



CITY OF SNOHOMISH

Founded 1859, Incorporated 1890

116 UNION AVENUE □ SNOHOMISH, WASHINGTON 98290 □ TEL (360) 568-3115 FAX (360) 568-1375

NOTICE OF REGULAR MEETING

SNOHOMISH CITY COUNCIL

in the
George Gilbertson Boardroom
1601 Avenue D

TUESDAY
June 21, 2016
7:00 p.m.

AGENDA

*Estimated
time*

- 7:00 1. **CALL TO ORDER**
- a. Pledge of Allegiance
 - b. Roll Call
2. **APPROVE AGENDA** contents and order
3. **APPROVE MINUTES** of the meetings of June 7, 2016 (*Provided at Next Meeting*)
- 7:05 4. **CITIZEN COMMENTS** - *Three minutes allowed for citizen comments on subjects not on the agenda. Three minutes will be allowed for citizen comments during each Public Hearing, Action or Discussion Agenda Item immediately following council questions and before council deliberation. Citizen comments are not allowed under New Business or Consent items.*
- 7:15 5. **PUBLIC HEARING** -Water Supply Provider (*P.1*)
- 1) Staff presentation
 - 2) Council's questions of staff
 - 3) Citizens' comments
 - 4) Close citizens' comments
 - 5) Council deliberation and action – **PASS** Resolution 1347
6. **ACTION ITEMS**
- 7:30 a. **AMEND SMC Chapter 2.86, Emergency Management – ADOPT Ordinance 2306 (P.19)**

Continued Next Page

- 7:40 b. **APPROVE** Amendments to Financial Management Policy – **ADOPT** Ordinance 2311 (P.29)
- 7:50 c. **AUTHORIZE** City Manager to Execute a Contract Addendum for Open Government Facilitation (P.53)
7. **DISCUSSION ITEMS**
- 8:00 a. Snohomish Covenant Group LLC, Tenth Street Vacation Petition Request (P.67)
- 8:10 b. New Land Use – Community Based Theaters (P.109)
- 8:20 c. Deferral of School, Parks, and Traffic Impact Fees (P.119)
- 8:30 8. **CONSENT ITEMS**
- a. **AUTHORIZE** payment of claim warrants #58849 through #58944 in the amount of \$263,462.21 issued since the last regular meeting (P.175)
- b. **AUTHORIZE** the City Manager to Execute a Contract with Accord Contractors LLC for the Maple Avenue Sewer Replacement Project (P.187)
- 8:35 9. **OTHER BUSINESS/INFORMATION ITEMS**
- 8:45 10. **COUNCILMEMBER COMMENTS/LIAISON REPORTS**
- 8:55 11. **MANAGER’S COMMENTS**
- 9:05 12. **MAYOR’S COMMENTS**
- 9:15 13. **EXECUTIVE SESSION** – Potential Litigation
- 9:25 14. **ADJOURN**

NEXT MEETING: Tuesday, July 5, 2016, regular meeting at 7 p.m., in the George Gilbertson Boardroom, Snohomish School District Resource Center, 1601 Avenue D.

The City Council Chambers are ADA accessible. Specialized accommodations will be provided with 5 days advanced notice. Contact the City Clerk's Office at 360-568-3115.

This organization is an Equal Opportunity Provider.

PUBLIC HEARING 5

Date: June 21, 2016
To: City Council
From: Steve Schuller, Deputy City Manager/Public Works Director
Subject: **Approval of Resolution 1347 for Future Closure of the City's Water Treatment Plant Conditioned of Several Outcomes Including the Intent to Preserve the City's Water Rights**

The purpose of this agenda item is for the City Council to review and pass Resolution 1347 (Attachment A), stating a policy for the future closure of its Water Treatment Plant (WTP) and the removal of its water supply intake and diversion dam on the Pilchuck River conditioned on several outcomes including the intent to protect and preserve its water rights in the Pilchuck River system.

The City's water supply has been an ongoing focus of consideration since the City completed the Water Treatment Plant and Water Supply Study in May 2009 (2009 Study). In 2014, the City Council conducted two workshops, in March and November, to discuss in detail the option of shutting down the City's existing 1981 WTP and pursuing the "Everett Supply for the Entire City System" alternative described in the 2009 Study. On August 4, 2015, the City Council passed Resolution 1331 regarding the City's sources of water supply, and directed staff to proceed forward with next steps, which was a water rate study. On September 15, 2015, the Council approved a water rate study by FCS Group to analyze the short and long-term costs of the two main scenarios:

Scenario 1: (Keep two sources of supply): City continues to maintain two sources of supply (City Water Treatment Plant and transmission line, and Everett supply); and

Scenario 2: (All Everett for City supply): City served by one source of supply (Everett), and establishes alternative source of supply for transmission line customers.

On May 3, 2016, the City Council held a workshop (Attachment B) to review the results on the water rate study and to consider the basic procedures for working with the Washington State Department of Ecology on "banking" of the City's water right. At the Workshop, two key questions by the City Council from the previous meetings in 2014 and 2015 were reviewed:

1. *Which scenario is the preferred option (that is, the least cost) for City rate payers, both in the short term (2017 to 2019) and in the long-term (2017 to 2031)?*

Scenario 2 (All Everett) has significantly lower water rate projections for both the short and long-term: By 2019, water rates under Scenario 2 are projected to be about 12% lower than Scenario 1 (keeping two supply sources). By 2031, water rates under Scenario 2 are projected to be a substantial 48% lower than (that is, almost half the cost of) Scenario 1.

