Everett City Council Agenda
6:30 P.M. July 20, 2016
City Council Chambers

Roll Call

Pledge of Allegiance

Approval of Minutes: July 13, 2016

Mayor's Comments

Council Comments/Liaison Reports

Administration Update on prior business

City Attorney

Citizen Comments

COUNCIL BRIEFING AGENDA: (These items come before the City Council serving as a Council Committee of the Whole and are likely to be scheduled at a future meeting.)

(1) CB 1607-30- 1st Reading – Adopt the Proposed Ordinance creating the Special Construction Fund entitled "South Branch Library Expansion Project," Fund 342, Program 023 in the estimated amount of $600,000.00. (3rd and final reading on 8-3-16)

Documents:

CB1607-30.pdf

PROPOSED ACTION ITEMS:

(2) CB 1607-28 – 2nd Reading – Adopt the Proposed Ordinance approving the appropriations of the 2016 revised City of Everett Budget and amending Ordinance No. 3487-16.(3rd and final reading on 7-27-16).

Documents:

CB 1607-28.pdf

(3) CB 1607-29- 2nd Reading – Adopt the Proposed Ordinance regarding deferred payment of impact fees for single-family homes and an exemption for payment of impact fees for low-income housing, amending Ordinance 3389-14 (EMC Chapter 18.36, Small Project Impact Fee), Ordinance 3387-14(EMC Chapter 18.40, Transportation Mitigation) and Ordinance 3396-14 (EMC Chapter 18.44 School District Impact Fees) as amended. (3rd and final reading on 7-27-16)

Documents:

CB 1607-29.pdf

CONSENT ITEMS:

(4) Adopt Resolution No. ____ authorizing claims against the City of Everett in the amount of $1,777,562.43 for the period of July 2, 2016 through July 8, 2016.

Documents:

res-94.pdf

(5) Adopt Resolution No. ____ authorizing electronic transfer claims against the City of Everett in the amount of $6,640,406.91 for the period of May 1, 2016 through May 30, 2016.

Documents:

elec-24.pdf

(6) Authorize Request for Proposal 2016-057 for NEC Telephone Network Maintenance in the amount of $227,000.00 annually.

Documents:

NEC.pdf

ACTION ITEMS:

(7) Authorize the purchase of Peterbilt truck chassis from Washington State Contract 01513 in the amount of $165,727.87 including Washington State sales tax.

Documents:

Peterbilt (2).pdf

Executive Session

Adjourn

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at 425 257-8703.

EVERETT CITY COUNCIL AGENDA ITEM COVER SHEET

PROJECT TITLE:
An Ordinance creating a special construction fund entitled "South Branch Library Expansion Project," Fund 342, Program 023, to accumulate design costs of the project.

_____	Consent
_____	Action
_____	First Reading
_____	Second Reading
_____	Third Reading
_____	Public Hearing

COUNCIL BILL #	CB1607-30
Originating Department	Facilities
Contact Person	Chris Lark
Phone Number	425-257-8897
FOR AGENDA OF	July 20, 2016

Initialed by:
Department Head _____
CAA
Council President

Location	**Preceding Action**	**Attachments**	**Department(s) Approval**
9512 Evergreen Way		Ordinance	Facilities, Library

Amount Budgeted	-0-	
Expenditure Required	$600,000	Account Number(s):
Budget Remaining	-0-	Fund 342, Program 023
Additional Required	$600,000	

DETAILED SUMMARY STATEMENT:
The proposed Ordinance will fund the design costs for the South Branch Library Expansion Project. The cost for professional services for the project is currently estimated at $600,000. Facilities will determine an estimated total project cost at the completion of design development and amend the Ordinance.

The source of funds will be CIP4.

RECOMMENDATION:
Adopt an Ordinance creating the special construction fund entitled "South Branch Library Expansion Project," Fund 342, Program 023 in the estimated amount of $600,000.

ORDINANCE NO. _____

AN ORDINANCE creating a special construction fund entitled "South Branch Library Expansion Project", Fund 342, Program 023, authorizing the design of the expansion to the South Branch Library.

WHEREAS, the City Council has recognized the need to expand the South Branch Library located at 9512 Evergreen Way.

NOW, THEREFORE, THE CITY OF EVERETT DOES ORDAIN:

Section 1: A special construction fund is hereby established as Fund 342, Program 023 entitled "South Branch Library Expansion Project" to accumulate the design costs required for the expansion to the South Branch Library.

Section 2: Authorization is hereby granted to the Facilities/Property Management Director under the administration of the Mayor, to assume full responsibility for conducting all tasks and performing all necessary steps to accomplish the actions authorized by this Ordinance.

Section 3: The estimated cost of the project, including costs related to design, construction, and project costs shall be determined at the completion of design development.

Section 4: The sum of $600,000.00 is hereby appropriated to Fund 342, Program 023 "South Branch Library Expansion Project".

A. Use of Funds

Design	$ 600,000
Construction	0
Project Costs	0
Total	$ 600,000

B. Source of Funds

CIP 4	$600,000

C. The appropriation shall not lapse, but shall be carried forward from year to year until fully expended or the purpose has been accomplished or abandoned without the necessity of re-appropriation.

Section 5: The City Treasurer of the City of Everett is hereby authorized to negotiate a reasonable rate of interest and obtain temporary financing to satisfy interim construction costs. Temporary financing shall be redeemed as soon as reimbursement is received.

Section 6: Severability. If any provision of this ordinance shall be declared unconstitutional or invalid by any court of competent jurisdiction, it shall be conclusively presumed that this ordinance would have been enacted without the provision so held unconstitutional or invalid and the remainder of this ordinance shall not be affected as a result of said part being unconstitutional or invalid.

CITY OF EVERETT

_____
Ray Stephanson, Mayor

Attest:

_____
Sharon Fuller, City Clerk

Passed:

Valid:

Published:

EVERETT CITY COUNCIL AGENDA ITEM COVER SHEET

PROJECT TITLE:
An Ordinance approving the appropriations of the 2016 revised City of Everett Budget and amending Ordinance No. 3487-16.

7/13/16	Briefing	COUNCIL BILL #	CB1607-28
	Proposed Action	Originating Department	Finance
	Consent	Contact Person	Susy Haugen
	Action	Phone Number	425-257-8612
7/13/16	First Reading	FOR AGENDA OF	July 13, 2016
7/20/16	Second Reading		July 20, 2016
7/27/16	Third Reading		July 27, 2016
	Public Hearing		
	Budget Advisory	Initialed by:	
		Department Head	
		CAA	db
		Council President	

Location	**Preceding Action**	**Attachments**	**Department(s) Approval**
		Ordinance, Attachment A	Finance

Amount Budgeted	$344,605,661	
Expenditure Required	$353,490,183	Account Number(s): See Attachment A
Budget Remaining	-0-	
Additional Required	$8,884,522	

DETAILED SUMMARY STATEMENT:
The proposed Ordinance amends the City of Everett 2016 Operating Budget as noted below.

- General Government amendments. Increases the expenditure budget by $1,042,169, increases the revenue budget by $581,096, and decreases the ending fund balance by $461,073.
- Non-General Government amendments. Increases expenditure budgets by $7,842,353, revenue budgets by $3,111,166 and decreases ending fund balances by $4,731,187.

RECOMMENDATION (Exact action requested of Council):
Adopt an Ordinance approving the appropriations of the 2016 revised City of Everett Budget and amending Ordinance No. 3487-16.

ORDINANCE NO. _____

AN ORDINANCE approving the appropriations of the 2016 revised City of Everett budget and amending Ordinance No. 3487-16.

WHEREAS, the City Council has reviewed the amended budget appropriations and information which was made available; and approves the appropriation of local, state, and federal funds and the increase or decrease from previously approved programs within the 2016 Budget; and

WHEREAS, the applications of funds have been identified;

NOW, THEREFORE, the City of Everett does ordain that Ordinance No. 3487-16 is hereby amended by the amendments shown on Attachment A, which is incorporated by reference, which amendments shall be made to the 2016 Budget with a total increased appropriation amount of $8,884,522.

