OF BANK RECONCILIATION
 For the Year 2020

Bank & Investment Account name (1)	FROM BANK STATEMENTS					
	Beginning Bank Balance (2)	Deposits		Withdrawals		Ending Bank Balance (7)
		Receipts (3)	Inter-bank transfers In (4)	Disbursements (5)	Inter-bank transfers out (6)	
Banner Bank Checking 7417	\$ 304,072.37	\$ 1,904,017.18	\$ 5,000.64	\$ 1,741,531.49	\$ 300,000.00	\$ 171,558.70
Banner Bank Checking 7319	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banner Bank Savings 5316	\$ 5,000.60	\$ 0.04	\$ -	\$ -	\$ 5,000.64	\$ -
Banner Bank Savings 7712	\$ 50,993.48	\$ 39.97	\$ 300,000.00			\$ 351,033.45
Local Govt Investment Pool	\$ 3,864,733.37	\$ 361,747.49				\$ 4,226,480.86
Petty Cash	\$ -					\$ -
Bank Totals	\$ 4,224,799.82	\$ 2,265,804.68	\$ 305,000.64	\$ 1,741,531.49	\$ 305,000.64	\$ 4,749,073.01

RECONCILING ITEMS						
Beginning Deposits in Transit (8)	\$ 10,000.00	\$ (10,000.00)				
Year-end Deposits in Transit (9)		\$ -				\$ -
Beginning Outstanding & Open Period Items (10)	\$ (60,116.96)			\$ (60,116.96)		
Year-end Outstanding & Open Period Items (11)				\$ 35,744.68		\$ (35,744.68)
NSF Checks (12)		\$ -		\$ -		
Cancellation of unredeemed checks/warrants (13)		\$ -				
Interfund transactions (14)		\$ -		\$ -		
Netted Transactions (15)		\$ -		\$ -		
Authorized balance of revolving, petty cash and change funds (16)	\$ -					
Other Reconciling Items, net (17)	-126.82	+ / -		\$ -		\$ (126.82)
Reconciling Items Totals	\$ (50,243.78)	\$ (10,000.00)		\$ (24,372.28)		\$ (35,871.50)

FROM GENERAL LEDGER					
Beginning Cash & Investment Balance (19)	Revenues & Other Increases (20)		Expenditures & Other Decreases (21)		Ending Cash & Investment Balance (22)
General Ledger Totals (18)	\$ 4,174,556.04	\$ 2,255,804.68	\$ -	\$ 1,717,159.21	\$ 4,713,201.51
Unreconciled Variance (23)	\$ -	\$ -		\$ -	\$ -

**Town of Yarrow Point
Schedule of Liabilities
For the Year Ended December 31, 2020**

Schedule 9

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	General Obligation	2/26/2025	398,635	-	75,177	323,458
	Total General Obligation Debt/Liabilities:		398,635	-	75,177	323,458
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		35,727	-	13,072	22,655
264.30	Pension Liabilities		72,930	6,838	-	79,768
	Total Revenue and Other (non G.O.) Debt/Liabilities:		108,657	6,838	13,072	102,423
	Total Liabilities:		507,292	6,838	88,249	425,881

Town of Yarrow Point

**Labor Relations Consultant(S)
For the Year Ended December 31, 2020**

Has your government engaged labor relations consultants? ___ Yes X No

If yes, please provide the following information for each consultant:

Name of firm:
Name of consultant:
Business address:
Amount paid to consultant during fiscal year:
Terms and conditions, as applicable, including: Rates (e.g., hourly, etc.) Maximum compensation allowed Duration of services Services provided

**LOCAL GOVERNMENT RISK-ASSUMPTION
For the Year Ended December 31, 20__**

1. no Does the entity self-insure for any class of risk, including liability, property, health and welfare, unemployment compensation, workers' compensation? (yes/no)

If NO, STOP, you do not need to complete the rest of this Schedule.

If YES, continue below.

- a. Which class of risk does the entity self-insure? Check all that apply.
- i. Liability
 - ii. Property
 - iii. Health and Welfare (medical, vision, dental, prescription)
 - iv. Unemployment Compensation
 - v. Workers' Compensation
 - vi. Other - please describe: _____
- b. Does the entity self-insure as an individual program? (yes/no)
- i. If answered YES, does the entity allow another separate legal entity into its self-insurance program(s)? (yes/no) For example, employees of a different organization participate in a health and welfare program of a city.

If so, list the entity or entities: _____
- c. Does the entity self-insure as a joint program? (yes/no)

 If answered YES, list the other member(s): _____

2. ____ Does the entity administer its own claims? (yes/no)
3. ____ Does the entity contract with a third party administrator for claims administration? (yes/no)
4. ____ Did the entity receive a claims audit in the last three years, regardless of who administered the claims? (yes/no)
5. ____ Were the program's revenues sufficient to cover the program's expenses? (yes/no)
6. ____ Did the program use an actuary to determine its liabilities? (yes/no)

EXAMPLE

Description of Risk Type	Number of claims received during the period	Number of claims paid during the period	Total amount of claims paid during the period
Liability (automobile)	354	279	\$104,366

Description of Risk Type	Number of claims received during the period	Number of claims paid during the period	Total amount of claims paid during the period

<ol style="list-style-type: none">1. ARCH Budget and Work Program2. Trust Fund Project Funding Recommendations	Proposed Council Action: Motion to approve Resolution No. 350 Motion to approve Resolution No. 351
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Presented by: Representative from ARCH – Lindsay Masters.

Exhibits: Memo to Councils on 2021 ARCH Administrative Budget and Work Program (dated 5/29/2020)
PowerPoint presentation on 2021 Adm Budget & Work Program
Resolution No. 350 approving the 2021 Budget and Work Program

Memo to Councils on Housing Trust Fund (HTF) Recommendations (dated 12/17/2020)
Resolution No. 351 authorizing agreements and funding of projects

Summary:

Resolution No. 350 is to approve submittal of \$2401 for the administrative budget (as requested), plus \$7599 to the Trust Fund (\$6584 requested), for the total of \$10,000 that the Town budgeted for 2021.

Resolution No. 351 is to give ARCH permission to expend \$8700 from the Town's portion of the ARCH trust fund. These funds were previously contributed to the Trust Fund by the Town.

Recommended Action:

ARCH is asking the Council to adopt:

1. Resolution No. 350: Approving the 2021 Administrative Budget and Work Program for ARCH; and
2. Resolution No. 351: Authorizing the Duly-Appointed Administering Agency for ARCH to Execute All Documents Necessary to Enter into Agreements for the Funding of Affordable Housing Projects, as Recommended by the ARCH Executive Board

MEMORANDUM

Date: May 29, 2020
From: Lindsay Masters, ARCH Executive Manager
To: ARCH Member Councils
Subject: ARCH 2021 Budget and Work Program

Please find attached the 2021 ARCH Budget and Work Program, which was for adopted for recommendation by a unanimous vote of the ARCH Executive Board on April 20, 2020. This memo provides an overview of the recommendation, including the key principles that guided the proposal, highlights from the budget and work program, and information on ARCH's ongoing work to facilitate affordable housing projects and planning.

Background and Principles

In accordance with the ARCH Interlocal Agreement, each year the ARCH Executive Board is responsible for delivering a recommended budget and work program to member councils by June 1 for the following calendar year. In light of the extraordinary challenges currently facing ARCH member communities, the proposed Budget and Work Program for 2021 was developed with the following core principles in mind:

- Acknowledge and prepare for fiscal impacts from the current public health crisis.
- Preserve existing assets to ensure no net loss of affordable housing.
- Continue to make progress on current projects and planning to the greatest extent possible.

These principles recognize the very real economic hardships faced by local governments, while also demonstrating a continued commitment to creating and preserving safe, stable and affordable housing for members of the community also suffering from economic impacts. Now more than ever, we recognize the value of safe, stable and affordable homes for all members of the community.

ARCH MEMBERS

BEAUX ARTS VILLAGE ♦ BELLEVUE ♦ BOTHELL ♦ CLYDE HILL ♦
HUNTS POINT ♦ ISSAQUAH ♦ KENMORE ♦ KIRKLAND ♦ MEDINA ♦ MERCER
ISLAND ♦ NEWCASTLE ♦ REDMOND ♦ SAMMAMISH ♦ WOODINVILLE ♦ YARROW
POINT ♦ KING COUNTY

2021 Administrative Budget and Work Program

The recommended 2021 Administrative Budget and Work Program are shown in **Attachments 1 and 2.**

Administrative Budget

- Member dues are held constant at 2020 levels
- Planned expenses are limited to the minimum necessary to preserve current operations and staffing
- New administrative fees are established to cover any inflation in costs from 2020 and help replenish operating reserves while mitigating any impacts to member dues

Work Program

- ARCH's core services are maintained, including critical monitoring and stewardship functions that will ensure preservation of existing affordable housing assets.
- Priorities established in 2020 are carried over into 2021, reflecting an ongoing commitment to preserve and expand housing opportunities to the greatest extent possible, including:
 - Provide excellent stewardship of affordable housing assets
 - Finalize and begin reporting on measurable goals for production and preservation of affordable housing across ARCH member communities
 - Continue to support proposals for dedicated revenue sources for the Housing Trust Fund to expand production of affordable housing.
 - Recommend options for expanding ARCH's capacity to accomplish its broader mission.
 - Seek opportunities to advance projects and programs with high potential impact and facilitate projects in the pipeline to the greatest extent possible.
 - Respond to emerging needs identified by local communities and member jurisdictions.

Continued Improvements to Monitor and Steward Affordable Units

ARCH is continuing to make significant improvements in monitoring and stewardship of existing affordable housing to ensure long-term preservation of these valuable community resources. Based on a consultant evaluation in 2019, the ARCH Executive Board approved and member councils concurred with the decision to dedicate two new staff positions to these functions.

The staffing levels established in 2019 were the minimum amount deemed necessary to carry out essential responsibilities, given the major growth in the portfolio overseen by ARCH without any growth in staffing since the early-2000s. The value of this portfolio is now immense, saving renter households roughly \$50 million annually in rent, and bringing ownership opportunities below market by roughly \$375 million to create a pathway to homeownership for many low to middle income households.

The addition of staff capacity, together with a continuing commitment by ARCH's board and management on preserving and strengthening existing programs, has resulted in the following improvements:

Rental Program

- Developed written policies and standard forms to ensure consistent documentation and procedures for verifying income eligibility
- Established procedures for routine on-site file audits to verify compliance data submitted in annual reports
- Expanded data collection and analysis to evaluate program outcomes, and developed a dashboard to track program metrics
- Developed web-based training and resources to train property managers on compliance requirements

Homeownership Program

- Established a comprehensive database to track affordable homes
- Adopted procedures for annual monitoring of owner occupancy requirements
- Conducted in-depth analysis of resale data and adopted a standardized resale formula that, together with modifications to initial home pricing, will better preserve long-term affordability
- Developed a program manual of policies and procedures to ensure clear and consistent implementation of program rules
- Refined income eligibility requirements to ensure affordable homes go to buyers without significant assets
- Adopted a priority policy for buyer selection to target newly developed homes based on income, household size, first time homebuyer status and residency or employment within the community
- Adopted procedures to extend the term of affordability when homes are re-sold
- Adopted administrative fees to strengthen the financial sustainability of the program
- Began tracking demographic information of buyers and applicants on the waitlist, and developed a dashboard to report on key demographic measures

In addition to the above improvements, ARCH staff have stepped up efforts to respond to the growing number of community members in need, providing assistance and referrals to renters and homeowners to a range of resources.

Housing Trust Fund Contributions / HB 1406 Sales Tax

Separate from contributions to ARCH's administrative budget, each year ARCH member jurisdictions are encouraged to contribute on a voluntary basis toward the ARCH Housing Trust Fund (see **Attachment 3** for updated Parity Goals for each jurisdiction). The Trust Fund is a critical program with a long and successful track record of financing local affordable housing projects, which are developed by mission-driven agencies and carefully vetted by a Citizen Advisory Board each year.

The need and demand for these resources remains urgent. In 2019, ARCH received applications for a record \$19 million in funding for development of affordable housing, and

was able to recommend approximately \$5 million based on available funds from 2018 and 2019. These awards will have an important impact in expanding both the production of affordable homes and emergency shelter capacity on the Eastside, but left some projects partially funded with the intent of providing full funding in subsequent funding rounds. In addition, ARCH is working with multiple jurisdictions to ensure affordable housing is included within transit-oriented development projects. These opportunities are also dependent on securing critical public investment.

In 2019, ARCH provided a recommendation memo encouraging all members to implement the sales tax authorized by HB 1406, which allows local jurisdictions to retain a portion of the state's sales tax for affordable housing and related uses. Recognizing the significant impacts to local general funds already materializing from the current public health crisis, ARCH urges all member jurisdictions to ensure timely passage of the required ordinance by the deadline of July 27, 2020 to ensure this valuable revenue stays with local communities.

Conclusion

The ARCH coalition continues to serve an incredible need on the Eastside. The affordable homes created through cooperative local actions and funding over the last three decades are more valuable than ever, as the need for homes that provide stability and affordability is growing dramatically. ARCH remains committed to preserving these assets for the community long-term, and seeking strategic opportunities to continue facilitating additional housing opportunities for the growing number of households in need.

Attachments:

1. 2021 ARCH Administrative Budget
2. 2021 ARCH Work Program
3. Housing Trust Fund Parity Goals

Attachment 1

2021 ARCH Administrative Budget

Final Adopted by Executive Board

April 2020

	2020 Budget	Final 2021 Budget	
	2020 Approved Budget	2021 Recommended Budget	% Change
I. TOTAL EXPENSES	\$ 1,110,097	\$ 1,155,261	4.1%
A. Personnel	\$ 1,003,399	\$ 1,039,303	3.6%
Salary and Benefits (7.0 FTEs, 2 part-time interns)	\$ 1,003,399	\$ 1,039,303	3.6%
B. Operating	\$ 67,195	\$ 76,456	13.8%
Rent & Utilities	\$ 24,780	\$ 24,780	0.0%
Telephone	\$ 4,586	\$ 5,500	19.9%
Travel/Training	\$ 2,600	\$ 2,730	5.0%
Auto Mileage	\$ 3,500	\$ 3,605	3.0%
Copier/Printing Costs	\$ 1,803	\$ 1,893	5.0%
Office Supplies	\$ 3,100	\$ 3,255	5.0%
Internet/Website Fees	\$ 2,215	\$ 2,326	5.0%
Postage	\$ 1,500	\$ 1,575	5.0%
Periodical/Membership	\$ 4,112	\$ 4,317	5.0%
Misc. (events, etc.)	\$ 2,000	\$ 2,100	5.0%
Equipment Replacement	\$ 2,000	\$ 3,000	50.0%
Database/software licensing	\$ 15,000	\$ 18,375	22.5%
Relocation Costs		\$ 3,000	N/A
C. In-Kind Admin/Services	\$ 19,503	\$ 19,503	0%
Insurance	\$ 9,660	\$ 9,660	
IT Services	\$ 9,843	\$ 9,843	
D. Grants and Consultant Contracts	\$ 20,000	\$ 20,000	0%
Consultant Contracts	\$ 20,000	\$ 20,000	0%

	2020 Approved Budget	2021 Recommended Budget	%
			Change
		City Per Capita \$1.98	
		KC Per Capita \$0.93	
II. TOTAL INCOME	\$ 1,110,097	\$ 1,155,261	4.1%
A. Member Contributions	\$ 1,103,897	\$ 1,103,897	0.0%
Beaux Arts Village	\$ 2,000	\$ 2,000	0.0%
Bellevue	\$ 281,876	\$ 281,876	0.0%
Bothell	\$ 89,384	\$ 89,384	0.0%
Clyde Hill	\$ 6,551	\$ 6,551	0.0%
Hunts Point	\$ 2,000	\$ 2,000	0.0%
Issaquah	\$ 72,244	\$ 72,244	0.0%
Kenmore	\$ 44,921	\$ 44,921	0.0%
Kirkland	\$ 175,946	\$ 175,946	0.0%
Medina	\$ 6,523	\$ 6,523	0.0%
Mercer Island	\$ 50,222	\$ 50,222	0.0%
Newcastle	\$ 23,006	\$ 23,006	0.0%
Redmond	\$ 123,104	\$ 123,104	0.0%
Sammamish	\$ 127,494	\$ 127,494	0.0%
Woodinville	\$ 23,673	\$ 23,673	0.0%
Yarrow Point	\$ 2,401	\$ 2,401	0.0%
King County	\$ 75,000	\$ 75,000	0.0%
Bellevue Detail	\$ 281,876	\$ 281,876	0%
Cash Contributions	\$ 86,673	\$ 86,173	
In-Kind Contributions	\$ 195,203	\$ 195,703	
Personnel	\$ 175,700	\$ 176,200	
Insurance	\$ 9,660	\$ 9,660	
IT Services	\$ 9,843	\$ 9,843	
B. Other Income	\$ 6,200	\$ 51,364	728.5%
<i>New Homeownership Program Fees</i>	\$ -	\$ 45,064	
Existing Administrative Fees	\$ 4,200	\$ 4,200	
Interest Earned	\$ 2,000	\$ 2,100	

III. RESERVES, CONTINGENT INCOME AND EXPENSES

Note: This section expresses intended use of any excess revenues above levels needed to cover basic operating costs.

A. Contingent Expenses

<i>Replenish operating reserves</i>	\$ -	\$ 150,936	N/A
Homeownership Program Staffing/Expenses	\$ 150,000	\$ -	-100%
Other Staffing/Services	\$ 150,000	\$ -	-100%

B. Contingent Revenue

Excess Administrative Fees	\$ 150,000	\$ 150,936	1%
Service Fees	\$ 150,000	\$ -	-100%

Attachment 2

ARCH WORK PROGRAM: 2021

2021 Priorities

In 2021, ARCH will elevate the following priorities in its Work Program:

- Provide excellent stewardship of affordable housing assets
- Finalize and begin reporting on measurable goals for production and preservation of affordable housing in the ARCH region
- Continue to support proposals for dedicated revenue sources for affordable housing
- Recommend options for expanding ARCH's capacity to accomplish its broader mission
- Seek opportunities to advance projects and programs with high potential impact and facilitate projects in the pipeline to the greatest extent possible
- Respond to emerging needs identified by local communities and member jurisdictions

I. AFFORDABLE HOUSING INVESTMENT

A. ARCH Housing Trust Fund

Parity Goals. Develop updated goals for member investments through the ARCH HTF.

Annual Funding Round. Develop funding priorities and evaluation criteria for the annual funding round. Advertise available funds and manage a competitive process on behalf of member cities. Review funding applications and develop recommendations through the Citizen Advisory Board (CAB), with input from member staff. Develop final recommendations by the ARCH Executive Board and facilitate final funding allocations through member councils.

Public Funding Coordination. Work collaboratively with public funders at the State and local levels to promote shared affordable housing goals and equitable geographic distribution of resources. Review and provide input to other funders for Eastside projects that apply for County (HOF, RAHP, HOME, TOD, etc.) and State (Tax Credit, State Housing Trust Fund) funds. Provide input to the King County Joint Recommendations Committee (JRC) on behalf of participating Eastside jurisdictions. Assist N/E consortium members with evaluating and making a recommendation to the County regarding CDBG allocations to affordable housing.

Private Funding Coordination. Work with private investors and lenders to maximize leverage of public investment into affordable housing. Negotiate maximum public benefits from investment of housing funds into private projects.

Project Pipeline Management. Work with member cities and project sponsors to develop a robust pipeline of projects to be funded over the next five years (see related work on Transit Center sites, below). Actively vet potential HTF projects, and lead funding policy and prioritization discussions with the ARCH Executive Board to facilitate planning and decision-making.

Contract Development and Monitoring. Prepare contract documents and distribute funds for awarded projects. Monitor funded projects including evaluating performance and tracking loan payments. Monitor for long term sustainability of previously funded projects.

Centralized Trust Fund Reporting. Work with Administering Agency (Bellevue) to maintain records and produce regular financial reports for the ARCH Trust Fund accounts.

B. Special Projects

Transit-Oriented Development Sites. Assist cities with advancing and coordinating affordable housing projects near transit. Partner with Sound Transit, King County Metro and other public agencies to maximize opportunities on public property. Current opportunities include sites in Bel-Red, Overlake, Downtown Redmond, Issaquah, Kirkland, Bothell, and Kenmore.

Surplus Property/Underdeveloped Property. Assist with evaluation of public surplus or underutilized private property (e.g. faith community properties) for suitability of affordable housing. Provide technical assistance to property owners interested in supporting affordable housing. Develop an inventory of promising public and nonprofit property and begin to engage owners to gauge interest in disposition for housing.

Eastside Shelter Capacity. Support efforts by Eastside shelter providers, Eastside Human Services Forum, and member cities to implement an East King County sub-regional strategic approach to shelter and related services for homeless adults and families. Support the construction of a permanent year-round men's shelter, and support efforts by member jurisdictions to fund long-term operations of shelter for men, women, families, youth and young adults.

Preservation of At Risk Affordable Housing. Work with member cities to facilitate acquisitions or other strategies to preserve existing housing where affordability is at risk of being lost, including at-risk manufactured housing communities. As needed, assist with responding to notices of sale of HUD assisted properties received by member cities, or other information indicating an impending loss of existing affordable housing.

Strategic Predevelopment Investment. With approval of the Executive Board invest in predevelopment studies to investigate feasibility and financial efficiency of special projects.

II. HOUSING POLICY AND PLANNING

A. Local Policy, Planning and Code Development

ARCH provides assistance directly to member cities on a range of local planning efforts. Local planning efforts with individual member cities may be found in *Attachment A*. These efforts may take different forms, such as:

- **Housing Element Updates.** Work with members to update comprehensive plan housing elements.
 - Prepare an east King County housing needs analysis with focused analyses for each city—including projected affordable housing needs—to fulfill GMA requirements.
 - Coordinate local and ARCH affordable housing goals with King County Affordable Housing Committee and Countywide Planning Policies.
 - Assist with policy writing, outreach, presentations, etc. as needed.
- **Housing Strategy Plans.** Assist members to prepare housing strategies to implement housing elements and create council work plans. Cities with recently completed strategy plans include Bellevue, Issaquah, Kenmore, Bothell, Kirkland, Redmond, and Sammamish.
- **Incentive Program Design.** Provide economic analysis and policy and program development support to design housing incentive programs, including land use, property tax, impact fee waivers and other incentives.
- **Land Use Code Amendments.** Assist city staff on land use and other code amendments in order to implement comprehensive plan policies.
- **Other Support.** Other areas in which ARCH could provide support to member cities include preservation of valuable community housing assets, assistance to households displaced by development activity, or negotiation of agreements for specific development proposals. ARCH views this as a valuable service to its members and will continue to accommodate such requests to the extent they do not jeopardize active work program items.

B. Inter-Local / Eastside Planning Activities

Interlocal planning activities are coordinated by ARCH for the benefit of multiple members.

ARCH Regional Affordable Housing Goals and Reporting. Work with member staff and the ARCH Executive Board to report on adopted goals for production and preservation of affordable housing across ARCH member communities.

Eastside Equitable Transit-Oriented Development Plan. Partner with transit agencies and other stakeholders to plan for equitable transit-oriented development on the Eastside. Define shared policy goals and strategies, establish numerical goals for affordable unit production, advance specific site opportunities and manage the affordable housing funding pipeline.

Long-Term Funding/Dedicated Revenue Strategy. Continue work on a long-term funding strategy for the ARCH Trust Fund. Facilitate conversations with member cities on identifying and exploring dedicated sources of revenue for affordable housing at the local and regional level (e.g., REET, property tax levy, 0.1% sales tax, etc.). Provide relevant data and develop options for joint or individual revenue approaches across ARCH member cities and determine any shared state legislative priorities to authorize local options for funding.

Eastside Housing Data Analysis. On an annual basis, provide local housing and demographic data as available. Make information available to members for planning efforts and incorporate into ARCH educational materials.

Housing Diversity/Accessory Dwelling Units (ADUs). Continue to support a diversity of housing options among member cities:

- Accessory Dwelling Units (ADUs): Explore outreach and other ways to promote ADU development (e.g., improve online resources, provide connections to financing options). Explore partnership with eCityGov Alliance to increase accessibility of ADU permitting (e.g., update tip sheets and create streamlined portal through MyBuildingPermit.com). Explore a centralized system for tracking ADU production.
- Facilitate sharing of best practices for encouraging “missing middle” housing types.
- Help jurisdictions develop strategies and codes to address emerging housing types, like micro-housing, small efficiency dwelling units, and others.

C. State Legislative Activities

The ARCH Executive Board will discuss and explore shared legislative priorities for advancing affordable housing in the region. ARCH staff will track relevant state (and, where feasible, federal) legislation. As needed, staff will report to the Executive Board and members, and coordinate with relevant organizations (e.g. AWC, SCA, WLIHA, HDC) to advance shared legislative priorities.

D. Regional/Countywide Planning Activities

ARCH participates in regional planning efforts to advance Eastside priorities and ensure that perspectives of communities in East King County are voiced in regional housing and homelessness planning.

King County GMPC Affordable Housing Committee / Housing Inter-Jurisdictional Team (HIJT). Support efforts to advance the five-year action plan developed by the Regional Affordable Housing Task Force (RAHTF) in 2018. ARCH will help staff the HIJT, which provides support to the Growth Management Planning Council’s Affordable Housing Committee (AHC).

Regional Affordable Housing Task Force Action Plan. In addition to staffing the GMPC committee, pursue other opportunities to advance strategies called for in the RAHTF Action Plan. Facilitate discussions as needed with members and the Executive Board to consider actions recommended in the five-year plan.

All Home/ Eastside Homeless Advisory Committee (EHAC). Collaborate with All Home, EHAC and other relevant organizations and initiatives to advance shared work on homelessness. Coordinate allocation of resources, and work on specific initiatives (e.g., coordinated entry and assessment for all populations).

Explore Collaboration with Cities in North and East King County. As requested, engage cities interested in supporting affordable housing in north and east King County that are not currently members of ARCH. Explore collaboration that provides benefits for additional cities and current ARCH member cities.

III. HOUSING PROGRAM IMPLEMENTATION

A. Administration of Housing Incentive and Inclusionary Programs

ARCH partners with member cities to administer local housing incentive and inclusionary programs, including mandatory inclusionary, voluntary density bonus, multifamily tax exemption (MFTE) and other programs. Specific programs administered by ARCH include:

Jurisdiction	Incentive/Inclusionary Programs
Bellevue	Voluntary density bonuses, MFTE, impact fee waivers.
Bothell	Inclusionary housing.
Issaquah	Development agreements, voluntary and inclusionary programs, impact and permit fee waivers.
Kenmore	Voluntary density bonuses, MFTE, impact fee waivers.
Kirkland	Inclusionary program, MFTE.
Mercer Island	Voluntary density bonus, MFTE.
Newcastle	Inclusionary program, impact fee waivers.
Redmond	Inclusionary program, MFTE.
Sammamish	Inclusionary and voluntary density bonuses, impact fee waivers.
Woodinville	MFTE.
King County	Development agreements.

ARCH roles and responsibilities will typically include:

- Communicate with developers/applicants and city staff to establish applicability of codes and policies to proposed developments
- Review and approve proposed affordable housing (unit count, location/distribution, bedroom mix, and quality)
- Review and recommend approval of MFTE applications.
- Review and recommend approval of alternative compliance proposals
 - For fee in lieu projects, provide invoices and receipts for developer payments
- Develop contracts and covenants containing affordable housing requirements
- Ensure implementation of affordable housing requirements during sale/lease-up
- Register MFTE certificates with County Assessor and file annual MFTE reports with state Commerce.
- On-going compliance monitoring (see Stewardship, below).

[MyBuildingPermit.com](#). Explore feasibility of using MyBuildingPermit.com to take in, review, and process projects (covenants) using land use and/or MFTE programs.

B. Stewardship of Affordable Housing Assets

ARCH provides long-term oversight of affordable housing created through city policies and investment to ensure stewardship of these critical public assets for residents, owners and the broader community.

Affordable Rental Housing Monitoring. Enforce ongoing compliance with affordability requirements in rental housing projects created through direct assistance (e.g. Trust Fund allocation, land donations) from member jurisdictions, and through incentive and inclusionary programs. For Trust Fund projects, monitor project income and expenses to determine cash flow payments, and conduct long-term sustainability monitoring of projects and owners. Proactively problem-solve financial and/or organizational challenges in partnership with project owners and other funders.

Administer a robust compliance monitoring program, including:

- Ensure compliance with rent and income restrictions through timely annual report reviews and supplemental on-site file audits
- Provide training and technical assistance for property managers
- Maintain written standards for eligibility, leasing and other program requirements
- Implement standard remedies for non-compliance
- Respond to tenant issues and questions

In addition, work with cities to implement fee structures that build more sustainable monitoring efforts, and develop formal MOUs with other funders to govern shared monitoring responsibilities. To the extent feasible, establish working relationship with other public organizations that can help assess how well properties are maintained and operated (e.g. code compliance, police, and schools).

ARCH Homeownership Program Stewardship. Provide effective administration to ensure ongoing compliance with affordability and other requirements in ARCH ownership housing, including enforcement of resale restrictions, buyer income requirements, and owner occupancy requirements. Implement adopted policies and procedures for monitoring and work with cities to address non-compliance.

Continue to implement long-term recommendations in the 2019 Program Assessment from Street Level Advisors that support the program objective of preserving long-term affordability, including:

- Work with member planning and legal staff to make improvements to boilerplate legal documents, in consultation with key stakeholders and outside counsel, as needed
- Develop strategies to preserve homes at risk of foreclosure
- Preserve expiring units and pursue strategies to re-capture lost affordability
- Pursue offering brokerage services to provide cost-savings to homebuyers and diversify program revenue
- Plan for additional staff capacity as the number of ARCH homes continues to grow.
- Implement program fees to ensure program financial sustainability

Program Database Development. Continue to improve and refine use of new ARCH Homeownership Program database to collect critical program data and evaluation, compliance monitoring, communication with program participants, and other key functions. Continue to improve and streamline data systems for ARCH Rental Program.

IV. EDUCATION AND OUTREACH

A. Housing 101/Education Efforts

Housing 101. Develop educational tools and conduct or support events to inform councils, member staff and the broader community of current housing conditions, and of successful housing programs. Build connections with community groups, faith communities, developers, nonprofits and others interested in housing issues. Plan and conduct a Housing 101 event to occur no later than the end of 2021.

Private Sector Engagement. Support efforts by ARCH member cities to engage employers and private sector entities in discussions around the need for more affordable housing and identifying options for public-private partnerships.

Share media coverage on topics related to affordable housing in East King County, including work done by cities/ARCH.

B. Information and Assistance for the Public

ARCH Website. Update information on the ARCH website on a regular basis, including information related to senior housing opportunities. Maintain the ARCH web site and update the community outreach portion by incorporating information from Housing 101 East King County, as well as updated annual information, and links to other sites with relevant housing information (e.g. All Home, HDC). Add information to the website on ARCH member affordable incentive programs and fair housing.

Assist Community Members Seeking Affordable Housing. Maintain up-to-date information on affordable housing in East King County (rental and ownership) and distribute to people looking for affordable housing. Continue to maintain a list of households interested in affordable ownership and rental housing and advertise newly available housing opportunities.

Work with other community organizations and public agencies to develop appropriate referrals for different types of inquiries received by ARCH (e.g., rapid re-housing, eviction prevention, landlord tenant issues, building code violations, fair housing complaints, etc.).

C. Equitable Access to Affordable Housing in East King County

Collect and analyze data on existing programs to determine potential gaps in access by different populations, such as communities of color, immigrant and refugee communities, homeless individuals and families, and workers in EKC commuting from other communities. Pursue strategies to increase access to affordable housing in EKC by underserved communities. Develop outreach and marketing efforts to maximize awareness of affordable housing opportunities in East King County, and build partnerships with diverse community organizations.