2. *If we shut down our water treatment plant and discontinue our diversion of water from the Pilchuck River, how do we protect our water right to either sell or re-use in the future?*

PUBLIC HEARING 5

Banking our perfected water right is the preferred option: The water right has a restricted value today because State law only allows us to sell it to another party for use within the same watershed. The two major users of water within our watershed are the City of Everett and Snohomish PUD. Both agencies have stated over numerous meetings that they do not have an extensive financial interest in our water right either now or in the foreseeable future.

In the distant future, there is an unknown possibility that the State may allow water rights to be exchanged across boundaries. If the City were able to sell their water right to a public or private party in Eastern Washington or potentially to a party in California or another state, this could increase the value of the water right appreciably. Both the reality that the water right has restricted value today and the fact that it has unknown value in the distance future reinforces that water right banking is the preferred option.

By banking the water right the City would also have the option to return to providing its own water supply in the distant future. Under current known conditions it appears this would be a challenging choice given the cost and timeframe to permit and construct a new intake and treatment system, but technological advancements could make this a competitive choice in the future. Banking the water right would allow to City to preserve those perfected rights into the future as would be established in detailed deliberations and agreements between the Washington State Department of Ecology, the City, and a possible third party. In previous workshops and meetings in 2014 and 2015, additional details about the perfected water right have been discussed.

Although no vote was taken, at the conclusion of the May 3, 2016 workshop the City Council directed staff to bring forward a resolution for future consideration that would support Scenario 2 as described above.

ADDITIONAL COSTS TO MAINTAIN BOTH SUPPLIES SIGNIFICANT IN PAST YEARS:

Keeping the City source of water supply and WTP has already cost the City considerably more in the last several years than if the City was purchasing water only from Everett. Over a five year period (2008 to 2012) the City spent \$3.41 million on water supply and treatment. The same amount of water could have been purchased from the City of Everett for \$476,000 over that identical five year period. Even if all City capital costs over this five year period are not included in the totals, the cost of City supplied water was still three times more than Everett's.

SUMMARY OF RATE PROJECTIONS: Scenario 2, in which the City customers are served by one source of supply from the City of Everett, is significantly more cost effective. Based on the estimated projections in the rate study, the rate in 6 years (in 2022) would increase by 47.98% in Scenario 1 versus 14.28% in Scenario 2. In 15 years (in 2031), the rate would increase by 166.39% in Scenario 1 versus 39.28% in Scenario 2. The difference in projected rates between the two scenarios is almost **double** (\$109.49/month vs. \$57.24/month) by 2031. See the table below and Attachment B for additional details:

PUBLIC HEARING 5

*Monthly Average Residential Water Bill Comparison for City
("Non-Transmission Line") Customers:*

	2016	2017	2019	2022	2031
Scenario 1 - Keep Two Sources					
Residential Bill (<i>Monthly</i>)	\$41.10	\$43.87	\$50.00	\$60.82	\$109.49
Cumulative Rate Increase		6.75%	21.65%	47.98%	166.39%
Scenario 2 - All Everett					
Residential Bill (<i>Monthly</i>)	\$41.10	42.02	\$43.94	\$46.97	\$57.24
Cumulative Rate Increase		2.25%	6.90%	14.28%	39.28%

ADDITIONAL ACTIONS BEFORE TREATMENT FACILITIES DECOMMISSIONED:

The water treatment plant will not be decommissioned and the City will keep both the City of Snohomish and Everett sources of supply until the following are completed and approved to the satisfaction of the City Council:

- 1) Meeting with Transmission Line Customers:** A notice and scheduling of a separate meeting with transmission line customers will be held in order to go over the details of the proposed plan and provide follow-up by City staff;
- 2) Planning for Removal of the Existing Dam and Intake Structure on the Pilchuck River:** City staff will work with the Tribes, Washington Water Trust, State agencies and other stakeholders on a Memorandum of Understanding regarding financial grants, outside funding, payments or reimbursements to the City, and schedule for removal of the existing dam and intake structure. The objective is to facilitate, to the greatest extent possible, a significant amount of the decommissioning work to be paid for by federal and state grants, with local funds coming from non-profits, environmental groups, and other local and regional stakeholders who are interested in the Pilchuck River system;
- 3) Water Right Banking Agreement:** Staff and legal counsel will work with the Washington State Department of Ecology on a draft water right banking agreement for Council review and consideration;
- 4) Snohomish PUD Water Supply Agreement:** Staff and legal counsel will work with the Snohomish PUD on a wholesale supply agreement for supplying water to the transmission line customers and future conversion of some of the parcels to the PUD for direct service.

PUBLIC HEARING 5

NEXT STEPS: As well as the additional actions above, upon approval of Resolution 1347 by the City Council, the next step would be a resolution to set rates for the next three years. Staff would bring back a rate resolution later in the year implementing the Scenario 2 rate option which would raise rates 2.25% each year over the next three years (2017, 2018 and 2019). Average monthly water rates would go from \$41.10 in 2016 to \$43.94 in 2019.

STRATEGIC PLAN REFERENCE: Not applicable

RECOMMENDATION: That the City Council **PASS Resolution 1347** stating a policy for the future closure of its Water Treatment Plant and the removal of its water supply intake and diversion dam on the Pilchuck River, conditioned on several outcomes including the intent to protect and preserve its water rights in the Pilchuck River system.