	Beginning Fund Balance and 2016 Revenues	Expenditures	Ending Fund Balance
2016 Previously Amended Budget	$ 504,848,500	$ 344,605,661	$ 160,242,839
Budget Amendment #2	3,692,262	8,884,522	(5,192,260)
2016 Amended Budget	$ 508,540,762	$ 353,490,183	$ 155,050,579

_____
MAYOR

ATTEST:

_____
CITY CLERK

Passed:
Valid:
Published:
Effective Date:

2016 BUDGET ADJUSTMENTS for Budget Amendment # 2

General Government Amendments

	Fund	Description	Increase/(Decrease) Revenues	Expenditures	Ending Fund Balance
GGA-18	Senior Center	SnoCo Human Services Grant	23,000	23,000	-
GGA-19	Police	Marine Patrol Grant	17,912	17,912	-
GGA-20	Police	Joint Task Force with USMS	6,000	6,000	-
GGA-21	Fire	Homeland Security Grant	7,500	7,500	-
GGA-22	Fire	Assistance to Firefighters Grant	526,684	579,352	(52,668)
GGA-23	Police	Parking Enforcement Officers and vehicles		185,000	(185,000)
GGA-24	Neighborhoods	Administrative Assistant		35,455	(35,455)
GGA-25	Facilities	Project Coordinator position - succession planning		53,200	(53,200)
GGA-26	Non-Departmental	Funding for IT Projects (Virtra & Text Archiving)		62,900	(62,900)
GGA-27	Administration	Director of Public Health and Safety		71,850	(71,850)
		Total General Government Amendments	**581,096**	**1,042,169**	**(461,073)**

Non-General Government Amendments

	Fund	Description	Increase/(Decrease) Revenues	Expenditures	Ending Fund Balance
NGA-5	Motor Vehicle Division	Vehicle & Equipment Purchases	346,700	554,200	(207,500)
NGA-6	CIP 3	Kasch Park Renovation		2,700,000	(2,700,000)
NGA-7	CIP 4	Downtown Streetscape - Phase 3		3,525,520	(3,525,520)
NGA-8	CIP 1	South Precinct Roof and Main Library Windows	2,540,000	825,000	1,715,000
NGA-9	Computer Reserve	IT Projects (Virtra & Text Archiving)	66,120	66,120	-
NGA-10	Criminal Justice	Streets Initiative Flex Fund (donations and related exp)	11,675	11,675	-
NGA-11	Library Reserve	GECF contributions and related expenditures	15,000	15,000	-
NGA-12	EMS	Assistance to Firefighters Grant	131,671	144,838	(13,167)
		Total Non-General Government Amendments	**3,111,166**	**7,842,353**	**(4,731,187)**

2016
Budget Adjustments
Tally Sheet

	Department		Code	Rev	Exp	FB
GGA-18	Senior Center	Amendment - SnoCo Human Services Grant	027A		23,000	
GGA-18	General Fund	Amendment - SnoCo Human Services Grant	002A	23,000		

Snohomish County Human Services awarded the Carl Gipson Senior Center a grant in the amount of $23,000 to upgrade the existing video monitoring system. No matching funds are required. Council approved this contract at the June 8, 2016, Council meeting.

Increase intergovernmental revenue	002	3370700027			23,000
Increase supplies/equipment budget	027	5500000350	23,000		

	Department		Code	Rev	Exp	FB
GGA-19	Police	Amendment - Marine Patrol Grant	031A		17,912	
GGA-19	General Fund	Amendment - Marine Patrol Grant	002A	17,912		-

The Police Department (EPD) has been awarded a $17,912 grant from the Washington State Parks and Recreation Commission (the Commission). The award is to reimburse costs of on-the-water patrols and boating education classes. The application and program approval establishes the framework between the Commission and the EPD for accomplishing the patrols, classes, and special emphasis enforcement. The ultimate goals of the activities are to reduce injury from boating incidents and to promote a safe and enjoyable boating environment for all users.

Council approved application and acceptance of this grant at the January 20, 2016, Council meeting.

Increase grant revenue	002	3336702400			17,912
Increase overtime budget	031	5220000120	17,912		

	Department		Code	Rev	Exp	FB
GGA-20	Police	Amendment - Joint Task Force with USMS	031A		6,000	
GGA-20	General Fund	Amendment - Joint Task Force with USMS	002A	6,000		

The United States Department of Justice, Marshals Service (USMS), is providing the Police Department funding to conduct and participate in joint law enforcement operations to investigate and apprehend local, state and federal fugitives, thereby improving public safety and reducing violent crimes.

Council approved the memorandum of understanding, which outlined permissible expenses to be reimbursed, at the May 4, 2016, Council meeting.

Increase intergovernmental revenue	002				6,000
Increase overtime budget	031	5701000120	6,000		

ATTACHMENT A

2016
Budget Adjustments
Tally Sheet

	Department		Code	Rev	Exp	FB
GGA-21	Fire	Amendment - Homeland Security Grant	032A		7,500	
GGA-21	General Fund	Amendment - Homeland Security Grant	002A	7,500		-

The US Department of Homeland Security, Federal Emergency Management Agency is providing funds to state and local agencies to enhance emergency preparedness. This grant is being passed through Snohomish County to the City to purchase three large cargo containers for storing disaster related supplies.

Council approved acceptance of this grant at the April 6, 2016, Council meeting.

Increase grant revenue	002	3339706735		7,500
Increase equipment budget	032	5150001350	7,500	

	Department		Code	Rev	Exp	FB
GGA-22	Fire	Amendment - Assistance to Firefighters Grant	032A		579,352	
GGA-22	General Fund	Amendment - Assistance to Firefighters Grant	009A	526,684		(52,668)

The Fire/EMS department has been awarded a Department of Homeland Security, Assistance to Firefighters Grant to replace low pressure self contained breathing apparatus (SCBA) equipment with a newer high pressure system. This grant requires a ten percent match. The expenditures and grant revenue will be split between Fire and EMS on an 80/20 basis. This amendment increases the Fire department's expenditure and grant revenue budgets. Please see NGA-12 for the amendment to the EMS budget.

Council awarded the request for proposal for the equipment at the June 22, 2016, Council meeting.

Increase grant revenue	002	3319700032		526,684
Increase uniform budget	032	5202621260	579,352	
Decrease ending fund balance	009	5980000490		52,668

	Department		Code	Rev	Exp	FB
GGA-23	Police	Amendment - Parking Enforcement Officers	031A		101,000	
GGA-23	General Fund	Amendment - Parking Enforcement Officers	009A		84,000	(185,000)

This amendment will increase the Police Department's budget by $101,000 for two new Parking Enforcement Officers and the Non-Departmental budget by $84,000 to provide funding for vehicles for these positions. The officers are being hired in an effort to increase parking enforcement within the City limits. The salary and benefit amounts included in this amendment represent five months. These positions will be included as full year positions in the 2017 budget. The M&O included with this amendment provides for initial equipment set up.

Increase salaries	031	5720000110	37,440	
Increase benefits	031	5720000210	21,910	
Increase uniforms	031	5720000260	1,650	
Increase m&o	031	5720000xxx	40,000	
Increase transfers out	009	5000001550	84,000	
Decrease ending fund balance	009	5980000490		185,000

ATTACHMENT A

2016
Budget Adjustments
Tally Sheet

	Department		Code	Rev	Exp	FB
GGA-24	Neighborhoods	Amendment - Administrative Assistant	022A		35,455	
GGA-24	General Fund	Amendment - Administrative Assistant	009A			(35,455)

This amendment increases the Neighborhoods budget for the addition of an Administrative Assistant to assist with community engagement and outreach efforts in support of the Neighborhood associations. The amount shown is for five months of salary and benefits. The position will be added as a full year position in 2017.

Increase salaries	022	5010000110	25,325		
Increase benefits	022	5010000210	10,130		
Decrease ending fund balance	009	5980000490		35,455	

	Department		Code	Rev	Exp	FB
GGA-25	Facilities	Amendment - Project Coordinator	038A		53,200	
GGA-25	General Fund	Amendment - Project Coordinator	009A			(53,200)

This amendment temporarily increases the Facilities budget for a Project Coordinator position to provide for succession planning. The amount requested is for seven months of salary and benefits.

Increase salaries	038	5870040110	37,982		
Increase benefits	038	5870040210	15,218		
Decrease ending fund balance	009	5980000490		53,200	

	Department		Code	Rev	Exp	FB
GGA-26	Non-Dept General Govt	Amendment - Funding for IT Projects	009A		62,900	
GGA-26	General Fund	Amendment - Funding for IT Projects	009A			(62,900)

This amendment provides the General Fund's portion of the funding necessary for the Information Technology department to move forward with the two projects listed below.

> $7,700 to implement a mobile text archiving solution that will increase the City's ability to comply with the Public Records Act.
> $55,200 in additional funding for the Police VirTra Weapons Training Simulator upgrade.

Increase transfers out	009	5000004990	62,900		
Decrease ending fund balance	009	5980000490		62,900	

ATTACHMENT A

2016
Budget Adjustments
Tally Sheet

	Department		Code	Rev	Exp	FB
GGA-27	Administration	Amendment-Director of Public Health & Safety	004A		71,850	
GGA-27	General Fund	Amendment-Director of Public Health & Safety	009A			(71,850)

This amendment increases Administration's budget for the Director of Public Health & Safety position. This position will provide policy advice to Administration and other City departments to better coordinate city-wide efforts around public safety, criminal justice, social services, and public health. The amount requested is for five months of salary and benefits as well as initial m&o costs. The position will be added as a full year position in the 2017 budget.