V. ADMINISTRATION

A. Administrative Procedures

Maintain administrative procedures that efficiently and transparently provide services to both members of ARCH and community organizations utilizing programs administered through ARCH. Activities include:

- Prepare the Annual Budget and Work Program and ensure equitable allocation of administrative costs among ARCH members.
- Prepare quarterly budget performance and work program progress reports, Trust Fund monitoring reports, and monitor expenses to stay within budget.
- Manage the ARCH Citizen Advisory Board, including recruiting and maintaining membership that includes broad geographic representation and a wide range of housing and community perspectives.
- Staff the Executive Board.
- Work with Administering Agency to streamline financial systems.
- Review and update bylaws and ensure timely renewal of the ARCH Interlocal Agreement.

B. Organizational Assessment and Planning

The ARCH Executive Board will continue to evaluate ARCH's organizational capacity to accomplish its Work Program and broader mission. The Board will review ARCH's organizational structure, staffing resources, capital resources and other foundational aspects of the organization to determine any gaps, and assess options for expanding organizational capacity. The assessment will result in recommendations for the following year's work program and budget.

*Attachment A
Local Planning Efforts by City*

ARCH staff plan to assist members' staff, planning commissions, and elected councils in the following areas:

Bellevue

Implementing Bellevue's Affordable Housing Strategy, including:

- Increasing development potential on suitable land owned by public agencies, faith-based groups, and non-profits housing entities.
- Reviewing parking requirements and other code changes to encourage micro-apartments around light rail stations.
- Updating Wilburton and East Main neighborhood plans, including affordable housing density incentives.
- Developing funding strategy for affordable housing on suitable public lands in proximity to transit hubs including 130th TOD parcels and TOD parcels at the OMFE.

Bothell

Implementing its Housing Strategy Plan.

Establishing an MFTE program.

Evaluating affordable housing provisions related to zoning and other code amendments and implementing those adopted.

Work related to affordable housing component of the city's LIFT program in their downtown areas. Includes assisting with any reporting requirements and potentially exploring additional opportunities for affordable housing on private and city owned properties in the downtown revitalization area.

Evaluating the updated state legislation regarding impact fee waivers for affordable housing and explore potential revisions to local regulations related to impact fee waivers for affordable housing.

Evaluating and implementing affordable housing strategies in its Canyon Park plan.

Supporting updates to policies and codes for affordable housing options, including ADUs, micro-housing, small efficiency dwelling units, and "missing middle" housing.

Issaquah

Preparing the annual Affordable Housing Report Card/Analysis.

Updating and consolidating Title 18 and Central Issaquah Development and Design Standards.

Evaluating and, as needed, implementing development standards and regulations related to the housing policies adopted in the Central Issaquah Plan and Central Issaquah Standards, including inclusionary zoning.

Evaluating and strategizing sequencing potential projects/opportunities such as those near transit facilities, including coordination with potentially utilizing the King County TOD funds.

Initial work on high priority strategies identified in the Housing Strategy Work Plan including:

- Improving marketing and the understanding of ADUs and the development process.
- Facilitating development of a TOD.
- Amending codes to increase allowed diverse housing types such as SROs and cottage housing.
- Supporting housing options and services to assist people experiencing housing insecurity and those with barriers to independent living.

Marketing and maximizing awareness of affordable housing opportunities in Issaquah.

Kenmore

Implementing a high priority item identified in the Housing Strategy Plan.

Completing the Preservation of Affordable Housing/Mobile Home Park project started in 2018, including assistance with developing regulations to implement Council's policy direction on land use and other strategies.

Assisting with technical questions, provide supporting data as needed, and:

- Review proposed code provisions for "missing middle" housing.
- Negotiating agreements where affordable housing is proposed including the Transit Oriented District (TOD) overlay.

Reviewing and developing options and opportunities for partnerships to incorporate affordable housing into transit projects including the siting of parking structures in Kenmore for the Sound Transit ST3 proposal.

Kirkland

Implementing programs to encourage construction of more ADUs.

Housing-related issues in on-going neighborhood plan updates.

Developing regulations to promote transit-oriented development (TOD) at the Kingsgate Park and Ride, including affordable housing.

Housing issues that come before Council Planning and Economic Development Committee and resulting initiatives.

Housing issues related to Station Area Plan (I-405/NE 85th Street).

Affordable housing preservation efforts and initiatives.

Scoping potential affordable housing levy options.

Mercer Island

Reviewing the City's MFTE program and evaluating options for a fee-in-lieu alternative to land use requirements.

Updating the Housing Strategy Plan.

Reviewing components of residential development standards that are associated with housing stock diversity.

Newcastle

Updating the Housing Strategy Plan.

Outreach efforts related to ADUs.

Redmond

Implementing strategies to increase the level of affordability for new housing in Overlake and Southeast Redmond as part of the development of master plans and development agreements, including exploring ways to leverage other resources.

Promoting affordable housing and other programs available to Redmond residents and developers, e.g., Accessory Dwelling Units (ADUs).

Implementing other high priority items identified in the City Council's 2019 Strategic Plan.

Updating the Strategic Housing Plan and the Affordable Housing Strategies Work Plan of June 2016, such as encouraging public/private partnerships to promote the development of affordable housing in urban centers.

Sammamish

Implementing the Housing Strategy Plan.

Finalizing resale requirements and other tasks related to the affordability provisions for site donated to Habitat.

Exploring impacts to and solutions for affordable housing related to code and policy updates during legislative review.

Promoting available housing assistance and affordable housing programs to Sammamish's workforce and residents.

Woodinville

Updating the Housing Strategy Plan.

Reviewing and updating affordable housing and accessory dwelling unit programs and regulations.

Evaluating and developing incentives for affordable housing as provided for in the Downtown/Little Bear Creek Master Plan area.

Reviewing components of residential development standards that are associated with housing stock diversity.

King County

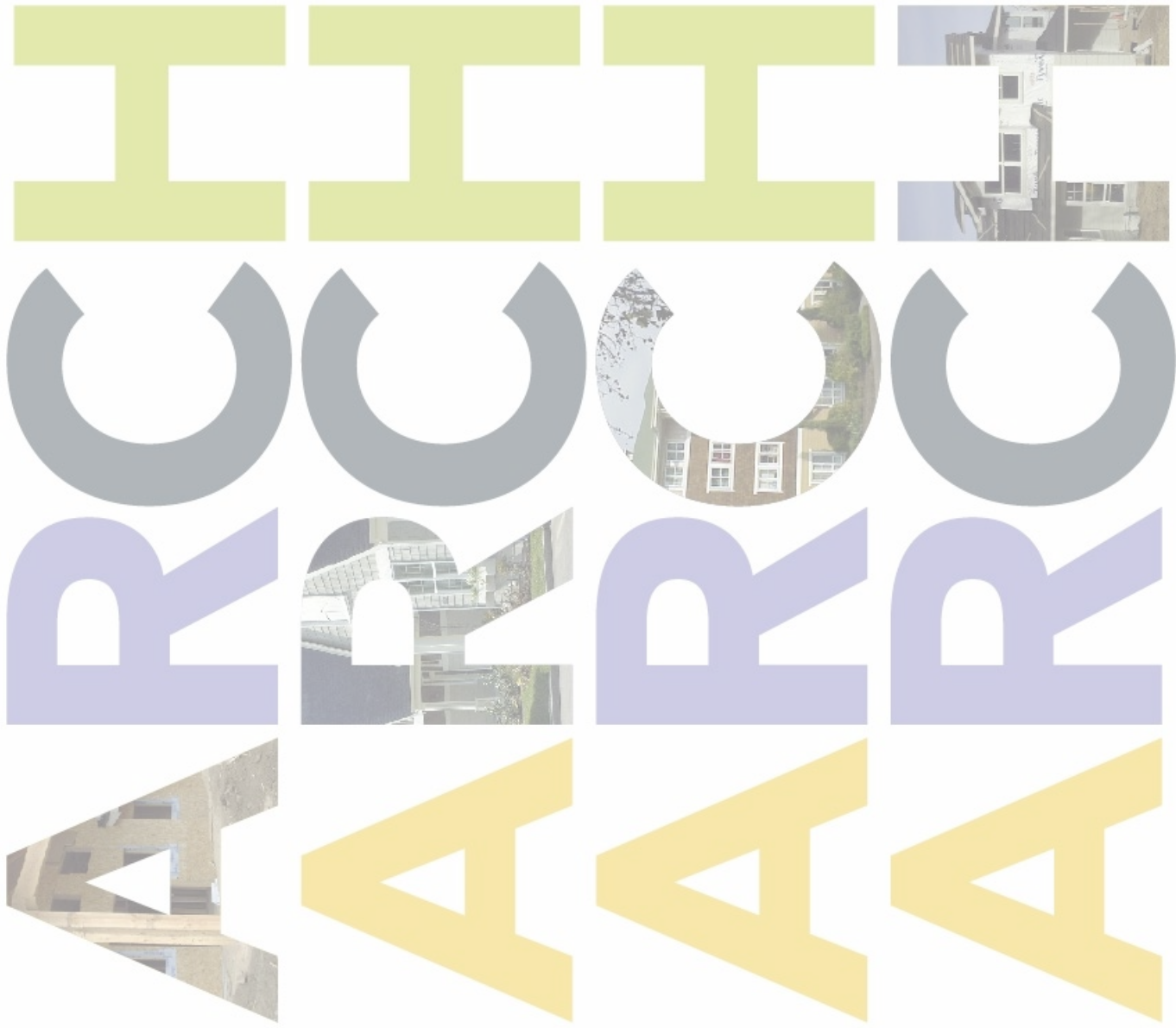
Monitoring affordable housing in the Northridge/Blakely Ridge and Redmond Ridge Phase II affordable housing development agreements.

Attachment 3

ARCH Housing Trust Fund Parity Goals (May 2020)

Parity goals are voluntary goals established to foster equitable distribution of investment in affordable housing across ARCH member cities. Goals are calculated using cities' population, projected employment and housing, with updates based on the most recent annual Consumer Price Index.

City	Low Goal	High Goal
Beaux Arts Village	\$54	\$1,855
Bellevue	\$696,389	\$1,076,709
Bothell	\$177,102	\$320,955
Clyde Hill	\$0	\$18,825
Hunts Point	\$0	\$2,596
Issaquah	\$174,597	\$355,511
Kenmore	\$54,437	\$183,257
Kirkland	\$351,271	\$539,345
Medina	\$0	\$20,062
Mercer Island	\$18,146	\$150,045
Newcastle	\$13,337	\$76,722
Redmond	\$302,535	\$626,475
Sammamish	\$32,662	\$392,392
Woodinville	\$57,799	\$154,876
Yarrow Point	\$0	\$6,584
Total	\$1,878,329	\$3,926,210



A Regional Coalition for Housing

Trust Fund Recommendations

Yarrow Point Town Council

April 13, 2021

Lindsay Masters, ARCH Executive Manager

Klaas Nijhuis, Senior Planner

Agenda

- Housing Trust Fund Program Overview
- 2020 Funding Recommendations:
 - Eastgate Supportive Housing
 - Samma Senior Apartments
 - Horizon at Totem Lake

ARCH Housing Trust Fund

- Senior Housing
- Family and Workforce Housing
- Homeless and Special Needs Housing
- Homeownership
- Transit-Oriented Development
- Shelter and Transitional Housing



Investment Principles

Cross-jurisdiction support - credit for joint investments in the region

Competition - advance best projects each year

Leverage - maximize return on local investment

Geographic equity - create diverse housing choices across the Eastside

Community - projects shaped by professional expertise and community perspectives

Sustainability of projects and investments

Coordination between local, county and state priorities - elevate Eastside projects

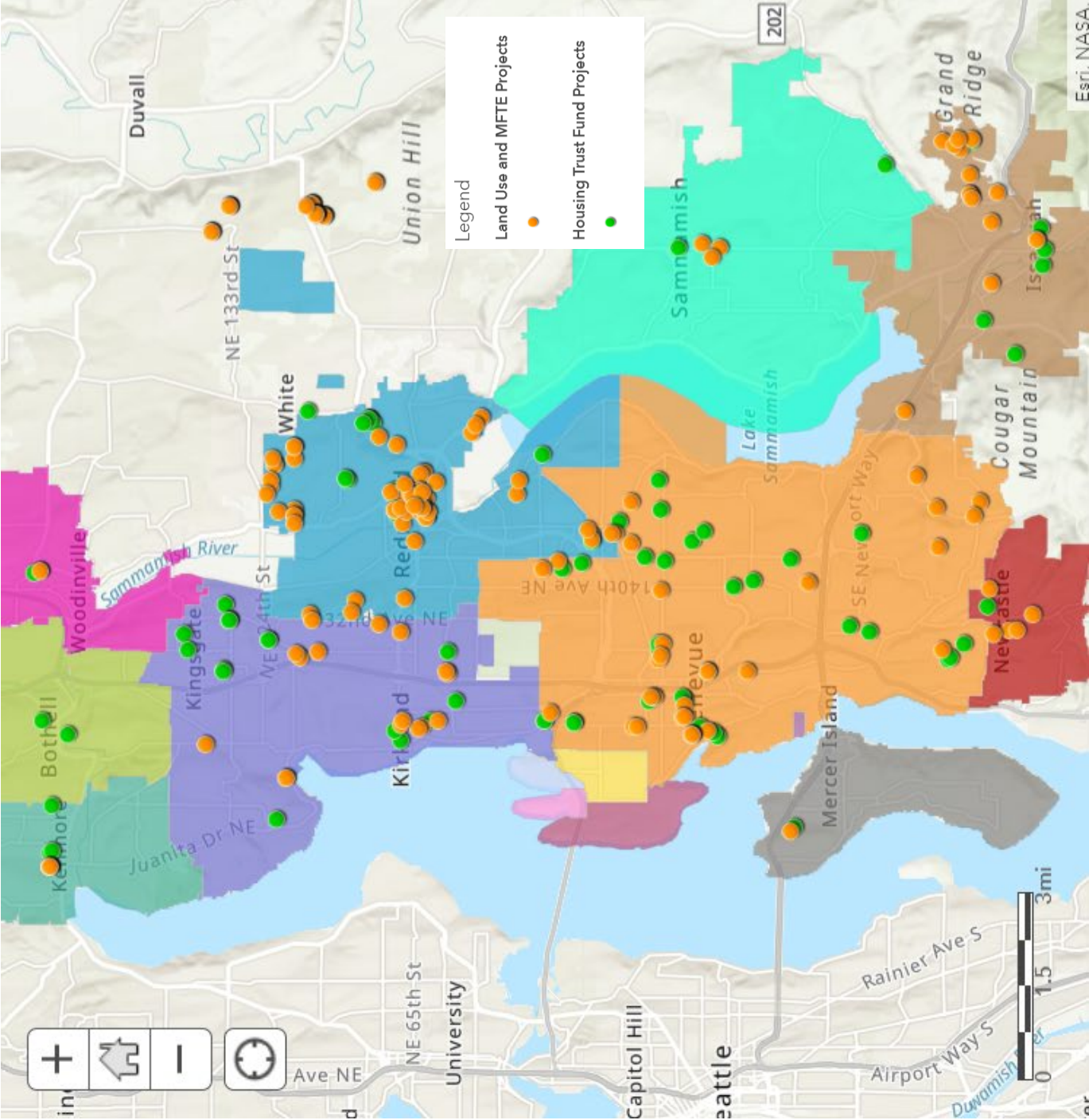
Housing Trust Fund Projects by Location

Project Location	Units/ Beds	ARCH Member Contributions
Bellevue	1,441	\$15,203,846
Bothell	117	\$1,205,500
Issaquah	473	\$15,441,771
Kenmore	86	\$718,121
Kirkland	482	\$12,441,217
Mercer Island	59	\$900,000
Newcastle	15	\$341,337
Redmond	1,410	\$23,528,206
Sammamish	64	\$1,263,657
Scattered/Multiple Locations	241	\$2,185,000
Woodinville	100	\$483,084
Grand Total	4,488	\$73,711,739

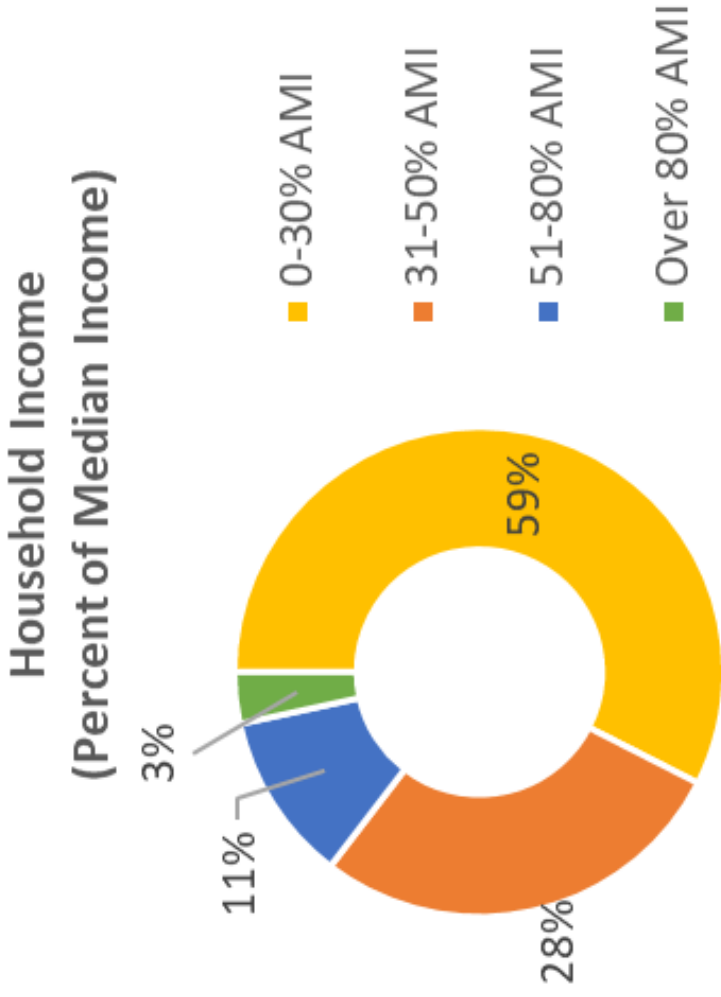
Note: Includes projects in development. Contributions include grants/loans, land, and fee waivers

Land Use and MFTE Projects by Tenure

Tenure	Affordable Units
Rental	1,616
Ownership	758
Grand Total	2,374

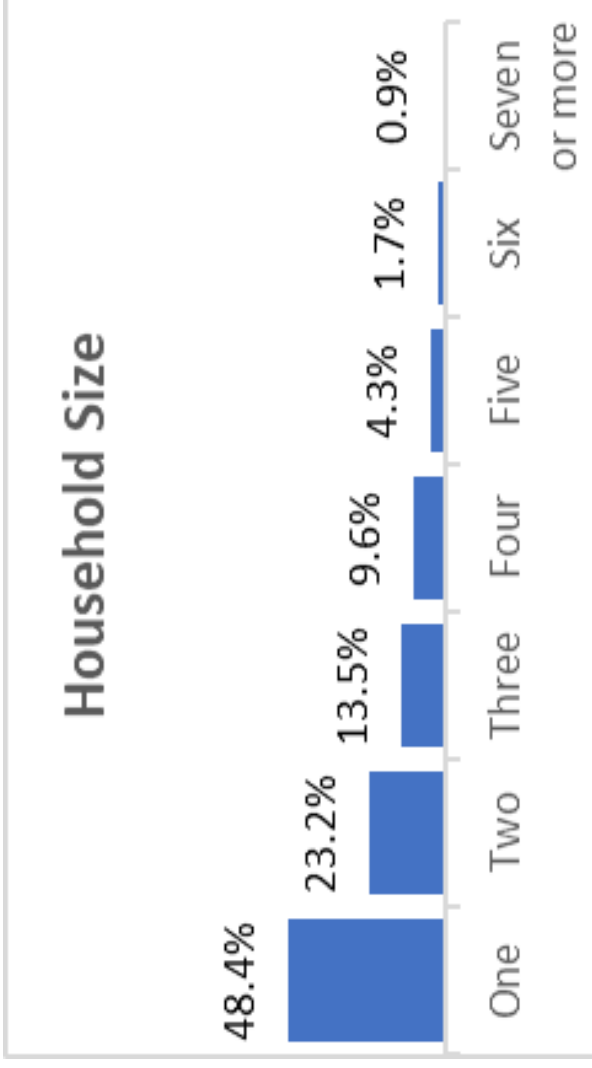


Housing Trust Fund: Who is Served?



HH Size	1 Person	2 People	3 People	4 People	5 People
30% AMI [VERY LOW INCOME]					
Household					
Income	\$23,793	\$27,192	\$30,591	\$33,990	\$36,709
50% AMI [LOW INCOME]					
Household					
Income	\$39,655	\$45,320	\$50,985	\$56,650	\$61,182
60% AMI					
Household					
Income	\$47,586	\$54,384	\$61,182	\$67,980	\$73,418
80% AMI [MODERATE INCOME]					
Household					
Income	\$63,448	\$72,512	\$81,576	\$90,640	\$97,891

Housing Trust Fund: Who is Served?



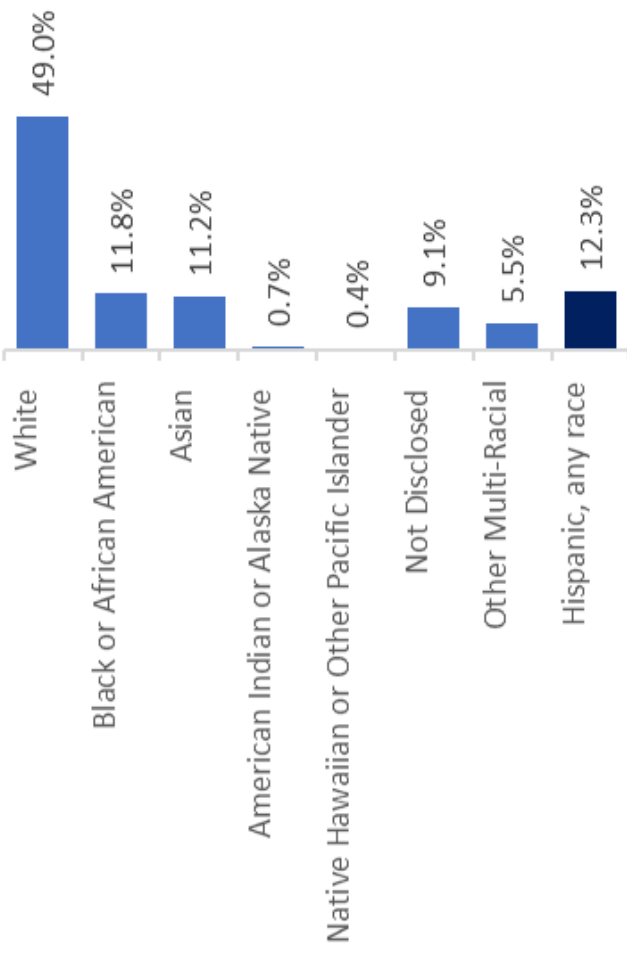
Number of Single Parent Households		Percent of Total Households Served
408		13.6%

Household Type	Number of Homeless Households		Percent of Total Households Served
	Homeless Family	Homeless Individual	
Homeless Family	170		5.7%
Homeless Individual		309	10.3%
All	479		16.0%

Housing Trust Fund: Who is Served?

RACE & ETHNICITY

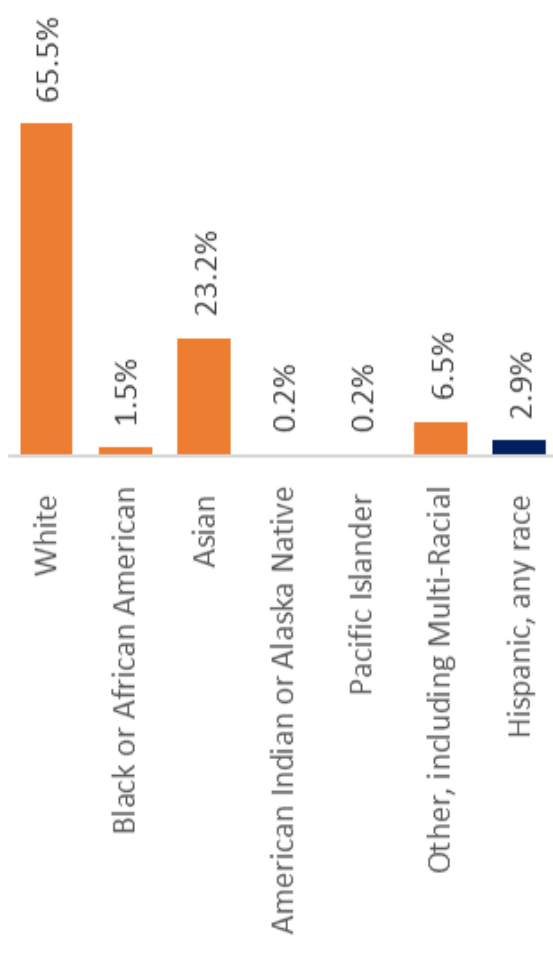
HTF Projects, Head of Household, 2019



RACE & ETHNICITY

East King County, Head of Household

2019 ACS 5-year estimate, Renter Occupied HHs





Eastgate Supportive Housing Plymouth Housing / Horizon Housing

Funding Request: \$500,000

Recommendation: \$500,000

93 studio units (30% AMI), 2 manager units

Permanent Supportive Housing Model

Population: Homeless single adults

Partnership with Congregations for the Homeless, Sophia Way

Location: 13520 SE Eastgate Way, Bellevue, WA

Permanent Supportive Housing

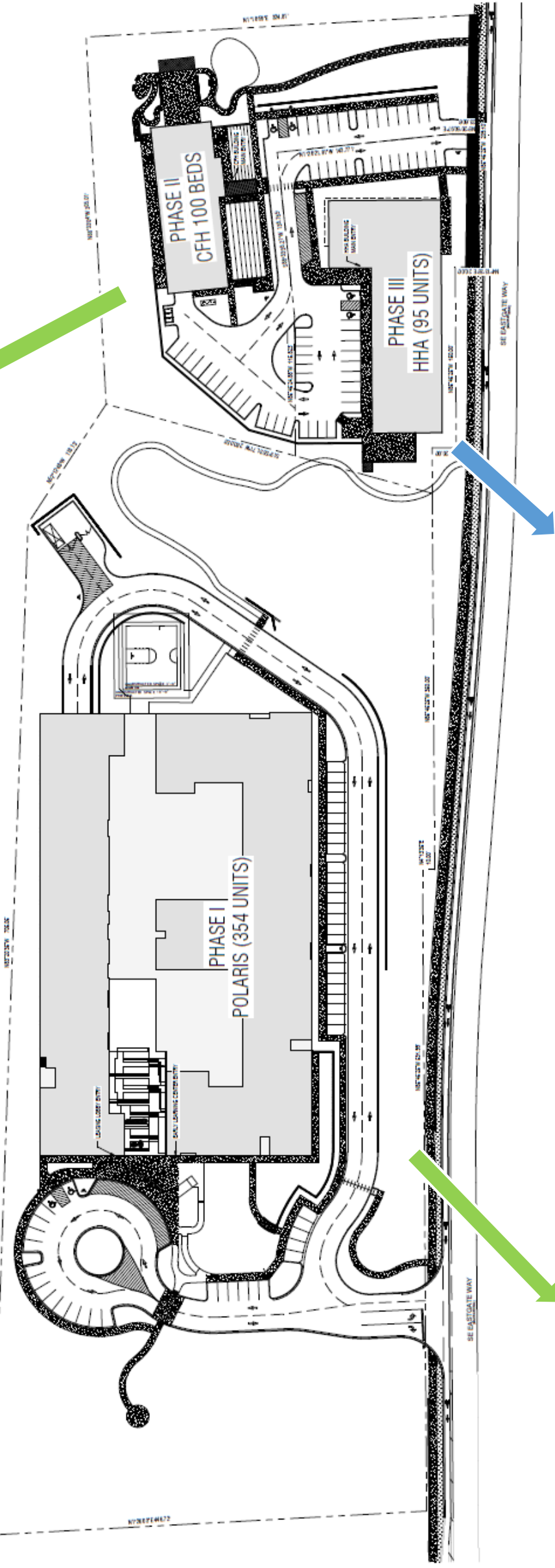
- Housing is “permanent” or non-time limited
- Housing is paired with wrap-around supportive services
- No or low barriers to tenancy (aka “Housing First”)
- Designed for homeless individuals with significant barriers to housing stability (mental illness, substance abuse, or other health conditions)
- Common building features:
 - Secure entry with 24-hour staffing
 - Designated space for social services
 - Ample community space / common kitchen
- Research supports effectiveness in:
 - Housing retention
 - Health outcomes
 - Overall cost savings across systems



Image source:
Plymouth Housing

Eastgate Campus

Eastside Men's Shelter
Congregations for the Homeless
Funded Fall 2017 / 2019



Polaris Workforce Housing
Inland Group
Funded Fall 2019

Eastgate Supportive Housing
Plymouth Housing / Horizon Housing Alliance
Fall 2020 Recommendation



Horizon Housing / Polaris at Totem Lake Inland/Horizon Housing Alliance

- ARCH Funding Request: \$4,000,000
- Recommendation: Up to \$4,000,000
- Total units: 467 units
 - 80 units at 30% AMI and 50% AMI
 - 219 units at 60% AMI
 - 168 units at 60-100% AMI
- Service Provider: Hopelink
- Location: 12335 120th Ave NE, Kirkland, WA
- Additional \$8 million committed by Microsoft for ARCH Bridge Funding Program

Funding Sources

Project	Affordable Units	Prior ARCH Award	2020 ARCH Request	Other Public Funds	Private Funds	Sponsor Funds/Deferred Fee	Total Cost	ARCH % of Total Cost	ARCH \$\$ per Unit/Bed
Plymouth Eastgate Supportive Housing	92		\$500,000	\$7,703,705	\$19,703,538	\$2,211	\$27,909,454	2%	\$5,435
Imagine Samma Senior Apartments	76	\$750,000	\$500,000	\$8,846,159	\$12,538,784	\$1,090,580	\$23,725,523	5%	\$16,447
Inland Horizon at Totem Lake	299		\$4,000,000	\$0	\$97,532,116	\$10,848,593	\$112,380,709	4%	\$13,378
Total	467	\$750,000	\$5,000,000	\$16,549,864	\$129,774,438	\$11,941,384	\$164,015,686	3%	\$10,707

Recommended Projects					
	Eastgate Supportive Housing	Samma Senior Apartments	Horizon at Totem Lake	Total 2020 Recommended Funding	
<u>Member Cities Funding</u>					
Bellevue	\$62,200	\$62,200	\$497,500	\$621,900	
Bothell	\$8,600	\$8,600	\$68,800	\$86,000	
Clyde Hill	\$1,900	\$1,900	\$15,000	\$18,800	
Hunts Point	\$500	\$500	\$3,900	\$4,900	
Issaquah	\$11,800	\$11,800	\$94,700	\$118,300	
Kenmore	\$10,700	\$10,700	\$85,400	\$106,800	
Kirkland	\$321,600	\$321,600	\$2,573,100	\$3,216,300	
Medina	\$1,000	\$1,000	\$8,300	\$10,300	
Mercer Island	\$5,500	\$5,500	\$44,300	\$55,300	
Newcastle	\$4,100	\$4,100	\$32,500	\$40,700	
Redmond	\$50,800	\$50,800	\$406,700	\$508,300	
Sammamish	\$15,600	\$15,600	\$124,600	\$155,800	
Woodinville	\$4,800	\$4,800	\$38,300	\$47,900	
Yarrow Point	\$900	\$900	\$6,900	\$8,700	
	\$500,000	\$500,000	\$4,000,000	\$5,000,000	
Prior Award		\$750,000			
Total Award	\$500,000	\$1,250,000	\$4,000,000		

**TOWN OF YARROW POINT
RESOLUTION NO. 350**

**A RESOLUTION OF THE COUNCIL OF THE TOWN OF YARROW POINT
APPROVING THE 2021 ADMINISTRATIVE BUDGET AND WORK PROGRAM
FOR A REGIONAL COALITION FOR HOUSING (ARCH).**

WHEREAS, the Town Council passed Resolution No. 295 on March 9, 2010, authorizing execution of the Amended and Restated Interlocal Agreement for a Regional Coalition for Housing (ARCH) by and between Yarrow Point, 16 other cities and King County updating and continuing the operations of ARCH; and

WHEREAS, Section 11 of the Amended and Restated Interlocal Agreement provides that the annual budget and work program for ARCH shall be recommended by the ARCH Executive Board to each member jurisdiction, and such recommendation has been made; and

WHEREAS, Section 11 of the Amended and Restated Interlocal Agreement also provides that the recommended budget and work program shall not become effective until approved by the legislative body of each member jurisdiction;

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF YARROW POINT, that pursuant to Section 11 of the Amended and Restated Interlocal Agreement for ARCH, A Regional Coalition for Housing, approved by Resolution No. 295, the Town Council hereby approves the 2021 ARCH Administrative Budget and Work Program as presented; and

BE IT FURTHER RESOLVED that upon approval of the 2021 Budget and Work Program, the Council approves the amount of \$2401 for the Town's share of the budget, and \$7599 to the Housing Trust Fund.