ATTACHMENTS:

- A. Resolution 1347
- B. May 3, 2016, Council Workshop Agenda

ATTACHMENT A

**CITY OF SNOHOMISH
Snohomish, Washington**

RESOLUTION 1347

A RESOLUTION OF THE CITY OF SNOHOMISH STATING A POLICY FOR THE FUTURE CLOSURE OF ITS WATER TREATMENT PLANT AND THE REMOVAL OF ITS WATER SUPPLY INTAKE AND DIVERSION DAM ON THE PILCHUCK RIVER CONDITIONED ON SEVERAL OUTCOMES INCLUDING THE INTENT TO PROTECT AND PRESERVE ITS WATER RIGHTS IN THE PILCHUCK RIVER SYSTEM

WHEREAS, the City of Snohomish (City) currently serves the northern half of the City with water purchased from the City of Everett (Everett) and supplied from Everett's No. 5 water transmission line running through the City north of Blackmans Lake; and

WHEREAS, the City supplies most of the southern half of the City with water supplied by the City's water treatment plant originally constructed in 1981, and located approximately 9 miles outside the City limits and outside the City's Urban Growth Area northeast of the City, just north of Lake Roesiger; and

WHEREAS, the City's supply for the treatment plant is provided through a diversion dam and water intake structure which was constructed beginning in 1932 on the Pilchuck River which is also several miles outside the City limits and the City's Urban Growth Boundary; and

WHEREAS, the City's water is conveyed through a 14.6 mile water transmission main originally constructed in 1912 and replaced in 1981. The main supplies a City reservoir located near the intersection of Pine Avenue and 13th Street; and

WHEREAS, the City's 14.6 mile water transmission main has a limited number of years of useful life and has the potential in the future to fail and cease to meet standards which could cause interruption of service and extraordinary costs to remedy; and

WHEREAS, the 14.6 mile water transmission main serves approximately 76 metered customers who are outside the City limits and outside of the City's Urban Growth boundary; and

WHEREAS, the City completed the *Water Treatment Plant and Water Supply Study* in May 2009 (*2009 Study*) which examined the City's existing Pilchuck River water treatment plant and alternative sources of water supply; and

WHEREAS, changes in projected population growth and cost assumptions have occurred since the 2009 Study was completed. Said changes may result in different cost projections for supply of water to customers. Some of the changes since the 2009 study include:

- The City of Everett's 2014 Amendment to the 2007 Water Comprehensive Plan which was approved by the State of Washington Department of Health on April 9, 2015. This amendment is to remain in effect until April 9, 2021;

PUBLIC HEARING 5

- Despite improvements in water production and optimization at the City’s water treatment plant over the last 7.5 years, the plant faces continued limits on total water production, especially during the winter months, due to the new Washington State Department of Health (DOH) regulations on filtered water turbidity; and
- Significant reduction of the City’s population projections for 2025 (interpolated) and 2035 based on revised County planning targets for the 2015 to 2035 planning period; and

WHEREAS, the City Council deems it to be in the public interest to declare its policy and intent to protect and preserve its water rights in the Pilchuck River system to the greatest extent possible for current, near term, and long term water planning purposes and to forecast its plans for addressing the water treatment facilities and 14.7 mile water transmission pipeline; and

WHEREAS, the City Council held workshops on March 4, 2014, and November 4, 2014, regarding the City’s water supply and water treatment options; and

WHEREAS, at the August 4, 2015, City Council meeting, the Council unanimously approved Resolution 1331 to explore other sources of water supply, including but not limited to City of Everett water, Snohomish County PUD water and ground water as alternatives to its Pilchuck River treatment plant source, and continue planning and take necessary steps to fully protect and preserve its water rights in the Pilchuck River, and to advance other related planning actions; and

WHEREAS, at the September 15, 2015, City Council meeting, the Council authorized the City Manager to enter into an agreement with FCS Group, Inc. for a Water Rate Update and Area Specific Charge Study; and

WHEREAS, on May 3, 2016, the City Council held a workshop to review the results on the water rate study and to consider the basic procedures for working with the Washington State Department of Ecology for “banking” of the City’s water right;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SNOHOMISH, WASHINGTON AS FOLLOWS:

Section 1. City Customer Water Supply from the City of Everett.

The City of Snohomish will pursue measures that would result in a course of action to obtain all of its City water supply for customers within the City’s Retail Water Service Area (both the north and southern zones) from the City of Everett.

Section 2. Transmission Main Customers.

The City will continue to explore options, including, but not necessarily limited to the decommissioning, rehabilitation, retrofitting, transfer, lease or sale of its existing 14.6 mile water transmission line which serves customers outside the City limits and outside the City’s Urban Growth Area and which runs between its treatment plant and the City reservoirs. For the near-term, the City will pursue the action to supply the transmission main customers with water from Snohomish PUD and/or the City of Everett. Subject to available utility funding and budget

PUBLIC HEARING 5

restrictions, the City will endeavor to develop a program to reimburse a portion of the costs for existing transmission main customers to directly connect at their cost to another water purveyor (typically Snohomish PUD) or to install private groundwater wells. The purpose and objective of a possible reimbursement program will be to remove all customers from the lower section of the transmission main in order to ultimately abandon this portion of the main before the end of its useful life.

Section 3. Treatment Facilities.

The City will pursue a course of action to decommission its existing intake, diversion dam and water treatment facilities. Subject to the additional actions set forth in Section 4 below, the objective will be to shut down operations at the water treatment plant and the withdrawal of water from the Pilchuck River in about 18 to 36 months. The intake and diversion dam removal schedule will be determined by environmental permitting constraints, the availability of federal and state grants, and additional funding by stakeholders.

Section 4. Additional Actions before Treatment Facilities Decommissioned.