Increase salaries	004	5770000110	49,619	
Increase benefits	004	5770000210	15,944	
Increase m&o	004	5770000xxx	6,287	
Decrease ending fund balance	009	5980000490		71,850

ATTACHMENT A

2016
Budget Adjustments
Tally Sheet

	Department		Code	Rev	Exp	FB
NGA-5	MVD	Amendment - Vehicle & Equip. Purchases	126A	346,700	554,200	(207,500)

This amendment increases the vehicle and equipment expenditure budget in Fund 126, MVD, for the following:

Additions:
Police - 5 patrol cars and 1 staff car for new Streets Initiative staff - $262,700
Police - 2 scooters for new Parking Enforcement officers - $84,000

Replacements:

Engineering	Truck	28,000
Fire	Utility vehicle	44,500
Facilities	Cargo van	36,000
Parks	Van	28,000
Parks	Flatbed trailer	5,000
Parks	2 sprayers	45,000
Parks	Toro SandPro rake	21,000

Increase vehicle expenditures - Engineering	126	5200024640	28,000	
Increase vehicle expenditures - Police	126	5200031640	346,700	
Increase vehicle expenditures - Fire	126	5200032640	44,500	
Increase vehicle expenditures - Facilities	126	5200038640	36,000	
Increase vehicle expenditures - Parks	126	5200101640	99,000	
Increase transfers in	126	3970000009		346,700
Decrease ending fund balance	126	5980000490		207,500

	Department		Code	Rev	Exp	FB
NGA-6	CIP 3	Amendment - CIP 3 Projects	154A		2,700,000	(2,700,000)

This amendment increases the CIP 3 expenditure budget for the Kasch Park Renovation project as approved by Ordinance 3489-16.

Increase CIP 3 transfers out	154	5354010550	2,700,000	
Decrease ending fund balance	154	5990000490		2,700,000

	Department		Code	Rev	Exp	FB
NGA-7	CIP 4	Amendment - CIP 4 Projects	162A		3,525,520	(3,525,520)

This amendment increases the CIP 4 expenditure budget for the Downtown Streetscape Phase 3 project as approved by Ordinance 3485-16.

Increase CIP 4 transfers out	162	5625210550	3,525,520	
Decrease ending fund balance	162	5620999490		3,525,520

ATTACHMENT A

2016
Budget Adjustments
Tally Sheet

	Department		Code	Rev	Exp	FB
NGA-8	CIP 1	Amendment - CIP 1 Projects	162A	2,540,000	825,000	1,715,000

This amendment increases the CIP 1 expenditure budget for the projects listed below and recognizes the $2,540,000 general fund contribution made to CIP 1, as authorized in the first 2016 budget amendment.

$500,000 for the South Precinct roof replacement as approved by Ordinance 3482-16
$325,000 for the Main Library window replacements as approved by Ordinance 3492-16

Increase transfers out to construction funds	162	5500000550	825,000	
Increase transfers in from GF	162	3971050000		2,540,000
Increase ending fund balance	162	5500999490	1,715,000	

	Department		Code	Rev	Exp	FB
NGA-9	Computer Reserve	Amendment - IT Projects	505A	66,120	66,120	

This amendment increases the Computer Reserve Fund's budget for the following IT projects:

> $10,920 to implement a mobile text archiving solution
> $55,200 for the Police VirTra Weapons Training Simulator upgrade

Increase General Fund transfers in	505	3970030000		62,900
Increase Non-General Fund transfers in	505	3970030000		3,220
Increase capital outlay	505	5130000640	66,120	

	Department		Code	Rev	Exp	FB
NGA-10	Criminal Justice	Amendment - Streets Initiative Flex Fund	156A	11,675	11,675	

This amendment increases the Community Streets Initiative Flex fund revenue and expenditure budgets. The fund accepts charitable giving funds to be used to assist poor and infirm individuals who are working with the Community Outreach and Enforcement Team and/or the Chronic Utilizer Alternative Response Team (CHART).

Increase miscellaneous expenditures	156	5250000494	11,675	
Increase donation revenue	156	3670000025		11,675

ATTACHMENT A

2016
Budget Adjustments
Tally Sheet

	Department		Code	Rev	Exp	FB
NGA-11	Library Reserve	Amendment - GECF Expenditures	152A	15,000	15,000	-

The Library received more interest than expected from one of the endowment funds invested with the Greater Everett Community Foundation (GECF) of Snohomish County. The Library would like to make the funds available for programs and building improvements in 2016. This amendment increases both the contributions and expenditure budgets.

Increase contributions	152	3670000077		15,000
Increase professional services	152	5770000410	10,000	
Increase construction projects	152	5770000650	5,000	

	Department		Code	Rev	Exp	FB
NGA-12	EMS	Amendment - Assistance to Firefighters Grant	153A	131,671	144,838	(13,167)

As noted in GGA-22, the Fire/EMS department has been awarded a Department of Homeland Security, Assistance to Firefighters Grant to replace low pressure self contained breathing apparatus (SCBA) equipment with a newer high pressure system. The grant requires a ten percent match. This amendment increases the EMS department's expenditure and grant revenue budgets.

Council approved the award of the request for approval for the equipment at the June 22, 2016, Council meeting

Increase grant revenue	153	3319700153		131,671
Increase uniform budget	153	5202621260	144,838	
Decrease ending fund balance	153	5990000490		13,167

ATTACHMENT A

EVERETT CITY COUNCIL AGENDA ITEM COVER SHEET

PROJECT TITLE:
An Ordinance regarding deferred payment of impact fees for single-family homes and an exemption for payment of impact fees for low-income housing, amending Ordinance 3389-14 (EMC Chapter 18.36, Small Project Impact Fee), Ordinance 3387-14 (EMC Chapter 18.40, Transportation Mitigation) and Ordinance 3396-14 (EMC Chapter 18.44, School District Impact Fees) as amended

7-13-16	Briefing	
	Proposed Action	
	Consent	
	Action	
7-13-16	First Reading	
7-20-16	Second Reading	
7-27-16	Third Reading	
	Public Hearing	
	Budget	
	Advisory	

COUNCIL BILL #	CB1607-29
Originating Department	Planning
Contact Person	David Stalheim
Phone Number	425-257-8731
FOR AGENDA OF	July 13, 2016
	July 20, 2016
	July 27, 2016

Initialed by:

Department Head	
CAA	
Council President	

Location

Preceding Action

Attachments
Ordinance, Planning Commission Staff Report, Public Comment

Department(s) Approval
Legal, Planning

Amount Budgeted	-0-	
Expenditure Required	-0-	Account Number(s):
Budget Remaining	-0-	
Additional Required	-0-	

DETAILED SUMMARY STATEMENT:
This is an ordinance to amend the following chapters of the Everett Municipal Code:

- Chapter 18.36, Small Project Impact Fee
- Chapter 18.40, Transportation Mitigation
- Chapter 18.44, School District Impact Fees

The amendments would address requirements set forth by the 2015 state legislature in ESB 5923 regarding the establishment of a fee deferral system for new single-family detached and attached residential construction.

The amendments also provide an option to exempt up to 80% of impact fees for low-income housing.

RECOMMENDATION (Exact action requested of Council):
Adopt an Ordinance regarding deferred payment of impact fees for single-family homes and an exemption for payment of impact fees for low-income housing, amending Ordinance 3389-14 (EMC Chapter 18.36, Small Project Impact Fee), Ordinance 3387-14 (EMC Chapter 18.40, Transportation Mitigation) and Ordinance 3396-14 (EMC Chapter 18.44, School District Impact Fees) as amended.

ORDINANCE NO. _____

An Ordinance regarding deferred payment of impact fees for single-family homes and an exemption for payment of impact fees for low-income housing, amending Ordinance 3389-14 (EMC Chapter 18.36, Small Project Impact Fee), Ordinance 3387-14 (EMC Chapter 18.40, Transportation Mitigation) and Ordinance 3396-14 (EMC Chapter 18.44, School District Impact Fees, as amended

WHEREAS, Chapter 82.02.050 RCW requires the city to adopt and maintain a system for the deferred collection of impact fees for single-family detached and attached residential construction by September 1, 2016; and

WHEREAS, Chapter 82.02.060 RCW authorizes the city to provide an exemption of not more than eighty percent of impact fees for low-income housing with no explicit requirement to pay the exempted portion of the fee from public funds; and

WHEREAS, the Planning Commission of the City of Everett has reviewed the proposed amendments to Chapter 18.36, Small Project Impact Fee, Chapter 18.40, Transportation Mitigation and Chapter 18.44, School District Impact Fees and found that:

1. RCW 82.02.050(3) requires the city to include one of three options for when payment would be due: final inspection; issuance of the certificate of occupancy or equivalent certification; and/or the closing of the first sale of the property; and
2. RCW 82.02.060(3) authorizes the city to provide an exemption for not more than eighty percent of impact fees for low-income housing if it is conditioned to require the developer to record a covenant that prohibits use of the property for any purpose other than for low-income housing; and
3. RCW 82.02.060(3) requires that any school district that receives school impact fees must approve any exemption; and

WHEREAS, the City Council finds that:

1. The proposed ordinance provides one of the three options for impact fee deferral required by RCW 82.02.050; and
2. The proposed ordinance requires the recording of covenants for any impact fee exemption approved for low-income housing and requires school district approval as a condition of city approval of any school district impact fee exemption.