Adopted by the Town Council this 13th day of April, 2021.

Dicker Cahill, Mayor

Attest: Bonnie Ritter, Clerk-Treasurer



MEMORANDUM

TO:	City of Bellevue Council Members	City of Bothell Council Members
	City of Clyde Hill Council Members	Town of Hunts Point Council Members
	City of Issaquah Council Members	City of Kenmore Council Members
	City of Kirkland Council Members	City of Medina Council Members
	City of Mercer Island Council Members	City of Newcastle Council Members
	City of Redmond Council Members	City of Sammamish Council Members
	City of Woodinville Council Members	Town of Yarrow Point Council Members

FROM: Kurt Triplett, Chair, ARCH Executive Board

DATE: December 17, 2020

RE: Fall 2020 Housing Trust Fund (HTF) Recommendation

The 2020 ARCH Housing Trust Fund round again demonstrated high demand for funding to support affordable housing development in East King County, with four applications representing requests for over six million dollars in local funds to develop close to 500 units of affordable housing. After careful deliberation, the ARCH Executive Board concurred with the recommendations of the ARCH Citizen Advisory Board (CAB), and is recommending funding of \$5,000,000 for three projects, including one project that received a partial award last year.

These recommendations advance projects that meet urgent local priorities, including mixed income workforce housing, affordable housing for seniors, and the first permanent supportive housing project for homeless individuals on the Eastside, which will be developed as part of a master planned community that also includes the previously funded permanent year-round emergency shelter for men.

In the last three decades, the ARCH Trust Fund has supported nearly 4,500 units of affordable housing and shelter beds, more than any other program in East King County, notably creating housing for those with the greatest needs and the fewest opportunities to live in our community. At a time when public resources are scarce but the needs in the community have only grown, your investments will be amplified by the other public and private funding leveraged by these projects, with every \$1 of local funding matched by an estimated \$27 of other funding.

Following is a description of the applications received, the Executive Board recommendation and rationale, and proposed contract conditions for the proposals recommended for funding at this time. Also enclosed is an economic summary of the projects recommended for funding, and a summary of past projects funded through the Trust Fund to date.

ARCH MEMBERS

- BEAUX ARTS VILLAGE ♦ BELLEVUE ♦ BOTHELL ♦ CLYDE HILL ♦ HUNTS
 POINT ♦ ISSAQUAH ♦ KENMORE ♦ KIRKLAND ♦ MEDINA ♦ MERCER
 ISLAND ♦ NEWCASTLE ♦ REDMOND ♦ SAMMAMISH ♦ WOODINVILLE ♦ YARROW
 POINT ♦ KING COUNTY

1. Plymouth Housing Group/Horizon Housing Eastgate Permanent Supportive Housing

Funding Request: \$500,000 (Deferred, Contingent Loan)
92 Affordable Units; 3 Manager Units

Executive Board Recommendation: \$500,000 (Deferred, Contingent Loan)

Project Summary:

Horizon Housing Alliances is proposing to develop and turn over to Plymouth Housing– a non-profit corporation with a 40-year history of serving the homeless in Seattle King County – a 95-unit permanent supportive housing project located adjacent to the Eastside Men’s Shelter by Congregations for the Homeless. Plymouth is an established owner and operator of permanent supportive housing, a model that provides critical wrap-around supportive services such as mental and behavioral health services in a permanent housing setting.

The building will be sited on the upper shelf of the 10-acre King County Solid Waste site in the Eastgate area of Bellevue. The site comprises a larger master development with three components, including the Eastside Men’s Shelter, which will share a surface parking lot. Another 300 units for workforce housing on the lower portion of the site completes the development. ARCH has previously awarded funding for the shelter and workforce housing components of the project.

Funding Rationale:

The Executive Board supports the intent of this application for the following reasons:

- The project is the last component necessary to realize the shelter at this location, which remains a high priority for ARCH and its member jurisdictions, particularly the City of Bellevue and King County.
- The project creates permanent supportive housing with a very experienced provider, and benefits from the thoughtful community outreach process coordinated by Congregations for the Homeless
- The project benefits from being built simultaneously with other components by a vertically integrated developer.
- The project scores well for very competitive 9% tax credits.
- The project provides significant financial leverage of other resources.
- Site has convenient access to transit, shopping, and services.

Proposed Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo.

Special Conditions:

1. The funding commitment continue for twelve (12) months from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. At that time, the Agency will provide a status report on progress to date and expected schedule for start of construction and project completion. ARCH staff will consider a twelve-month extension only on the basis of documented, meaningful

progress in bringing the project to readiness or completion. At a minimum, the Agency will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time.

2. Funds shall be used by Agency toward soft costs, design, permits and construction. Funds may not be used for any other purpose unless ARCH staff has given written authorization for the alternate use. Spending of construction contingency must be approved in advance by City or Administering Agency. If after the completion of the project there are budget line items with unexpended balances, the public funders shall approve adjustments to the project capital sources, including potentially reductions in public fund loan balances.
3. Funds will be in the form of a deferred, contingent loan. Loan terms will account for various factors, including loan terms from other fund sources, available cash flow and receipt of an asset management fee or deferred developer fee to the Agency and project reserves. Final loan terms shall be determined prior to release of funds and must be approved by ARCH Staff. Based on the preliminary development budget, it is anticipated that loan payments will be deferred throughout the life of the loan.
4. The net developer fee shall be established at the time of finalizing the Contract Budget and will follow ARCH Net Developer Fee Schedule. Net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion which is paid out of cash flow from operations after being placed in service.
5. A covenant is recorded ensuring affordability for at least 50 years, with size and affordability distribution per the following table. Limited changes to the matrix may be considered based on reasonable justification as approved by ARCH staff.

Affordability	Studio	Total
30%	46	46
50%	46	46
Non-restricted	3	3
Total	95	95

6. Based on the availability of adequate support services, at least 75% of the units may be set aside for occupancy for households transitioning out of homelessness, unless otherwise approved by ARCH. Plymouth will work with the Coordinated Entry for All system to seek preference for homeless individuals from Sophia Way and Congregations For the Homeless shelters, while maintaining flexibility to change how units may be filled based on actual experiences at the site and within the community.

2. Imagine Housing Samma Senior Apartments

Funding Request: \$500,000 additional to \$750,000 awarded in 2019 (Deferred, Contingent Loan)
76 affordable rental units

Executive Board Recommendation: \$500,000 (Deferred, Contingent Loan)

Project Summary:

Imagine Housing is proposing a 76-unit affordable 55 and older senior rental project utilizing 4% tax credits and tax-exempt bond financing. The project includes set asides of apartments for disabled persons. The project will be built on land to be acquired from the City of Bothell at a reduced price. The site is located on the Bus Rapid Transit corridor which is being expanded with ST3 funding. The City has indicated its strong support for the project including zoning changes for increased height and reduced parking.

The proposed affordable building is five levels of wood construction. Imagine is pursuing an Ultra High Energy Efficiency (UHEE) rating for this building. The design envisions around 40 surface parking spaces. Imagine has also submitted applications for funding from King County and the State Housing Trust Fund. ARCH believes the application will be competitive for King County Transit-Oriented Development housing funds, as well as State funds designated for UHEE projects. Imagine has made substantial progress working through site, design and environmental issues, and is poised to move quickly on the project, if successful in securing a tax credit allocation.

Funding Rationale:

The Executive Board recommends funding with conditions listed below for the following reasons:

- Aligns with local housing strategy.
- The City of Bothell is excited to support this affordable project through discounting land and having worked collaboratively to address land use issues.
- The project would increase affordability within the revitalized Bothell Landing.
- The project is sited at an excellent location for senior housing, with proximity to a major senior center, planned bus rapid transit, parks and trails, and shopping.
- The project will strive to achieve Ultra High Energy Efficiency.
- The project leverages significant funding from other public and private sources.
- The scale of project fits developer's past track record and capabilities.

Proposed Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo.

Special Conditions:

1. Funds shall be used by the Agency for construction.
2. ARCH's funding commitment shall continue for twelve (12) months from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH

staff no later than sixty (60) days prior to the expiration date. At that time, the Agency will provide a status report on progress to date. ARCH staff will consider up to a 12-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the Agency will demonstrate all capital funding is likely to be secured within a reasonable period of time.

3. Funds will be in the form of a deferred, contingent loan. It is anticipated that loan payments will be based on a set repayment schedule and begin after repayment of deferred developer fee with 1% interest. The terms will also include a provision for the Agency to a defer payment if certain conditions are met (e.g. low cash flow due to unexpected costs). Any requested deferment of loan payment is subject to approval by ARCH Staff, and any deferred payment would be repaid from future cash flow or at the end of the amortization period. Loan terms will account for various factors, including loan terms from other fund sources and available cash flow. Final loan terms shall be determined prior to release of funds and must be approved by ARCH Staff. The terms are expected to include a provision for the Agency to defer payment if certain conditions are met (e.g., low cash flow due to unexpected costs).
4. A covenant is recorded ensuring affordability for at least 50 years, with affordability generally as shown in the following table. Limited changes to the matrix may be considered based on reasonable justification as approved by ARCH staff.

Affordability	Studio	Total
50% AMI	76	76
TOTAL	76	76

5. Agency shall work with City to minimize parking requirements and dependence on private vehicles, but support residents with alternative modes of transportation, including exploring bus vouchers, shared electric bikes and a van.
6. The net developer fee shall be established at the time of finalizing the Contract Budget and will follow the schedule established by ARCH. Net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion which is paid out of cash flow from operations after being placed in service.
7. To demonstrate Agency's capacity to provide appropriate asset management and property management over its properties, Agency shall:
 - A. Establish and maintain an internal system of complaint tracking including documentation of resolution;
 - B. Provide ARCH with information related to active complaints regarding property conditions and management at existing properties and prepare an implementation plan to address verified habitability complaints, to be submitted to ARCH by February 15, 2021; and
 - C. Provide regular reporting on implementation to ARCH. No funds will be contracted or disbursed until the ARCH has determined the Agency has sufficient property and asset

management capacities and has adequately addressed resident complaints regarding life safety and livability issues.

8. Agency shall maintain the project in good and habitable condition for the duration of period of affordability.

3. Inland Group/Horizon Housing Totem Lake Development

Initial Funding Request: \$4,000,000 (Deferred, Contingent Loan)
80 affordable rental units in 9% deal and 219 affordable units in 4% deal

Executive Board Recommendation: Up to \$4,000,000 based on documented gap (Deferred, Contingent Loan)

Project Summary:

Based on their successful proposal for the Together Center redevelopment, Inland/Horizon seek to create a similarly configured affordable development comprising approximately 300 income-restricted units supplemented by an additional 168 workforce rental units in the redeveloping Totem Lake neighborhood of Kirkland.

The proposed project is located at the site of a former new car dealership will consist of three residential towers with level 1 of sub-grade parking and 2 levels of above grade parking. The first floor will consist of common areas/commercial space and the majority of the residential units will be on the third floor and above. The project proposes to utilize 9% tax credits in 80 units affordable at 30% and 50% AMI, of which 60 would be set aside for those exiting homelessness. Another 219 units is proposed at 60% AMI, which will be funded through 4% tax credits and tax-exempt bond financing. The developer is in conversations with Hopelink to provide services to the formerly homeless.

Microsoft has indicated interest in financing the workforce component of the project, as well as supplying bridge financing through ARCH for the tax credit portion of the development, similar to the loan provided to the Together Center development.

Funding Rationale:

The Executive Board recommends funding with conditions listed below for the following reasons:

- The project has the opportunity to deliver mixed income housing on a significant scale in a location with access to transit and other amenities.
- The project leverages a significant amount of tax credit and other private financing.
- If successful in obtaining a 9% allocation, the project would provide housing for homeless families as well as other low-income families and individuals.
- If unsuccessful in obtaining a 9% allocation, the project would still deliver a significant amount of housing affordable to a range of incomes.
- The project will deliver a large amount of family-sized, 3-bedroom units.

- The developer is vertically integrated bring economies to the development. The project will be co-located with workforce housing creating a project of around 470 units built simultaneously, bringing an economy of scale.
- The project envisions bringing social services and behavioral health services to the Totem Lake neighborhood.
- The project would allow timely investment of in lieu fees collected from downtown development to invest in another redeveloping neighborhood.
- The project maximizes utilization of the site per zoning.

Proposed Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo.

Special Conditions:

1. The funding commitment shall continue for eighteen (18) months from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. ARCH staff will grant up to a 12-month extension.
2. Funds shall be used by the Agency towards acquisition. Funds may not be used for any other purpose unless ARCH staff has given written authorization for the alternate use.
3. Funds will be in the form of a deferred, contingent loan. Loan terms will account for various factors, including loan terms from other fund sources and available cash flow. Final loan terms shall be determined prior to release of funds and must be approved by ARCH Staff. It is anticipated that loan payments will be based on a set repayment schedule and begin after repayment of deferred developer fee with 1% interest. The terms will also include a provision for the Agency to a defer payment if certain conditions are met (e.g. low cash flow due to unexpected costs). Any requested deferment of loan payment is subject to approval by ARCH Staff, and any deferred payment would be repaid from future cash flow or at the end of the amortization period.
5. The net developer fee shall be established at the time of finalizing the Contract Budget and will follow the ARCH Net Developer Fee Schedule. Net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion which is paid out of cash flow from operations after being placed in service.
6. A covenant is recorded ensuring affordability for at least 50 years, with affordability generally as shown in the following table. Limited changes to the unit mix may be considered based on reasonable justification as approved by ARCH staff. If the project is unsuccessful in securing 9% tax credits in the current round, the project may shift the allocation of units set aside at 30% AMI to either 50% or 60% AMI. The total number of units affordable up to 60% AMI may not be decreased by more than 10% without ARCH Board approval. The total number of units affordable up to 50% AMI may also not be decreased by more than 10% without ARCH Board approval. Decreases of 50% and 60% AMI units greater than 10% may be approved by the ARCH Board, but shall not exceed 20%.

Affordability	Studio	1 BR	2BR	3BR	Total
30%		8	20	12	40
50%		8	20	12	40
60%	22	42	108	47	219
Total	22	58	148	71	299

7. The final loan amount shall be up to \$4 million, subject to approval by ARCH staff based on a documented funding gap. ARCH reserves the right to reduce its total loan amount based on changes to the project sources and uses, and unit mix.
8. The Agency shall submit evidence of private funding commitments for all components of the project, including the workforce housing. In the event commitment of funds cannot be secured consistent with the timeframe identified in the application, the Agency shall immediately notify ARCH, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to ARCH review and approval.
9. Agency must submit for ARCH staff approval a management and services plan which includes coordination of services with outside providers and parking management.
10. Agency shall submit a marketing plan for approval by ARCH staff. The plan should include how the Agency will do local targeted marketing outreach to local, media business and community organizations.
11. The Agency shall work with the city to minimize required parking and to provide alternative transportation options for the residents that reduce reliance on private automobiles, such as provision of public transit passes, bike storage, car sharing programs and other incentives. The Agency may charge for parking, subject to approval by ARCH staff, provided that the Agency has minimized the overall cost burden on residents with the lowest incomes.
12. In the interest of discouraging segregation of residents by income within the project, the Agency shall look for ways to integrate the population across the project with shared amenities, unifying esthetics and other programmatic features to build community within the project.

4. Friends of Youth New Ground Kirkland Redevelopment

Funding Request: \$1,069,979 additional to previously invested \$250,000 awarded in 2005 (Secured Grant)
24 total affordable beds replacing existing 8 beds

Executive Board Recommendation: \$0

Project Summary:

Friends of Youth proposes to redevelop a site currently occupied by their 8-unit transitional living program in the Houghton neighborhood of Kirkland. The existing building would be razed and replaced

by a similarly sized building configured to have 8 suites of congregate housing, each with 3 private bedrooms, for a total of 24 residences. The target population would be clients who are ready for more independent living, likely pursuing education or entry level employment, including young adults who are not current clients of the agency. This would represent a re-balancing of the agency's housing portfolio.

Funding Rationale:

The CAB potentially supports the concept of the Friends of Youth proposal but does not recommend funding at this time. The CAB would welcome an application in the next round. This would provide an opportunity for Friends of Youth to address the issues identified below. In the event Friends of Youth does provide an application to ARCH in the upcoming round, the application should address the following issues:

- Building design, siting and parking and conformance with zoning requirements
- Interior arrangement for congregate/independent living
- On site management necessary for successful congregate living
- Neighborhood outreach
- Capital campaign plan that includes this project and the permanent relocation of the youth shelter, which the agency has indicated is its other top priority

Standard Conditions (Apply to all projects):

1. The Agency shall provide revised development and operating budgets based upon actual funding commitments, which must be approved by ARCH staff. If the Agency is unable to adhere to the budgets, ARCH must be immediately notified and (a) new budget(s) shall be submitted by the Agency for ARCH's approval. ARCH shall not unreasonably withhold its approval to (a) revised budget(s), so long as such new budget(s) does not materially adversely change the Project. This shall be a continuing obligation of the Agency. Failure to adhere to the budgets, either original or as amended may result in withdrawal of ARCH's commitment of funds.
2. The Agency shall submit evidence of funding commitments from all proposed public sources. In the event commitment of funds identified in the application cannot be secured in the time frame identified in the application, the Agency shall immediately notify ARCH, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to ARCH review and approval.
3. In the event federal funds are used, and to the extent applicable, federal guidelines must be met, including but not limited to: contractor solicitation, bidding and selection; wage rates; and Endangered Species Act (ESA) requirements. CDBG funds may not be used to repay (bridge) acquisition finance costs.
4. The Agency shall maintain documentation of any necessary land use approvals and permits required by the city in which the project is located.
5. The Agency shall submit monitoring quarterly reports through completion of the project, and annually thereafter, and shall submit a final budget upon project completion. If applicable, Agency shall submit initial tenant information as required by ARCH.

Attachments

Attachment 1: Recommended Projects and Funding Sources

Attachment 2: Economic Summaries of Recommended Projects

Attachment 3: Past Projects Funded through the Trust Fund

Attachment 1
Recommended Projects and Funding Sources

Recommended Projects

	Eastgate Supportive Housing	Samma Senior Apartments	Horizon at Totem Lake	Total 2020 Recommended Funding
<u>Member Cities</u>				
<u>Funding</u>				
Bellevue	\$62,200	\$62,200	\$497,500	\$621,900
Bothell	\$8,600	\$8,600	\$68,800	\$86,000
Clyde Hill	\$1,900	\$1,900	\$15,000	\$18,800
Hunts Point	\$500	\$500	\$3,900	\$4,900
Issaquah	\$11,800	\$11,800	\$94,700	\$118,300
Kenmore	\$10,700	\$10,700	\$85,400	\$106,800
Kirkland	\$321,600	\$321,600	\$2,573,100	\$3,216,300
Medina	\$1,000	\$1,000	\$8,300	\$10,300
Mercer Island	\$5,500	\$5,500	\$44,300	\$55,300
Newcastle	\$4,100	\$4,100	\$32,500	\$40,700
Redmond	\$50,800	\$50,800	\$406,700	\$508,300
Sammamish	\$15,600	\$15,600	\$124,600	\$155,800
Woodinville	\$4,800	\$4,800	\$38,300	\$47,900
Yarrow Point	\$900	\$900	\$6,900	\$8,700
	\$500,000	\$500,000	\$4,000,000	\$5,000,000
Prior Award		\$750,000		
Total Award	\$500,000	\$1,250,000	\$4,000,000	

ATTACHMENT 2: ECONOMIC SUMMARIES OF RECOMMENDED PROJECTS

ECONOMIC SUMMARY: PLYMOUTH HOUSING/PSH AT EASTGATE

1. Applicant/Description: New construction of 95 supportive housing units (92 affordable) for homeless individuals

2. Project Location: 13620 SE Eastgate Way, Bellevue

3. Financing Information:

Funding Source	Funding Amount	Commitment
ARCH	\$500,000	
King County	\$5,703,705	Committed
Commerce Trust Fund	\$2,000,000	Committed
Tax Credits	\$19,703,538	Committed
Private Debt	\$0	
Sponsor	\$2,211	Committed
TOTAL	\$27,909,454	

4. Development Budget:

ITEM	TOTAL	PER UNIT @ 92 units	HTF
Acquisition	\$2,300,000	\$25,000	
Construction	\$19,003,073	\$206,555	
Design	\$370,000	\$4,022	
Consultants/Other	\$434,750	\$4,726	
Developer fee	\$1,796,337	\$26,087	
Finance costs	\$1,070,233	\$11,633	
Reserves	\$1,191,398	\$12,950	
Permits/Fees	\$1,140,000	\$12,391	\$500,000
TOTAL	\$27,909,454	\$303,364	\$500,000

5. Debt Service Coverage: Debt service payments will be finalized upon commitment. Basic terms will include a 50-year amortization, cash flow loan, 1% interest, and ability to request a deferral of annual payment to preserve economic integrity of property.

6. Security for City Funds:

- A recorded covenant to ensure affordability and use for targeted population for 50 years.
- A promissory note secured by a deed of trust. The promissory note will require repayment of the loan amount upon non-compliance with any of the loan conditions.

7. Rental Subsidy: None

ATTACHMENT 2: ECONOMIC SUMMARIES OF RECOMMENDED PROJECTS

ECONOMIC SUMMARY: IMAGINE HOUSING / SAMMA SENIOR APARTMENTS

1. Applicant/Description: New construction of 76 affordable rental units for seniors

2. Project Location: 17816 Bothell Way NE, Bothell

3. Financing Information:

Funding Source	Funding Amount	Commitment
ARCH	\$1,250,000	\$750,000 of which committed in 2019
King County	\$5,350,000	Committed
Commerce Trust Fund	\$3,496,159	Committed
HDC Grant	40,000	Committed
Tax Credits	\$7,599,377	Proposed
Bonds/Private Debt	\$4,899,407	Proposed
Deferred Developer Fee/Sponsor	\$1,091,340	Committed
TOTAL	\$23,726,283	

4. Development Budget:

ITEM	TOTAL	PER UNIT	HTF
Acquisition	\$750,000	\$10,263	\$750,000
Demolition	\$55,000	\$724	
Construction	\$15,541,627	\$204,495	\$500,000
Design	\$1,482,997	\$19,513	
Consultants/Other	\$1,025,101	\$13,488	
Developer fee	\$1,796,337	\$23,636	
Finance costs	\$1,601,614	\$21,074	
Reserves	\$371,524	\$4,888	
Permits/Fees	\$1,072,083	\$14,106	
TOTAL	\$23,726,283	\$312,188	\$1,250,000

5. Debt Service Coverage: Debt service payments will be finalized upon commitment. Basic terms will include a 50-year amortization, deferral of payments until deferred developer fee is repaid, 1% interest, and ability to request a deferral of annual payment to preserve economic integrity of property.

6. Security for City Funds:

- A recorded covenant to ensure affordability and use for targeted population for 50 years.
- A promissory note secured by a deed of trust. The promissory note will require repayment of the loan amount upon non-compliance with any of the loan conditions.

ATTACHMENT 2: ECONOMIC SUMMARIES OF RECOMMENDED PROJECTS

7. Rental Subsidy: None

ATTACHMENT 2: ECONOMIC SUMMARIES OF RECOMMENDED PROJECTS

ECONOMIC SUMMARY: INLAND/HORIZON TOTEM LAKE

1. Applicant/Description: New construction of 467 rental housing units (299 affordable units) with 60 units set aside for households exiting homelessness

2. Project Location: 12335 12-0th Ave Ne, Kirkland

3. Financing Information:

Funding Source	Funding Amount	Commitment
ARCH	\$4,000,000	
King County	\$0	
Commerce Trust Fund	\$0	
Tax Credits	\$65,425,544	Proposed
Private Debt	\$32,267,490	Proposed
Deferred Developer Fee	\$10,687.675	Committed
TOTAL	\$112,380,709	

4. Development Budget:

ITEM	TOTAL	PER UNIT @ 299 units	HTF
Acquisition	\$12,650,000	\$42,308	\$4,000,000
Construction	\$71,027,954	\$237,552	
Design	\$751,229	\$2,512	
Consultants/Other	\$2,663,337	\$8,907	
Developer fee	\$12,721,894	\$42,548	
Finance costs	\$7,594,171	\$25,399	
Reserves	\$596,524	\$1,995	
Permits/Fees	\$4,375,500	\$14,634	
TOTAL	\$112,380,609	\$375,855	\$4,000,000

5. Debt Service Coverage: Debt service payments will be finalized upon commitment. Basic terms will include a 50-year amortization, cash flow loan, 1% interest, and ability to request a deferral of annual payment to preserve economic integrity of property.

6. Security for City Funds:

- A recorded covenant to ensure affordability and use for targeted population for 50 years.
- A promissory note secured by a deed of trust. The promissory note will require repayment of the loan amount upon non-compliance with any of the loan conditions.

7. Rental Subsidy: None

Attachment 3: Past Projects Funded through the Trust Fund

Project name	Location	ARCH Contributions	Total Units	Population Type	Affordability Level (% median income)
30 Bellevue	Bellevue	\$ 1,012,926	62	Family	30/40/60
AIDS Housing	Bellevue/Kirkland	\$ 130,000	6	Special Needs	30
Andrew's Glen	Bellevue	\$ 1,587,187	40	Family/Homeless	30/40/60
Andrew's Heights	Bellevue	\$ 400,000	24	Family	25/50
Ashwood Court	Bellevue	\$ 1,070,000	51	Senior	35/60
Athene	Kirkland	\$ 1,147,126	91	Senior	30/40/60
August Wilson Place	Bellevue	\$ 1,058,539	56	Family/Homeless	30/50/60
Avon Villa Mobile Home Park	Redmond	\$ 525,000	76	Family	50/80
Avondale Park	Redmond	\$ 280,000	18	Homeless	30
Avondale Park Redevelopment	Redmond	\$ 1,502,469	60	Homeless	30
Bellevue Manor/Harris Manor	Bellevue/Redmond	\$ 1,334,749	107	Senior	30
Cambridge Court	Bellevue	\$ 160,000	20	Senior	50
Capella at Esterra Park	Redmond	\$ 7,452,906	260	Family/Homeless/ Special Needs	30/40/50/60
CHI Adult Family Home 8	Bothell	\$ 150,500	5	Special Needs	30
CHI Shared Living 1	Newcastle	\$ 100,500	3	Special Needs	30
Clark Street	Issaquah	\$ 355,000	30	Family	50/60
Coal Creek Terrace	Newcastle	\$ 240,837	12	Family	50
Copper Lantern	Kenmore	\$ 452,321	33	Family/Homeless	50/60/80
Crestline Apartments	Kirkland	\$ 195,000	22	Family	45/60
DD Group Home	Bellevue	\$ 40,000	5	Special Needs	50
DD Group Home 3	Bellevue	\$ 21,000	5	Special Needs	30
DD Group Home 4	Redmond	\$ 111,261	5	Special Needs	30
DD Group Home 7	Kirkland	\$ 100,000	5	Special Needs	30
DD Group Homes 5 & 6	Redmond/Bothell	\$ 250,000	10	Special Needs	30
Dixie Price Apartments	Redmond	\$ 71,750	14	Homeless	30
Eastwood Square	Bellevue	\$ 600,000	48	Family	50/60
Ellsworth House	Mercer Island	\$ 900,000	59	Senior	50
Evergreen Court	Bellevue	\$ 2,480,000	64	Senior	50/60/Medicaid

Attachment 3: Past Projects Funded through the Trust Fund

Project name	Location	ARCH Contributions	Total Units	Popuation Type	Affordability Level (% median income)
FFC DD Home II	Kirkland	\$ 168,737	4	Special Needs	30
FFC DD Homes	KC	\$ 300,000	4	Special Needs	30
Foster Care Home	Kirkland	\$ 35,000	4	Special Needs	50
FOY Extended Foster Care	Kirkland	\$ 112,624	10	Special Needs	30
FOY New Ground	Kirkland	\$ 250,000	7	Special Needs	30
FOY Transitional Housing	Kirkland	\$ 247,603	10	Special Needs	30
Francis Village	Kirkland	\$ 1,500,000	60	Family/Homeless	30/40/60
Garden Grove Apartments	Bellevue	\$ 180,000	18	Family	50/60
Glendale Apartments	Bellevue	\$ 300,000	82	Family	50/60/80
Greenbrier Family Apartments	Woodinville	\$ 286,892	50	Family	30/50/60
Greenbrier Senior Apartments	Woodinville	\$ 196,192	50	Senior	30/50/60
Habitat Issaquah Highlands	Issaquah	\$ 318,914	10	Family	50
Habitat Patterson Park	Redmond	\$ 446,629	24	Family	50
Habitat Sammamish	Sammamish	\$ 972,376	10	Family	50/60
Harrington House	Bellevue	\$ 290,209	9	Special Needs	30
Heron Landing	Kenmore	\$ 65,000	50	Senior	40
Hidden Village	Bellevue	\$ 200,000	78	Family	50
Highland Gardens	Sammamish	\$ 291,281	51	Family	30/45/60
Homeowner Downpayment Loan	Various	\$ 615,000	84	Family	30/50/60/80
Hopelink Place	Bellevue	\$ 500,000	20	Homeless	30
Houghton Apartments	Kirkland	\$ 2,827,250	15	Family	60
IERR DD Home	Issaquah	\$ 50,209	7	Special Needs	30
John Gabriel House	Redmond	\$ 2,330,000	74	Senior	30/40/60
Kensington Square	Bellevue	\$ 250,000	6	Homeless	30
Kirkland Plaza Apartments	Kirkland	\$ 610,000	24	Senior	50
Lauren Heights	Issaquah	\$ 730,381	50	Family	30/50/60
Men's Group Home	Kirkland	\$ 150,000	6	Homeless	30
Men's Shelter	Bellevue	\$ 1,200,000	50	Homeless	30
Mine Hill	Issaquah	\$ 482,380	28	Family	30/50/60

Attachment 3: Past Projects Funded through the Trust Fund

Project name	Location	ARCH Contributions	Total Units	Population Type	Affordability Level (% median income)
My Friend's Place	KC	\$ 65,000	10	Special Needs	30
Overlake Townhomes	Bellevue	\$ 120,000	10	Family	50
Oxford House	Bellevue	\$ 80,000	10	Special Needs	50
Pacific Inn	Bellevue	\$ 600,000	118	Family	50/60
Parkview DD Condos III	Bellevue	\$ 200,000	4	Special Needs	30/50
Parkview DD Homes VI	Bellevue/Bothell	\$ 150,000	6	Special Needs	30
Parkview DD Homes XI	Kenmore	\$ 200,800	3	Special Needs	30
Parkway Apartments	Redmond	\$ 100,000	41	Family	50
Petter Court	Kirkland	\$ 100,000	4	Homeless	50
Plum Court	Kirkland	\$ 1,000,000	60	Family	30/50/60
Polaris at Eastgate	Bellevue	\$ 575,000	298	Family	60
REDI TOD Land Loan	Various	\$ 500,000	100	Family	80
Riverside Landing	Bothell	\$ 225,000	50	Senior	50/60
Rose Crest	Redmond	\$ 1,148,558	50	Family/Homeless	30/50/60
Samma Senior Apartments	Bothell	\$ 750,000	54	Senior	40/50/60
Somerset Gardens (Kona)	Bellevue	\$ 700,000	198	Family	30/50/80
Sophia's Place	Bellevue	\$ 250,000	20	Homeless	30
Spiritwood Manor	Bellevue	\$ 400,000	129	Family	50
Stillwater House	Redmond	\$ 187,787	19	Special Needs	50
Summerwood	Redmond	\$ 1,187,265	112	Family	30/50/60
Terrace Hill	Redmond	\$ 442,000	18	Family	35/40/50
Together Center Redevelopment	Redmond	\$ 6,750,000	280	Special Needs	30/50/60
Trailhead	Issaquah	\$ 4,710,000	155	Family	40/60
UCP Group Homes	Bellevue/Redmond	\$ 25,000	9	Special Needs	50
Vasa Creek	Bellevue	\$ 190,000	51	Senior	40
Velocity	Kirkland	\$ 1,126,744	58	Family/Homeless	30/40/60
Village at Overlake Station	Redmond	\$ 1,645,375	308	Family	50/60
Wildwood Apartments	Bellevue	\$ 270,000	36	Family	30

Attachment 3: Past Projects Funded through the Trust Fund

Project name	Location	ARCH Contributions	Total Units	Population Type	Affordability Level (% median income)
Women/Family Shelter	Kirkland	\$ 2,689,000	98	Homeless	50
Youth Haven	Kirkland	\$ 332,133	20	Special Needs	30
YWCA Family Apartments	Bellevue	\$ 100,000	12	Family	35/40
YWCA Family Village I	Issaquah	\$ 4,886,329	97	Family/Homeless	30/50/60
YWCA Family Village II	Issaquah	\$ 2,760,000	48	Family	50/60
Total		\$ 74,101,739	4591		

**TOWN OF YARROW POINT
RESOLUTION NO. 351**

**A RESOLUTION AUTHORIZING THE DULY APPOINTED
ADMINISTERING AGENCY FOR ARCH TO EXECUTE ALL
DOCUMENTS NECESSARY TO ENTER INTO AGREEMENTS FOR
THE FUNDING OF AFFORDABLE HOUSING PROJECTS, AS
RECOMMENDED BY THE ARCH EXECUTIVE BOARD, UTILIZING
FUNDS FROM THE TOWN'S HOUSING TRUST FUND**

WHEREAS, A Regional Coalition for Housing (ARCH) was created by interlocal agreement to help coordinate the efforts of Eastside cities to provide affordable housing; and

WHEREAS, the ARCH Executive Board has recommended that the Town of Yarrow Point participate in the funding of certain affordable housing projects and programs hereinafter described; and

WHEREAS, the ARCH Executive Board has developed a number of recommended conditions to ensure that the Town's affordable housing funds are used for their intended purpose and that projects maintain their affordability over time; and

WHEREAS, the Town Council has approved Resolution No. 295 approving, the Amended and Restated Interlocal Agreement for ARCH; and

WHEREAS, the Town Council desires to use \$8700 from Town funds as designated below to finance the projects recommended by the ARCH Executive Board;

NOW, THEREFORE BE IT RESOLVED THAT THE TOWN COUNCIL OF THE TOWN OF YARROW POINT, WASHINGTON:

Section 1. The Town Council authorizes the duly-appointed administering agency of ARCH pursuant to the Amended and Restated Interlocal Agreement for ARCH to execute all documents and take all necessary actions to enter into Agreements on behalf of the Town to fund Image Housing Samma Apartments, Inland Group/Horizon Housing Alliance Totem Lake Apartments, and Plymouth Housing Eastgate Permanent Supportive Housing, for a combined total amount not to exceed \$8700.