The water treatment plant will not be decommissioned and the City will keep both the City of Snohomish and Everett sources of supply until the following are completed and approved to the satisfaction of the City Council:

- 1) **Meeting with Transmission Line Customers:** A notice and scheduling of a separate meeting with transmission line customers will be held in order to go over the details of the proposed plan and provide follow-up by City staff;
- 2) **Planning for Removal of the Existing Dam and Intake Structure on the Pilchuck River:** City staff will work with the Tribes, Washington Water Trust, State agencies and other stakeholders on a Memorandum of Understanding regarding financial grants, outside funding, payments or reimbursements to the City, and schedule for removal of the existing dam and intake structure. The objective is to facilitate, to the greatest extent possible, a significant amount of the decommissioning work to be paid for by federal and state grants, with local funds coming from non-profits, environmental groups, and other local and regional stakeholders who are interested in the Pilchuck River system;
- 3) **Water Right Banking Agreement:** Staff and legal counsel will work with the Washington State Department of Ecology on a draft water right banking agreement for Council review and consideration;
- 4) **Snohomish PUD Water Supply Agreement:** Staff and legal counsel will work with the Snohomish PUD on a wholesale supply agreement for supplying water to the transmission line customers and future conversion of some of the parcels to the PUD for direct service.

Section 5. Perfect and Protect the City's Water Rights.

Notwithstanding sections 1-4 above, the City will continue planning and taking necessary steps to fully protect and preserve its water rights in the Pilchuck River. Options include, but are not limited to, sale, lease or transfer to another agency or non-profit, trust water donation, transfer of the water intake and place of withdrawal downstream, or future expansion of the existing or a new plant.

PUBLIC HEARING 5

Section 6. Coordination with Other Parties.

The City Council finds that examination of the foregoing matters, exploration of options and potential partners, and analysis of potential risk factors are complex and interrelated and will involve other parties. Accordingly, the Council directs staff to conduct outreach to other parties and stakeholders who could participate in building solutions to the City's long term water supply issues, including state agencies, cities, special purpose districts, Native American tribes, conservation and environmental similar organizations. The Council further directs staff to undertake the examination and exploration of the various alternatives and related considerations together so as to enable comprehensive review and analysis by the Council.

Section 7. Varying Cost of Service.

To the extent legally and financially feasible, the City's policy will be to promote a water supply to customers that is supported by rates and fees that reflect the varying cost of service and the need for future water utility improvements to the different areas served by the utility, both within and outside the City limits and outside the Urban Growth Area.

Section 8. Comprehensive Plans.

At the time of the next update to the City's Comprehensive Land Use Plan and Water Comprehensive Plan, this Resolution and any amendments thereto may be reviewed, revised and incorporated into and made a part thereof.

Section 9. Previous Resolutions Withdrawn.

All prior Resolutions or parts thereof which are inconsistent with this Resolution are hereby withdrawn and replaced by this Resolution.

PASSED by the City Council and **APPROVED** by the Mayor this ____ day of _____, 2016.

CITY OF SNOHOMISH

By _____
Karen Guzak, Mayor

Attest:

By _____
Pat Adams, City Clerk

Approved as to form:

By _____
Grant K. Weed, City Attorney

ATTACHMENT B



CITY OF SNOHOMISH

Founded 1859, Incorporated 1890

116 UNION AVENUE ■ SNOHOMISH, WASHINGTON 98290 ■ TEL (360) 568-3115 FAX (360) 568-1375

NOTICE OF SPECIAL MEETING

SNOHOMISH CITY COUNCIL

in the
George Gilbertson Boardroom
1601 Avenue D

TUESDAY
May 3, 2016
5:30 p.m.

WORKSHOP AGENDA

- 5:30 1. CALL TO ORDER
- 2. EXECUTIVE SESSION – Potential Litigation
- 6:00 3. DISCUSSION ITEM – Water Supply (*P.I*)
- 6:55 4. ADJOURN

PUBLIC HEARING 5

DISCUSSION ITEM 3

Date: May 3, 2016
To: City Council
From: Steve Schuller, Deputy City Manager/Public Works Director
Subject: **Council Workshop – 2017 to 2019 Water Utility Rate Update**

The purpose of tonight's workshop is for the City Council to provide direction regarding the setting of water rates for the next three-year period (2017, 2018 and 2019). In order to set rates for three years, a decision will be required between the two water supply scenarios deliberated at several Council workshops and meetings over the last couple of years.

The workshop will also be a time for the Council to discuss the two scenarios' impacts on long-term water rate projections (2017 to 2031). This has been an ongoing focus of consideration since the City retained Murray, Smith & Associates (MSA) approximately eight years ago to conduct a study of the City's existing sources of water supply, and completed the *Water Treatment Plant and Water Supply Study* in May 2009 (*2009 Study*). On September 15, 2015, the Council approved the next step in assessing the City's current water supply status by authorizing a water rate study by FCS Group to analyze the short and long-term costs of the two water supply scenarios:

Scenario 1: (Keep Two Sources of Supply): City continues to maintain two sources of supply (City water treatment plant and transmission line, and Everett supply); and

Scenario 2: (All Everett for City Supply): City served by one source of supply (Everett), and establishes alternative source of supply for transmission line customers.

ANSWERS TO TWO KEY QUESTIONS BY THE CITY COUNCIL FROM PREVIOUS MEETINGS IN 2014 AND 2015:

1. *Which scenario is the preferred option (that is, the least cost) for City rate payers, both in the short term (2017 to 2019) and in the long-term (2017 to 2031)?*

Scenario 2 (All Everett) has significantly lower water rate projections for both the short and long-term: By 2019, water rates under Scenario 2 are projected to be about 12% lower than Scenario 1 (Keeping Two Supply Sources). By 2031, water rates under Scenario 2 are projected to be a substantial 48% lower than (that is, almost half the cost of) Scenario 1. See the rate projection summary below and in Attachment A.