NOW, THEREFORE, THE CITY OF EVERETT DOES ORDAIN:

Section 1. Section 1 or Ordinance No. 3389-14, as amended (EMC 18.36.010), regarding "Title, authority and purpose" for Small Project Impact Fees, which reads as follows:

A. Title. The ordinance codified in this chapter may be referred to or cited as the small project impact fee ordinance, or "SPIFO," and will be referred to herein as "this chapter."

B. Purpose and Authorization. The purpose of this chapter is to implement the city's comprehensive plan including its transportation and capital facility elements. This chapter enables the city to collect impact fees from proposed projects that generate additional traffic and are categorically exempt under the State Environmental Policy Act (SEPA) and the state rules adopted thereunder (WAC 197-11-305) and therefore not subject to the city's transportation mitigation ordinance (TMO) (Chapter 18.40). The fees adopted under this chapter are authorized by and in accordance with the provisions of RCW 82.02.050 through 82.02.090.

Is hereby amended to read as follows:

A. Title. The ordinance codified in this chapter may be referred to or cited as the small project impact fee ordinance, or "SPIFO," and will be referred to herein as "this chapter."

B. Purpose and Authorization. The purpose of this chapter is to implement the city's comprehensive plan including its transportation and capital facility elements. This chapter enables the city to collect impact fees from proposed projects that generate additional traffic and are ~~categorically exempt under the State Environmental Policy Act (SEPA) and the state rules adopted thereunder (WAC 197-11-305) and therefore~~ not subject to the city's transportation mitigation ordinance (TMO) (Chapter 18.40). The fees adopted under this chapter are authorized by and in accordance with the provisions of RCW 82.02.050 through 82.02.090.

Section 2. Section 6 of Ordinance No. 3389-14, as amended (EMC 18.36.060), regarding "Administrative procedures and appeals" for Small Project Impact Fees, which reads as follows:

A. RCW 82.02.070 and 82.02.080 are hereby adopted by reference into this chapter as the administrative procedures for collection and refunding of impact fees under this chapter.

B. Payment of all fees shall be made prior to:

1. Final plat approval in the case of subdivisions and short subdivisions; or

2. In all other cases, be prior to the issuance of any building permits.

C. All fees collected under this chapter shall be obligated or expended on public facilities that are addressed by an adopted capital facilities plan element of a comprehensive land use plan. If fees are earmarked for a specific project, and the city determines that it is not feasible to implement that project within six years (or such other time period established pursuant to RCW 82.02.070(3) on public facilities intended to benefit the development activity for which the impact fees were paid), the fees may be expended or encumbered on a replacement project that provides similar or greater improvement to the transportation system.

D. The city engineer or designee shall be the official responsible for preparing the annual reports required under RCW 82.02.070.

E. An applicant's commitment to specific performance to construct a transportation improvement, including any bonds or financial assurance associated with the improvement, shall not be considered a fee under this chapter, regardless of whether a monetary value has been

assigned to the improvement in the traffic analysis or other project review documents or agreements.

F. An applicant may appeal the city traffic engineer's determination of the impact fee required under this chapter by following the administrative appeal procedures for the underlying development approval. If there are no administrative appeal procedures for the underlying development approval, the appeal shall follow the administrative appeal procedures in Section 15.20.010 for the appeal of minor administration decisions.

Is hereby amended to read as follows:

A. RCW 82.02.070 and 82.02.080 are hereby adopted by reference into this chapter as the administrative procedures for collection and refunding of impact fees under this chapter.

B. Payment of all transportation impact fees shall be made prior to building permit issuance, except as provided in EMC 18.36.060(C).~~:~~

~~1. Final plat approval in the case of subdivisions and short subdivisions; or~~

~~2. In all other cases, be prior to the issuance of any building permits.~~

C. The deferral of transportation impact fees shall be allowed only for single-family attached and detached construction being constructed by an applicant having a contractor registration number or other unique identification number and in accordance with the following:

1. For this subsection:
   (a) "Applicant" includes an entity that controls, is controlled by, or is under common control with the applicant.
   (b) "Common control" means two or more entities controlled by the same person or entity.
   (c) "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting shares, by contract, or otherwise.
2. An applicant wishing to defer the payment of transportation impact fees shall:
   (a) Submit a signed and notarized deferred fee application and completed lien form concurrent with the building permit application for the building subject to the fee; and
   (b) Submit a certification that the applicant has requested no more than a total of twenty deferred impact fee requests in the calendar year within the city; and
   (c) Pay a non-refundable $250.00 administration fee for each unit or lot of a single development project for which the deferral of the fee is requested.
3. The lien shall:
   (a) Be in a form approved and provided by the city;
   (b) Be signed by all owners of the property, with all signatures acknowledged as required for a deed;
   (c) Include the legal description, property tax account number, and address for each lot or unit the lien will encumber;
   (d) Be binding and subordinate on all successors in title after the recording;
   (e) Be junior and subordinate to a first mortgage for the purpose of construction upon the same real property granted by the person who applied for the deferral of impact fees, but in no case shall the lien be in less than second place.
4. The lien shall be recorded by the applicant, at their own expense, and a conformed copy of the recorded document shall be provided to the city prior to the issuance of the building permit that is subject to the transportation impact fee.

5. Each applicant eligible to defer impact fees shall only be entitled to annually receive deferrals for no more than a total of twenty building permits within the city.
6. The applicant shall be responsible for the payment of all recording fees.
7. The deferred transportation impact fee shall be paid in full prior to whichever of the following occurs first:
   (a) The closing of the first sale of the property occurring after the issuance of the applicable building permit for which the fees were deferred; or
   (b) Eighteen months from the date of building permit issuance.
8. If the building for which the deferral of the transportation impact fee is requested is located within a subdivision, unit lot subdivision or short subdivision, the subdivision, unit lot subdivision or short subdivision shall be recorded prior to recording the lien for impact fees and issuance of the building permit.
9. After the applicant has paid all deferred transportation impact fees, the applicant is responsible for submitting a lien release application to the city. The applicant, at their own expense, will be responsible for recording lien releases.
10. Compliance with the requirements of the deferral option shall constitute compliance with subdivision or short subdivision conditions pertaining to the timing of the transportation impact fee payment.
11. If deferred transportation impact fees are not paid in accordance with terms authorized by state law and this section, the City may initiate foreclosure proceedings for the unpaid transportation impact fees and all costs associated with the collection of the unpaid transportation impact fees.
12. A request to defer transportation impact fees under this section may be combined in one application with a request to defer school impact fees under EMC 18.44.090.

~~C~~D. All fees collected under this chapter shall be obligated or expended on public facilities that are addressed by an adopted capital facilities plan element of a comprehensive land use plan. If fees are earmarked for a specific project, and the city determines that it is not feasible to implement that project within six years (or such other time period established pursuant to RCW 82.02.070(3) on public facilities intended to benefit the development activity for which the impact fees were paid), the fees may be expended or encumbered on a replacement project that provides similar or greater improvement to the transportation system.

~~D~~E. The city engineer or designee shall be the official responsible for preparing the annual reports required under RCW 82.02.070.

~~E~~F. An applicant's commitment to specific performance to construct a transportation improvement, including any bonds or financial assurance associated with the improvement, shall not be considered a fee under this chapter, regardless of whether a monetary value has been assigned to the improvement in the traffic analysis or other project review documents or agreements.

~~F~~G. An applicant may appeal the city traffic engineer's determination of the impact fee required under this chapter by following the administrative appeal procedures for the underlying development approval. If there are no administrative appeal procedures for the underlying development approval, the appeal shall follow the administrative appeal procedures in Section 15.20.010 for the appeal of minor administration decisions.

Section 3. Section 18.36.065, "Fee Exemptions" is added to the Everett Municipal Code for Small Project Impact Fees as follows:

prepared by a licensed professional engineer or transportation planner with standing in the Institute of Transportation Engineers or is acceptable to the city traffic engineer.

Section 5. Section 14 of Ordinance No. 3387-14, as amended (EMC 18.40.140), regarding "Procedure for payment and use of fees" for Transportation Mitigation, which reads as follows:

A. Payment of all fees shall be made prior to:

1. Final plat approval in the case of subdivisions and short subdivisions; or

2. In all other cases, be prior to the issuance of any building permits.

B. All fees collected under this chapter shall be obligated or expended on transportation improvements. Fees collected for specific projects shall be expended on those projects or may be expended on replacement projects that provide similar or greater improvements.

C. The fees shall be obligated or expended in all cases within five years of collection. Any fees not so obligated or expended shall be refunded with interest at the rate applied to judgments to the property owners of record at the time of refund; however, if the payment is not obligated or expended within five years due to delay attributable to the project applicant, the payment shall be refunded without interest.

D. An applicant's commitment to specific performance to construct a transportation improvement, including any bonds or financial assurance associated with the improvement, shall not be considered a fee, regardless of whether a monetary value has been assigned to the improvements in the traffic analysis or other project review documents or agreements.