Section 2. The Agreements entered into pursuant to Section 1 of this resolution shall include terms and conditions to ensure that the Town's funds are used for their intended purpose and that the projects maintain affordability over time. In determining what conditions should be included in the Agreements, the duly appointed administering agency of ARCH shall be guided by the recommendations set forth in the ARCH Executive Board's memorandum of December 17, 2020.

Adopted by the Town Council this 13th day of April, 2021.

Mayor Dicker Cahill

Attest: Bonnie Ritter, Clerk-Treasurer

Business of The Town Council Town of Yarrow Point, WA

Agenda Bill 21-15
April 13, 2021

Wrapping of the three CenturyLink owned utility boxes on the east side of 92nd Ave NE at town entry (Phase 3 of the Park Board's town entry improvement project)	Proposed Council Action: For Approval.
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Presented by:	Deputy Clerk, Austen Wilcox
Exhibits:	<ul style="list-style-type: none">• Proposed utility box wrap design.• Answers to questions about wrap from Council from the June 11, 2020 Council meeting.• Bid from Traffic Wrapz

Summary:

The Park Board finalized a graphic design at their March 23, 2021 regular meeting and requests Council's approval of the design including the bid from Traffic Wrapz dated March 6, 2020 for \$6,379.91.

Town staff sent the owner of the utility boxes, CenturyLink, a proof of the proposed graphic design in March 2021 and received approval.

Council previously received an update from staff regarding the Park Board's work on this project at the June 9, 2020 Council meeting. At this meeting, Council had some additional follow up questions about the Traffic Wrapz product. I have included an email string listing those questions and the provided answers from Traffic Wrapz. For additional specifications and warranty information, visit page 4/5 in the bid document.

Because of the length of time since the bid was received, staff checked in with Traffic Wrapz in March 2021 to confirm the bid would still be honored and they gave approval that it will. Traffic Wrapz has worked with several municipalities on the greater eastside to wrap similar type utility boxes and they came recommended to us by PSE.

Recommended Action:

Approve the utility box wrap design including the bid from Traffic Wrapz dated March 6, 2020 in the amount of \$6,379.91.



Yarrow Point Deputy Clerk

From: Herb Kiekenapp <herb@trafficwrapz.com>
Sent: Thursday, June 11, 2020 10:47 AM
To: Yarrow Point Deputy Clerk
Subject: Re: Utility box wrapping: Town of Yarrow Point

Hey Austen,

Thanks for reaching out...all good questions!

The life of the wrap is actually longer than the 5-7 year fade/UV warranty. We have installations that have been out there for that almost that long that are showing no signs of fading or failing seams. I think that it would probably look great for up to 10 years or until someone decides to change the art.

We can replace full panels (sides) if they are damaged. No need to replace the full wrap if it is not necessary. We can also replace sections of a side if you want to go that way. The only watch out if only sections are replaced is that there would be a seam around the replacement piece. That would be hard to notice from a distance. We keep all art on file if there is vandalism or a car knocks down the cabinet. So there are no additional charges for art and design. We just print the damaged parts again.

Hope that answers your questions. If not just let me know if you have anymore.

Thanks

Herb Kiekenapp
Global Sales Director
Office - 253.655.2383
Toll Free - 855.55.WRAPZ
www.herb@trafficwrapz.com

On Thu, Jun 11, 2020 at 10:18 AM Yarrow Point Deputy Clerk <depclerk@yarrowpointwa.gov> wrote:

Hello Herb,

I hope you don't mind my reaching out to you again. Our Council reviewed the proposal at their latest Council meeting on Tuesday and asked me to clarify a few things to get further detail.

1. On average, how long does the wrap last for until it needs to be replaced? I know it has a 5-7 year rated protective coating and is UV protected + fade resistant. They are wondering if they will need to replace the wrap every 5-7 years and if the cost to replace it is the same as the proposal.

2. In an unfortunate event that it was vandalized with a knife, can sections of it be replaced or would we have to pay replace the entire wrap? I assume the warranty does not cover vandalism. I understand that graffiti is easily removed.

Thank you again for your time, we really appreciate it.

Austen Wilcox

Deputy Clerk

Town of Yarrow Point

4030 95th Ave. NE

Yarrow Point, WA 98004

P: 425.454.6994

F: 425.454.7899

<http://www.yarrowpointwa.gov>



Office Hours:

M-Th: 8:30-4:30

F: 8:30-Noon

NOTICE OF PUBLIC DISCLOSURE: This email account is public domain. Any correspondence from or to this email account in most instances is considered a public record. Accordingly this email, in whole or in part, may be subject to disclosure pursuant to RCW 42.56, regardless of any claim of confidentiality or privilege asserted by an external party.

From: Yarrow Point Deputy Clerk
Sent: Thursday, May 28, 2020 11:57 AM
To: Herb Kiekenapp <herb@trafficwrapz.com>

TrafficWrapz Headquarters
515 North Flagler Drive Suite P300
West Palm Beach, Florida 33401

March 6, 2020



Yarrow Point,

We are pleased to have the opportunity to provide a proposal for your current project. We have offices or production facilities in West Palm Beach Florida, Seattle Washington, Los Angeles California and Buffalo New York. Our TrafficWrapz branded products were developed specifically for city and municipal industrial applications. Our patent-pending, exclusive products and techniques exceed industry standards by implementing our own exclusive certification protocol that involves testing, safety protocols, continuous education and training focused on beautification applications. We partner with cities, companies large and small, across North America to bring their ideas to life since 1995.

We have been trusted to bring creativity and ideas to organizations for many years and are looking forward in earning your trust. From a small project to large, we manage everything within our organization. We have a staff including: project specialists, designers, production specialists, artist implementation specialists and logistics. This insures our high quality standards from concept to execution are met.

We have worked with municipalities across North America implementing complicated projects from 1 item to thousands. In fact, many of the leading traffic cabinet manufacturers only trust our products and company to install on their equipment across North America. This gives us the ability to manage the entire process from concept to production to installation for thousands of custom applications or just one.

If you have not seen our video of our products in action, paste the below link in your browser.

[Trafficwrapz.com/videos](https://trafficwrapz.com/videos)

Our experience and dedicated staff stands by our clients and our reputation as a company. Additional information and a proposal are included. We are looking forward in personally serving your organization and your community.

Sincerely,

Daniel Gittere
Executive Vice President

Herb Kiekenapp will also be personally managing your project.

Feel free to contact Herb at:

1.855.55WRAPZ Ext 201

Herb@trafficwrapz.com

Why Trafficwrapz?

Experience, creativity, technologically advanced, detailed and exclusively focused on city beautification: We are not a sign shop that does wraps. We are a city beautification company that engineered products to beautify and protect city equipment and objects. We are endorsed by the largest traffic and utility companies in the nation for our quality, safety standards, longevity of product and guaranteed it will not infringe on your equipment's operation.

The idea and the application of a graffiti proof / easy to clean durable product was founded by our team, and it's patent pending. We spent years developing the technology, techniques and process. Our team has exclusive partnerships with DuPont™ and co-developed this technology. Our technology and application is the only product that has been tested and listed for use on traffic and utility cabinets in the world.

The film:

It's advanced and Boeing, NASA, and many other organizations use variations of this technology. It's even used to protect the new fleet of Good Year blimps. We created the only true conformable graffiti and chemical resistant film in the world.

Protect your masterpieces from:

- Acid Etching
- Epoxy paint
- Markers
- UV / Fading
- Dirt
- Environmental contaminates
- Chemicals
- Stickers / adhesives

Other features:

- Self Cleaning
- Chemical / natural cleaners compatible
- Luster finish to reduce headlight glare

Don't be fooled:

We provide all technical specifications and warranties in writing. Make sure you ask all companies for technical bulletins, product information, and warranties. Verify certification to touch and wrap electrical equipment by manufacturers and have a safety protocol on installations on intersections. Ask for printed product samples and test the materials (Use MEK, epoxy paint, oil markers and graffiti cleaners on the samples). Look at the print quality.

Just because a company wrapped an object, does not make them qualified to wrap a sophisticated piece of city infrastructure. Ask for references and photos. Concentrate on seams, corners and rivets. Everything looks good from a distance; many cities do not take a closer look.

What to watch out for:

(Real examples from Olympia WA and Fort Lauderdale FL)



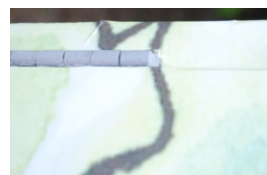
Rivet issues



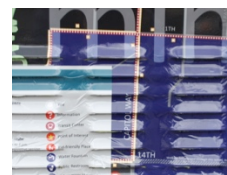
Lack of coverage



Bad installations



Pixelated graphics



Graphics failing

Here is what to expect from us:

Professional project management, experienced designers, High-resolution printing, and a dedicated and trained team

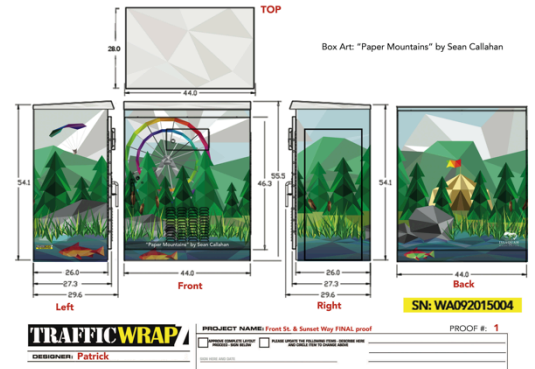
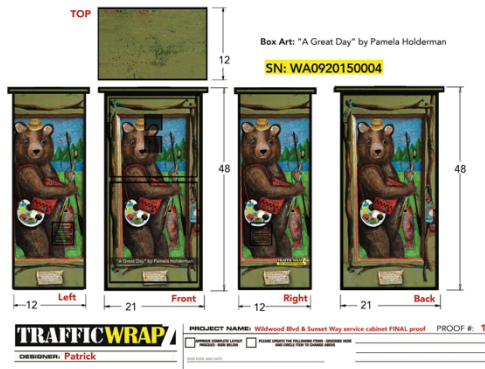
What to expect for proofing:

We've worked with the Historical society to scan / get old photography to place on historical locations. Many times it's hard to imagine what it will look like, so we show them before we install the product through a 3D visualization or a proof. We've also worked with local art schools to help bring art programs alive.

3D Proof (additional charge)

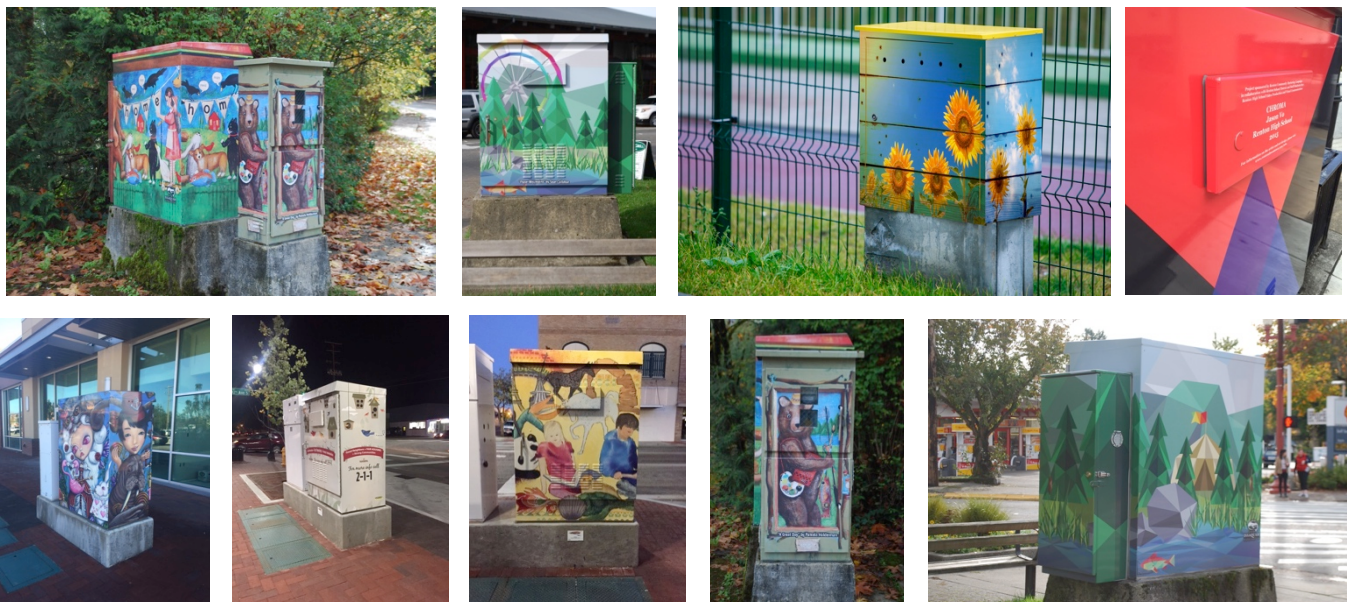


Art Proofs (included in proposal)



Examples of projects

Small or large, customized or creative, our team is ready. TrafficWrapz ONLY focuses and does beatification projects. In installing on traffic cabinets and electrical fixtures.



Coverage specifications:

- Cabinet will be covered on all 4 sides, including door lips, doorframes, and doors. There is also an option to include the top of the cabinet.
- Accesses to cabinets are not required, but do allow us to do a better coverage on the door opening edges.
- Will be cut / designed / installed to the specific cabinet type (NEMA, M Series, etc)

Material specifications:

- Certified High definition / high quality graphic base material (Specific material may vary upon application)
- Certified TW 360hd DuPont™ Tedlar exclusive protective finish with Anti-graffiti, graffiti proof & chemical resistant films
- Multi layered exclusive film (wrap) designed for traffic cabinets. Multi layered exclusive film, with enhanced features protecting your investment such as:
 - UV Protected / fade resistant, 5-7 year rated protective coating
 - Acid rain / environmental toxin resistant
 - Will not degrade in ocean communities (High salt levels in environment / air)
 - Rated for anti-Graffiti protection (exclusive engineered films allows easy non-toxic removal of graffiti)
 - Rated / tested to use typical cabinet cleaners (including Methyl ethyl ketone) and new natural cleaners
 - High Definition graphics / art reproduction
 - Material / process reviewed by major cabinet manufacturer
 - Every-day scratch resistant (Not form severe objects such as a knife or blunt object)

Warranties:

1 year warranty on workmanship, 5 years fade / UV protectant depending on climate zone

**Although our materials are built to last (Up to 2x vinyl decal), certain exclusions apply. Please refer to product information sheet for detailed information.*

Did you know?

- Our products are not typical vinyl material or claimed graffiti-proof products found at sign manufacturers and wrap shops. Normal vinyl degrades faster when exposed to sun and typical UV protective laminates may fail in this type of application. Our exclusive protective film TW 360hd are true anti-graffiti / graffiti proof and chemical resistant films and will not be damaged when your city uses typical cleaning products on it. You can even use our own Soy based biodegradable natural cleaner.
- We developed our own installation procedures that use NO flammable cleaners and preparation cleaners. This meets requirements when operating on electrical equipment.
- We work on beautification projects around the nation

Our proposal:

Our proposal includes everything listed to complete your project and there are no hidden charges. There are additional preparations below you may have to prepare for. Our proposal listed below includes set up design time, accesses to our image catalog, project management, our exclusive product, basic cleaning preparation and installation. We will manage the project with your team. If the boxes are smaller than what you provided, your quote will be reduced. If we are provided incorrect information on size, specifications and art requirements, we may have to provide a new estimate.

Preparation prior to install:

If cabinets have rust or paint chips, the areas should be lightly sanded and primed 2 weeks prior to installation. To insure a successful install, landscaping such as bushes and shrubs should be trimmed away from the cabinet. Other surface imperfections from nature such as heavy moss, algae and soil buildup should also be cleaned at least 3 days prior installation.

Cabinet Executions:

Manufacture	Model	IN INCHES			Main Structure		Top of Structure		Art / Setup	Site Visit	Total
		H	W	D	Film	Install & Prep	Film	Install & Prep			
Yarrow Point											
	Cab 1	54	43	28	\$1,093.50	\$607.50	\$180.60	\$100.33	\$ 200.00	\$ 35.00	\$2,216.93
	Cab 2	48	36	14	\$910.80	\$386.00	\$75.60	\$42.00	\$ 200.00	\$ 35.00	\$1,649.40
	Cab 3 & Extra	64	22	9	\$812.60	\$451.44	\$42.08	\$23.38	\$ 160.00	\$ 35.00	\$1,524.49
Other Charges											\$5,390.83
	Prevailing wage administration				YES						
	Admin & Prevailing wage paperwork									\$450.00	
	Sales Tax					10%					\$539.08
TOTAL											\$989.08

Total	\$6,379.91
--------------	-------------------

Terms:

50% upon acceptance, 50% upon completion

SIGNATURE & APPROVAL TO PROCEED

Estimate Approval:	_____	_____
	Signature	Date
Print Name:	_____	
Fax back to: 561-282-6075		

Proposal expiration:

60 days from proposal package date

Proposal does not include:

Permits, local licenses and administration fee's
 Sales Tax: Local sales tax will be added if a proper tax-exempt certificate is not presented

**Business of The Town Council
Town of Yarrow Point, WA**

Agenda Bill 21-16
April 13, 2021

Comcast Franchise Agreement	Proposed Council Action: For discussion
------------------------------------	---

Presented by:	Assistant Town Attorney
Exhibits:	Comcast Franchise Agreement

Summary: Comcast is requesting a new franchise agreement. Please see attached memorandum outlining the details of the agreement.

Recommended Action: Recommend moving the franchise to a second reading at the next regularly scheduled meeting.

MEMORANDUM

DATE: April 13, 2021
TO: Yarrow Point Town Council
FROM: Emily Miner, Deputy Town Attorney
RE: Comcast Franchise

Background

The Town is authorized, through state and federal statutes to grant and renew cable franchises for the installation, operation, and maintenance of cable systems. The authority to grant franchises for the use of its streets and other public properties is contained in RCW 35A.47.040.

A franchise is essentially a contract between the Town and a service provider who needs to use the public rights-of-way to deliver its services. These franchises allow the Town to regulate services within the Town boundaries through its authority over its public rights-of-way and by other Town powers and authority.

Franchises cover a wide range of topics, such as permitting procedures, notice requirements before digging in the ROWs, insurance and indemnification, length of the franchise, and any applicable costs, fees, or tax arrangements.

The parties are currently operating under the terms of an expired franchise. Comcast has requested that the Town grant it a new 10-year nonexclusive franchise to continue providing services within the Town. On behalf of the Town, Elana Zana and Emily Miner, attorneys at Ogden Murphy Wallace, have been assisting the Town with negotiations for a new cable franchise with Comcast. Initial negotiations were conducted as part of a consortium with several other jurisdictions which allowed for more efficient and effective negotiating of the general pieces of the franchise. Once the agreement framework was established, each jurisdiction finalized the agreement to address their particular needs.

Per state law, franchises require two “readings” before the Council. RCW 35A.47.040. The initial reading will be conducted on April 13th and provides an opportunity for the Council to review the franchise and ask questions.

Analysis

While the Town has latitude over some aspects of the franchise agreements, other aspects such as franchise fees are regulated by State and Federal regulations. The Town has worked to ensure that provisions of the agreement provide adequate protection of the public right-of-way and the Town’s ability to require movement of utilities consistent with Town needs.

Specifically, the new agreement with Comcast includes:

1. Requirement that Comcast continue to pay 5% of their gross revenues from cable services to the Town as a franchise fee.
2. Continued complimentary cable service to Town Hall, subject to an election by Comcast to discontinue upon 120 days' notice.
3. Terms requiring compliance with general use of the ROW requirements and permitting.
4. Indemnification and Insurance provisions to protect the Town.
5. Design standards and requirements for strand-mounted Wi-Fi devices on Comcast's own cables.

Fiscal Considerations

The Town receives approximately \$23,500.00 annually in franchise fees.

Next Steps and Recommendation

The Town Attorney Office's recommendation is that the franchise is consistent with Town codes and state and federal law and thus, should be moved forward to a second reading and adoption at the next regularly scheduled meeting.

Attachments

1. Draft Franchise Agreement
2. Letter Clarifying Working Rules for Comcast's Existing Aerial Cable Facilities

EFM:efm

**TOWN OF YARROW POINT
ORDINANCE NO. 710**

AN ORDINANCE OF THE TOWN OF YARROW POINT, WASHINGTON, GRANTING COMCAST CABLE COMMUNICATIONS MANAGEMENT, LLC, THE RIGHT, PRIVILEGE, AUTHORITY AND FRANCHISE TO CONSTRUCT, OPERATE, MAINTAIN, RECONSTRUCT, REPAIR AND UPGRADE THE CABLE SYSTEM UPON, OVER, UNDER, ALONG, ACROSS AND THROUGH THE FRANCHISE AREA FOR THE PURPOSE OF PROVIDING CABLE SERVICES, SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THIS ORDINANCE AND APPLICABLE LAW; AND ESTABLISHING AN IMMEDIATE EFFECTIVE DATE

WHEREAS, the Town of Yarrow Point (Town) has a legitimate and necessary regulatory role in ensuring the availability of cable communications service, and reliability of cable systems in its jurisdiction, the availability of local programming (including public, educational and Governmental Access programming) and quality Customer service; and

WHEREAS, diversity in Cable Service programming is an important policy goal and Grantee's Cable System offers a wide range of programming services; and

WHEREAS, the Town is authorized by applicable law to grant one or more nonexclusive Franchises to construct, operate and maintain cable systems within the boundaries of the Town; and

WHEREAS, in consideration of the mutual promises made herein, and other good and valuable consideration as provided herein, the receipt and adequacy of which are hereby acknowledged, the Town and Grantee do hereby agree as follows; NOW THEREFORE

NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF YARROW POINT, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

CABLE FRANCHISE

Between

TOWN OF YARROW POINT, WASHINGTON

And

COMCAST CABLE COMMUNICATIONS MANAGEMENT, LLC

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INTRODUCTORY STATEMENT

CABLE TELEVISION FRANCHISE. This Cable Television Franchise is entered into in Yarrow Point, Washington, this _____ day of _____, 2021, by and between the Town of Yarrow Point, Washington a municipal corporation, hereinafter (the “the Town”) and Comcast Cable Communications Management, LLC who is hereinafter known as (“Grantee”). The Town and Grantee are sometimes referred to hereinafter collectively as the “parties.”

SECTION 1. - DEFINITIONS

For the purposes of this Franchise and the Exhibits attached hereto the following terms, phrases, words and their derivations shall have the meanings given herein when indicated with the text of the Franchise by being capitalized. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Words not defined, or those defined, but not capitalized within the text shall be given their common and ordinary meaning. The word “shall” is always mandatory and not merely directory.

- 1.1 “Access” or “Access Programming”
includes Governmental or educational Access, collectively, and means the availability for Noncommercial use by various governmental and educational agencies, institutions and organizations, in the community, including the Town and its designees, of particular channels on the Cable System to receive and distribute Video Programming to Subscribers, as permitted under applicable law. “Governmental Access” means Access where governmental institutions or their designees are the primary users having editorial control over programming and services.
- 1.2 “Access Channel”
means any Channel or portion thereof, designated for Noncommercial Access purposes or otherwise made available to facilitate Access programming.
- 1.3 “Activation” or “Activated”
means the status of any capacity on or part of the Cable System wherein the use of that capacity or part thereof may be made available without further installation of Cable System equipment other than Subscriber premise equipment, whether hardware or software.
- 1.4 “Affiliated Entity” or “Affiliate”
when used in connection with Grantee means any Person who owns or controls, is owned or controlled by, or is under common ownership or control of Grantee.
- 1.5 “Bad Debt”
means amounts lawfully owed by a Subscriber and accrued as revenues on the books of Grantee, but not collected after reasonable efforts by Grantee.
- 1.6 “Basic Service”
means any Cable Service Tier that includes, at a minimum, the retransmission of local television Broadcast Signals.
- 1.7 “Broadcast Signal”
means a television or radio signal transmitted over the air to a wide geographic audience, and received by a Cable System off-the-air by antenna, microwave, satellite dishes or any other means.

- 1.8 “Cable Act”
means the Cable Communications Policy Act of 1984, as amended by the Cable Television Consumer Protection and Competition Act of 1992, and as amended by the Telecommunications Act of 1996, and any amendments thereto.
- 1.9 “Cable Operator”
means any Person or group of Persons, including Grantee, who provides Cable Service over the Cable System and directly or through one or more Affiliates owns a significant interest in such Cable System or who otherwise control(s) or is (are) responsible for, through any arrangement, the management and operation of the Cable System.
- 1.10 “Cable Service”
means the one-way transmission to Subscribers of Video Programming, or other programming service and Subscriber interaction, if any, that is required for the selection or use of such Video Programming or other programming service.
- 1.11 “Cable System”
means a facility, consisting of a set of closed transmission paths and associated signal generation, reception and control equipment that is designed to provide Cable Service that includes Video Programming and that is provided to multiple Subscribers within a community, but such term does not include:
- (1) a facility that serves only to retransmit the television signals of one or more television broadcast stations;
 - (2) a facility that serves Subscribers without using any public right-of-way;
 - (3) a facility of a common carrier that is subject, in whole or in part, to the provisions of Title II of the federal Communications Act (47 U.S.C. Section 201 et seq.), except that such facility shall be considered a cable system (other than for purposes of Section 621(c) (47 U.S.C. Section 541(c)) to the extent such facility is used in the transmission of Video Programming directly to Subscribers, unless the extent of such use is solely to provide interactive on-demand services;
 - (4) an open video system that complies with Section 653 of the Cable Act; or
 - (5) any facilities of any electric utility used solely for operating its electric utility systems. When used herein, the term “Cable System” shall mean Grantee’s Cable System in the Franchise Area unless the context indicates otherwise.
- 1.12 “Capital Contribution”
means a fee required by this franchise for Access facilities pursuant to 47 U.S.C 542(g)(2)(C).”

- 1.13 “Channel”
means a portion of the frequency band capable of carrying a Video Programming Service or combination of Video Programming Services, whether by analog or digital signal, on a twenty-four (24) hour per day basis or a portion thereof.
- 1.14 “Customer Service Representative” or “CSR”
shall mean any person employed by Grantee to assist, or provide service to, Customers, whether by answering public telephone lines, writing service or installation orders, answering Customers’ questions, receiving and processing payments, or performing other Customer service-related tasks.
- 1.15 “Designated Access Provider”
means the entity or entities designated by the Town to manage or co-manage Access Channels and facilities. The Town may be a Designated Access Provider.
- 1.16 “Downstream Channel”
means a Channel capable of carrying a transmission from the Headend to remote points on the Cable System.
- 1.17 “Dwelling Unit”
means any building or portion thereof that has independent living facilities, including provisions for cooking, sanitation and sleeping, and that is designed for residential occupancy.
- 1.18 “FCC”
means the Federal Communications Commission or its lawful successor.
- 1.19 “Fiber Optic”
means a transmission medium of optical fiber cable, along with all associated electronics and equipment capable of carrying electric lightwave pulses.
- 1.20 “Franchise”
means the document, in which this definition appears, that is executed between the Town and Grantee, containing the specific provisions of the authorization granted and the contractual and regulatory agreement created hereby.
- 1.21 “Franchise Area”
means the area within the jurisdictional boundaries of the Town, including any areas annexed by the Town during the term of this Franchise.
- 1.22 “Franchise Fee”
includes any tax, fee or assessment of any kind imposed by the Town on Grantee or Subscribers, or both solely because of their status as such. The term Franchise Fee does not include:
- (1) Any tax, fee or assessment of general applicability (including any such tax, fee, or assessment on both utilities and Cable Operators

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or their services, but not including a tax, fee, or assessment that is unduly discriminatory against Cable Operators or cable Subscribers);

- (2) Capital costs that are required by the Franchise to be incurred by Grantee for Educational or Governmental Access facilities, including the support required in Section 9.6;
- (3) Requirements or charges incidental to the awarding or enforcing of the Franchise, including but not limited to, payments for bonds, security funds, letters of credit, insurance, indemnification, penalties or liquidated damages; or
- (4) Any fee imposed under Title 17, United States Code.

1.23 “Grantee”

means Comcast Cable Communications Management, LLC or its lawful successor, transferee or assignee.