2. *If we shut down our water treatment plant and discontinue our diversion of water from the Pilchuck River, how do we protect our water right to either sell or re-use in the future?*

Banking our perfected water right with the State is the preferred option: The water right has a restricted value today because State law only allows us to sell it to another

**City Council Workshop
May 3, 2016**

1

PUBLIC HEARING 5

DISCUSSION ITEM 3

party for use within the same watershed. The two major users of water within our watershed are the City of Everett and Snohomish PUD. Both agencies have stated over numerous meetings that they do not have an extensive financial interest in our water right either now or in the foreseeable future.

In the distant future, there is an unknown possibility that the State may allow water rights to be exchanged across boundaries. If the City were able to sell their water right to a public or private party in Eastern Washington or potentially to a party in California or another state, this could increase the value of the water right appreciably. Both the reality that the water right has restricted value today and the fact that it has unknown value in the distance future reinforces that water right banking is the preferred option.

By banking the water right the City would also have the option to return to providing its own water supply in the distant future. Under current known conditions it appears this would be a challenging choice given the cost and timeframe to permit and construct a new intake and treatment system, but technological advancements could make this a competitive choice in the future. Banking the water right would allow to City to preserve those perfected rights into the future as would be established in a detailed agreement between the State Department of Ecology and the City. In previous workshops and meetings in 2014 and 2015, additional details about the “perfected” water right have been discussed. Staff will be available at tonight’s workshop to discuss any additional questions or concerns.

BACKGROUND: The water utility is the third most expensive service provided by the City, preceded by wastewater and law enforcement. Approximately one out of every seven dollars (or 14%) of the City’s annual operating expenses is for the water utility. The City of Snohomish currently serves the northern half of the City with water purchased from the City of Everett and supplied from Everett’s No. 5 water transmission line which runs through the City of Snohomish north of Blackmans Lake. Everett’s sources of supply are the Spada and Chaplain Reservoirs, which supply water to the majority of Snohomish County (more than 600,000 residents). Most of the southern half of the City of Snohomish is supplied by the City’s own WTP constructed in 1981. The nearby diversion dam and water intake structure were constructed in 1932 on the Pilchuck River. The plant and dam are located several miles northeast of the City, just north of Lake Roesiger. Site visits to both the dam and intake structure, and the WTP are available upon request. The water is supplied by a 14.6-mile underground water transmission line that sends the flow to two City reservoirs located near Emerson Elementary school at the intersection of Pine Avenue and 13th Street.

In 2014, the City Council conducted two workshops, in March and November, to discuss in detail the option of shutting down the City’s existing 1981 WTP and pursuing the “*Everett Supply for the Entire City System*” alternative described in the *2009 Water Treatment Plant and Water Supply Study*. At the November workshop, the City Council directed staff to pursue this alternative, and bring a resolution back to the Council which would direct the City to investigate other sources of water supply, specially the All-Everett scenario.

PUBLIC HEARING 5

DISCUSSION ITEM 3

On August 4, 2015 the City Council passed Resolution 1331 regarding the City's sources of water supply, and directed staff to proceed forward with next steps, which is a water rate study based on the two water supply scenarios. Tonight's workshop will review the results on the draft study.

SUMMARY OF RATE PROJECTIONS: Below is a summary of the rate impacts of the two scenarios based on the recent FCS Group study. This is the monthly average residential water bill for City customers. The rate projections were extended to the year 2031, which is when both the City's water treatment plant and the 14.6 mile long transmission line would be approximately 50 years old and near the end of their service life. For a year-by-year comparison and further detail see the spreadsheet in Attachment A.

Scenario 2, in which the City customers are served by one source of supply from the City of Everett is significantly more cost effective. Based on the estimated projections in the rate study, the rate in 6 years (in 2022) would increase by 47.98% in Scenario 1 versus 14.28% in Scenario 2. In 15 years (in 2031) the rate would increase by 166.39% in Scenario 1 versus 39.28% in Scenario 2. The difference in projected rates between the two scenarios is almost **double** (\$109.49/month vs. \$57.24/month) by 2031. See the table below:

*Monthly Average Residential Water Bill Comparison for City
("Non-Transmission Line") Customers:*

	2016	2017	2019	2022	2031
Scenario 1 - Keep Two Sources					
Residential Bill (<i>Monthly</i>)	\$41.10	\$43.87	\$50.00	\$60.82	\$109.49
Cumulative Rate Increase		6.75%	21.65%	47.98%	166.39%
Scenario 2 - All Everett					
Residential Bill (<i>Monthly</i>)	\$41.10	42.02	\$43.94	\$46.97	\$57.24
Cumulative Rate Increase		2.25%	6.90%	14.28%	39.28%

ADDITIONAL COSTS TO MAINTAIN BOTH SUPPLIES SIGNIFICANT IN PAST YEARS: Keeping the City source of water supply and WTP has already cost the City considerably more in the last several years than if the City was purchasing water only from Everett. Over a five year period (2008 to 2012) the City spent \$3.41 million on water supply and treatment. The same amount of water could have been purchased from the City of Everett for \$476,000 over that identical five year period. To put this amount in perspective, the City could have provided free water to all customers, both residential and business, for 1.5 years during this

PUBLIC HEARING 5

DISCUSSION ITEM 3

period, if the City did not have to supply its own water. The cost of City supplied water was over seven times more than water supplied from Everett. Even if all City capital costs over this five year period are not included in the totals, the cost of City supplied water was still three times more than Everett's. See Figure 1 below:

Figure 1: Five Year (2008 to 2012) Total Operation and Capital Cost Comparison between Everett Purchased and Water Produced from the WTP



Since 2008, the City has made a number of key capital improvements and enhancements in the operation of the WTP. This has brought the unit cost of water at the WTP down significantly from over \$4.00 per CCF (CCF=100 Cubic Feet) to approximately \$2.00 per CCF in 2013. These unit costs are for operational expenses only and do not include capital costs.