Is hereby amended to read as follows:

A. Payment of all transportation fees shall be made prior to building permit issuance, except as provided in EMC 18.40.140(B).~~:~~

~~1. Final plat approval in the case of subdivisions and short subdivisions; or~~

~~2. In all other cases, be prior to the issuance of any building permits.~~

B. The deferral of transportation fees shall be allowed only for single-family attached and detached construction being constructed by an applicant having a contractor registration number or other unique identification number and in accordance with the following:

1. For this subsection:
   (a) "Applicant" includes an entity that controls, is controlled by, or is under common control with the applicant.
   (b) "Common control" means two or more entities controlled by the same person or entity.
   (c) "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting shares, by contract, or otherwise.
2. An applicant wishing to defer the payment of fees for transportation system improvements shall:
   (a) Submit a signed and notarized deferred fee application and completed lien form concurrent with the building permit application for the building subject to the fee; and
   (b) Submit a certification that the applicant has requested no more than a total of twenty deferred transportation system improvement fee requests in the calendar year within the city; and

A. The city may, on a case-by-case basis, grant exemptions to the application of the transportation impact fee for new low income housing units in accordance with the conditions specified under RCW 82.02.060(2). To qualify for the exemption, the developer shall submit an application to the planning and community development director for consideration by the city prior to application for building permit. Conditions for such approvals shall meet the requirements of RCW 82.02.060(2), which includes payment of the fee from public funds other than the fee for transportation improvement account. In addition, any approved exemption will require a covenant that will assure the project's continued use for low income housing. The covenant shall be an obligation that runs with the land upon which the housing is located, and shall be recorded against the title of the real property.

B. The city may, on a case-by-case basis, grant a partial exemption of not more than eighty percent of transportation impact fees, with no explicit requirement to pay the exempted portion of the fee from public funds, for low-income housing units, pursuant to the following:

1. The Mayor, or designee, may grant an exemption to a low-income housing project for each low-income unit.
2. The decision to grant, partially grant or deny an exemption shall be based on the public benefit of the specific project, the extent to which the applicant has sought other funding sources, the financial hardship to the project of paying the transportation impact fees, the impacts of the project on public facilities and services, and the consistency of the project with adopted city plans and policies relating to low-income housing.
3. An exemption granted under this subsection must be conditioned upon requiring the developer to record a covenant approved by the director of planning and community development that prohibits using the property for any purpose other than for low-income housing. At a minimum, the covenant must address price restrictions and household income limits for the low-income housing, and require that, if the property is converted to a use other than for low-income housing as defined in the covenant, the property owner must pay the applicable transportation impact fees in effect at the time of any conversion. Covenants required by this subsection must be recorded with the Snohomish County Auditor.
4. For purposes of this section, low-income housing is defined as any housing with a monthly housing expense, that is no greater than thirty percent of fifty percent of the median family income adjusted for family size, for Everett, as reported by the United States Department of Housing and Urban Development.

Section 4. Section 4 of Ordinance No. 3387-14, as amended (EMC 18.40.040), regarding "When a traffic analysis is required" for Transportation Mitigation, which reads as follows:

The applicant shall provide the responsible official with a written traffic analysis as part of the city's project review process, which includes SEPA review, whenever a proposed project will generate fifty or more additional peak hour trips, or if deemed necessary by the city traffic engineer. The traffic analysis shall be paid for by the applicant and shall be prepared by a licensed professional engineer or transportation planner with standing in the Institute of Transportation Engineers or is acceptable to the city traffic engineer.

Is hereby amended to read as follows:

The applicant shall provide the city traffic engineer ~~responsible official~~ with a written traffic analysis as part of the city's project review process~~, which includes SEPA review,~~ whenever a proposed project will generate fifty or more additional peak hour trips, or if deemed necessary by the city traffic engineer. The traffic analysis shall be paid for by the applicant and shall be

(c) Pay a non-refundable $250.00 administration fee for each unit or lot of a single development project for which the deferral of the fee is requested.

3. The lien shall:
   (a) Be in a form approved and provided by the city;
   (b) Be signed by all owners of the property, with all signatures acknowledged as required for a deed;
   (c) Include the legal description, property tax account number, and address for each lot or unit the lien will encumber;
   (d) Be binding and subordinate on all successors in title after the recording;
   (e) Be junior and subordinate to a first mortgage for the purpose of construction upon the same real property granted by the person who applied for the deferral of impact fees, but in no case shall the lien be in less than second place;
4. The lien shall be recorded by the applicant, at their own expense, and a conformed copy of the recorded document shall be provided to the city prior to the issuance of the building permit that is subject to the fee for transportation improvements.
5. Each applicant eligible to defer transportation fees shall only be entitled to annually receive deferrals for no more than a total of twenty building permits within the city.
6. The applicant shall be responsible for the payment of all recording fees.
7. The deferred fee for transportation improvements shall be paid in full prior to whichever of the following occurs first:
   (a) The closing of the first sale of the property occurring after the issuance of the applicable building permit for which the fees were deferred; or
   (b) Eighteen months from the date of building permit issuance.
8. If the building for which the deferral of the fee for transportation improvements is requested is located within a subdivision, unit lot subdivision or short subdivision, the subdivision, unit lot subdivision or short subdivision shall be recorded prior to recording the lien for fees and issuance of the building permit.
9. After the applicant has paid all deferred fees for transportation improvements, the applicant is responsible for submitting a lien release application to the city. The applicant, at their own expense, will be responsible for recording lien releases.
10. Compliance with the requirements of the deferral option shall constitute compliance with subdivision or short subdivision conditions pertaining to the timing of the fee payment.
11. If deferred fees for transportation improvements are not paid in accordance with terms authorized by state law and this section, the City may initiate foreclosure proceedings for the unpaid impact fees and all costs associated with the collection of the unpaid fees.
12. A request to defer transportation fees under this section may be combined in one application with a request to defer school impact fees under EMC 18.44.090.

~~B~~C. All fees collected under this chapter shall be obligated or expended on transportation improvements. Fees collected for specific projects shall be expended on those projects or may be expended on replacement projects that provide similar or greater improvements.

~~C~~D. The fees shall be obligated or expended in all cases within five years of collection. Any fees not so obligated or expended shall be refunded with interest at the rate applied to judgments to the property owners of record at the time of refund; however, if the payment is not obligated or expended within five years due to delay attributable to the project applicant, the payment shall be refunded without interest.

~~D~~E. An applicant's commitment to specific performance to construct a transportation improvement, including any bonds or financial assurance associated with the improvement, shall

not be considered a fee, regardless of whether a monetary value has been assigned to the improvements in the traffic analysis or other project review documents or agreements.

Section 6. Section 18.40.145, "Fee Exemptions" is added to the Everett Municipal Code for Transportation Mitigation as follows:

A. The city may, on a case-by-case basis, grant exemptions to the application of the fee for transportation improvements for new low income housing units in accordance with the conditions specified under RCW 82.02.060(2). To qualify for the exemption, the developer shall submit an application to the planning and community development director for consideration by the city prior to application for building permit. Conditions for such approvals shall meet the requirements of RCW 82.02.060(2), which includes payment of the fee from public funds other than the fee for transportation improvement account. In addition, any approved exemption will require a covenant that will assure the project's continued use for low income housing. The covenant shall be an obligation that runs with the land upon which the housing is located, and shall be recorded against the title of the real property.

B. The city may, on a case-by-case basis, grant a partial exemption of not more than eighty percent of fees for transportation improvements, with no explicit requirement to pay the exempted portion of the fee from public funds, for low-income housing units, pursuant to the following:

1. The Mayor, or designee, may grant an exemption to a low-income housing project for each low-income unit.
2. The decision to grant, partially grant or deny an exemption shall be based on the public benefit of the specific project, the extent to which the applicant has sought other funding sources, the financial hardship to the project of paying the impact fees, the impacts of the project on public facilities and services, and the consistency of the project with adopted city plans and policies relating to low-income housing.
3. An exemption granted under this subsection must be conditioned upon requiring the developer to record a covenant approved by the director of planning and community development that prohibits using the property for any purpose other than for low-income housing. At a minimum, the covenant must address price restrictions and household income limits for the low-income housing, and require that, if the property is converted to a use other than for low-income housing as defined in the covenant, the property owner must pay the applicable fees for transportation improvements in effect at the time of any conversion. Covenants required by this subsection must be recorded with the Snohomish County Auditor.
4. For purposes of this section, low-income housing is defined as any housing with a monthly housing expense, that is no greater than thirty percent of fifty percent of the median family income adjusted for family size, for Everett, as reported by the United States Department of Housing and Urban Development.

Section 7. Section 6 of Ordinance No. 3396, as amended (EMC 18.44.060), regarding "Impact fee schedule--Exemptions" for School District Impact Fees, which reads as follows:

The city council may, on a case-by-case basis, grant exemptions to the application of the fee schedule for low income housing in accordance with the conditions specified under RCW 82.02.060(2). To qualify for the exemption, the developer shall submit a petition to the planning and community development director for consideration by the council prior to application for building permit. Conditions for such approvals shall meet the requirements of RCW 82.02.060(2) and include a requirement for a covenant to assure the project's continued use for low income

housing. The covenant shall be an obligation that runs with the land upon which the housing is located, and shall be recorded against the title of the real property.