1.24 “Gross Revenues”

1.24.1 “Gross Revenues” means, and shall be construed broadly to include all revenues derived directly or indirectly by Grantee and/or an Affiliated Entity that is the cable operator of the Cable System, from the operation of Grantee’s Cable System to provide Cable Services within the Town. Gross Revenues include, by way of illustration and not limitation:

- (1) monthly fees for Cable Services, regardless of whether such Cable Services are provided to residential or commercial customers, including revenues derived from the provision of all Cable Services (including but not limited to pay or premium Cable Services, digital Cable Services, pay-per-view, pay-per-event, and video-on-demand Cable Services);
- (2) installation, reconnection, downgrade, upgrade, or similar charges associated with changes in subscriber Cable Service levels;
- (3) fees paid to Grantee for channels designated for commercial/leased access use and shall be allocated on a pro rata basis using total Cable Service subscribers within the Town;
- (4) converter, remote control, and other Cable Service equipment rentals, leases, or sales;
- (5) Advertising Revenues as defined herein;
- (6) late fees, convenience fees, and administrative fees, which shall be allocated on a pro rata basis using Cable Services revenue as a percentage of total subscriber revenues within the Town;
- (7) revenues from program guides;

- (8) Franchise Fees;
- (9) FCC Regulatory Fees;
- (10) commissions from home shopping channels and other Cable Service revenue sharing arrangements which shall be allocated on a pro rata basis using total Cable Service subscribers within the Town; and
- (11) any Cable Service revenues that may develop in the future, whether or not anticipated, and consistent with GAAP.

1.24.2 “Advertising Revenues” shall mean revenues derived from sales of advertising that are made available to Grantee’s Cable System Subscribers within the Town and shall be allocated on a pro rata basis using Grantee’s Cable System Subscribers within the Franchise Area in relation to the total number of Grantee’s Cable Service subscribers covered under the advertising arrangement. Additionally, Grantee agrees that Gross Revenues subject to franchise fees shall include all commissions, representative fees, Affiliated Entity fees, or rebates paid to National Cable Communications (“NCC”) and Comcast Effectv (“Effectv”) or their successors associated with sales of advertising on the Cable System within the Town allocated according to this paragraph using total Cable Service Subscribers reached by the advertising.

1.24.3 “Gross Revenues” shall not include:

- (1) actual bad debt write-offs, except any portion which is subsequently collected which shall be allocated on a *pro rata* basis using Cable Services revenue as a percentage of total subscriber revenues within the Town;
- (2) any taxes and/or fees on services furnished by Grantee imposed by an municipality, state, or other governmental unit, provided that Franchise Fees and the FCC regulatory fee shall not be regarded as such a tax or fee;
- (3) fees imposed by any municipality, state, or other governmental unit on Grantee, including but not limited to Public, Educational and Governmental (PEG) Fees;
- (4) launch fees and marketing co-op fees; and
- (5) unaffiliated third-party advertising sales agency fees which are reflected as a deduction from revenues.

1.24.4 To the extent revenues are received by Grantee for the provision of a discounted bundle of services which includes Cable Services and non-Cable Services, Grantee shall calculate revenues to be included in Gross Revenues using a methodology that allocates revenue on a *pro*

rata basis when comparing the bundled service price and its components to the sum of the published rate card, except as required by specific federal, state, or local law. It is expressly understood that equipment may be subject to inclusion in the bundled price at full rate card value. This calculation shall be applied to every bundled service package containing Cable Service from which Grantee derives revenues in the Town. To the extent discounts reduce revenues includable for purposes of calculating Franchise Fees, Grantee may not unfairly or unlawfully allocate discounts for bundled services for the purpose of evading payment of Franchise Fees to the Town. The Town reserves its right to review and to challenge Grantee's calculations.

- 1.24.5 Grantee reserves the right to change the allocation methodologies set forth in this definition of Gross Revenues in order to meet the standards required by governing accounting principles as promulgated and defined by the Financial Accounting Standards Board ("FASB"), Emerging Issues Task Force ("EITF") and/or the U.S. Securities and Exchange Commission ("SEC"). Grantee will explain and document the required changes to the Town within sixty (60) days of making such changes, and as part of any audit or review of Franchise Fee payments, and any such changes shall be subject to 1.24.6 below.
- 1.24.6 Resolution of any disputes over the classification of revenue should first be attempted by agreement of the Parties, but should no resolution be reached, the Parties agree that reference shall be made to generally accepted accounting principles ("GAAP") as promulgated and defined by the FASB, EITF and/or the SEC. Notwithstanding the forgoing, the Town reserves its right to challenge Grantee's calculation of Gross Revenues, including the application of GAAP to Franchise Fees and the interpretation of GAAP as promulgated and defined by the FASB, EITF and/or the SEC.
- 1.24.7 For the purposes of determining Gross Revenue Grantee shall use the same method of determining revenues under GAAP as that which Grantee uses in determining revenues for the purpose of reporting to national and state regulatory agencies.
- 1.25 "Headend" or "Hub"
means any Facility for signal reception and dissemination on a Cable System, including cable, antennas, wires, satellite dishes, monitors, switchers, modulators, processors for Broadcast Signals or other signals, and all other related equipment and Facilities.
- 1.26 "Leased Access Channel"
means any Channel or portion of a Channel commercially available for programming in accordance with Section 612 of the Cable Act.

- 1.27 "Locally Scheduled Original Programming"
means Government Access or educational Access programming that is created by the Town or their designated access provider(s) including edited coverage of live programming. Such Locally Scheduled Original Programming shall not be considered as qualifying as such after three (3) cablecasts (initial, first repeat, second repeat and third repeat). Automated Video Programming filler, such as cablecasts of highways and roads, or video bulletin boards does not constitute Locally Scheduled Original Programming that qualifies herein.
- 1.28 "Pay Service" or "Premium Service"
means Video Programming or other programming service choices (such as movie Channels or pay-per-view programs) offered to Subscribers on a package tier, per-Channel, per-program or per-event basis.
- 1.29 "Person"
means any natural person, sole proprietorship, partnership, joint venture, association, or limited liability entity or corporation, or any other form of entity or organization.
- 1.30 "Rights-of-Way"
means land acquired or dedicated for public roads and streets including easements dedicated for compatible use and consistent with Section 621 of the Cable Act, but does not include:
- (1) State highways;
 - (2) Land dedicated for roads, streets, and highways not opened and not improved for motor vehicle use by the public, unless specifically used as a utility corridor;
 - (3) Structures, including poles and conduits, located within the right-of-way;
 - (4) Federally granted trust lands or forest board trust lands;
 - (5) Lands owned or managed by the state parks and recreation commission; or
 - (6) Federally granted railroad rights-of-way acquired under 43 U.S.C. Sec. 912 and related provisions of federal law that are not open for motor vehicle use.
- 1.31 "Service Interruption"
means the loss of picture or sound on one or more cable Channels.
- 1.32 "State"
means the State of Washington.

- 1.33 “Subscriber” or “Customer”
means any Person who lawfully receives Cable Services provided by Grantee by means of the Cable System with Grantee’s express permission.
- 1.34 “Town”
means the Town of Yarrow Point, Washington, a municipal corporation, of the State of Washington.
- 1.35 “Tier”
means a category of Cable Services provided by Grantee for which a separate rate is charged.
- 1.36 “Video Programming”
means programming provided by, or generally considered comparable to programming provided by, a television broadcast station, or cable programming provider.

SECTION 2. - GRANT OF FRANCHISE

2.1 Grant

- 2.1.1 The Town hereby grants to Grantee a nonexclusive authorization to make reasonable and lawful use of the Rights-of-Way within the Franchise Area to construct, operate, maintain, reconstruct, repair and upgrade the Cable System for the purpose of providing Cable Services, subject to the terms and conditions set forth in this Franchise and applicable law. This Franchise shall constitute both a right and an obligation to fulfill the obligations set forth in the provisions of this Franchise.
- 2.1.2 Grantee, through this Franchise, is granted the right to operate its Cable System using the public Rights-of-Way within the Franchise Area in compliance with all lawfully enacted applicable construction codes and regulations. This Franchise is intended to convey limited rights and interests only as to those streets in which the Town has an actual interest. It is not a warranty of title or interest in any Right-of-Way; it does not provide Grantee any interest in any particular location within the Right-of-Way; and it does not confer rights other than as expressly provided in the grant hereof. This Franchise does not deprive the Town of any powers, rights or privileges it now has, or may later acquire in the future, to use, perform work on or to regulate the use of and to control the Town’s streets covered by this Franchise, including without limitation the right to perform work on its roadways, Right-of-Way or appurtenant drainage facilities, including constructing, altering, paving, widening, grading, or excavating thereof.

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- 2.1.3 This Franchise is subject to and shall be governed by all applicable provisions now existing or hereafter amended of federal, State and local laws and regulations, including but not limited to the Yarrow Point Municipal Code and general engineering design and development standards. This Franchise is subject to the general lawful police power of the Town affecting matters of municipal concern. Nothing in this Franchise shall be deemed to waive the requirements of the other codes and ordinances of general applicability enacted, or hereafter enacted, by the Town. Grantee agrees to comply with the provisions of the Town ordinances provided that in the event of a conflict between the provisions of ordinances and the Franchise, the express provisions of the Franchise shall govern.
- 2.1.4 Grantee agrees, as a condition of exercising the privileges granted by this Franchise, that any Affiliate of Grantee that is a Cable Operator of the Cable System in the Franchise Area, as defined herein, or directly involved in the management or operation of the Cable System in the Franchise Area, will comply with the terms and conditions of this Franchise.
- 2.1.5 No rights shall pass to Grantee by implication. Without limiting the foregoing, by way of example and not limitation, this Franchise shall not include or be a substitute for:
- (1) Any other permit or authorization required for the privilege of transacting and carrying on a business within the Town that may be required by the ordinances and laws of the Town.
 - (2) Any permit, agreement or authorization required by the Town for Rights-of-Way users in connection with operations on or in Rights-of-Way or public property; or
 - (3) Any permits or agreements for occupying any other property of the Town or private entities to which access is not specifically granted by this Franchise.
- 2.1.6 This Franchise authorizes Grantee to engage in providing Cable Service, as that term is defined in 47 U.S.C. Sec. 522(6), as amended. Neither the Town nor the Grantee waive any rights they may have under applicable law as to the lawful use of the Cable System for other services and the regulatory obligations related to such services.

2.2 Use of Rights-of-Way

- 2.2.1 Grantee may erect, install, construct, repair, replace, reconstruct, and retain in, on, over, under, upon, across, through, below and along the Rights-of-Way within the Franchise Area, such wires, cables (both coaxial and Fiber Optic), conductors, ducts, conduit, vaults, manholes,

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amplifiers, appliances, pedestals, attachments and other property and equipment as are necessary and appurtenant to the operation of a Cable System for the provision of Cable Service within the Franchise Area. Grantee shall comply with all applicable construction codes, laws, ordinances, regulations and procedures regarding placement and installation of Cable System facilities in the Rights-of Way.

- 2.2.2 Grantee must follow the Town-established requirements, as well as all the Town codes, ordinances and other regulations regarding placement of Cable System facilities in Rights-of-Way, including the specific location of facilities in the Rights-of-Way. Grantee must in any event install Cable System facilities in a manner that minimizes interference with the use of the Rights-of-Way by others, including others that may be installing communications facilities. To protect public health, safety and welfare, the Town may require that Cable System facilities be installed at a particular time, at a specific place or in a particular manner as a condition of access to a particular Rights-of-Way; may deny access if Grantee is not willing to comply with the Town's requirements; and may remove, or require removal of, any facility that is not installed in compliance with the requirements established by the Town, or that is installed without prior Town approval of the time, place or manner of installation (including charging Grantee for all the costs associated with removal); and the Town may require Grantee to cooperate with others to minimize adverse impacts on the Rights-of-Way through joint trenching and other arrangements. Grantee shall assume its costs (in accordance with applicable law) associated with any requirement of the Town in the exercise of its police powers, to relocate its Cable System facilities located in the Rights-of-Way.

2.3 Term

- 2.3.1 This Franchise and the rights, privileges, and authority granted hereunder and the contractual relationship established hereby shall remain in full force and effect for a period of ten (10) years from and after the effective date of this Ordinance, as specified in SECTION 19. - , subject to acceptance of this Franchise by Grantee pursuant to Section 18.16.
- 2.3.2 The grant of this Franchise shall have no effect on any ordinance in effect prior to the effective date of this Franchise to indemnify or insure the Town against acts and omissions occurring during the period that the prior franchise was in effect, nor shall it have any effect upon liability to pay all Franchise Fees (for any prior years) that were due and owed under a prior franchise and the franchise ordinance.

2.4 Franchise Nonexclusive

This Franchise shall be nonexclusive, and subject to all prior rights, interests,

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easements, or franchises granted by the Town or its predecessors to any Person to use any property, Right-of-Way, easement, including the right of the Town to use same for any purpose it lawfully deems fit, including the same or similar purposes allowed Grantee hereunder. The Town may at any time grant authorization to use the Rights-of-Way for any purpose not incompatible with Grantee's authority under this Franchise and for such additional franchises for Cable Systems, as the Town deems appropriate.

2.5 Grant of Other Franchises

- 2.5.1 Grantee acknowledges and agrees that the Town reserves the right to grant one or more additional franchises subsequent to this Franchise to provide Cable Service or wireline video programming service within the Franchise Area; provided, the Town agrees that it shall amend this Franchise to include any material terms or conditions that it makes available to the new entrant within ninety (90) days of Grantee's request, so as to ensure that the regulatory and financial burdens on each entity are materially equivalent. "Material terms and conditions" include but are not limited to: Franchise Fees; insurance; system build-out requirements; security instruments; Access Channels and support; customer service standards; required reports and related record keeping; and notice and opportunity to cure breaches. The parties agree that this provision shall not require a word-for-word identical franchise or authorization so long as the regulatory and financial burdens on each entity are materially equivalent. Video Programming services delivered over wireless broadband networks are specifically exempted from the requirements of this Section so long as the Town does not have lawful authority to regulate such wireless broadband networks within the Franchise Area.
- 2.5.2 The modification process of this Franchise as provided in the preceding paragraph shall only be initiated by written notice by Grantee to the Town regarding specified franchise obligations. Grantee's notice shall address the following:
- (1) identifying the specific terms or conditions in the competitive cable services franchise which are materially different from Grantee's obligations under this Franchise;
 - (2) identifying the Franchise terms and conditions for which Grantee is seeking amendments;
 - (3) providing text for any proposed Franchise amendments to the Town, and
 - (4) a written explanation of why the proposed amendments are necessary.

- 2.5.3 Upon receipt of Grantee's written notice as provided in Section 2.5.2, the Town and Grantee agree that they will use best efforts in good faith to negotiate Grantee's proposed Franchise modifications, and that such negotiation will proceed and conclude within a ninety (90) day time period, unless that time period is reduced or extended by mutual agreement of the parties. If the Town and Grantee reach agreement on the Franchise modifications pursuant to such negotiations, then the parties shall amend this Franchise to include the modifications. Notwithstanding any modification of this Franchise pursuant to the provisions of this Section 2.5, should any entity, whose authorization to provide Cable Services or similar wireline video programming service resulted in a triggering of the amendments under this Section, fail or cease to provide such services within the Town, the Town may provide ninety (90) days' written notice to Grantee of such fact, and the Town and Grantee shall enter into good faith negotiations to determine the original terms, conditions and obligations of this Franchise shall be reinstated and fully effective.
- 2.5.4 In the event an application for a new cable television franchise is filed with the Town proposing to serve the Franchise Area, in whole or in part, the Town shall provide notice of such application to the Grantee.
- 2.5.5 In the event that a wireline multichannel video programming distributor, legally authorized by state or federal law, makes available for purchase by Subscribers or customers, Cable Services or wireline video services within the Town without a Cable Service franchise or other similar lawful authorization granted by the Town, then Grantee shall have a right to request Franchise amendments that relieve the Grantee of regulatory burdens that create a competitive disadvantage to Grantee. In requesting amendments, Grantee shall file a petition seeking to amend this Franchise. Such petition shall:
- (1) indicate the presence of such wireline competitor;
 - (2) identify the Franchise terms and conditions for which Grantee is seeking amendments;
 - (3) provide the text of all proposed Franchise amendments to the Town,
 - (4) identify all material terms or conditions in the applicable state or federal authorization which are substantially more favorable or less burdensome to the competitive entity.
 - (5) The Town shall not unreasonably withhold consent to Grantee's petition.

2.6 Familiarity with Franchise

Grantee acknowledges and warrants by acceptance of the rights, privileges and

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agreement granted herein, that it has carefully read and fully comprehends the terms and conditions of this Franchise and is willing to and does accept all reasonable risks of the meaning of the provisions, terms and conditions herein. Grantee further acknowledges and states that it has fully studied and considered the requirements and provisions of this Franchise, and finds that the same are commercially practicable at this time and consistent with all local, State and federal laws and regulations currently in effect, including the Cable Act.

2.7 Effect of Acceptance

By accepting the Franchise, Grantee:

- (1) acknowledges and accepts the Town's legal right to issue and enforce the Franchise;
- (2) agrees that it will not oppose the Town's intervening to the extent it is legally entitled to do so in any legal or regulatory proceeding affecting the Cable System;
- (3) accepts and agrees to comply with each and every provision of this Franchise subject to applicable law; and
- (4) agrees that the Franchise was granted pursuant to processes and procedures consistent with applicable law, and that it will not raise any claim to the contrary.

2.8 Police Powers

Grantee's rights hereunder are subject to the police powers of the Town to adopt and enforce ordinances necessary to protect the safety, health and welfare of the public, and Grantee agrees to comply with all applicable laws, ordinances and regulations lawfully enacted pursuant to the police powers of the Town, or hereafter enacted in accordance therewith, by the Town or any other legally constituted governmental unit having lawful jurisdiction over the subject matter hereof. The Town reserves the right to exercise its police powers, notwithstanding anything in this Franchise to the contrary.

2.9 Franchise Area

Grantee shall provide Cable Services, as authorized under this Franchise, within the Franchise Area in accordance with line extension and density provisions as provided herein.

2.10 Reservation of Rights

Nothing in this Franchise shall

- (1) abrogate the right of the Town to perform any public works or public improvements of any description,
- (2) be construed as a waiver of any codes or ordinances of general applicability promulgated by the Town, or

- (3) be construed as a waiver or release of the rights of the Town in and to the Rights-of-Way.

SECTION 3. - FRANCHISE FEE AND FINANCIAL CONTROLS

3.1 Franchise Fee

As compensation for the use of the Town's Rights-of-Way, Grantee shall pay as a Franchise Fee to the Town, throughout the duration of this Franchise, an amount equal to five percent (5.0%) of Grantee's Gross Revenues or such greater or lesser percentage subject to subsection 3.7 below. Accrual of such Franchise Fee shall commence as of the effective date of this Franchise.

3.2 Payments

Grantee's Franchise Fee payments to the Town shall be computed quarterly for the preceding quarter. Each quarterly payment shall be due and payable no later than forty-five (45) days after the end of the preceding quarter. The quarters shall end respectively on the last day of March, June, September and December.

3.3 Acceptance of Payment

No acceptance of any payment shall be construed as an accord by the Town that the amount paid is, in fact, the correct amount, nor shall any acceptance of payments be construed as a release of any claim the Town may have for further or additional sums payable or for the performance of any other obligation of Grantee.

3.4 Audits

No more than on an annual basis, upon thirty (30) days' prior written notice, the Town shall have the right to conduct an independent audit of Grantee's financial records necessary to enforce compliance with this Franchise and to calculate any amounts determined to be payable under this Franchise. Provided Grantee cooperates in making all relevant records available upon request, the Town will in good faith attempt to complete each audit within six (6) months, and the audit period shall not be any greater than the previous six (6) years. Any additional amounts due to the Town as a result of the audit shall be paid within sixty (60) days following written notice to Grantee, and Grantee's agreement that the audit findings are correct, which notice shall include a copy of the audit findings. If a Franchise Fee underpayment is discovered as the result of an audit, Grantee shall pay, in addition to the amount due, interest at the maximum allowed rate as provided under State law calculated from the date the underpayment was originally due until the date the Town receives the payment. If the audit shows that Franchise Fees have been underpaid, by five percent (5%) or more in a calendar year, Grantee shall pay the cost of the audit in an amount up to \$12,500 for the first year of the audit and \$5,000 for the next two years of the audit period.

3.5 Financial Records

Grantee agrees to meet with a representative of the Town upon request to review Grantee's methodology of record-keeping, financial reporting, the computing of Franchise Fee obligations and other procedures, the understanding of which the Town deems necessary for reviewing reports and records that are relevant to the enforcement of this Franchise.

3.6 Underpayments

In the event any payment is not received within forty-five (45) days from the end of the scheduled payment period, Grantee shall pay, in addition to the amount due, interest at the maximum allowed rate as provided under State law calculated from the date the underpayment was originally due until the date the Town receives the payment. The period of limitation for recovery of franchise fees payable hereunder shall be six (6) years from the date on which payment by the Grantee was due.

3.7 Maximum Franchise Fee

The parties acknowledge that, at present, applicable federal law limits the Town to collection of a Franchise Fee of five percent (5%) of Gross Revenues in any twelve (12) month period. In the event that at any time throughout the term of this Franchise, the Town is authorized to collect an amount in excess of five percent (5%) of Gross Revenues in any twelve (12) month period, the parties hereby agree to amend the Franchise after written notice to Grantee, and a public meeting to discuss same, provided that all wireline cable systems in the Franchise Area over which the Town has jurisdiction are treated in an equivalent manner. In the event that at any time throughout the term of this Franchise, the Town is limited by federal law to collecting an amount which is less than five percent (5%) of Gross Revenues in any twelve (12) month period, Grantee may request reduction of the Franchise Fee payments to the Town in accordance with federal law and the parties hereby agree to amend the Franchise unless the Town would be covered under grandfathered provisions under federal law to keep the Franchise Fee at five percent (5%) of Gross Revenues.

3.8 Payment on Termination

If this Franchise terminates for any reason, Grantee shall file with the Town within ninety (90) calendar days of the date of the termination, a financial statement, certified by an independent certified public accountant, showing the Gross Revenues received by Grantee since the end of the previous fiscal year. Within forty five (45) days of the filing of the certified statement with the Town, Grantee shall pay any unpaid amounts as indicated. If Grantee fails to satisfy its remaining financial obligations as required in this Franchise, the Town may do so by utilizing the funds available in a letter of credit or other security provided by Grantee pursuant to Section 5.3 or may exercise any other remedies provided to the Town in law or equity to collect on such financial obligations.

3.9 Service Packages

In addition to the requirements elsewhere in this Franchise, Town acknowledges

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that, during the term of this Franchise, Grantee may offer to its Subscribers, at a discounted rate, a bundled or combined package of services consisting of Cable Services, which are subject to the Franchise Fee referenced above, and other services that are not subject to that Franchise Fee. To the extent discounts reduce revenues includable for purposes of calculating Franchise Fees, Grantee may not unfairly or unlawfully allocate discounts for bundled services for the purpose of evading payment of Franchise Fees to the Town. As between Cable Services and non-Cable Services, revenues shall be allocated on a pro rata basis. If a dispute arises between the parties regarding this matter, Town and Grantee will meet within twenty (20) days' notice and discuss such matters in good faith in an attempt to reach a reasonable compromise thereof.

3.10 Alternative Compensation

In the event that Franchise Fees are prohibited by any law or regulation, Franchisee shall pay to the Town that amount, if any, which is determined by applicable law.

3.11 Tax Liability

The Franchise Fees shall be in addition to any and all taxes or other levies or assessments which are now or hereafter required to be paid by businesses by any law of the Town, the State or the United States including, without limitation, sales, use, utility, property, permits and other taxes, or business license fees.

SECTION 4. - ADMINISTRATION AND REGULATION

The Town shall be vested with the power and right to administer and enforce this Franchise and the regulations and requirements of applicable law, including the Cable Act, or to delegate that power and right of administration, or any part thereof, to the extent permitted under federal, State and local law, to any agent in the sole discretion of the Town.

4.1 Rates and Charges

Grantee rates and charges related to or regarding Cable Services shall be subject to regulation by the Town to the full extent authorized by applicable federal, State and local laws. Customer billing shall be itemized by service(s) per FCC Regulation 76.309(B)(ii)(A) and 76.1619 or as amended. Grantee shall comply with all applicable laws regarding rates for Cable Services and all applicable laws covering issues of cross subsidization.

4.2 No Rate Discrimination

All Grantee rates and charges shall be published (in the form of a publicly-available rate card), made available to the public, and shall be non-discriminatory as to all Persons of similar classes, under similar circumstances and conditions. Grantee shall not deny cable service or otherwise discriminate against customers

or others. Grantee shall apply its rates in accordance with governing law. Nothing herein shall be construed to prohibit:

- (1) The temporary reduction or waiving of rates or charges in conjunction with promotional campaigns;
- (2) The offering of reasonable discounts to similarly situated Persons;
- (3) The offering of rate discounts for either Cable Service generally;
or
- (4) The offering of bulk discounts for Multiple Dwelling Units.

4.3 Filing of Rates and Charges

Throughout the term of this Franchise, Grantee shall maintain on file with the Town a complete schedule of applicable rates and charges for Cable Services provided under this Franchise. Nothing in this subsection shall be construed to require Grantee to file rates and charges under temporary reductions or waivers of rates and charges in conjunction with promotional campaigns.

4.4 Time Limits Strictly Construed

Whenever this Franchise sets forth a time for any act to be performed by Grantee, such time shall be deemed to be of the essence, and any failure of Grantee to perform within the allotted time may be considered a breach of this Franchise.

4.5 Performance Evaluation

4.5.1 Performance evaluation sessions may be held at any time upon request by the Town during the term of this Franchise following Grantee's repeated failure to comply with the terms of this Franchise or no more than once in any annual period.

4.5.2 All evaluation sessions shall be open to the public and announced at least one week in advance in a newspaper of general circulation in the Franchise Area.

4.5.3 Topics that may be discussed at any evaluation session may include those issues surrounding Grantee's failure to comply with the terms of the Franchise, provided that nothing in this subsection shall be construed as requiring the renegotiation of this Franchise or any term or provision therein and further provided that this subsection need not be followed before other legal or equitable remedies within this Franchise.

4.5.4 During evaluations under this subsection, Grantee agrees to participate in such evaluation sessions described in this Section 4.5 and to provide such information or documents as the Town may request to perform the evaluation.

4.6 Leased Access Channel Rates

Upon request, Grantee shall provide a complete schedule of current rates and charges for any and all Leased Access Channels, or portions of such Channels, provided by Grantee.

4.7 Late Fees

4.7.1 For purposes of this subsection, any assessment, charge, cost, fee or sum, however, characterized, that Grantee imposes upon a Subscriber solely for late payment of a bill is a late fee and shall be applied in accordance with applicable local, State and federal laws.

4.7.2 Grantee's late fee and disconnection policies and practices shall be nondiscriminatory, and such policies and practices, and any fees imposed pursuant to this subsection, shall apply equally in all parts of the Town without regard to the neighborhood or income level of the subscribers.

SECTION 5. - FINANCIAL AND INSURANCE REQUIREMENTS

5.1 Indemnification

5.1.1 General Indemnification

Grantee, at its sole cost and expense, shall indemnify, defend and hold the Town, its officers, officials, boards, commissions, authorized agents, representatives, and employees, harmless from any action or claim for injury, damage, loss, liability, settlement, proceeding, judgment, or cost or expense, including court and appeal costs and attorneys' fees and expenses, arising from any acts, errors, or omissions, or from the conduct of Grantee's business, including all damages in any way arising out of, or by reason of, any construction, excavation, erection, operation, maintenance, repair or reconstruction, or any other act done under this Franchise, by or for Grantee, its authorized agents, or by reason of any neglect or omission of Grantee its authorized agents or its employees, except only such injury or damage as shall have been occasioned by the sole negligence or intentional misconduct of the Town. Grantee shall consult and cooperate with the Town while conducting its defense of the Town. Said indemnification obligations shall extend to any settlement made by Grantee.

5.1.2 Concurrent Negligence

However, should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property

caused by or resulting from the concurrent negligence of the Grantee and the Town, its officers, officials, employees, and volunteers, the Grantee's liability hereunder shall be only to the extent of the Grantee's negligence.

5.1.3 Indemnification for Relocation

Grantee shall indemnify, defend and hold the Town, its elected officials, officers, authorized agents, boards, and employees, harmless for any damages, claims, additional costs, or expenses payable by, the Town related to, arising out of, or resulting from Grantee's failure to remove, adjust or relocate any of its facilities in the Rights-of-Way in a timely manner in accordance with any lawful relocation required by the Town. Pursuant to Section 5.1.1, the provisions of this Section 5.1.3 shall specifically include, but are not limited to, claims for delay, damages, costs, and/or time asserted by any contractor performing public work for or on behalf of the Town.

5.1.4 Additional Circumstances

Grantee shall also indemnify, defend and hold the Town harmless for any claim for injury, damage, loss, liability, cost and expense, including court and appeal costs and attorneys' fees and expenses in any way arising out of any failure by Grantee to secure consents from the owners, authorized distributors or franchisees/licensors of programs to be delivered by the Cable System, provided however, that Grantee will not be required to indemnify the Town for any claims arising out of the use of Access Channels by the Town and/or its Designated Access Providers or use by the Town of the Emergency Alert Cable System.

5.1.5 Procedures and Defense

If a claim or action arises, the Town or any other indemnified party shall tender the defense of the claim or action to Grantee, which defense shall be at Grantee's expense. The Town may participate in the defense of a claim and, in any event, Grantee may not agree to any settlement of claims financially affecting the Town without the Town's written approval that shall not be unreasonably withheld.

5.1.6 Duty of Defense

The fact that Grantee carries out any activities under this Franchise through independent contractors shall not constitute an avoidance of or defense to Grantee's duty of defense and indemnification under this Section 5.1.

5.1.7 Duty to Give Notice

The Town shall give Grantee timely written notice of any claim or of the commencement of any action, suit or other proceeding covered by the indemnity in this Section. The Town's failure to so notify and request indemnification shall not relieve Grantee of any liability that Grantee

might have, except to the extent that such failure prejudices Grantee's ability to defend such claim or suit. In the event any such claim arises, the Town or any other indemnified party shall tender the defense thereof to Grantee and Grantee shall have the obligation and duty to defend any claims arising thereunder, and the Town shall cooperate fully therein.

5.1.8 Separate Representation

If separate representation to fully protect the interests of both parties is necessary, such as a conflict of interest between the Town and the counsel selected by Grantee to represent the Town, Grantee shall select other counsel without conflict of interest with the Town.

5.1.9 Prior Franchises

The grant of this Franchise shall have no effect on Grantee's duty under the prior franchises to indemnify or insure the Town against acts and omissions occurring during the period that the prior franchises were in effect, nor shall it have any effect upon Grantee's liability to pay all Franchise Fees which were due and owed under prior franchises.

5.1.10 Waiver of Title 51 RCW Immunity

Grantee's indemnification obligations shall include indemnifying the Town for actions brought by Grantee's own employees and the employees of Grantee's agents, representatives, contractors, and subcontractors even though Grantee might be immune under Title 51 RCW from direct suit brought by such an employee. It is expressly agreed and understood that this indemnification for actions brought by the aforementioned employees is limited solely to claims against the Town arising by virtue of Grantee's exercise of the rights set forth in this Franchise. To the extent required to provide this indemnification and this indemnification only, Grantee waives its immunity under Title 51 RCW as provided in RCW 4.24.115; provided however, the forgoing waiver shall not in any way preclude Grantee from raising such immunity as a defense against any claim brought against Grantee by any of its employees or other third party. The obligations of Grantee under this Section 5.1.10 have been mutually negotiated by the parties hereto.

5.1.11 Inspection

Inspection or acceptance by the Town of any work performed by Grantee at the time of completion of construction or maintenance projects shall not be grounds for avoidance of any of these covenants of indemnification.

5.1.12 Damage to Grantee Facilities

Notwithstanding any other provisions of this Section 5.1, Grantee assumes the risk of damage to its Cable System facilities located in or

upon the Rights-of-Way from activities conducted by the Town, and agrees to release and waive any and all such claims against the Town except to the extent any such damage or destruction is caused by or arises from the gross negligence, intentional misconduct or criminal actions of the Town. In no event shall the Town be liable for any indirect, incidental, special, consequential, exemplary, or punitive damages, including by way of example and not limitation lost profits, lost revenue, loss of goodwill, or loss of business opportunity in connection with the Town's acts or omissions.