This last year (2015), the operational expenses for the City's water treatment plant were about \$292,000. This only includes costs for the two personnel, chemicals, basic repairs and utilities to run the plant. This amount does not include capital costs or debt from previous capital upgrades. Any capital costs required would be in addition to the \$292,000. The cost to purchase the same amount of water from Everett in 2015 was approximately \$170,000. Everett's charge includes

PUBLIC HEARING 5

DISCUSSION ITEM 3

both operational expenses and funding for future capital improvements. The total 2015 expenses for the City's water fund were \$2.47 million. If the City could have instantly switched to Everett, the savings in 2015 would have been about \$122,000 or about 5% of the total water expenses.

Both the WTP and the 14.6 mile transmission line were built in the early 1980's. They are going to face additional capital improvement needs in the coming years that will drive costs up considerably.

CAPITAL IMPROVEMENT PLAN (CIP) ASSUMPTIONS: The FCS Group rate study assumed the following capital costs for the WTP and the transmission line under Scenario 1:

- \$100,000 per year average WTP capital costs (2015 dollars);
- \$50,000 per year average transmission line repair costs (2015 dollars);
- \$1.1 Million for major WTP Upgrade in the year 2019 (2015 dollars);
- \$18 Million Replacement (*in 2008 dollars*) of the transmission line in 2031 after 50 years in service. Scenario 1 assumes 30% cash and 70% debt issuance in 2031.

The CIP assumption assumes no other major upgrades at the WTP is needed between 2019 and 2031. If additional upgrades were needed to replace aging systems or to respond to new regulations, then the projected rate increases for Scenario 1 (currently about 6.75% each year) would be higher. The transmission line may last longer than the currently projected 50 years service life. This could allow the City to reduce rate increases and issue less debt for the years beyond 2031.

EVERETT RATE ASSUMPTIONS: The City of Everett's Council approved their most recent Water Comprehensive Plan update in 2015. From their plan, "The 2014 Amendment to the 2007 Water Comprehensive Plan was approved by the State of Washington Department of Health on April 9, 2015. This amendment will remain in effect until April 9, 2021." The approved plan identified a 0% rate increase for 2017, and 3% increases for 2018, 2019 and 2020 for the cost of wholesale water purchases. Based on a review of their 15-year operational and capital cost projections, a 3% per year rate increase amount was also used in the FCS Group study for the years 2021 to 2031.

CLIMATE CHANGE AND DROUGHT: In the year 2031 and beyond, would it be better for the City to pay nearly double the water rates in 2031 in order to keep a secondary source of water supply? At the workshop, staff will provide their perspective, but the ultimate decision will be the City Council's.

TRANSMISSION LINE CUSTOMERS: There are currently about 76 water meters (or about 100 customers) served directly from the 14.6 mile transmission line which runs between the WTP on the upper Pilchuck River and the City of Snohomish. Currently, customers outside the City limits, including the transmission line customers, pay a 50% surcharge in addition to City water rates. Under Scenario 1 or Scenario 2, the study projected that about 21 customers will connect directly to Snohomish PUD (PUD) over the next 6 years. For the draft FSC Group rate

PUBLIC HEARING 5

DISCUSSION ITEM 3

study, we assumed that the City would pay up to \$10,000 per each parcel to reimburse “lower” transmission line customers (those between Machias Elementary School and the City) to connect to nearby PUD mains. This would allow the City to abandon about 60% of the transmission line in the future. Once the City’s WTP is shutdown, the City can continue to provide the “upper” transmission line customers (about 55 meters) with PUD water purchased wholesale. The City already has a supply connection with PUD near the WTP.

See Attachment A for details regarding short-term and long-term rate projections for both scenarios for the transmission line customers. Over a decade from now (2025 and beyond), Scenario 2 starts to cost more than 50% more than Scenario 1. This is because it is hard to predict how many upper transmission line customers will want to stay on the line and pay to upgrade and repair an older transmission system serving customers spread out over several miles. Staff believes that future private development will extend the Snohomish PUD system into this area and that many of our existing transmission line customers will connect to PUD or pursue other options such as individual or group groundwater wells. The FCS Group projection shown in Scenario 2 of Attachment A assumes that all these customers will want to upgrade the existing City transmission line in 2031 at an estimated cost of two million dollars. Staff believes this is unlikely but wanted to show this “worst case.”

TONIGHT’S COUNCIL DIRECTION: Over the last couple of years, the City of Snohomish has been putting off as many capital upgrades at the WTP as possible while the two scenarios were discussed and studied. In order to continue meeting stringent public health regulations, the City should not continue to postpone improvements. In order to set rates for 2017, 2018 and 2019, and to plan for capital and operation upgrades over the next 10-years, the City Council has two key options to choose from tonight:

- 1) **Direct Staff to Implement Scenario 1 (Keep Both Sources of Supply):** Staff would bring back a rate resolution later in the year to raise rates 6.75% each year over the next three years (2017, 2018 and 2019). Average water rates would go from \$41.10 in 2016 to \$50.00 in 2019 (for a cumulative increase of 21.65%).
- 2) **Direct Staff to Continue to Implement Scenario 2 (All Everett for City Supply):** Staff would bring back a rate resolution later in the year to raise rates 2.25% each year over the next three years (2017, 2018 and 2019). Average water rates would go from \$41.10 in 2016 to \$43.94 in 2019 (for a cumulative increase of 6.90%).