Is hereby amended to read as follows:

A. The city council may, on a case-by-case basis, grant exemptions to the application of the fee schedule for low income housing in accordance with the conditions specified under RCW 82.02.060(2). To qualify for the exemption, the developer shall submit a petition to the planning and community development director for consideration by the council prior to application for building permit. Conditions for such approvals shall meet the requirements of RCW 82.02.060(2) and include a requirement for a covenant to assure the project's continued use for low income housing. The covenant shall be an obligation that runs with the land upon which the housing is located, and shall be recorded against the title of the real property.

B. The city may, on a case-by-case basis, grant a partial exemption of not more than eighty percent of school impact fees, with no explicit requirement to pay the exempted portion of the fee from public funds, for low-income housing units, pursuant to the following:

1. The Mayor, or designee, after approval by the applicable school district, may grant an exemption to a low-income housing project for each low-income unit.
2. The decision to grant, partially grant or deny an exemption shall be based on the public benefit of the specific project, the extent to which the applicant has sought other funding sources, the financial hardship to the project of paying the impact fees, the impacts of the project on school facilities and services, and the consistency of the project with adopted city plans and policies relating to low-income housing.
3. An exemption granted under this subsection must be conditioned upon requiring the developer to record a covenant approved by the director of planning and community development that prohibits using the property for any purpose other than for low-income housing. At a minimum, the covenant must address price restrictions and household income limits for the low-income housing, and require that, if the property is converted to a use other than for low-income housing as defined in the covenant, the property owner must pay the applicable impact fees in effect at the time of any conversion. Covenants required by this subsection must be recorded with the Snohomish County Auditor.
4. For purposes of this section, low-income housing is defined as any housing with a monthly housing expense, that is no greater than thirty percent of fifty percent of the median family income adjusted for family size, for Everett, as reported by the United States Department of Housing and Urban Development.

Section 8. Section 9 of Ordinance No. 3396, as amended (EMC 18.44.090), regarding "Collection and transfer of fees" for School District Impact Fees, which reads as follows:

A. School impact fees shall be due and payable to the city by the developer at the time of issuance of residential building permits for all developments. The city may make alternative arrangements with a school district for collection of impact fees, provided payment is made prior to the issuance of residential building permits for all developments.

B. Districts eligible to receive school impact fees required by this chapter shall establish an interest-bearing account and method of accounting for the receipt and expenditure of all impact fees collected under this chapter. The school impact fees shall be deposited in the appropriate district account within ten days after receipt, and the receiving school district shall provide the city with a notice of deposit.

C. Each district shall institute a procedure for the disposition of impact fees and providing for annual reporting to the city that demonstrates compliance with the requirements of RCW 82.02.070, and other applicable laws.

Is hereby amended to read as follows:

A. School impact fees shall be due and payable to the city by the developer at the time of issuance of residential building permits for all developments, except as provided in EMC 18.44.090(B). The city may make alternative arrangements with a school district for collection of impact fees, provided payment is made prior to the issuance of residential building permits for all developments.

B. The deferral of school impact fees shall be allowed only for single-family attached and detached construction being constructed by an applicant having a contractor registration number or other unique identification number and in accordance with the following:

1. For this subsection:
   (a) "Applicant" includes an entity that controls, is controlled by, or is under common control with the applicant.
   (b) "Common control" means two or more entities controlled by the same person or entity.
   (c) "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting shares, by contract, or otherwise.
2. An applicant wishing to defer the payment of school impact fees shall:
   (a) Submit a signed and notarized deferred fee application and completed lien form concurrent with the building permit application for the building subject to the fee; and
   (b) Submit a certification that the applicant has requested no more than a total of twenty deferred impact fee requests in the calendar year within the city; and
   (c) Pay a non-refundable $250.00 administration fee for each unit or lot of a single development project for which the deferral of the fee is requested.
3. The lien shall:
   (a) Be in a form approved and provided by the city;
   (b) Be signed by all owners of the property, with all signatures acknowledged as required for a deed;
   (c) Include the legal description, property tax account number, and address for each lot or unit the lien will encumber;
   (d) Be binding and subordinate on all successors in title after the recording;
   (e) Be junior and subordinate to a first mortgage for the purpose of construction upon the same real property granted by the person who applied for the deferral of impact fees, but in no case shall the lien be in less than second place;
4. The lien shall be recorded by the applicant, at their own expense, and a conformed copy of the recorded document shall be provided to the city prior to the issuance of the building permit that is subject to the impact fee.
5. Each applicant eligible to defer impact fees shall only be entitled to annually receive deferrals for no more than a total of twenty building permits within the city.
6. The applicant shall be responsible for the payment of all recording fees.
7. The deferred impact fee shall be paid in full prior to whichever of the following occurs first:
   (a) The closing of the first sale of the property occurring after the issuance of the applicable building permit for which the fees were deferred; or
   (b) Eighteen months from the date of building permit issuance.
8. If the building for which the deferral of the impact fee is requested is located within a subdivision, unit lot subdivision or short subdivision, the subdivision, unit lot subdivision or

short subdivision shall be recorded prior to recording the lien for impact fees and issuance of the building permit.

9. After the applicant has paid all deferred impact fees, the applicant is responsible for submitting a lien release application to the city. The applicant, at their own expense, will be responsible for recording lien releases.

10. Compliance with the requirements of the deferral option shall constitute compliance with subdivision or short subdivision conditions pertaining to the timing of the impact fee payment.

11. If deferred impact fees are not paid in accordance with terms authorized by state law and this section, the City may initiate foreclosure proceedings for the unpaid impact fees and all costs associated with the collection of the unpaid impact fees.

12. If the city does not institute foreclosure proceedings for unpaid school impact fees within forty-five days after receiving notice from a school district requesting that it do so, the district may institute foreclosure proceedings with respect to the unpaid impact fees.

13. A request to defer school impact fees under this section may be combined in one application with a request to defer transportation impact fees under EMC 18.36.060 or transportation fees under EMC 18.40.140.

~~B~~C. Districts eligible to receive school impact fees required by this chapter shall establish an interest-bearing account and method of accounting for the receipt and expenditure of all impact fees collected under this chapter. The school impact fees shall be deposited in the appropriate district account within ten days after receipt, and the receiving school district shall provide the city with a notice of deposit.

~~C~~D. Each district shall institute a procedure for the disposition of impact fees and providing for annual reporting to the city that demonstrates compliance with the requirements of RCW 82.02.070, and other applicable laws.

Section 9. Severability. Should any section, paragraph, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulations, this shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 10. Conflict. In the event there is a conflict between the provisions of this Ordinance and any other City ordinance, the provisions of this Ordinance shall control.

Section 11. Corrections. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection number and any references thereto.

Section 12. General Duty. It is expressly the purpose of this Ordinance to provide for and promote the health, safety and welfare of the general public and not to create or otherwise establish or designate any particular class or group of persons who will or should be especially protected or benefited by the terms of this Ordinance. It is the specific intent of this Ordinance that no provision or any term used in this Ordinance is intended to impose any duty whatsoever upon the City or any of its officers or employees. Nothing contained in this Ordinance is intended nor shall be construed to create or form the basis of any liability on the part of the City, or its officers, employees or agents, for any injury or damage resulting from any action or inaction on

the part of the City related in any manner to the enforcement of this Ordinance by its officers, employees or agents.

_____
Ray Stephanson, **Mayor**

ATTEST: _____
CITY CLERK

Passed:_____

Valid:_____

Published:_____

Effective Date:_____

Planning and Community Development
2930 Wetmore Ave., Suite 8-A
Everett, WA 98201
www.everettwa.gov

STAFF REPORT

Agenda Subject:	Impact Fee Deferral and Exemptions	**Report Date:** 6/14/2016
Project #:	**REVV16-002**	**Meeting/Hearing Date:** 6/21/2016
Staff Contact:	David Stalheim	**Decision (Advisory) Body:** Planning Commission
Attachments: Resolution Impact Fees Handout		
Recommendation: Approval of Resolution		

BACKGROUND SUMMARY

APPLICANT:	City of Everett
REQUEST:	This is an application to amend the following chapters of the Everett Municipal Code: • Chapter 18.36, Small Project Impact Fee • Chapter 18.40, Transportation Mitigation • Chapter 18.44, School District Impact Fees The amendments would address requirements set forth by the 2015 state legislature in ESB 5923 regarding a fee deferral system for new single-family detached and attached residential construction. The amendments would also address an option to exempt up to 80% of impact fees for low-income housing.
LOCATION:	City-wide
EXISTING USE:	This proposal affects all land uses in the city.
COMPREHENSIVE PLAN DESIGNATION:	This proposal affects all comprehensive plan designations in the city.
SHORELINE DESIGNATION:	Not applicable
ZONING DESIGNATION:	This proposal affects all comprehensive plan designations in the city.
SEPA STATUS:	This proposal is exempt from SEPA pursuant to WAC 197-11-800(19).