5.1.13 Environmental Liability

Grantee shall at its own cost, expense, and liability, comply with all applicable laws, statutes, rules, and regulations concerning Hazardous Substances that relate to Grantee's Cable System. "Hazardous Substances" shall mean any material or substance which does cause or may cause environmental pollution or contamination (and associated liability and clean-up costs related thereto) as defined under applicable state and federal laws, rules, and regulations. Grantee shall be solely and separately liable and responsible for the containment, remediation and/or clean-up of any release of Hazardous Substances directly arising from or relating to Grantee's Cable System. Grantee shall indemnify, defend and hold the Town harmless from any fines, suits, procedures, claims, costs, damages, expenses, and actions of any kind arising out of or in any way connected with any release(s) of Hazardous Substances directly arising from or related to Grantee's Cable System. This indemnity includes, but is not limited to:

- (1) liability for a governmental agency's costs of removal or remedial action for Hazardous Substances;
- (2) damages to natural resources caused by Hazardous Substances, including the reasonable costs of assessing such damages;
- (3) liability for the Town's costs of responding to Hazardous Substances; and
- (4) liability for any costs of investigation, abatement, mitigation, correction, remediation, cleanup, fines, penalties, or other damages arising under any environmental laws.

5.2 Insurance Requirements

5.2.1 General Requirement

Grantee shall procure and maintain for the duration of the Franchise and as long as Grantee has Facilities in the Rights-of-Way, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the Agreement and use of the rights-of-way in the coverage amounts described below:

- (1) Commercial General Liability coverage for bodily injury, personal injury, and property damage with limits of no less than two million dollars (\$2,000,000) per occurrence. The general aggregate limit shall be no less than five million dollars (\$5,000,000). Commercial General Liability insurance shall be at least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop gap liability, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. There shall be no exclusion for liability arising from explosion, collapse or underground property damage. The Town shall be named as an additional insured under the Grantee's Commercial General Liability insurance policy with respect this Franchise using ISO endorsement CG 20 12 05 09 or CG 20 26 07 04, or substitute endorsement providing at least as broad coverage.
- (2) Commercial Automobile Liability Insurance with minimum combined single limits of at least two million dollars (\$2,000,000) each occurrence and five million dollars (\$5,000,000) aggregate with respect to each of Grantee's owned, hired and non-owned, or any other vehicles assigned to or used in any activities authorized under or used in conjunction with this Franchise. Automobile Liability insurance shall cover all owned, non-owned, hired and leased vehicles. Coverage shall be at least as broad as Insurance Services Office (ISO) form CA 00 01.
- (3) Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
- (4) Umbrella or excess liability insurance in the amount of five million dollars (\$5,000,000). Excess or Umbrella Liability insurance shall be excess over and at least as broad in coverage as the Grantee's Commercial General Liability and Automobile Liability insurance. The Town shall be named as an additional insured on the Grantee's Excess or Umbrella Liability insurance policy. The Excess or Umbrella Liability requirement and limits may be satisfied instead through Grantee's Commercial General Liability and Automobile Liability insurance, or any combination thereof that achieves the overall required limits.

5.2.2 Primary Insurance

Grantee's Commercial General Liability, Automobile Liability, and Excess or Umbrella Liability, insurance policy or policies are to contain, or be endorsed to contain, that they shall be primary insurance as respect the Town. Any insurance, self-insurance, or self-insured pool coverage maintained by the Town shall be excess of the Grantee's insurance and shall not contribute with it. The Town, and the Town's officers, officials, boards, commissions, agents, representatives, and

employees are to be covered as, and have the rights of, additional insured's with respect to liability arising out of activities performed by, or on behalf of, Grantee under this Franchise or applicable law, or in the construction, operation, upgrade, maintenance, repair, replacement or ownership of the Cable System;

5.2.3 Acceptability of Insurers

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

5.2.4 Verification of Coverage

Grantee shall furnish the Town with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Franchise. Upon request by the Town, the Grantee shall furnish certified copies of all required insurance policies, including endorsements, required in this Franchise and evidence of all subcontractors' coverage.

5.2.5 Subcontractors

Grantee shall cause each and every subcontractor to provide insurance coverage that complies with all applicable requirements of the Grantee provided insurance as set forth herein, except the Grantee shall have sole responsibility for determining the limits of coverage required to be obtained by Subcontractors. The Grantee shall require that the Town is an additional insured on the Subcontractor's Commercial General liability insurance policy.

5.2.6 Notice of Cancellation

Grantee shall provide the Town with written notice of any policy cancellation within two business days of their receipt of such notice.

5.2.7 Failure to Maintain Insurance

Failure on the part of Grantee to maintain the insurance as required shall constitute a material breach of Franchise, upon which the Town may, after giving five business days' notice to Grantee to correct the breach, terminate the Franchise or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the Town on demand.

5.2.8 Grantee – Self-Insurance

If the Grantee is self-insured or becomes self-insured during the term of the Franchise, Grantee or its affiliated parent entity shall comply with the following:

- (1) provide the Town, upon request, a copy of Grantee's or its parent company's most recent audited financial statements, if such financial statements are not otherwise publicly available;
- (2) Grantee or its parent company is responsible for all payments within the self-insured retention; and
- (3) Grantee assumes all defense and indemnity obligations as outlined in the indemnification section of this Franchise.

5.2.9 No Limitation of Liability

Grantee's maintenance of insurance as required by this Franchise shall not be construed to limit the liability of Grantee to the coverage provided by such insurance, or otherwise limit the Town's recourse to any remedy available at law or in equity.

5.3 Security

- 5.3.1 Grantee shall provide a performance bond ("Performance Bond") in the amount of twenty-five thousand dollars (\$25,000) to ensure the faithful performance of its responsibilities under this Franchise and applicable law, including, by way of example and not limitation, its obligations to relocate and remove its facilities and to restore the Town Rights-of-Way and other property. The Performance Bond shall be in a standard industry form. Grantee shall pay all premiums or costs associated with maintaining the Performance Bond and shall keep the same in full force and effect at all times. Except as expressly provided in Section 5.4, Grantee shall not be required to obtain or maintain other bonds as a condition of being awarded the Franchise or continuing its existence.
- 5.3.2 If there is an uncured breach by Grantee of a material provision of this Franchise or a pattern of repeated violations of any provision(s) of this Franchise, then the Town may request and Grantee shall establish and provide within thirty (30) days from receiving notice from the Town, to the Town, as security for the faithful performance by Grantee of all of the provisions of this Franchise, an irrevocable letter of credit from a financial institution satisfactory to the Town in the amount of twenty-five thousand dollars (\$25,000).
- 5.3.3 If a letter of credit is furnished pursuant to subsection (B), the letter of credit shall then be maintained at that same amount until the uncured breach is resolved.
- 5.3.4 After the giving of notice by the Town to Grantee and expiration of any applicable cure period, the letter of credit or Performance Bond may be drawn upon by the Town for purposes including, but not limited to, the following:

- (1) Failure of Grantee to pay the Town sums due under the terms of this Franchise;
- (2) Reimbursement of costs borne by the Town to correct Franchise violations not corrected by Grantee;
- (3) Liquidated damages assessed against Grantee as provided in this Franchise.

5.3.5 The Town shall give Grantee written notice of any withdrawal from the Performance Bond or letter of credit. Within ten (10) days following notice that a withdrawal has occurred from the Performance Bond or letter of credit, Grantee shall restore the Performance Bond or letter of credit to the full amount required under this Franchise. Grantee's maintenance of the letter of credit shall not be construed to excuse unfaithful performance by Grantee or limit the liability of Grantee to the amount of the letter of credit or otherwise limit the Town's recourse to any other remedy available at law or in equity.

5.3.6 Grantee shall have the right to appeal to the hearing examiner for reimbursement in the event Grantee believes that the Performance Bond or letter of credit was drawn upon improperly. Grantee shall also have the right of judicial appeal if Grantee believes the letter of credit has not been properly drawn upon in accordance with this Franchise. Any funds the Town erroneously or wrongfully withdraws from the Performance Bond or letter of credit, as determined by either the hearing examiner or judicial appeal, shall be returned to Grantee with interest, from the date of withdrawal at a rate equal to the prime rate of interest as quoted in The Wall Street Journal as of the date of such decision.

5.3.7 If any Performance Bond or letter of credit delivered pursuant thereto expires prior to twelve (12) months after the expiration of the term of this Franchise, it shall be renewed or replaced during the term of this Franchise to provide that it will not expire earlier than twelve (12) months after the expiration of this Franchise. The renewed or replaced Performance Bond or letter of credit shall be of the same form and with a bank authorized herein and for the full amount stated in this Section.

5.4 Bonds

Grantee, at its expense, shall comply with all of the applicable construction or maintenance bonding requirements provided for in the Town Code, permit requirements, or development standards officially adopted by the Town for work in the Rights-of-Way.

SECTION 6. - CUSTOMER SERVICE

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6.1 Customer Service Standards

Grantee shall comply with Customer Service Standards as provided in FCC Standards 47 C.F.R. Sections 76.309, 76.1602, 76.1603 and 76.1619.

6.2 Subscriber Privacy

Grantee shall comply with privacy rights of Subscribers in accordance with applicable law.

6.3 Customer Service Agreement and Manual

6.3.1 Grantee shall provide to Subscribers an accurate, comprehensive service agreement (currently called the work order) and Customer installation packet (currently called the Install Package) for use in establishing Subscriber service. This material shall, at a minimum, contain the following:

- (1) Grantee's procedure for investigation and resolution of Subscriber service complaints.
- (2) Services to be provided and rates for such services.
- (3) Billing procedures.
- (4) Service termination procedure.
- (5) A description of the manner that will be used to provide notice of changes in rates, service or service terms and conditions.
- (6) A complete statement of the Subscriber's right to privacy.
- (7) Equipment policy.
- (8) The name, address and phone number of the Customer care department that is responsible for handling cable questions and complaints for Grantee.

6.3.2 A copy of the installation packet shall be available to each Subscriber at the time of initial installation and any reconnection or Cable Service upgrade requiring a home visit by Grantee (excluding reconnections to the same Subscriber within twelve (12) months), and at any time the packet is requested by the Subscriber. Within thirty (30) days following material policy changes, information regarding the changes will be provided to Subscribers.

SECTION 7. - REPORTS AND RECORDS

7.1 Open Records

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7.1.1 Grantee shall manage all of its operations in accordance with a policy of keeping its documents and records open and accessible to the Town. In addition to any other records that may be provided for under any other section of this Franchise, the Town, including the Town's Finance Director and Public Works Director or their designees, shall have access to, and the right to inspect, any books and records of Grantee, its parent corporations and Affiliates, which are reasonably related to the administration or enforcement of the terms of this Franchise, or Grantee's use and location within the Town's Rights-of-Way. Records subject to this Section 7.1 include, without limitation, FCC filings on behalf of Grantee, its parent corporations, or Affiliates which directly relate to the operation of the Cable System in the Town; SEC filings; listing of Cable Services, rates, and Channel line-ups; Cable Services added or dropped; Channel changes; the net number of Subscribers and the number of Subscribers added and terminated; all planned construction activity; Right-of-Way route maps (including overhead and underground trunk and distribution facilities in a GIS format); beginning and ending plant miles; total homes passed for the previous twelve (12) months; and any significant technological changes occurring in the Cable System; federal and State reports; reports of Subscriber complaints in the Town and how such complaints are resolved.

7.1.2 Grantee shall not deny the Town access to any of Grantee's records on the basis that Grantee's records are under the control of any parent corporation, Affiliate, or a third party. The Town may, in writing, request copies of any such records or books and Grantee shall provide such copies within thirty (30) days of the transmittal of such request. One (1) copy of all reports and records required under this or any other subsection shall be furnished to the Town, at the sole expense of Grantee. If the requested books and records are too voluminous, or for security reasons cannot be copied or removed, then Grantee may require that the Town or its designee inspect them at Grantee's local offices. For purposes of clarity, any requirements to provide as-built maps shall not be considered too voluminous or unable to be copied for security purposes with respect to the provisions of this subsection 7.1.2. If any books or records of Grantee are not kept in a local office and are not made available in copies to the Town or its designee upon written request as set forth above, and if the Town determines that an examination of such records is necessary or appropriate for the performance of any of the Town's duties, administration or enforcement of this Franchise, then all reasonable travel and related expenses incurred in making such examination shall be paid by Grantee.

7.2 Confidentiality

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- 7.2.1 Grantee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature. That said, Grantee does agree to provide all information reasonably required to verify compliance with the material terms of the Franchise. If Grantee believes that any documents are confidential or proprietary, Grantee shall be responsible for clearly and conspicuously identifying the work as confidential or proprietary, and shall provide a brief written explanation as to why such information is confidential and how it may be treated as such under State or federal law.
- 7.2.2 As a public agency, records and information provided to or otherwise used by the Town may be subject to a request submitted under the state Public Records Act. In such an event, Grantee agrees to cooperate fully with the Town in satisfying the Town's duties and obligations under the Public Records Act, subject to Grantee's rights under this Franchise and RCW 42.56.540. If a request is received for records Grantee has submitted to the Town and has identified as confidential, proprietary or protected trade secret material, the Town will use its best efforts to provide Grantee with notice of the request in accordance with RCW 42.56.540 and a reasonable time (of no less than 10 days) within which Grantee may seek an injunction to prohibit the Town's disclosure of the requested record. The Town shall comply with any injunction or court order requested by Grantee which prohibits the disclosure of any such confidential records; however, in the event a higher court overturns such injunction or court order, Grantee shall reimburse the Town for any fines or penalties imposed for failure to disclose such records. Nothing in this Section 7.2 prohibits the Town from complying with RCW 42.56, or any other applicable law or court order requiring the release of public records, and the Town shall not be liable to Grantee for compliance with any law or court order requiring the release of public records. The Town is not required to assert on Grantee's behalf any exemption based on trade secret, proprietary or confidential information, provided, however, the Town may assert such exemption if the Town itself believes in good faith that an exemption applies to the requested records. Grantee agrees to defend, indemnify and hold the Town, its officers, officials, employees, agents, and volunteers harmless from any and all claims, injuries, damages, losses or suits, including all legal costs and attorney fees, arising out of or in connection with the assertion of an exemption to disclosure under the Public Records Act based upon records claimed or identified by Grantee as confidential, proprietary or protected trade secret material. The provisions of this section shall survive the expiration or termination of this Franchise.

7.3 Annual Reports

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- 7.4 Upon request, and no more than ninety (90) days after the end of the first quarter, Grantee shall submit to the Town a written report, which shall include the following information:
- 7.4.1 A Gross Revenue statement for the preceding calendar year and all deductions and computations for the period, and such statement shall be reviewed by a certified public accountant.
 - 7.4.2 A summary of the previous year's activities regarding the development of the Cable System, including, but not limited to, homes passed, beginning and ending plant miles and the total number of Subscribers.

SECTION 8. - PROGRAMMING

- 8.1 Broad Programming Categories
Grantee shall provide at least the following broad categories of programming to the extent such categories are reasonably available.
- (1) Educational programming;
 - (2) News, government, weather and information;
 - (3) Sports;
 - (4) General entertainment including movies;
 - (5) Foreign language programming; and
 - (6) Children's programming.
- 8.2 Deletion of Broad Programming Categories
- 8.2.1 Grantee shall not delete or so limit as to effectively delete any broad category of programming within its control without prior written notice to the Town.
 - 8.2.2 In the event of a modification proceeding under federal law, the mix and quality of Cable Services provided by Grantee shall follow the guidelines of federal law.
- 8.3 Obscenity
Grantee shall not transmit, or permit to be transmitted, over any Channel subject to its editorial control any programming which is obscene under applicable federal, State or local laws.
- 8.4 Services for the Disabled
Grantee shall comply with the Americans With Disabilities Act and any amendments or successor legislation thereto.

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- 8.5 Parental Control Device
Upon request by any Subscriber, Grantee shall make available at no charge a parental control or lockout device, traps or filters to enable a Subscriber to control access to both the audio and video portions of any Channels. Grantee shall inform its Subscribers of the availability of the lockout device at the time of their initial subscription and periodically thereafter.
- 8.6 Complimentary Cable Service
The Town acknowledges that Grantee currently provides certain complimentary video services to Town Hall, without charge. Grantee agrees to voluntarily continue, until it elects to discontinue, the provision of complimentary services. At such time as Grantee elects to discontinue the provision of complimentary services, Grantee agrees that it will do so only after providing Town with at least one hundred twenty (120) days' prior written notice. Such notice shall document the proposed offset or service charges so that the Town can make an informed decision as to whether to keep the services. Upon written notice from Grantee, the Town shall be given the full one hundred twenty (120) days to review the list of outlets receiving complimentary service and shall have the right to discontinue receipt of all or a portion of the outlets receiving complimentary service provided by Grantee in the event Grantee elects to discontinue the provision of complimentary service as set forth herein. In the event applicable law is overturned in whole or in part by action of the FCC or through judicial review, the Town and Grantee will meet promptly to discuss what impact such action has on the provision of the in-kind cable-related contributions to which this section applies.
- 8.7 New Technology
- 8.7.1 If there is a new technology, Cable Service program offering, programming delivery method or other such new development that Grantee in its sole discretion decides to beta test or trial on a limited basis in the marketplace, and such a test or trial is suited to the size and demographics of the Town, Grantee shall be allowed by the Town to conduct the trial or beta test in the Town so long as such a test is technically feasible.
- 8.7.2 If there is a new technology that in the Town's opinion would enhance substantially the quality or quantity of programming available to Subscribers on the Cable System, Grantee shall, at the request of the Town, investigate the feasibility of implementing said technology and report to the Town the results of such investigation within ninety (90) days from the date of such request.

SECTION 9. - PUBLIC, EDUCATIONAL AND GOVERNMENTAL ACCESS

9.1 Access Channels

- 9.1.1 Upon one hundred twenty (120) days written notice, the Grantee shall make available one (1) Standard Digital (SD) Government Access Channel throughout the term of this Franchise. Upon receipt of the written notice, the Town and the Grantee shall meet to discuss and mutually agree upon an implementation plan to activate said Channel controlled and operated by the Town.
- 9.1.2 The Town acknowledges that the Grantee's Cable System provides additional benefits to Access programming needs beyond the requirements listed in subsection 9.1.1 above. This is accomplished through the inclusion of other regional access programming within the regional channel line-up that services the Franchise Area. The Grantee will endeavor to provide the Subscribers in the Franchise Area with the other regional access channels so long as the programmers offer them for use on the Cable System.
- 9.1.3 In the event Grantee makes any change in the Cable System and related equipment and facilities or in signal delivery technology, which change directly or indirectly affects the signal quality or transmission of any Access Channel programming or services, Grantee shall, at its own expense, take necessary technical steps, acquire new equipment so that the Access facilities and equipment may be used as intended to ensure that delivery of Access Video Programming signals is not diminished or adversely affected, including, among other things, so that live and taped programming can be cablecast with as good or better signal quality than existed prior to such change.

9.2 Simulcast High Definition (HD) Access Channel

- 9.2.1 The Grantee agrees to simulcast the one (1) SD Government Access Channel in HD (HD PEG Channel) format after the Town's maintains an average of five (5) hours per-day, five days per-week of Locally Scheduled Original Programming. For the purposes of this subsection, character-generated programming (i.e., community bulletin Town Councils) shall not satisfy, in whole or in part, this programming requirement. Once the Town meets or exceeds this programming requirement, the Grantee shall provide the HD PEG Channel under the following conditions:
- (1) Upon the Town's request, the Grantee shall have one-hundred and twenty (120) days to activate the simulcast HD PEG Channel.
 - (2) The Grantee shall be responsible for all capital engineering costs associated with fulfilling the request to activate the simulcast HD PEG Channels.

- (3) The Town or any Designated Access Provider shall be responsible for acquiring all equipment necessary to produce programming in HD.
- (4) Upon activation of the simulcast HD PEG Channel, Comcast shall own and maintain the encoder equipment used to transmit the HD signal from Town Hall (the demarcation point).
- (5) The Town shall provide the HD PEG Channel signal as specified by the Grantee's engineering standards, as amended by the Grantee from time to time because of changes in technology.

9.2.2 The Town acknowledges that the simulcast HD PEG Channel will be available only to those Subscribers who elect to subscribe to Grantee's high-definition Cable Service, receive a HD set-top converter, and pay all fees associated therewith.

9.2.3 Grantee shall have sole discretion to determine the Channel placement of the simulcast HD PEG Access Channel within its HD channel line-up.

9.3 Management and Control of Access Channels

9.3.1 The Town may authorize Designated Access Providers to control, operate, and manage the use of any and all Access facilities provided by Grantee under this Franchise, including, without limitation, the operation of Access Channels. The Town or its designee may formulate rules for the operation of the Access Channels, consistent with this Franchise, the FCC, federal and State law. Nothing herein shall prohibit the Town from authorizing itself to be a Designated Access Provider.

9.3.2 Grantee shall cooperate with the Town and Designated Access Providers in the use of the Cable System and Access facilities for the provision of Access Channels.

9.4 Location and Quality of Access Channels

9.4.1 The Standard Definition Access Channel provided to Subscribers under this Franchise shall be included by Grantee as a part of the lowest Tier of service provided to all Subscribers in the Franchise. Grantee agrees to use reasonable efforts to place the Access Channel in the same vicinity as other local government access channels. Grantee will use reasonable efforts to minimize the movement of SD and HD Access Channel assignments.

9.4.2 In addition, Grantee will make reasonable efforts to locate the HD Access Channel provided pursuant to Section 9.2 in a location on its HD Channel lineup that is easily accessible to Subscribers.

- 9.4.3 The parties agree that it is the responsibility of the Designated Access Provider(s) to provide a quality Access signal, to the Grantee at the point of demarcation, which meets or exceeds the FCC technical standards. Notwithstanding the forgoing, the Grantee agrees that it will deliver to subscribers an Access signal of the same quality it receives from the Designated Access Provider(s) without degradation and in accordance with the FCC technical standards. There shall be no restriction on Grantee's technology used to deploy and deliver Standard Definition or High Definition signals so long as the requirements of the Franchise are otherwise met. FCC technical standards shall be used for all testing and assessment of quality under this section.
- 9.4.4 Grantee shall provide Headend and hub equipment and routine maintenance and repair and replace, if necessary, any of Grantee's equipment required to carry the Access signal to and from the Town's and any other Access origination point and the Grantee's Headend and hubs for the Access Channels.
- 9.4.5 If Grantee makes a change in its Cable System and related equipment and facilities, or in its signal delivery technology, which directly or indirectly affects the signal quality or method or type of transmission of Access programming or services, Grantee shall take necessary technical steps and provide necessary technical assistance, including the acquisition of all necessary equipment and full training of access personnel, to ensure that the capabilities of Access Channels and delivery of Access programming are not diminished or adversely affected by such change. For example, live and taped programming must be cablecast with as good or better signal quality than existed prior to such change.

9.5 Access Channel Identification/Location/Relocation/Bill Insertions

- 9.5.1 Grantee will use reasonable efforts to minimize the movement of Access Channel assignments. Grantee shall provide to the Town a minimum of sixty (60) days notice, and use its best efforts to provide ninety (90) days notice, prior to any relocation of its Access Channels, unless the change is required by federal law, in which case Grantee shall give the Town the maximum notice possible.
- 9.5.2 Grantee, upon request, and when space is available, shall provide the Town the opportunity to include two bill insertions per year. The Town or Designated Access Providers shall be responsible for the costs of printing its bill insertions, the cost of inserting the information into Grantee's bills and for any incremental postage costs. Bill insertions must conform to Grantee's reasonable mailing requirements. Grantee shall be provided an opportunity to review and approve all Access bill insertions.

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9.6 Support for Access Capital Costs

- 9.6.1 Upon one hundred twenty (120) days notice from the Town, Grantee shall collect and remit to the Town, as support for any lawful capital PEG use, twenty-five cents (\$.25) per Subscriber per month, payable quarterly with Franchise Fees as a “PEG Contribution.” The PEG Contribution shall not be treated as franchise fees for purposes of 47 U.S.C. § 542 or any other purpose, and shall at no time be offset or deducted from franchise fee payments made to the Town under this Franchise or applicable law. Upon sixty (60) days written notice to Grantee, the Town Council may direct Grantee to no longer collect such PEG Fee from Subscribers.
- 9.6.2 If during the Term of this Franchise, the Town Council determines that there is a need for additional capital equipment to support the Access Channels, then based upon that demonstrated need, both parties shall meet to determine how to adjust the PEG Contribution and if the remaining term of this franchise does not accommodate the full capital needs of the Town, both parties may review the possibilities of extending the term of the franchise. Such amount shall be the same amount required of all other Cable Operators in the Franchise Area. The Town agrees that 47 C.F.R. §76.922 permits Grantee to add the cost of the PEG Contribution to the price of Cable Services and to collect the PEG Contribution from Subscribers. In addition, as permitted in 47 C.F.R. §76.985, all amounts paid as the PEG Contribution may be separately stated on Subscriber’s bills as a government access capital equipment fee.
- 9.6.3 The Town shall have discretion to allocate the PEG Contribution in accordance with applicable law. To the extent the Town makes access capital investments using Town funds prior to receiving the monthly PEG Contribution funds, the Town is entitled to apply the subsequent monthly PEG Contribution payments from Grantee toward such Town capital investments. The Town agrees that the PEG Contribution may be treated as a separate line item on Subscriber bills in accordance with applicable federal law.
- 9.6.4 Upon the Grantee’s written request, the Town shall submit a report no more frequently than annually on the use of the Town specific Access Channels and capital PEG Fee. The Town shall submit a report to the Grantee within one hundred twenty (120) days of a written request. The Grantee may review the records of the Town regarding the use of the PEG Contribution.
- 9.6.5 Unless the Town determines to no longer use the Access Channels, the Town shall dedicate the time, personnel and other resources needed to operate the Access Channels designated herein.

9.7 Technical Quality

Grantee shall maintain all Access channels as required by FCC standards. Grantee shall ensure that any Access Channels carried in High Definition format can also be viewed in Standard Definition format by Subscribers who do not receive High Definition service or do not have High Definition equipment, with the same quality and functionality as commercial channels of the same format, whether through simulcasting the programming in Standard and High Definition, or by means of another technical solution used by Grantee for other commercial programmers carried on the channel lineup.

9.8 Return Connectivity

9.8.1 When the Town provides notice to the Grantee concerning its election to control and operate the SD Access Channel, the Town shall designate its proposed Access facility location. Within sixty (60) days of receiving notice, the Grantee shall review its facilities and records and provide an estimate of costs associated with the construction and activation of a fiber optic return line capable of transmitting Video Programming to enable the distribution of the Town's Access programming to Subscribers on the provided SD Access Channel. The return line shall run from a location to be determined by the Town to the Grantee's facilities. Within a reasonable time-period of receiving the Town's directive, the Grantee shall construct and activate a return line in accordance with the cost estimate previously provided. The Town agrees to pay the actual costs of the return line within ninety (90) days of construction / activation and receipt of an invoice from the Grantee. The parties agree that the Town may use the PEG Contribution to pay for the construction of this return line.

9.8.2 Once activated and throughout the remaining term of this Franchise, Grantee shall continue to provide and maintain such return line, as per federal law.

9.9 Guide Selection

Grantee agrees that if it utilizes a visual interface under its control on its Cable System for all Channels, the Access Channels shall be treated in a non-discriminatory fashion consistent with applicable laws so that Subscribers will have ready access to Access Channels. To the extent the configuration of the Cable System allows for detailed program listings to be included on the digital channel guide, Grantee will make available to Town the ability to place Access Channel programming information on the interactive Channel guide via the electronic programming guide ("EPG") vendor ("EPG provider") that Grantee utilizes to provide the guide service. Grantee will be responsible for providing the designations and instructions necessary for the Access Channels to appear on the EPG and the Town will be responsible for providing Access content in a format that is compatible with the EPG. All costs and operational requirements for the EPG provider shall be the responsibility of the Town. Grantee is not

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responsible for operations of the EPG provider. Grantee shall, to the maximum extent possible, make available to the Town any price discounts Grantee may have in place with third party vendors that offer such programming guide services. The cost of this guide service may be funded in any manner consistent with applicable law.

SECTION 10. - GENERAL RIGHT-OF-WAY USE AND CONSTRUCTION

10.1 Construction

- 10.1.1 Grantee hereby acknowledges that the Town Code contains construction requirements for the usage of the Rights-of-Way and agrees to abide by such construction requirements, including but not limited to those contained in Yarrow Point Municipal Code Title 12 – Streets, Sidewalks, and Public Places.
- 10.1.2 Grantee shall perform all maintenance, construction, repair, upgrade and reconstruction necessary for the operation of its Cable System in accordance with applicable laws, regulations, ordinances, Town standards, (Town’s engineering design and development standards) and provisions of this Franchise. Prior to doing such work Grantee shall apply for, and obtain, appropriate permits from the Town, and give appropriate notices to the Town, and Grantee shall pay all applicable fees upon issuance of the requisite permits by the Town to Grantee. As a condition of any permits so issued, the Town officials may impose such conditions and regulations as are necessary for the purpose of protecting any structures in such Rights-of-Way, proper restoration of such Rights-of-Way and structures, protection of the public and the continuity of pedestrian or vehicular traffic. All facilities constructed or operated under this Franchise shall be installed and maintained at such places in or upon such rights-of-way as shall not interfere with the free passage of traffic and the free use of adjoining property, and shall conform to federal standards, state requirements, and Town regulations. To the extent practicable and economically feasible, Grantee’s construction and location of its facilities shall be of minimal impact to the Town streets and sidewalks located within the Rights-of-Way. All construction and maintenance of any and all of Grantee’s facilities within the Rights-of-Way shall, regardless of who performs the construction, be and remain Grantee’s responsibility.
- 10.1.3 Prior to beginning any construction, excavations, or significant repair, Grantee shall provide the Town with a construction schedule for work in the Rights-of-Ways as required by the Town’s permitting regulations. Further, Grantee shall meet with the Town and other franchise and master permit holders and users of the Rights-of-Way upon written

notice as determined by the Town, to discuss options regarding scheduling and coordinating construction in the Rights-of-Way.

- 10.1.4 Grantee may make excavations in Rights-of-Way for any facility needed for the maintenance or extension of Grantee's Cable System. Whenever it is possible and reasonably practicable to joint trench or share bores or cuts, Grantee shall work with other providers, permittees and franchisees so as to reduce so far as possible the number of Rights-of-Way cuts within the Franchise Area.
- 10.1.5 In the event that emergency repairs are necessary, Grantee will make best efforts to contact the Town's Public Works Department (206-276-8922) prior to the repair, however Grantee may initiate such emergency repairs, and shall apply for appropriate permits within forty-eight (48) hours after discovery of the emergency.
- 10.1.6 Grantee shall be subject to any and all requirements established by the Town with regard to the placement and screening of Grantee's property. Such requirements may include, but are not limited to, the use of landscaping to screen pedestals and cabinets and a requirement that construction be flush with the natural grade of the surrounding area.

10.2 Location of Facilities

- 10.2.1 Prior to doing any digging or excavation in the Rights-of-Way, Grantee shall follow established procedures, including contacting the Utility Notification Center in Washington and comply with all applicable State statutes regarding the One Call Locator Service pursuant to RCW 19.122.
- 10.2.2 Further, upon request from the Town in conjunction with the design of any Town project, and no more than thirty (30) days following such request, Grantee shall, at Grantee's expense, mark on the surface all of its located underground facilities within the area of the proposed excavation, including horizontal and vertical location.

10.3 Restoration of Rights-of-Way

- 10.3.1 When any opening is made by Grantee in a hard surface pavement in any Rights-of-Way, Grantee shall promptly refill the opening and restore the surface as required by its permit. Grantee shall guarantee the durability and structural integrity of any street cut or repair made by it or its agents or subcontractors which is necessary for the construction, installation, operation, repair or maintenance of Grantee's Facilities for the life of the street; provided, that no action by an unrelated third party materially affects the integrity of the Grantee's street cut or repair. Grantee shall repair or replace, at no expense to

the Town, any failed street cut or repair which was completed by the Grantee or its agents or subcontractors.