NEXT STEPS UNDER SCENARIO 2: The water treatment plant would not be shut down and the City would keep both sources of supply until the following were completed and approved to the satisfaction of the City Council:

- 1) **Meeting with Transmission Line Customers:** A notice and separate meeting with transmission line customers would be held in order to review the details of the proposed plan and provide follow-up by city staff. An agenda item would be placed on a future City Council meeting for the Council to hear from the public and all current water customers, including the transmission line customers.

PUBLIC HEARING 5

DISCUSSION ITEM 3

- 2) **Planning for Removal of the Existing Dam and Intake Structure on the Pilchuck River:** City staff would work with the Tribes, Washington Water Trust, State agencies and others on a Memorandum of Understanding regarding financial grants, payments or reimbursements to the City, and schedule for removal of the existing dam and intake structure.
- 3) **Water Right Banking Agreement:** Staff would work with the Department of Ecology, our City Attorney's office and specialized Legal Counsel on a draft Water Right's banking agreement for Council review.
- 4) **Snohomish PUD Water Supply Agreement:** Staff would work with the PUD on a wholesale supply agreement for supplying water to the transmission line customers and future conversion of some of the parcels to the PUD for direct service.

The City would continue to operate the WTP with a tentatively planned date of 2018 or later to close down its operations only and if only the Council approved each of the items above. The City would not shutdown operations of the plant without Council's specific authorization and with a goal of providing a minimum of 6-months notice to staff, the public and other agencies.

STRATEGIC PLAN REFERENCE: Not applicable

RECOMMENDATION: That the City Council **DISCUSS** the water utility rate update and provide **DIRECTION** on the setting of 2017 to 2019 water rates by selecting one of the options below:

- 1) Council **DIRECTS** staff to implement Scenario 1, keeping both sources of water supply, and to bring a rate resolution for Council approval later in the year to raise rates 6.75% each year over the next three years (2017, 2018 and 2019) for a cumulative rate increase of 21.65%.

OR

- 2) Council **DIRECTS** staff to continue to implement Scenario 2, using Everett for all the City's water supply, and to bring a rate resolution for Council approval later in the year to raise rates 2.25% each year over the next three years (2017, 2018 and 2019) for a cumulative increase of 6.90%.

ATTACHMENT: Scenario Summaries and Residential Bill Comparison Spreadsheet

DISCUSSION ITEM 3

Attachment A
Scenario Summaries and Residential Bill Comparison (March 2016)

Scenario 1:
 -Continue two sources of supply
 -All transmission customers stay on transmission line
 -Transmission line fully replaced in 2031
 -All customers bare costs equity

Scenario 2:
 -Transmission customers served by wholesale PUD water purchased (21 customers connect directly to PUD in 2023)
 -Remainder of customers served by Everett water purchased
 -Treatment costs cease in 2016
 -Lower portion of transmission line is re-lined in 2031 for \$2M (escalated at 1.50%)
 -Transmission customers bare all costs associated with them

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Rate Increase Non-Transmission Line Customers	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%
Cumulative Rate Increase Non-Transmission Line	6.75%	13.95%	21.85%	29.85%	38.02%	47.98%	57.97%	68.63%	80.02%	92.17%	105.14%	118.98%	133.77%	149.55%	166.39%	184.23
Non-Transmission Residential Bill (5/8" Meter, 6 ccf)	\$ 41.10	\$ 43.87	\$ 46.84	\$ 50.00	\$ 53.37	\$ 56.97	\$ 60.92	\$ 64.93	\$ 69.31	\$ 73.99	\$ 78.98	\$ 84.31	\$ 90.00	\$ 96.08	\$ 102.56	\$ 109.49
Monthly Average Increase	\$ 2.77	\$ 2.96	\$ 3.16	\$ 3.37	\$ 3.60	\$ 3.85	\$ 4.11	\$ 4.38	\$ 4.68	\$ 4.99	\$ 5.33	\$ 5.69	\$ 6.08	\$ 6.49	\$ 6.92	\$ 7.38
Rate Increase Transmission Line Customers	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%
Cumulative Rate Increase Transmission Line	6.75%	13.95%	21.85%	29.85%	38.02%	47.98%	57.97%	68.63%	80.02%	92.17%	105.14%	118.98%	133.77%	149.55%	166.39%	184.23
Transmission Residential Bill (5/8" Meter, 6 ccf)	\$ 61.65	\$ 65.81	\$ 70.25	\$ 75.00	\$ 80.06	\$ 85.46	\$ 91.23	\$ 97.39	\$ 103.96	\$ 110.98	\$ 118.47	\$ 126.47	\$ 135.00	\$ 144.12	\$ 153.85	\$ 164.23
Monthly Average Increase	\$ 4.16	\$ 4.44	\$ 4.74	\$ 5.06	\$ 5.40	\$ 5.77	\$ 6.16	\$ 6.57	\$ 7.02	\$ 7.49	\$ 8.00	\$ 8.54	\$ 9.11	\$ 9.73	\$ 10.38	\$ 11.08