PROPOSAL DETAILS

FURTHER DESCRIPTION OF PROPOSAL:	**Single-Family Impact Fee Deferral:** The proposal to address ESB 5923 (single-family impact fee deferral). The proposal was modified from the initial draft presented to the Planning Commission at the May 17th workshop. The modifications include:

	• Removal of the requirement to make payment at time of final inspection or certificate of occupancy. Payment under the proposed ordinance is based on closing of the first sale of the property or 18 months from the issues of the building permit, whichever comes first. • Adding a certification that the applicant has not requested more than 20 deferrals in one year, consistent with Snohomish County's amendment. The City is also proposing a $250 administrative fee (each unit) for the deferral. **Low-income Housing 80% Exemption:** The proposal includes an exemption from impact fees for low-income housing. The proposal includes: • Exempt 80% of impact fees for low-income housing. • The 100% exemption would still be allowed for low-income housing, but backfilling the funds exempted would be required. • Low-income housing, for this purpose, defined as housing provided to those households earning 50% of area median income (AMI) or less. (A two-person household would have to earn $36,150 or less, and rents would have to be no more than $791 for a studio or $847 for a 1-bedroom, based on 2016 income and rent limits.) • Decision to approve exemption based on demonstrated financial need and community benefit. • Exemption approval is an administrative decision (Mayor or designee). • School district exemptions would require approval by the school district. • Any exemption approved would require recording of a low-income housing covenant to ensure ongoing compliance.

PUBLIC COMMENT

PUBLIC/AGENCY NOTICE:	Notice was provided to interested parties, including the builder association, school districts, affordable housing developers, neighborhoods and Snohomish County.
COMMENT LETTERS:	No comments have been received at the time of writing this report
KEY ISSUES SUMMARY:	None
STAFF RESPONSE:	n/a

DECISION CRITERIA

SOURCE:	Chapter 82.02 RCW authorizes cities that plan under the Growth Management Act (GMA) to impose impact fees on development activity.

	Impact fees in Everett are collected for public streets and roads (Chapters 18.36 and 18.40), and for school facilities (Chapter 18.44).
CRITERION:	Impact Fee Deferrals: Section 82.02.050(3)(a)(i) requires the city to adopt and maintain a system for the deferred collection of impact fees for single-family detached and attached residential construction by September 1, 2016. The deferral system offered by the City must include one or more of the following options for when payment would be due: 1. Final inspection; 2. Issuance of the certificate of occupancy or equivalent certification; and/or 3. The closing of the first sale of the property. Deferral of these fees is for 18 months from issuance of the building permit and can be limited to the first 20 single-family homes. Any deferral must grant and record a lien against the property in favor of the City. The City may collect a reasonable administrative fee from the applicant seeking the deferral. Impact Fee Exemption: Section 82.02.060(3) authorizes the city to provide an exemption of not more than eighty percent of impact fees for low-income housing with no explicit requirement to pay the exempted portion of the fee from public funds. An exemption under this provision requires it to be conditioned to require the developer to record a covenant that prohibits use of the property for any purpose other than for low-income housing. The covenant must address price restrictions and household income, and that if the property is converted to a use other than for low-income housing, the property owner must pay applicable impact fees in effect at the time of conversion. A school district who receives school impact fees must approve any exemption under this section.

EXISTING PLAN REVIEW

GROWTH MANAGEMENT ACT:	The Growth Management Act includes goals and requirements that address housing, public facilities and services. **GMA Planning Goals:** (4) Housing. Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock. (12) Public facilities and services. Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards. **GMA Requirements:** "A housing element ensuring the vitality and character of established residential neighborhoods that: (a) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth;... (c) identifies sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities; and (d) makes adequate provisions for existing and projected needs of all economic segments of the community." 36.70A.070(2) "A capital facilities plan element consisting of: ...(d) at least a six-year plan that will finance such capital facilities within projected funding capacities and clearly identifies sources of public money for such purposes; and (e) a requirement to reassess the land use element if probable funding falls short of meeting existing needs..." 36.70A.070(3) "...local jurisdictions must adopt and enforce ordinances which prohibit development approval if the development causes the level of service on a locally owned transportation facility to decline below the standards adopted in the transportation element of the comprehensive plan..." 36.70A.070(6)(b)
COMPREHENSIVE PLAN:	**Housing Element:** **Policy 4.3.1** Consider providing additional incentives to housing developers and homebuilders in return for providing housing that is affordable to lower and moderate income households. **Policy 4.3.2** Consider inclusionary housing measures, as appropriate, along with affordable housing incentives as necessary to promote affordable housing in the Everett Planning Area. **Policy 4.3.7** Consider a variety of infrastructure funding alternatives

	in order to identify measures that minimize the costs of housing production and increase housing opportunities for low to moderate income households. **Policy 4.8.2** Continue to make use of available public and private resources to subsidize housing costs for low income households and special needs populations within the Everett Planning Area, within the financial capabilities of the city. **Policy 4.8.6** Review existing programs and/or establish new programs for assisting low income households and special needs populations to afford safe and decent housing, within the financial capabilities of the city. **Implementation Measure A.7.** Reduce the use of impact fees for projects providing affordable housing or, within the financial capability of the City, subsidize impact mitigation fees for construction of low and moderate income housing units. **Transportation Element:** "A key GMA planning requirement is the concept of fiscal restraint in transportation planning....The Transportation Element proposes $425-456 million in transportation investments over the next 20 years....The revenue sources assumed by the City include outside sources (e.g., WSDOT funding) and grants, and City sources, including general city funds, impact fees, transit fares, and gas tax receipts. If Everett were able to maintain this level of revenue, the City could afford around $360 million in transportation projects over the next 20 years, which is less than the total project costs identified."

DISCUSSION

CONSISTENCY WITH PLANS:	The proposal for impact fee deferral and exemptions appears to be consistent with the city's comprehensive plan. In fact, multiple policies in the housing element address incentives, subsidies, new programs and reduction of impact fees. The transportation element addresses the fiscal reality that the element identifies more needs than funding being available. The exemption of impact fees for low-income housing would increase that gap, rather than narrow it. This does not create a consistency issue since there already is a gap, but the exemption has the potential to add to that gap. The single-family deferral proposal does not raise any consistency issues.
IMPACTS AND CONSIDERATIONS OF PROPOSAL:	**Low-income Housing Exemption:** The exemption of impact fees raises concerns for lost revenue necessary to address capital needs of our transportation system and schools. This becomes a balancing question with the need for affordable housing for very low-income populations.

	The proposal, as drafted, does not grant an automatic impact fee exemption, and the exemption is constrained to lower income groups (50% AMI or below) than what is allowed under state law (80% AMI or below). Each exemption will need to demonstrate the financial need and community benefit. The decision to grant the exemption rests with the Mayor or designee, with school district approval required for a school district exemption. For school districts, at the current time there is not an impact fee charged for studio and 1-bedroom units in multi-family projects. Many very low-income housing projects will include that size unit, resulting in no impact to school district funds. However, it is possible that 2+ bedroom units targeting that income group could be proposed. School districts would have to weigh the financial need and community benefit as part of their decision making process. **Timing of Fee Payment:** Allowing the fee to be paid after the building permit process has been concluded introduces some risks to the city and schools for collection of the fees. If the building is not sold after it is completed, the city would trigger payment at 18 months from issuance of the building permit. If the fees are not paid, the only enforcement option the city will have is to send the matter to collections or foreclosure proceedings.
ALTERNATIVES AND OPTIONS (TO) CONSIDER(ED):	Alternatives to consider could include: 1. Scope of Impact Fee Deferral: At the Planning Commission workshop, members asked whether consideration was given to expanding the deferral option to include more single-family units (>20 units), multifamily housing, commercial and industrial development. The proposal was drafted to comply with state legislation and to meet the September 1st deadline. Expansion of the program has not been requested from anyone at the time, but consideration might be given to targeting certain areas or development to meet other community objectives. 2. Impact Fee Exemption Proposal: The impact fee exemption for affordable housing is not a mandate and could be rejected. During the initial drafting of this exemption, staff did provide the school districts with an opportunity to comment. While comments on the final ordinance have not been received, little has changed from the original proposal and school objections may still be raised. Their concerns expressed in early May was the cost of providing additional classrooms is real and immediate and impact fees cover a small portion of the costs.

	School impact fees are currently not charged for studio and 1-bedroom units, which could be the majority of low-income units at 50% AMI or below. However, there is also a need for 2- and 3-bedroom family units at this income level, which would be subject to the impact fee. Providing stable, affordable housing for low-income families with children should be a shared goal of the city and school districts. Any approval of a school impact fee exemption cannot occur without first being approved by the school district. The proposed ordinance provides low-income housing developers with the opportunity to make that request. 3. Administrative Fees: The proposal, as originally drafted, is not clear on whether the $250 per lot administrative fee would be charged for both the school deferral and the transportation deferral, assuming that a builder would apply for both. Alternative language is provided in the recommendation. At the Planning Commission workshop, members also asked whether the fees were necessary to cover costs. Follow up took place with building and public works staff, and they confirmed that the fees were necessary to cover costs, including intake of the application, data entry, monitoring and enforcement. 4. Timing for Collection: The city could consider going back to collecting the deferred impact fees at the first action, whether that is final building permit, certificate of occupancy, sale of the property, or 18 months from issuance of the building permit.