10.3.2 If Grantee excavates the surface of any Rights-of-Way, Grantee shall be responsible for restoration in accordance with applicable regulations regarding the Rights-of-Way and its surface within the area affected by the excavation. The Town may, after providing notice to Grantee, and Grantee's failure to respond within the agreed upon time, refill or repave any opening made by Grantee in the Rights-of-Way, and the expense thereof shall be paid by Grantee. In the event Grantee does not repair a Right-of-Way or an improvement in or to a Right-of-Way in a prompt timeframe or as agreed to with the Town Engineer or any other department director as the Town may designate, the Town may repair the damage and shall be reimbursed its actual cost within thirty (30) days of submitting an invoice to Grantee. The cost of all repairs and restoration, including the costs of inspection and supervision shall be paid by Grantee. All of Grantee's work under this Franchise, and this Section in particular, shall be done in compliance with all laws, regulations and ordinances of the Town and State. All work by Grantee pursuant to this Section shall be performed in accordance with applicable Town standards.

10.3.3 The Public Works Director or any other department director as the Town may designate shall have final approval of the condition of such streets and public places after restoration.

10.4 Maintenance and Workmanship

10.4.1 Grantee's Cable System shall be constructed and maintained in such manner as not to interfere with sewers, stormwater, water pipes or any other property of the Town, or with any other pipes, wires, conduits, pedestals, structures or other facilities that may have been laid in Rights-of-Way by, or under, the Town's authority.

10.4.2 Grantee shall provide and use any equipment and appliances necessary to control and carry Grantee's signals so as to prevent injury to the Town's property or property belonging to any Person. Grantee, at its own expense, shall repair, renew, change and improve its facilities to keep them in safe condition.

10.4.3 Grantee's transmission and distribution Cable System, wires and appurtenances shall be located, erected and maintained so as not to endanger or interfere with the lives of Persons, or to unnecessarily hinder or obstruct the free use of Rights-of-Way, or other public property.

10.5 Acquisition of Facilities

Upon Grantee's acquisition of facilities in any Rights-of-Way, or upon the addition or annexation to the Town of any area in which Grantee owns or operates any facility, such facilities shall immediately be subject to the terms of this Franchise.

10.6 Relocation of Facilities

10.6.1 Nothing in this Franchise shall prevent the Town from constructing any public work or improvement. The Town may require Franchisee to relocate the Cable System within the Right-of-Way when reasonably necessary for construction, alteration, repair, or improvement of the right-of-way for purposes of public welfare, health, or safety. For example, without limitation, the movement of or the request to locate Grantee's facilities may be needed by reason of traffic conditions, public safety, Right-of-Way vacation, Right-of-Way construction, change or establishment of Right-of-Way grade, installation of sewers, drains, gas or water pipes, or any other types of structures or improvements by for public purposes. For the avoidance of doubt, such projects shall include any Right-of-Way improvement project, even if the project entails, in part, related work funded and/or performed by or for a third party, provided that such work is performed for the public benefit, but shall not include, without limitation, any other improvements or repairs undertaken by or for the primary benefit of third-party entities. Except as otherwise provided by law, the costs and expenses associated with relocations or disconnections requested pursuant to this Section 10.6 shall be borne by Grantee. Such work shall be performed at Grantee's expense. Nothing contained within this Franchise shall limit Grantee's ability to seek reimbursement for relocation costs when permitted pursuant to RCW 35.99.060. In the case of a joint relocation project, Grantee shall be responsible for the cost of relocating its facilities.

10.6.2 If the Town determines that the project necessitates the relocation of Grantee's existing facilities, the Town shall provide Grantee in writing with a date by which the relocation shall be completed (the "Relocation Date") consistent with RCW 35.99.060(2). In calculating the Relocation Date, the Town shall consult with Grantee and consider the extent of facilities to be relocated, the services requirements, and the construction sequence for the relocation, within the Town's overall project construction sequence and constraints, to safely complete the relocation, and the Town shall endeavor to provide Grantee at least sixty (60) days' notice prior to the Relocation Date. Grantee shall complete the relocation by the Relocation Date, unless the Town or a reviewing court establishes a later date for completion, as described in RCW 35.99.060(2). To provide guidance on this notice process, the Town will make reasonable efforts to involve Grantee in the predesign and design phases of any Public Project. After receipt of the written

notice containing the Relocation Date, Grantee shall relocate such facilities to accommodate the Public Project consistent with the timeline provided by the Town and at no charge or expense to the Town. Such timeline may be extended by a mutual agreement.

- 10.6.3 If Grantee fails to complete this work within the time prescribed above and to the Town's satisfaction, the Town may cause such work to be done and bill the cost of the work to Grantee, including all costs and expenses incurred by the Town due to Grantee's delay. In such event, the Town shall not be liable for any damage to any portion of Grantee's Cable System. Within thirty (30) days of receipt of an itemized list of those costs, Grantee shall pay the Town. In any event, if Grantee fails to timely relocate, remove, replace, modify or disconnect Grantee's facilities and equipment, and that delay results in any delay damage accrued by or against the Town, Grantee will be liable for all documented costs of construction delays attributable to Grantee's failure to timely act. Grantee reserves the right to challenge any determination by the Town of costs for construction delays related to an alleged failure to act in accordance with this subsection 10.6.

10.7 Movement of Cable System Facilities for Other Entities

- 10.7.1 If any removal, replacement, modification or disconnection of the Cable System is required to accommodate the construction, operation or repair of the facilities or equipment of another entity with the rights to use the Rights-of-Way, Grantee shall, after at least thirty (30) days' advance written notice, take action to effect the necessary changes requested by the responsible entity. Grantee may require that the costs associated with the removal or relocation be paid by the benefited party.
- 10.7.2 At the request of any Person holding a valid permit (a "Permittee") and upon reasonable advance notice, Grantee shall temporarily raise, lower or remove its wires as necessary to permit the moving of a building, vehicle, equipment or other item. Grantee may require a reasonable deposit of the estimated payment in advance and may require that the cost be paid by the Permittee. Such payment is an exchange between the Grantee and the Permittee, and the Town will not be the administrator of these transactions.
- 10.7.3 Reimbursement of Grantee Costs
Grantee specifically reserves any rights it may have under applicable law for reimbursement of costs related to undergrounding or relocation of the Cable System as described in this Section 10.7, and nothing herein shall be construed as a waiver of such rights.

10.8 Reservation of Town Use of Right-of-Way

Nothing in this Franchise shall prevent the Town or public utilities owned, maintained or operated by public entities other than the Town from constructing sewers; grading, paving, repairing or altering any Right-of-Way; laying down, repairing or removing water mains; or constructing or establishing any other public work or improvement. All such work shall be done, insofar as practicable, so as not to obstruct, injure or prevent the use and operation of Grantee's Cable System but insofar as the Cable System, or any portion thereof, is required to be relocated to accommodate the construction of the Town or public utility, Grantee shall be solely responsible for the costs associated with relocation.

10.9 Rights-of-Way Vacation

If any Rights-of-Way or portion thereof used by Grantee is vacated by the Town during the term of this Franchise, unless the Town specifically reserves to Grantee the right to continue the use of vacated Rights-of-Way, Grantee shall, without delay or expense to the Town, remove its facilities from such Rights-of-Way, and restore, repair or reconstruct the Rights-of-Way where such removal has occurred. In the event of failure, neglect or refusal of Grantee, after thirty (30) days' notice by the Town, to restore, repair or reconstruct such Rights-of-Way, the Town may do such work or cause it to be done, and the reasonable cost thereof, as found and declared by the Town, shall be paid by Grantee within thirty (30) days of receipt of an invoice and documentation.

10.10 Removal of Discontinued Facilities

Whenever Grantee intends to discontinue using any facility within the Rights-of-Way, Grantee shall submit to the Town a complete description of the facility and the date on which Grantee intends to discontinue using the facility. Grantee may remove the facility or request that the Town allow it to remain in place. Notwithstanding Grantee's request that any such facility remain in place, the Town may require Grantee to remove the facility from the Rights-of-Way or modify the facility to protect the public health, welfare, safety and convenience, or otherwise serve the public interest. The Town may require Grantee to perform a combination of modification and removal of the facility. Grantee shall complete such removal or modification in accordance with a schedule set by the Town. Until such time as Grantee removes or modifies the facility as directed by the Town, or until the Town accepts abandonment or the rights to and responsibility for the facility are accepted by another Person having authority to construct and maintain such facility, Grantee shall be responsible for the facility, as well as maintenance of the Rights-of-Way, in the same manner and degree as if the facility were in active use, and Grantee shall retain all liability for such facility. If Grantee abandons its facilities, the Town may choose to use such facilities for any purpose whatsoever including, but not limited to, Access Channel purposes.

10.11 Hazardous Substances

- 10.11.1 Grantee shall comply with all applicable State and federal laws, statutes, regulations and orders concerning hazardous substances within the Rights-of-Way.
- 10.11.2 Upon reasonable notice to Grantee, the Town may inspect Grantee's facilities in the Rights-of-Way to determine if any release of hazardous substances has occurred, or may occur, from or related to Grantee's Cable System. In removing or modifying Grantee's facilities as provided in this Franchise, Grantee shall also remove all residue of hazardous substances related thereto.

10.12 Undergrounding of Cable

10.12.1 Wiring

- (1) Unless otherwise permitted by the Town, all new Cable System construction shall be installed underground.
- (2) Where electric and telephone utility wiring is installed underground at the time of Cable System construction, or when all such wiring is subsequently placed underground, all Cable System lines, wiring and equipment shall also be placed underground with other wireline service at no expense to the Town. Related Cable System equipment, such as pedestals, must be placed in accordance with applicable Town Code requirements and rules. Except as otherwise stated in Section 10.12.1(3) below, in areas where electric or telephone utility wiring are aerial, Grantee may install aerial cable, except when a property owner or resident requests underground installation and agrees to bear the additional cost in excess of aerial installation.
- (3) Unless otherwise permitted by the Town, Franchisee shall underground its wireline Facilities in all new developments and subdivisions, and any development or subdivision where utilities, other than electrical utilities, are currently underground.
- (4) Grantee shall only utilize existing poles and conduit.
- (5) This Franchise does not grant, give or convey to Grantee the right or privilege to install its facilities in any manner on specific utility poles or equipment of the Town or any other Person.
- (6) Grantee and the Town recognize that situations may occur in the future where the Town may desire to place its own cable or conduit for Fiber Optic cable in trenches or bores opened by Grantee. Therefore, if Grantee constructs, relocates or places ducts or conduits in the Rights-of-Way it shall submit these plans to the Town in accordance with the Town's permitting process so as to provide the Town with an opportunity to request that Grantee place additional duct or conduit and related structures necessary

to access the conduit pursuant to RCW 35.99.070. Other than submission of plans in accordance with the Town's permitting requirements, nothing set forth herein shall obligate Grantee to slow the progress of any future construction of the Cable System to accommodate the Town. In addition, Grantee agrees to cooperate with the Town in any other construction by Grantee that involves trenching or boring. The Town shall be responsible for maintaining its respective cable, conduit and Fiber Optic cable buried in Grantee's trenches and bores under this paragraph.

- (7) The Town shall not be required to obtain easements for Grantee.
- (8) Grantee may participate with other providers in joint trench projects to relocate its overhead facilities underground and remove its overhead facilities in areas where all utilities are being converted to underground facilities. If funds from a Utility Local Improvement District are provided to aerial providers to offset the cost of undergrounding, excluding any entity operating under a tariff, Grantee's costs shall be proportionality paid for out of such funds.

10.12.2 Repair and Restoration of Property

If public property is disturbed or damaged by Grantee arising out of or in connection with the provision of Cable Service, Grantee shall restore the property to its former condition. Rights-of-Way or other Town property shall be restored in a manner and within a timeframe approved by the Town's Public Works Director, or his/her designee. If restoration of Rights-of-Way or other property of the Town is not satisfactorily performed within a reasonable time, the Public Works Director, or his/her designee, may, after prior notice to Grantee, or without notice where the disturbance or damage may create a risk to public health, safety or welfare, or cause delay or added expense to a public project or activity, cause the repairs to be made at Grantee's expense and recover the cost of those repairs from Grantee. Within thirty (30) days of receipt of an itemized list of those costs, including the costs of labor, materials and equipment, Grantee shall issue payment to the Town.

10.13 Codes

Grantee shall strictly adhere to Town codes that do not directly conflict with the specific provisions of this Franchise. Grantee shall arrange its lines, cables and other appurtenances, on both public and private property, in such a manner as to cause no unreasonable interference with the use of said public or private property by any Person. In the event of such interference or if such construction does not comply with Town codes or the permit, the Town may require the removal or relocation of Grantee's lines, cables and other appurtenances from the property in question.

10.14 Tree Trimming

Upon obtaining a written permit from the Town pursuant to YPMC Chapter 12.26, Grantee may prune or cause to be pruned, using proper pruning practices in accordance with such permit, any tree in the Rights-of-Way that interferes with the Cable System. Grantee shall be responsible for any damage caused by such trimming and shall make every attempt to trim such trees and shrubbery in a fashion that maintains their aesthetic appeal and the health of the tree. Grantee may not remove any trees without the express consent from the Town.

10.15 Standards

10.15.1 Grantee shall, at all times, install, maintain and use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage or injuries to the public. In furtherance thereof, Grantee must comply with the Town's traffic control requirements, including, for example, but without limitation, the use of signal devices, warning signs and flaggers when appropriate. All of Grantee's structures, cables, lines, equipment and connections in, over, under and upon the rights-of-way and public ways or other places in the Franchise Area, wherever situated or located, shall at all times be kept and maintained in a safe condition.

10.15.2 Grantee must comply with all federal, State and local safety requirements, rules, regulations, standards, laws and practices, and employ all necessary devices as required by applicable law during construction, operation and repair of its Cable System. By way of illustration and not limitation, Grantee must comply with the National Electric Code, National Electrical Safety Code and Occupational Safety and Health Administration (OSHA) Standards.

10.15.3 All installations of equipment shall be permanent in nature, and shall not interfere with the travel and use of public places by the public during the construction, repair, operation or removal thereof, and shall not obstruct or impede traffic. All structures and all lines, equipment and connections in, over, under, and upon the public Rights-of-Way or places of a Franchise Area, wherever situated or located, shall at all times be kept and maintained in a safe, suitable condition, and in good order and repair.

10.15.4 Grantee shall endeavor to maintain all equipment lines and facilities in an orderly manner, including, but not limited to, the removal of bundles of unused cables.

10.16 Stop Work

On notice from the Town that any work is being conducted contrary to the provisions of this Franchise, or in violation of the terms of any applicable permit,

laws, regulations, ordinances or standards, the work may immediately be stopped by the Town. The stop work order shall:

- (1) Be in writing;
- (2) Be given to the Person doing the work, or posted on the work site;
- (3) Be sent to Grantee by mail at the address given herein;
- (4) Indicate the nature of the alleged violation or unsafe condition;
and
- (5) Establish conditions under which work may be resumed.

Grantee shall comply immediately with any stop work order issued by the Town.

10.17 Work of Contractors and Subcontractors

Grantee's contractors and subcontractors shall be bonded in accordance with local ordinances, regulations and requirements. Work by contractors and subcontractors shall be subject to the same restrictions, limitations and conditions as if the work were performed by Grantee. Grantee shall be responsible for all work performed by its contractors and subcontractors and others performing work on its behalf, and shall ensure that all such work is performed in compliance with this Franchise and other applicable law, and shall be jointly and severally liable for all damages caused by them. It is Grantee's responsibility to ensure that contractors, subcontractors or other persons performing work on Grantee's behalf are familiar with the requirements of this Franchise and other applicable laws governing the work performed by them. When pulling permits, a subcontractor must clearly state their connection to Grantee.

10.18 Pole Transfers

If Grantee leases or otherwise utilizes a pole within the Rights-of-Way owned by a third party for attachment of Grantee's facilities, and such third party subsequently abandons the pole, for example by building a replacement pole, Grantee shall remove or relocate its facilities from such pole within sixty (60) days of notification from either the third party pole owner or the Town, provided that such other structure or place has been made available to the Grantee with sufficient time to allow for the relocation. If Grantee requires additional time to accomplish the removal and/or relocation, Grantee shall notify the Town in writing of the reasons for the additional time and its anticipated schedule.

10.19 Strand Mounted WiFi Facilities

10.19.1 Subject to the provisions of this Franchise and applicable safety and electrical codes, Grantee is allowed to place strand mounted wireless facilities on its own cables strung between existing utility poles.

10.19.2 Grantee shall comply with the following requirements:

- (1) each strand mounted WiFi facility must be less than two and half (2.5) cubic feet in volume;
- (2) only one strand mounted WiFi facility is permitted per cable strung between two poles;
- (3) the WiFi strand mounted facilities shall be placed as close to the pole as technically feasible and may not be placed more than six (6) feet from the pole or in that portion of the Right-of-Way used for vehicular travel;
- (4) Grantee may not place an ancillary pole or ground mounted equipment to accommodate such strand mounted WiFi facilities, unless in the case of ground mounted equipment placed in pre-existing equipment cabinets;
- (5) the strand mounted WiFi facilities must comply with any applicable FCC requirements related to RF emissions and interference. Upon request, Grantee shall validate that such device meets FCC standards by producing documentation certified by an RF engineer; and
- (6) such strand mounted WiFi facilities must be removed if they cause a threat to public health or safety.

10.19.3 The deployment of these strand mounted WiFi facilities shall not be considered small cell facilities. To the extent Grantee performs work in the Rights-of-Way associated with the installation, maintenance, construction, repair or upgrade of these strand mounted WiFi facilities, Grantee is required to obtain the appropriate permits consistent with SECTION 10. - . Further, such strand mounted facilities must be operated as part of the Cable System.

SECTION 11. - CABLE SYSTEM DESIGN

11.1 Cable System Specifications

Prior to the Effective Date of this Franchise, the parties acknowledge that Grantee undertook a voluntary upgrade of its Cable System to a hybrid fiber coaxial (HFC) fiber-to-the node system architecture, with Fiber Optic cable deployed from its Headend to nodes and tying into a coaxial system serving Subscribers. The Cable System is capable of delivering high quality signals that meet or exceed FCC technical quality standards regardless of any particular manner in which the signal is transmitted. Grantee agrees to maintain the Cable System in a manner consistent with, or in excess of these specifications throughout the term of the Franchise

- 11.2 Closed Captioning
Equipment must be installed so that all closed captioned programming received by the Cable System shall include the closed caption signal so long as the closed caption signal is provided consistent with FCC standards.
- 11.3 No Income Discrimination
Grantee's construction decisions shall be based solely upon legitimate engineering decisions and shall not take into consideration the income level of any particular community within the Franchise Area.
- 11.4 Enforceability of Design and Performance Requirements
Grantee acknowledges that the minimum Cable System design and performance requirements set forth in this Franchise are enforceable, to the extent allowed by law.
- 11.5 System Review
The Town may hold a hearing to review whether or not the Cable System and the Cable Services offered by Grantee are meeting demonstrated community needs and interests, taking into account the cost of meeting those needs and interests. The parties recognize that, as of the Effective Date, the Town is not permitted to require the provision of specific Video Programming pursuant to this subsection.

SECTION 12. - TECHNICAL STANDARDS

- 12.1 Technical Performance
The technical performance of the Cable System shall meet or exceed all applicable technical standards authorized or required by law, including, FCC technical standards, as they may be amended from time to time, regardless of the transmission technology utilized. The Town shall have the full authority permitted by applicable law to enforce compliance with these technical standards.
- 12.2 Cable System Performance Testing
- 12.2.1 Grantee shall, at its expense, perform all tests on its Cable System required by the FCC (including FCC required test points located within the Town) and shall maintain written records of its test results. Upon request, all FCC required technical performance tests may be witnessed by representatives of the Town. Copies of such test results will be provided to the Town upon request.
- 12.2.2 All required technical performance or other Cable System tests shall be at the expense of Grantee and may be witnessed by representatives of the Town. Upon request, Grantee will notify the Town before any required technical proof-of-performance or other testing occurs.

- 12.2.3 Grantee shall promptly take such measures as are necessary and diligently continue the same until completion in order to correct any performance deficiencies fully and to prevent their recurrence. Grantee's failure to correct deficiencies identified through this testing process shall be a violation of this Franchise. Sites shall be re-tested within five (5) days following correction until correction has been confirmed and satisfactory results are obtained.

SECTION 13. - SERVICE EXTENSION

13.1 Service Availability

- 13.1.1 In general, except as otherwise provided herein, Grantee shall provide a standard aerial installation of Cable Service within seven (7) days of a request by any Person within the Franchise Area. For standard underground installations scheduling shall be done within seven (7) days of a request for service. For purposes of this Section, a request shall be deemed made on the date of signing a service agreement, receipt of funds by Grantee, receipt of a written request by Grantee or receipt by Grantee of a verified verbal request. Grantee shall provide such service:

- (1) With no line extension charge except as specifically authorized elsewhere in this Franchise.
- (2) At a non-discriminatory installation charge for a Standard Installation, consisting of a one hundred twenty-five (125) foot aerial drop or sixty (60) foot underground drop connecting to the exterior demarcation point for Subscribers, with additional charges for non-standard installations computed according to a non-discriminatory methodology for such installations.
- (3) At non-discriminatory monthly rates for all Subscribers, excepting commercial Subscribers, MDU Bulk Subscribers and other lawful exceptions to uniform pricing.

- 13.1.2 No Customer shall be refused service arbitrarily. However, for non-Standard Installations of service to Subscribers, or a density of less than twenty-five (25) residences per 5280 aerial cable-bearing strand feet of trunk or distribution cable, or sixty (60) residences per 5280 underground trench feet of trunk or distribution cable, Cable Service may be made available on the basis of a capital contribution in aid of construction, including cost of material, labor and easements. Grantee may require that the payment of the capital contribution in aid of construction be borne by such potential Subscribers be paid in advance. For the purpose of determining the amount of capital

contribution in aid of construction to be borne by the Grantee and Customers in the area in which service shall be expanded, the Grantee will contribute an amount equal to the construction and other costs per mile, multiplied by a fraction whose numerator equals the actual number of residences per cable-bearing mile of its trunk or distribution cable and whose denominator equals twenty-five (25) for an aerial extension or sixty (60) for an underground extension. Customers who request service hereunder will bear the remainder of the construction and other costs on a pro rata basis. The Grantee may require that the payment of the capital contribution in aid of construction borne by such potential Customers be paid in advance.

- 13.1.3 Grantee shall provide Cable Service to Multiple Dwelling Units in accordance with an agreement with the property owner or owners, this Franchise and all applicable laws.

SECTION 14. - STANDBY POWER AND EAS

14.1 Standby Power

Grantee shall provide standby power generating capacity at the Cable System Headend capable of providing at least twenty-four (24) hours of emergency operation. Grantee shall maintain standby power supplies that will supply back-up power of at least four (4) hours duration throughout the distribution networks, and four (4) hours duration at all nodes and hubs. In addition, throughout the term of this Franchise, Grantee shall have a plan in place, along with all resources necessary for implementing such plan, for dealing with outages of more than two (2) hours. This outage plan and evidence of requisite implementation resources shall be presented to the Town no later than thirty (30) days following receipt of a request therefore.

14.2 Emergency Alert Capability

14.2.1 In accordance with, and at the time required by, the provisions of FCC Regulations or other federal or state requirements, as such provisions may from time to time be amended, Emergency Alert System ("EAS") implementation will be accomplished in compliance with the Washington State EAS Plan and to be in compliance with or further Homeland Security requirements or applications.

14.2.2 Grantee shall ensure that the EAS is functioning properly at all times in accordance with FCC regulations.

SECTION 15. - FRANCHISE BREACHES; TERMINATION OF FRANCHISE

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15.1 Procedure for Remedying Franchise Violations

15.1.1 If the Town believes that Grantee has failed to perform any material obligation under this Franchise or has failed to perform in a timely manner, the Town shall notify Grantee in writing, stating with documented specificity, the nature of the alleged default. Grantee shall have thirty (30) days from the receipt of such notice to:

- (1) Respond to the Town in writing, contesting the Town's assertion that a default has occurred, and requesting a hearing in accordance with subsection 15.1.2, below;
- (2) Cure the default; or
- (3) Notify the Town in writing that Grantee cannot cure the default within the thirty (30) days, because of the nature of the default. In the event the default cannot be cured within thirty (30) days, Grantee shall promptly take all reasonable steps to cure the default and notify the Town in writing and in detail as to the exact steps that will be taken and the projected completion date. Upon five (5) business days' prior written notice, either the Town or Grantee may call an informal meeting to discuss the alleged default. In such case, if matters are not resolved at such meeting, the Town may set a hearing, in front of the hearing examiner, in accordance with subsection 15.1.2 below to determine whether additional time beyond the thirty (30) days specified above is indeed needed, and whether Grantee's proposed completion schedule and steps are reasonable.

15.1.2 If Grantee does not cure the alleged default within the cure period stated above, or by the projected completion date under subsection 15.1.1(3), or denies the default and requests a hearing in accordance with subsection 15.1.1(1), or the Town orders a hearing in accordance with subsection 15.1.1(3), the Town shall set a public hearing, in front of the hearing examiner, to investigate said issues or the existence of the alleged default. The Town shall notify Grantee of the hearing in writing and such hearing shall take place no less than fifteen (15) days after Grantee's receipt of notice of the hearing. At the hearing, Grantee shall be provided an opportunity to be heard, to present and question witnesses, and to present evidence in its defense. At any such hearing, the Town or the hearing examiner shall not unreasonably limit Grantee's opportunity to make a record that may be reviewed should any final decision of the Town be appealed to a court of competent jurisdiction. The determination as to whether a default or a material breach of this Franchise has occurred shall be within the Town's sole discretion, but any such determination shall be subject to appeal to a court of competent jurisdiction.

- 15.1.3 If, after the public hearing in front of the hearing examiner, the hearing examiner determines that a default still exists, the hearing examiner shall order Grantee to correct or remedy the default or breach within fourteen (14) days of the hearing examiner's notification or within such other reasonable timeframe as the hearing examiner shall determine. In the event Grantee does not cure within such time as per the direction of the hearing examiner, the hearing examiner may:
- (1) Assess and collect monetary damages in accordance with this Franchise; and
 - (2) Recommend to the Town Council termination of this Franchise; or
 - (3) Recommend to the Town Council to pursue any other legal or equitable remedy available under this Franchise or applicable law.
- 15.1.4 The determination as to whether a violation of this Franchise has occurred pursuant to this Section herein shall be within the sole discretion of the hearing examiner. Any such determination by the hearing examiner shall be accompanied by a record, to which Grantee's contribution shall not be limited by the Town or the hearing examiner (i.e., the hearing examiner shall hear any interested Persons and shall allow Grantee an opportunity to be heard, to cross examine witnesses, to present evidence and to make additions to the hearing record). Any such final determination made by either the hearing examiner pursuant to 15.1.3(1) or the Town Council pursuant to 15.1.3(2) or 15.1.3(3) shall be subject to appeal to a court of competent jurisdiction. Such appeal to the appropriate Court shall be taken within thirty (30) days of the issuance of the final determination. The Town shall receive notice from Grantee of any appeal concurrent with any filing to a court of competent jurisdiction.

15.2 Alternative Remedies

- 15.2.1 No provision of this Franchise shall be deemed to bar the right of either party to seek or obtain judicial relief from a violation of any provision of the Franchise or any rule, regulation, requirement or directive promulgated thereunder. Neither the existence of other remedies identified in this Franchise nor the exercise thereof shall be deemed to bar or otherwise limit the right of either party to recover monetary damages, as allowed under applicable law, or to seek and obtain judicial enforcement of obligations by means of specific performance, injunctive relief or mandate, or any other remedy at law or in equity.
- 15.2.2 The Town specifically does not, by any provision of this Franchise, waive any right, immunity, limitation or protection (including complete damage immunity) otherwise available to the Town, its officers, officials, Boards, commissions, agents, or employees under federal, State, or

local law including by example Section 635A of the Cable Act. Grantee shall not have any monetary recourse against the Town, or its officers, officials, Board, commissions, authorized agents or employees for any loss, costs, expenses or damages arising out of any provision, requirement of this Franchise or the enforcement thereof, subject to applicable law.

15.3 Assessment of Liquidated Damages and Letter of Credit

- 15.3.1 Because it may be difficult to calculate the harm to the Town in the event of a breach of this Franchise by Grantee, the parties agree to liquidated damages as a reasonable estimation of the actual damages to the Town. To the extent that the Town elects to assess liquidated damages as provided in this Franchise, such damages shall be the Town's sole and exclusive remedy for such breach or violation and shall not exceed a time period of one hundred eighty (180) days. Nothing in this subsection is intended to preclude the Town from exercising any other right or remedy with respect to a breach that continues past the time the Town stops assessing liquidated damages for such breach.
- 15.3.2 Prior to assessing any liquidated damages, the Town shall follow the procedure provided in Section 5.3. The first day for which liquidated damages may be assessed, if there has been no cure after the end of the applicable cure period, shall be the day of the violation.
- 15.3.3 Pursuant to the requirements outlined herein, liquidated damages shall not exceed the following amounts: two hundred dollars (\$200.00) per day for material departure from the FCC technical performance standards; one hundred dollars (\$100.00) per day for failure to provide the Access Channel or any equipment related thereto or funding which is required; one hundred dollars (\$100.00) per day for each material violation of the Customer Service Standards; fifty dollars (\$50.00) per day for failure to provide reports or notices as required by this Franchise.
- 15.3.4 No cost to Grantee arising from a breach or violation of the Franchise shall be offset against any sums due the Town as a tax or franchise fee regardless of whether the combination of franchise fees, taxes and said costs exceeds five percent (5%) of Grantee's Gross Revenues in any 12-month period unless otherwise permitted by law.
- 15.3.5 Collection of Liquidated Damages
- (1) The Performance Bond and letter of credit referred to in Section 5.3 may be drawn upon by the Town for breach of a material provision after notice and opportunity to cure.

- (2) The Town shall give Grantee written notice of any intent to withdraw under this subsection. Within seven (7) days following receipt of such notice, Grantee shall restore the Performance Bond and letter of credit to the amount required under this Franchise. Grantee's maintenance of the Performance Bond or letter of credit shall not be construed to excuse unfaithful performance by Grantee or to limit the liability of Grantee to the amount of the Performance Bond or letter of credit or otherwise to limit the Town's recourse to any other remedy available at law or in equity.
- (3) The assessment of liquidated damages does not constitute a waiver by the Town of any other right or remedy it may have under the Franchise or applicable law, including its right to recover from Grantee any additional damages, losses, costs and expenses that are incurred by the Town by reason of the breach of this Franchise or to seek specific performance.
- (4) Grantee's maintenance of the security required herein or by applicable code shall not be construed to excuse unfaithful performance by Grantee of this Franchise; to limit liability of Grantee to the amount of the security; or to otherwise limit the Town's recourse to any other remedy available at law or equity.

15.4 Revocation

15.4.1 This Franchise may be revoked and all rights and privileges rescinded if a material breach of the Franchise is not cured pursuant to Section 15.1, or in the event that:

- (1) Grantee attempts to evade or fails to perform any material provision of this Franchise or to practice any fraud or deceit upon the Town or Subscribers;
- (2) Grantee makes a material misrepresentation of fact in the negotiation of this Franchise;
- (3) Grantee abandons the Cable System, or terminates the Cable System's operations;
- (4) Grantee fails to restore service to the Cable System after three (3) consecutive days of an outage or interruption in service; except in the case of an emergency or during a force majeure occurrence, or when approval of such outage or interruption is obtained from the Town, it being the intent that there shall be continuous operation of the Cable System; or
- (5) Grantee becomes insolvent, unable or unwilling to pay its debts, or is adjudged bankrupt, there is an assignment for the benefit of Grantee's creditors, or all or part of Grantee's Cable System is

sold under an instrument to secure a debt and is not redeemed by Grantee within thirty (30) days from said sale.

15.4.2 Additionally, this Franchise may be revoked one hundred twenty (120) days after the appointment of a receiver or trustee to take over and conduct the business of Grantee (at the option of the Town and subject to applicable law) whether in a receivership, reorganization, bankruptcy or other action or proceeding, unless directed otherwise by a court of competent jurisdiction.

15.4.3 If there is a foreclosure or other involuntary sale of the whole or any part of the plant, property and equipment of Grantee, the Town may serve notice of revocation on Grantee and to the purchaser at the sale, and the rights and privileges of Grantee under this Franchise shall be revoked thirty (30) days after service of such notice, unless:

- (1) The Town has approved the transfer of the Franchise, in accordance with the procedures set forth in this Franchise and as provided by law; and
- (2) The purchaser has covenanted and agreed with the Town to assume and be bound by all of the terms and provisions of this Franchise.

15.5 Abandonment; Purchase of the Cable System

15.5.1 Effect of Abandonment

If the Grantee abandons its System during the Franchise term, or fails to operate its Cable System in accordance with its duty to provide continuous service, the Town, at its option, may:

- (1) operate the Cable System;
- (2) designate another entity to operate the Cable System temporarily until the Grantee restores service under conditions acceptable to the Town or until the Franchise is revoked and a new Franchisee is selected by the Town; or
- (3) obtain an injunction requiring the Grantee to continue operations. If the Town is required to operate or designate another entity to operate the Cable System, the Grantee shall reimburse the Town or its designee for all reasonable costs, expenses and damages incurred, including reasonable attorney's fees and costs.

15.5.2 What Constitutes Abandonment

The Town shall be entitled to exercise its options and obtain any required injunctive relief if:

- (1) the Grantee fails to provide Cable Service in accordance with this Franchise over a substantial portion of the Franchise Area for

seven (7) consecutive days, unless the Town authorizes a longer interruption of service; or

- (2) the Grantee, for any period, willfully and without cause refuses to provide Cable Service in accordance with this Franchise.

15.6 Removal

15.6.1 In the event of termination, expiration, revocation or nonrenewal of this Franchise, and after all appeals from any judicial determination are exhausted and final, Town may order the removal of the System facilities from the Franchise Area at Grantee's sole expense within a reasonable period of time as determined by Town. In removing its plant, structures and equipment, Grantee shall refill, at its own expense, any excavation that is made by it and shall leave all Rights-of-Way, public places and private property in as good a condition as that prevailing prior to Grantee's removal of its equipment.

15.6.2 However, Grantee shall have no obligation to remove the Cable System where it utilizes the system to provide other, permitted and lawful, non-cable services and has obtained or is in the process of obtaining a franchise or other local authority to maintain facilitates in the public rights-of-way, or where Grantee is able to find a purchaser of the Cable System who holds such authorization.

15.6.3 If Grantee fails to complete any required removal to the satisfaction of Town, Town may cause the work to be done, and Grantee shall reimburse Town for the reasonable costs incurred within thirty (30) days after receipt of an itemized list of Town's expenses and costs, or Town may recover its expenses and costs from the security, or pursue any other judicial remedies for the collection thereof. Any expenses incurred in the collection by Town of such obligation shall be included in the monies due Town from Grantee, including reasonable attorneys' fees, court expenses and expenses for work conducted by Town's staff or agents.

SECTION 16. - FRANCHISE TRANSFER

16.1 Transfer of Ownership or Control

16.1.1 The Cable System and this Franchise shall not be sold, assigned, transferred, leased or disposed of, either in whole or in part, either by involuntary sale or by voluntary sale, merger, consolidation or change of control; nor shall title thereto, either legal or equitable, or any right, interest or property therein pass to or vest in any Person or entity

without the prior written consent of the Town, which consent shall be by the Town Council, acting by ordinance or resolution.

- 16.1.2 Grantee shall promptly notify the Town of any actual or proposed change in, or transfer of, or acquisition by any other party of control of Grantee. The word “control” as used herein is not limited to majority stockholders but includes actual working control in whatever manner exercised. Every change, transfer or acquisition of control of Grantee shall make this Franchise subject to cancellation unless and until the Town shall have consented in writing thereto.
- 16.1.3 The parties to the sale, change in control or transfer shall make a written request to the Town for its approval of a sale or transfer or change in control and shall furnish all information required by law.
- 16.1.4 In seeking the Town’s consent to any change in ownership or control, the proposed transferee or controlling entity shall indicate whether it:
- (1) Has ever been convicted or held liable for acts involving deceit including any violation of federal, State or local law or regulations, or is currently under an indictment, investigation or complaint charging such acts;
 - (2) Has ever had a judgment in an action for fraud, deceit, or misrepresentation entered against the proposed transferee by any court of competent jurisdiction;
 - (3) Has pending any material legal claim, lawsuit, or administrative proceeding arising out of or involving a cable system;
 - (4) Is financially solvent, by submitting financial data including financial statements that are audited by a certified public accountant who may also be an officer of the transferee or controlling entity, along with any other data that is lawfully required; and
 - (5) Has the financial, legal and technical capability to enable it to maintain and operate the Cable System for the remaining term of the Franchise.
- 16.1.5 The Town shall act by ordinance or resolution on the request within one hundred twenty (120) days of receipt of the FCC Form 394 application, provided it has received a complete application. Subject to the foregoing, if the Town fails to render a final decision on the request within one hundred twenty (120) days, such request shall be deemed granted unless the requesting party and the Town agree to an extension of time.

- 16.1.6 Within thirty (30) days of any transfer or sale or change in control, if approved or deemed granted by the Town, Grantee shall file with the Town a copy of the deed, agreement, lease or other written instrument evidencing such sale or transfer of ownership or control, certified and sworn to as correct by Grantee and the transferee or controlling entity, and the transferee or controlling entity shall file its written acceptance agreeing to be bound by all of the provisions of this Franchise, subject to applicable law. In the event of a change in control, in which Grantee is not replaced by another entity, Grantee will continue to be bound by all of the provisions of the Franchise, subject to applicable law, and will not be required to file an additional written acceptance. The approval of any change in control shall not be deemed to waive any rights of the Town to subsequently enforce noncompliance issues relating to this Franchise. For purposes herein to the extent that a change of control involves an entity that was not an Affiliate prior to the contemplated transaction, the Town's consent shall be required for such change in control.
- 16.1.7 In reviewing a request for sale or transfer or change in control, the Town may inquire into the legal, technical and financial qualifications of the prospective controlling party or transferee, and Grantee shall assist the Town in so inquiring. The Town may condition said sale or transfer or change in control upon such terms and conditions as it deems reasonably appropriate, provided, however, any such terms and conditions so attached shall be related to the legal, technical and financial qualifications of the prospective controlling party or transferee and to the resolution of outstanding and unresolved issues of noncompliance with the terms and conditions of this Franchise by Grantee. Upon any such request under this SECTION 16. - , the Town may condition such approval upon reimbursement of the Town's reasonable processing and review expense in connection with such request for sale or transfer or change in control.
- 16.1.8 Notwithstanding anything to the contrary in this subsection, the prior approval of the Town shall not be required for any sale, assignment, change in control or transfer of the Franchise or Cable System to an Affiliate of Grantee, provided that the proposed assignee or transferee must show financial responsibility as may be determined necessary by the Town and must agree in writing to comply with all of the provisions of the Franchise including resolution of any non-compliance issues. Further, Grantee may pledge the assets of the Cable System for the purpose of financing without the consent of the Town; provided that such pledge of assets shall not impair or mitigate Grantee's responsibilities and capabilities to meet all of its obligations under the provisions of this Franchise.

SECTION 17. - PROHIBITED PRACTICES, LOCAL EMPLOYMENT EFFORTS AND NOTICES

17.1 Preferential or Discriminatory Practices Prohibited

Grantee shall not discriminate in its hiring, employment or promotion decisions. Throughout the term of this Franchise, Grantee shall fully comply with all equal employment and non-discrimination provisions and requirements of federal, State and local laws, and rules and regulations relating thereto.

17.2 Notices

Throughout the term of this Franchise, each party shall maintain and file with the other a local address for the service of notices by mail. All notices shall be sent to such respective address, and such notices shall be effective upon the date of mailing. At the effective date of this Franchise:

Grantee's address shall be:

Government Affairs
Comcast Cable Communications Management, LLC
900 132nd ST SW
Everett, WA 98204

the Town's address shall be:

Town Clerk
Town of Yarrow Point, Washington
4030 95th Ave NE
Yarrow Point, Washington 98004

SECTION 18. - MISCELLANEOUS PROVISIONS

18.1 Cumulative Rights

Subject to applicable law, all rights and remedies given to the Town by this Franchise or retained by the Town herein shall be in addition to and cumulative with any and all other rights and remedies, existing or implied, now or hereafter available to the Town, at law or in equity, and such rights and remedies shall not be exclusive, but each and every right and remedy specifically given by this Franchise or otherwise existing or given may be exercised from time to time and as often and in such order as may be deemed expedient by the Town and the exercise of one or more rights or remedies shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy.

18.2 Costs to be Borne by Grantee

Grantee shall pay for all costs of publication of this Franchise, and any and all notices prior to any public meeting or hearing provided for pursuant to this Franchise. Such costs are incidental to the award of the Franchise and may not be offset against Franchise Fees.

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- 18.3 Binding Effect
This Franchise shall be binding upon the parties hereto, their permitted successors and assigns.
- 18.4 Authority to Amend
This Franchise may be amended at any time by written agreement between the parties.
- 18.5 Venue
The venue for any dispute related to this Franchise shall be United States District Court for the Western District of Washington or in King County Superior Court.
- 18.6 Governing Laws
This Franchise shall be governed, construed and enforced in accordance with the laws of the State of Washington (as amended), the Cable Act as amended, any applicable rules, regulations and orders of the FCC, as amended, and any other applicable local, State and federal laws, rules, and regulations, as amended.
- 18.7 Captions
The captions and headings of this Franchise are for convenience and reference purposes only and shall not affect in any way the meaning or interpretation of any provisions of this Franchise.
- 18.8 No Joint Venture
Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties, and neither party is authorized to, nor shall either party act toward third persons or the public in any manner that would indicate any such relationship with the other.
- 18.9 Waiver
The failure of either party at any time to require performance by the other of any provision hereof shall in no way affect the right of the other party hereafter to enforce the same. Nor shall the waiver by either party of any breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision, or as a waiver of the provision itself or any other provision.
- 18.10 Severability
If any Section, subsection, paragraph, term or provision of this Franchise is determined to be illegal, invalid or unconstitutional by any court of competent jurisdiction, such determination shall have no effect on the validity of any other Section, subsection, paragraph, term or provision of this Franchise, all of which will remain in full force and effect for the term of the Franchise.
- 18.11 Compliance with Federal, State and Local Laws
Grantee shall comply with applicable federal, state and local laws, rules and regulations, now existing or hereafter adopted.

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18.12 Force Majeure

Grantee shall not be held in default under, or in noncompliance with, the provisions of this Franchise, nor suffer any enforcement or imposition of damages relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by circumstances reasonably beyond the ability of Grantee to anticipate and control, including war or riots, civil disturbances, pandemics, floods or other natural catastrophes, labor stoppages, slow downs, availability of materials, labor or equipment, power outages exceeding back-up power supplies or work delays caused by waiting for utility providers to service or monitor their utility poles to which Grantee's Cable System is attached.

18.13 Entire Agreement

This Franchise represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersede all prior oral and written negotiations between the parties.

18.14 Attorneys' Fees

If any action or suit arises in connection with this Franchise, attorneys' fees, costs and expenses in connection therewith shall be paid in accordance with the determination by the court.

18.15 Action of the Town or Grantee

In any action by the Town or Grantee mandated or permitted under the terms hereof, it shall act in a reasonable, expeditious and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld.

18.16 Acceptance

Within forty-five (45) days of receipt of an executed Franchise from the Town, this Franchise shall be accepted by Grantee by filing with the Town Clerk an unconditional, written acceptance of all of the terms, provisions and conditions of this Franchise, in a form substantially similar to Exhibit A attached hereto. In addition to the written acceptance, Grantee shall furnish the additional insured endorsements and certificates of insurance required pursuant to Section 5.2 and the Performance Bond pursuant to Section 5.3. The failure of Grantee to file such an acceptance shall be deemed a rejection by Grantee and this Franchise shall then be voidable at the discretion of the Town.

18.17 No Third-Party Beneficiaries

There are no third party beneficiaries to this Franchise.

18.18 Termination of Prior Franchise

Grantee and the Town agree that this Franchise replaces and supersedes Ordinance 506 (the "Prior Franchise") with respect to Grantee; provided, however, that the grant of this Franchise shall have no effect on Grantee's obligations to indemnify or insure the Town against acts and omissions occurring

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during the period(s) that the Prior Franchise was in effect, nor shall it have any effect upon liability to pay all Franchise Fees consistent with Washington State statute of limitations that were due and owed under a Prior Franchise.

SECTION 19. - EFFECTIVE DATE

This Franchise, being an exercise of a power specifically delegated to the Town legislative body, is not subject to referendum, and shall take effect five (5) days after the passage and publication of an approved summary thereof consisting of the title.

APPROVED by the Town Council this ____ day of _____, 2021.

THE TOWN OF YARROW POINT

DICKER CAHILL, MAYOR

ATTEST/AUTHENTICATED:

BONNIE RITTER, TOWN CLERK

APPROVED AS TO FORM:
OFFICE OF THE TOWN ATTORNEY

SCOTT MISSAL, TOWN ATTORNEY

PASSED BY THE TOWN COUNCIL:

PUBLISHED:

EFFECTIVE DATE:

ORDINANCE NO. 710

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EXHIBIT A

THE TOWN COUNCIL
THE TOWN OF YARROW POINT, WASHINGTON

In the matter of the application of Comcast :
Cable Communications Management, LLC :
for a franchise to construct operate and : Franchise Ordinance No.: 710
maintain facilities in, upon, over, under, :
along, across and through the franchise : ACCEPTANCE
area of the Town of Yarrow Point, Washington :

WHEREAS, the Town Council of the Town of Yarrow Point, Washington, has granted a franchise to Comcast Cable Communications Management, LLC, its successors and assigns, by enacting Ordinance No. 710, bearing the date of _____, 2021; and

WHEREAS, a copy of said Ordinance granting said franchise was received by Comcast Cable Communications, LLC on _____, 2021, from said Town of Yarrow Point, King County, Washington.

NOW, THEREFORE, Comcast Cable Communications Management, LLC for itself, its successors and assigns, hereby accepts said Ordinance and the franchise contained therein and all the terms and conditions thereof, and files this, it's written acceptance, with the Town of Yarrow Point, King County, Washington.

IN TESTIMONY WHEREOF said Comcast Cable Communications Management, LLC has caused this written Acceptance to be executed in its name by its undersigned _____ thereunto duly authorized on this _____ day of _____, 2021.

ATTEST: COMCAST CABLE COMMUNICATIONS MANAGEMENT, LLC

By: _____

Its: _____

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900 132nd ST SW
Everett, WA 98204

The purpose of this letter agreement is to set forth a commitment between Comcast Cable Communications Management, LLC (“Comcast”) and the Town of Yarrow Point, Washington (the “Town”) that is in addition to the renewal franchise agreement to be adopted by ordinance (hereinafter, “the Franchise”). This item has been negotiated in good faith and agreed to as part of the informal franchise renewal process pursuant to 47 U.S.C. § 546(h), and specifically relate to the unique community needs that exist in the Town.

Clarifying Working Rules for Comcast’s Existing Aerial Cable Facilities:

Over the term of the Franchise, both parties agree to the following application of treatment when it comes to Comcast’s existing aerial cable facilities:

- A) Maintenance of Aerial Cable Facilities – The Town agrees that Comcast will maintain and repair the existing aerial facilities in a like manner, until all aerial distribution power and communication lines are placed underground via a City driven improvement project.
 - i. Like manner means that Comcast can replace damaged cables and equipment within the existing aerial facilities in a one for one manner, when necessary, and shall remove all unused aerial cables and equipment at the time of repair.
 - ii. If opportunities arise to allow Comcast to reduce and/or remove aerial cables and/or equipment, prior to total undergrounding of all aerial facilities under a City driven improvement project, both parties agree to allow such opportunity to occur.
- B) Undergrounding Improvement Projects – Comcast agrees to participate and underground all existing aerial cable facilities, when directed by the Town, at the same time as the other power and communication providers that are on the utility poles in the right-of-way.
- C) Vaults and Pedestals – Comcast agrees to utilize flush mounted vaults throughout the Town for all it’s non-electrified cable equipment; and use above ground pedestals for necessary electrified cable equipment like power supplies, nodes, amplifiers, and outdoor WiFi receives.
- D) New Service Requests – If no existing aerial service line exists to accommodate new requests for services, Comcast agrees to underground service line(s) for new service requests from the existing aerial cable facilities to connect residents and others users within the Town.

The terms and conditions of this letter agreement are binding upon the Town and Comcast and their successors and assigns. It is understood that fulfillment of these obligations is also necessary and part of the consideration to secure the renewed Franchise.

Comcast Cable Communications Management, LLC

By: _____

Its: _____

Date: ___ day of _____, 2021

Town of Yarrow Point, Washington

Acknowledged and agreed to this ___ day of _____, 2021.

By: _____

Its: _____

**Business of The Town Council
Town of Yarrow Point, WA**

Agenda Bill 21-17
April 13, 2021

Planning Commission Tree Code Update	Proposed Council Action: For Discussion.
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Presented by:	Planning Commission Chairman, Carl Hellings
Exhibits:	Tree code update version III dated 3/18/2021.

Summary:

An update from the Planning Commission regarding their research for a private property tree code.

Recommended Action:

For Discussion.

Yarrow Point Tree Code Discussion Version III

Yarrow Point Planning Commission Update

3/18/21

Overview:

The Town Council asked the Planning Commission to investigate a general topic of trees in Yarrow Point in the beginning of 2019.

- The primary intent and driver around the tree topic (and possible tree code) had its genesis in recent activities within the town that consisted of rapid and complete clear cutting of trees on parcels being redeveloped.
- As of today, there is no mechanism within the town to notify residents/neighbors that tree removal activity is about to take place.
- Our neighboring communities of Hunts Point, Medina, Beaux Arts and Kirkland all have some form of private property tree code.
- As of today, all trees that exist completely on private property can be taken down without any permitting of any kind; this includes close to 800 of what we would term as significant trees currently sited on private property which account for roughly 80% of the significant trees on Yarrow Point.

Planning Commission process:

We undertook this directive, given the general direction stated above and explored the topic.

We gathered information and resident feedback via:

- Exploration and review of rules and regulations that are in place in neighboring communities, including; Kirkland, Hunts Point, Medina and the Village of Beaux Arts. We noted that all these communities have their similarities and differences when compared to Yarrow Point. There is tremendous variability in how they address the issue in their towns.
- We also had the benefit of reviewing this issue with our town residents and receiving their input. We have now held twenty-one Planning Commission meetings where this issue was

the central and well discussed topic. Meeting minutes available here - <https://yarrowpointwa.gov/planning-commission-meeting-minutes/>

- The Planning Commission also received input and written feedback on various draft ideas from the Town Planner and Town Arborist.
- The commission also held one study session (October 2, 2019) dedicated to just this issue.
- We also reviewed our preliminary plan at the Yarrow Point Town Council meeting on January 27, 2020 and council feedback and direction was to continue with the plan as presented and work to close out on the details that were TBD in the plan.

Background:

The process of exploring issues around a tree has been a path of input, discussion, and revision. We, the Planning Commission, embarked on a mission to come up with a Final Draft Tree Code to forward to Town Council. What we ended up with was a circuitous route through various draft codes that generated discussion and revision at almost every turn. Over the course almost two years we have heard from many residents on this issue. The comments covered many areas, and proudly our residents are both well spoken, very knowledgeable and have a wide variety of strong opinions regarding the issue. The citizens of Yarrow Point are passionate about the topic of trees.

Being mindful that we need to bring all this to the Town Council for consideration and action, we have settled on a path forward that is less descriptive than when we set out, but we think is a more useful set of building blocks on which to build upon with council feedback.

The Plan:

Summarizing from our last Planning Commission meeting and as a roll up of our meetings and research since our last review with town council, we propose the following framework for a Yarrow Point Tree Code.

- Yarrow Point should move forward with a Tree Code that incorporates the following ideas – (note there are still some items that are TBD and we call those out clearly below).
- Building from the Town's Comprehensive Plan and focusing on **preservation** -
 - "Town of Yarrow Point Planning Goal - To provide for the continued orderly residential development of the Town, while preserving the existing *character*" (highlights by us not directly from the plan).
- If you want to remove a significant tree – you need a permit.
 - The permit will serve to inform neighboring residents and the Town of proposed activity, both removal and remediation.

- We have heard time and again from our residents about opening the lines of communication and raising awareness when contemplating significant tree removal; it just makes for a better community if neighbors are chatting beforehand.
- Given the various rules about identifying trees in Yarrow Point town rights-of-way Way vs private property, this permitting will again help residents clarify "where their tree sits," and raise awareness of both the Town's desire to help preserve the existing character of our community and that we do indeed have rules in place regarding trees.
- We have also discovered that the rules relating to trees in right-of-way zones have different definitions of significant trees and different process for tree removal, furthering the need to have a permitting stage to make sure the tree action is clearly and concisely "enacted" based on its location.
- **We are only addressing "significant trees" on private property.**
 - Definition of a significant tree: any tree regardless of species that is 18" in diameter (approx. 57" circumference) measured at 4.5' above the ground (also known as DBH – "Diameter Breast Height" - and is an industry recognized measurement reference point).
 - This size was agreed upon as it is representative of the initial concern among town residents regarding removal of large trees.
 - Note here surrounding communities define significant trees as being much smaller. (Average significant tree size mandate for the communities studied is less than 8 inches in circumference).
 - Yarrow Point has a working definition of 4" diameter as significant tree in the town right-of-way (referenced in Yarrow Point Municipal Code 12.26.020 as "protected trees").

Principals of "The Plan":

- **Simple preservation: 1 for 1 replacement concept for trees removed. Remove a tree-replace the tree.**
- We are only addressing "significant trees" on private property. Rules are already in place to deal with trees on right of way/town property.
- A tree removed needs to be replaced by:
 - Either an evergreen 10' tall or a deciduous tree with a 3" caliper (industry standard).
 - Species and type of replacement would be such that it could eventually grow into a significant tree.
 - We would also allow mitigation trees to be selected from the Shoreline Management Zone replanting options if the mitigation tree is to be planted in the "Shoreline Management zone".
 - Work with town arborist to come up with a list of recommended species used as replacements.

- The Planning Commission recognizes the unequal distribution of significant trees on private property. To allow for mitigation requirements that represent an equitable distribution of significant trees moving into the future we have added some rules that allow for a practical mitigation (replacement) of some, but not all significant trees.
 - To that end – there would be a minimum density that homeowners would need to “mitigate to”. This would allow/require homeowners to replant/replace to a density of at least 1 replacement significant tree for every 5000 sq ft of lot size.
 - The concept here would be if a 15K sq. ft. lot had 10 significant trees removed that only 3 trees would have to be replaced in order not to over burden those residents that have been good stewards of tree preservation in the past.
 - In cases where the fractional remainder when calculating tree density – for all fractions less than “.5 trees” round down, and for instances where the fraction is “.5 trees or more, round up.

Tree ordinance items to be further defined:

1. Tree Removal Permit requirements; including, notifying adjacent neighbors. This would include notifying neighbors of removal and replanting plans.
2. Define enforcement measures. Define consequences for removing tree without a permit, consequences for not carrying out replacement mitigation, and timeframe to meet parameters.
3. To extend the preservation mantra we propose adopting additional rules for residents to follow industry best practices to preserve/protect their neighbor’s significant trees during construction/development within a certain distance of the lot line. Text from town arborist?
4. Further address trees (and tree roots) that are on property lines. Notice adjacent property owners and obtain signatures.
5. Incorporating and deferring, where appropriate, to preservation/mitigation rules that already exist in our Shoreline Management Plan for residents within the SMP boundary.
6. Incorporating and/or referencing adherence to any Washington State wildlife rules to raise awareness for tree cutting and how it may affect native bird habitat (primarily Bald Eagle nests). TBD
7. Include language for compliance with State law for “Eagle Trees.”

Items we deemed out of scope for this “tree ordinance discussion”:

1. Items having to do with the Yarrow Point hedge code.
2. Items and issues related to views effected by existing trees and new tree plantings.

Additional background:

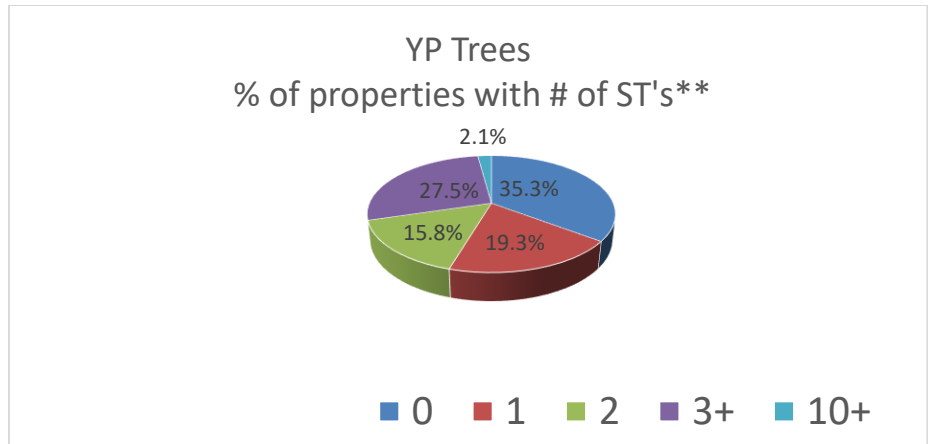
We did explore and reject, at least in concept, several other methods for controlling tree removal.

- A timing method whereby you could only cut down one tree on your property per X time period (like every 6 months). This would certainly slow down the re-development process but take both control of a resident's tree out of their hands and in the end didn't meet the strong preservation mantra we think is so important to the town.
- We also explored strictly density only driven model that calls for certain number of trees per square foot of lot size. This does mandate some replacement scenarios in line with our preservation goal, but also has the effect of possibly forcing folks with smaller densities to replace/replant in higher numbers to meet the density objective. (Perhaps cutting one tree down and having to replace with several trees – this met with some real significant resident pushback and seemed to bring on a lot of complexity that we did not want to interject in the potential code/enforcement).

3/15/21 Update Note:

As part of our research on this issue, we were able to get an informal canvassing of all the properties on Yarrow Point with the aim of capturing the number of private property significant trees.

- Tally conducted by Yarrow Point town staff and Yarrow Point Planning Commission volunteers.
- The entire data tally is available from town staff.
- This was a “walk around and a get best estimate per parcel”.
- Notable takeaways- Carl Hellings derivations –
 - Trees counted per street address – 425 total lots.
 - Tree count represents approximately 800 significant trees.
 - Only 8 residential properties with 10 or more significant trees.
 - About 300 of the 425 lots have 2 or less significant trees.
 - Yarrow Point tree count from 2011 only recorded 150 or so trees of this size within Morningside Park and on the town rights-of-way.



** Based on rollup of “significant tree inventory estimate” February 2021.

Action for the Town Council:

The Planning Commission would like to review our progress to date with the Town Council and request Council’s consideration and feedback on the framework outline as presented in this document. In our last meeting the entire Planning Commission pledged to attend the April 2021 Town Council meeting to help review and clarify items in this plan. We welcome questions, commentary, and a clear direction from Council so that we can proceed with an agreed upon foundation on which to build out a draft code.

- Subject to council feedback we would like to move forward and incorporate this into a sample code as below.
- Planning Commission would like to review this code in the Planning Commission’s May 2021 meeting as a review.
- Planning Commission would like to submit a draft code to the Town Council in time for consideration at their June 2021 meeting.

We anxiously await your comments and feedback.

**Business of The Town Council
Town of Yarrow Point, WA**

Agenda Bill 21-18
April 13, 2021

Addressing Off Street Parking	Proposed Council Action: For Discussion.
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Presented by:	Mayor Cahill
Exhibits:	Public comment.

Summary:

An update from Mayor Cahill on the steps taken by the Town to address off street parking issues.

Recommended Action:

For Discussion.

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MAR 16 2021

Dear Mayor Cahill and Town Council,

TOWN OF YARROW POINT
Clerk's Office

As a follow on to the March 9th Town meeting during which Construction Parking was discussed, I would like to add that it is my opinion that Ordinance 12.30.040 is "NOT Reasonable" as written. Many residents expressed the opinion that they thought the ordinance was "Reasonable" and didn't understand why the Town was not enforcing it. It is my opinion that some of these residents either; 1) live on very large lots 15,000 SF or greater, 2) did not live here when their homes were built so did not experience what it took to build their homes or 3) are finished with driveway/roof/remodels and have forgotten where their contractor and his subs parked in order to efficiently complete their projects.

Unless a resident has a very large lot, it is likely impossible to park all of the vehicles on the site or impractical from a logistics point of view. I noticed on my walk this morning that the Town has allowed its contractor liberal use of Town ROW in order to facilitate construction of the Storm and electrical projects underway. I can promise you that if the Town did not allow this the cost of construction would be dramatically higher. This is what will happen to the residents of our Town once the Construction community finds out how difficult it is to work on Yarrow Point. We will all be paying a premium and small lot owners will really be penalized.

I am personally trying to figure out how I can now get my roof replaced without my chosen contractor jacking up the price or getting \$500 tickets. My small lot does not allow for onsite parking while my project is underway!

I would urge the council to revisit the Parking Ordinance and if nothing else allow "Permitted" parking in various town ROW's so that contractors can at factor in the EXTRA cost of working in our Town and eliminate the risk of tickets or unknown parking costs.

Sincerely,

Jeff Levere

**Business of The Town Council
Town of Yarrow Point, WA**

Agenda Bill 21-19
April 13, 2021

Roundabout Safety	Proposed Council Action: For Discussion.
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Presented by:	Mayor Cahill
Exhibits:	None.

Summary:

Discussion regarding safety concerns on the 92nd Ave NE roundabout.

Recommended Action:

For Discussion.

Town Council Project Tracking Sheet



Project Description	Status	Priority	Lead person	Date/year started	Updated	Date/year Complete	Comments
ROW Construction Parking Enforcement	Started	High	Mayor	21-Mar			The town is enforcing all ROW construction parking. There is no more construction parking allowed above of Town Hall and Morningside Park.
Hot List configuration for Flock license plate reader cameras	Started	High	Mayor/Deputy Clerk	21-Mar			Flock is working with CHPD to configure the Hot List. According to Flock, it can take 1-2 months to configure.
Mutt Mitt dog bag purchases	Started		Mayor	21-Feb			Council requested Mayor to look into the large expenditure item of Mutt Mitt bags purchased by the town frequently. They would like him to ask Hunts Point about the frequency of their Mutt Mitt bag purchases.
Adding additional Flock license plate reader cameras	Started		Mayor/Staff	21-Mar			Council discussed the possibility of adding additional cameras in town. One potential location would be facing NE PTS Dr. <i>To install, Mayor Cahill would sign another PO at \$2500/camera/year + \$250 installation.</i>
Roundabout safety	Started	High	Mayor/Staff/Council	21-Feb	21-Mar		Councilmember Lagerholm requested that a discussion item for roundabout safety be put on the March agenda. There have been some cases of car accidents in the roundabout and we may need to contact the State to further discuss safety measures. <i>Discussion postponed until April agenda due severity of parking enforcement discussion at March meeting.</i>
Light pole spacing	Started		Mayor/Staff/Council	Dec-20			Councilmember Bush suggested to reconsider the policy for light pole spacing, more people are walking at night. It is dark specifically on the Yarrow Point side of Points Drive and the connection between Kirkland through NE Points Drive to the roundabout. Mayor and staff will look into additional lighting in these areas. The spacing of light poles along 92nd is 110ft to 140ft, with 125ft being the standard. The poles are also staggered on each side of the roadway.
Back up & retention system research	Started		Councilmember Bush	Feb-20	Mar-21		Councilmember Bush visited Town Hall on 3/3 and presented the town with a proposal to change how we do backups by adding a local Network Attached Storage device.
Short Plat 55 stormwater upgrades	Started	High	Engineer	Feb-20	Nov-20		Letters were sent out to residents on Short Plat 55 discussing options regarding the need for drainage redesign. Mayor will reach out to the Town Engineer to get an update.
Emergency preparedness	Ongoing	High	Mayor & staff				Increasing involvement.
Ongoing maintenance to Town Hall	Ongoing		Mayor & staff		Dec-20		Town Hall will be restained in Spring of 2021.

Last update: 4/5/2021