RECOMMENDED ACTION/MOTION:

Adopt Resolution No. 16.0_, including Exhibit A which includes the following changes to the ordinance circulated for public review:

For each chapter, add a clause as follows:

"A request to defer [insert fee name from each chapter] under this section may be combined in one application with a request to defer [insert other fee names and references]."

MASTER BUILDERS ASSOCIATION
of King and Snohomish Counties

335 116th Avenue SE | Bellevue, Washington 98004
t: 425.451.7920 f: 425.646.5985 | masterbuildersinfo.com

June 16, 2016

City of Everett Planning Commission

Re: Draft Impact Fee Deferral

Dear Commissioners,

On behalf of the Master Builders Association of King and Snohomish Counties and its 2,800 members, I am writing to address the terms proposed around Impact Fee Deferrals for new single-family detached and attached residential construction.

The proposed changes to defer collection of impact fees from application to "First Action" whichever of the following is first to occur: 18 months from permit issue, closing first sale of property, final inspection or certificate of occupancy, allows for deferral to completion of the project.

Under the proposed language, upon filing for deferred payment of impact fees, a $250 administrative will be collected per unit, the associated fee for filing a lien on the property is approximately $75 and $50 for a lien release. As an example, approximately $400 in administrative fees will be collected to defer a $2400 Traffic Impact Fee. Although it isn't clear, a similar cost could also be duplicated for School Impact Fees depending on your decision. These costs will disincentivize use of the Impact Fee Deferral program.

We encourage you to consider an alternative in which Impact Fee Deferrals are processed on a project basis rather than per unit, and where School and Traffic Impact Fees are processed collectively with one fee, rather than a fee for each.

In the current economy, the recommendations outlined below will further the city's goal to encourage economic development while also keeping housing affordable. Please consider the following during your deliberations:

- one $250 administrative fee per project
- processing deferral of both School and Traffic Impact Fees collectively, with assessing one fee for both
- increase or remove all together the maximum of 20 deferrals per developer or builder per annual cycle
- extend the Impact Fee Deferral program to multifamily development within a defined zone

The MBA appreciates this opportunity to comment on the proposed impact fee ordinances and thanks each of you for your efforts, analysis and careful consideration.

Please do not hesitate to contact me with any questions at (425) 460-8204 or asievers@mbaks.com.

Sincerely,

Angie Sievers

Angie Sievers
Snohomish County External Relations and Government Affairs

CC: David Stalheim, Long Range Planning Manager

RESOLUTION NO._____

Be it Resolved by the City Council of the City of Everett:

That the claims against the City of Everett for the period July 2, 2016 through July 8, 2016 having been audited and approved, have been paid and the disbursements have been made against the proper funds in payment thereof, as follows:

Fund	Department	Amount
002	General Government	203.00
003	Legal	101,066.67
004	Administration	8,434.70
005	Municipal Court	493.43
007	Human Resources	254.46
009	Misc Financial Funds	18,744.66
024	Public Works-Engineering	200.60
031	Police	17,551.61
032	Fire	4,493.28
038	Facilities/Maintenance	2,506.11
	TOTAL GENERAL FUND	**153,948.52**

Fund	Department	Amount
101	Parks & Recreation	-10,082.49
110	Library	10,420.90
112	Community Theater	37,322.28
120	Public Works-Streets	6,879.16
126	MV-Equipment Replacement Reser	159,555.26
138	Hotel/Motel Tax	21,403.80
146	Property Management	22,595.13
151	Fund for Animals	245.70
152	Cum Reserve-Library	24.00
153	Emergency Medical Services	1,435.74
156	Criminal Justice	136.08
197	CHIP Loan Program	1,030.95
336	Water & Sewer Sys Improv Project	111,977.89
342	City Facilities Construction	12,574.66
354	Parks Capital Construction	562,642.93
401	Public Works-Utilities	212,409.11
425	Public Works-Transit	4,347.88
430	Everpark Garage	16,613.00
440	Golf	18,467.87
501	MVD-Transportation Services	67,964.81
503	Self-Insurance	168,338.60
505	Computer Reserve	165,953.59
508	Health Benefits Reserve	11,479.17
637	Police Pension	1,709.95
638	Fire Pension	1,785.94
665	Other Special Agency Funds	16,382.00
	TOTAL CLAIMS	**1,777,562.43**

Passed and approved this _____day of _____ , 2016.

_____
Councilperson Introducing Resolution

_____
Council President

RESOLUTION NO. _____

Be it Resolved by the City Council of the City of Everett:

That the claims made by electronic transfer against the City of Everett for the month May 1 through May 30, 2016, having been audited, be and the same are hereby approved, and the proper officers are hereby authorized and directed to charge claims made by electronic transfer against the proper funds in payment thereof, as follows:

Fund	Department	Amount
002	General Fund	$ 173,214.65
101	Park	51,405.17
110	Library	3,511.21
112	Community Theater	6,257.93
120	Streets	6,572.86
126	Moter Vehicle/Equip Repl	136.75
145	ESCROQ	1,090.93
146	Parking Lot Reserve	4,062.97
148	Municipal Art Fund	1,508.22
149	Senior Center Reserve	3,829.24
151	Animal Reserve	2,571.61
152	Library Reserve	449.32
153	EMS	7,788.82
156	Criminal Justice	12,971.97
197	CHIP	81.00
198	CDBG	16,260.53
303	Public Works Improvement Proj	43.07
336	Water/Sewer System Imrpov	1,955.43
354	Parks Capital Construction	8,552.64
401	Utilities	307,502.83
402	Solid Waste Utility	6,563.16
425	Transit	27,591.31
430	Everpark Garage	3,838.13
440	Golf	144,391.01
501	Transportation Services	101,598.27
505	Computer Reserve Fund	191.93
507	Telecom	11,931.58
508	Health Benefits Reserve	1,367,220.29
637	Police Pension	47,797.99
638	Fire Pension	125,637.99
661	Payroll Withholding	4,193,878.10
TOTAL CLAIMS BY ELECTRONIC TRANSFER		**$ 6,640,406.91**

_____
Councilmember Introducing Resolution

Passed and approved this _____ day of _____, 2016

_____
Council President

EVERETT CITY COUNCIL AGENDA ITEM COVER SHEET

PROJECT TITLE:
Request For Proposal 2016-057 NEC Telephone Network Maintenance

_____	Briefing
_____	Proposed Action
X	Consent
_____	Action
_____	First Reading
_____	Second Reading
_____	Third Reading
_____	Public Hearing

COUNCIL BILL #	
Originating Department	Finance/Purchasing
Contact Person	Clark Langstraat
Phone Number	425-257-8901
FOR AGENDA OF	July 20, 2016

Initialed by:
Department Head _____
CAA _____
Council President _____

Location **Preceding Action** **Attachments** **Department(s) Approval**
Information Technology

Amount Budgeted	$227,000 annually	
Expenditure Required	$227,000 annually	Account Number(s): 507 5220000480
Budget Remaining	-0-	
Additional Required	-0-	

DETAILED SUMMARY STATEMENT:
The City's current NEC Service Agreement for telephone network maintenance is due to expire at the end of 2016. Staff has identified the Request For Proposal process as the appropriate method for selecting a vendor to provide continued support for the phone network.

RECOMMENDATION (Exact action requested of Council):
Authorize Request For Proposal 2016-057 for NEC Telephone Network Maintenance in the amount of $227,000 annually.

EVERETT CITY COUNCIL AGENDA ITEM COVER SHEET

PROJECT TITLE:
Purchase of Peterbilt Truck Chassis

	Briefing	COUNCIL BILL #	
	Proposed Action	Originating Department	Finance/Purchasing
	Consent	Contact Person	Clark Langstraat
x	Action	Phone Number	425-257-8901
	First Reading	FOR AGENDA OF	July 20, 2016
	Second Reading		
	Third Reading		
	Public Hearing		

Initialed by:
Department Head
CAA
Council President

Location | **Preceding Action** | **Attachments** | **Department(s) Approval**
Motor Vehicle Division, Public Works, Budget

Amount Budgeted	$165,727.87	
Expenditure Required	$165,727.87	Account Number(s): PW
Budget Remaining	-0-	
Additional Required	-0-	

DETAILED SUMMARY STATEMENT:

The Motor Vehicle Division needs to purchase a Peterbilt five-axle chassis for the installation of a separately purchased Vactor body. This chassis is available from competitively bid Washington State Contract 01513. The City has an interlocal cooperative purchasing agreement with the State that allows us to make purchases from their competitively awarded contracts in lieu of soliciting bids on our own.

This chassis and body will replace a 2003 Vactor truck.

RECOMMENDATION (Exact action requested of Council):
Authorize the purchase of Peterbilt truck chassis from Washington State Contract 01513 in the amount of $165,727.87 including Washington State sales tax.