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Rate Increase Non-Transmission Line Customers	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.00%
Cumulative Rate Increase Non-Transmission Line	2.25%	4.55%	6.80%	9.11%	11.77%	14.28%	16.65%	19.46%	22.17%	24.92%	27.73%	30.60%	33.54%	36.55%	39.28%	38.28%
Non-Transmission Residential Bill (5/8" Meter, 6 ccf)	\$ 41.10	\$ 42.02	\$ 42.97	\$ 43.94	\$ 44.93	\$ 45.94	\$ 46.97	\$ 48.03	\$ 49.11	\$ 50.21	\$ 51.34	\$ 52.50	\$ 53.68	\$ 54.89	\$ 56.12	\$ 57.24
Monthly Average Increase	\$ 0.92	\$ 0.95	\$ 0.97	\$ 0.99	\$ 1.01	\$ 1.03	\$ 1.06	\$ 1.08	\$ 1.10	\$ 1.13	\$ 1.16	\$ 1.18	\$ 1.21	\$ 1.23	\$ 1.23	\$ 1.12
Rate Increase Transmission Line Customers	6.75%	8.25%	9.75%	11.25%	12.75%	13.50%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Cumulative Rate Increase Transmission Line	6.75%	15.65%	26.82%	41.09%	59.08%	80.96%	105.83%	134.65%	167.50%	204.96%	247.65%	296.32%	351.80%	415.05%	487.19%	568.19%
Transmission Residential Bill (5/8" Meter, 6 ccf)	\$ 61.65	\$ 65.81	\$ 71.24	\$ 78.19	\$ 86.98	\$ 98.07	\$ 111.31	\$ 126.90	\$ 144.66	\$ 164.92	\$ 188.00	\$ 214.32	\$ 244.33	\$ 278.54	\$ 317.53	\$ 361.98
Monthly Average Increase	\$ 4.16	\$ 3.43	\$ 6.95	\$ 8.80	\$ 11.09	\$ 13.24	\$ 15.38	\$ 17.77	\$ 20.25	\$ 23.09	\$ 26.32	\$ 30.01	\$ 34.21	\$ 38.99	\$ 44.43	\$ 50.63

PUBLIC HEARING 5

ACTION ITEM 6a

Date: June 21, 2016
To: City Council
From: Sharon Pettit, Building/Fire Official
Subject: **Snohomish Municipal Code 2.86 Emergency Management - Ordinance 2306**

Pursuant to RCW 38.52 and 118-30 WAC, the City of Snohomish is required to have both an Emergency Management ordinance or resolution and an Emergency Management Plan. The City Council formally established the City's Emergency Management Organization and Comprehensive Emergency Management Plan with the adoption of Snohomish Municipal Code (SMC) Chapter 2.86 Emergency Management on July 3, 2003, and updates in 2011.

On April 19, 2016, the City Council formally adopted the December 7, 2015 update to the now renamed City of Snohomish Comprehensive Emergency Management Plan Annex (SNO-CEMP) under Resolution 1342. City Council also adopted the 2015 edition of the Snohomish County Hazard Mitigation Plan that includes the City of Snohomish Annex (SCHMP) under Resolution 1343.

The next step in the process, and the purpose of this City Council agenda action item, is to now update Snohomish Municipal Code 2.86 Emergency Management via Ordinance 2306.

For City Council deliberations, staff has provided the proposed amendments to Snohomish Municipal Code 2.86 in the legislative format, with strikethrough of deleted text and underline of new text.

Examples of the changes include:

- Adoption of the Snohomish County Comprehensive Emergency Management Plan by reference to provide the nexus to the reference in the SNO-CEMP.
- Adoption of the Snohomish County Hazard Mitigation Plan by reference to provide the nexus to the reference in the SNO-CEMP, which has been inadvertently omitted from previous updates. This document is the basis for the hazards the City faces.
- Adoption of the Snohomish County Department of Public Works, Solid Waste Division, Disaster Debris Management Plan (DDMP) by reference. The City of Snohomish is included within this plan as an emergency partner with Snohomish County, and adoption will also satisfy a FEMA requirement.
- Updated definitions and terminology to be consistent with RCW 38.52 and FEMA.

STRATEGIC PLAN REFERENCE: Broadly supports all initiatives.

RECOMMENDATION: That the City Council **DISCUSS** and **ADOPT Ordinance 2306** updating SMC Title 2.86 Emergency Management.

ATTACHMENT: Ordinance 2306

ACTION ITEM 6a

**CITY OF SNOHOMISH
Snohomish, Washington**

ORDINANCE 2306

AN ORDINANCE OF THE CITY OF SNOHOMISH AMENDING PORTIONS OF ORDINANCES 2026 AND 2220 CODIFIED AS CHAPTER 2.86 “EMERGENCY MANAGEMENT” OF THE SNOHOMISH MUNICIPAL CODE; PROVIDING FOR SEVERABILITY AND EFFECTIVE DATE

WHEREAS, the Revised Code of Washington (RCW) 38.52 and the Washington Administrative Code (WAC) 118-30 require the City to have both an Emergency Management Ordinance or Resolution and an Emergency Management Plan; and

WHEREAS, on June 3, 2003, the Snohomish City Council adopted Ordinance 2026 to establish Snohomish Municipal Code (SMC) Chapter 2.86 “EMERGENCY MANAGEMENT”, and on July 19, 2011, the Snohomish City Council adopted Ordinance 2220 amending Chapter 2.86; and

WHEREAS, on April 19, 2016, the Snohomish City Council passed Resolution 1342 adopting the revised “City of Snohomish Comprehensive Emergency Management Plan Annex (SNO-CEMP)” dated December 7, 2015, or as after amended, by reference; and

WHEREAS, on April 19, 2016, the Snohomish City Council passed Resolution 1343 adopting the “2015 edition of the Snohomish County Hazard Mitigation Plan”; and

WHEREAS, during the 2015 State legislative session, definitions within RCW 38.52 were updated; and

WHEREAS, the Snohomish City Council finds it to be in the public interest to amend SMC Chapter 2.86 to be consistent with RCW 38.52, the “City of Snohomish Comprehensive Emergency Management Plan Annex” adopted by Resolution 1342 and the “2015 edition of the Snohomish County Hazard Mitigation Plan” adopted by Resolution 1343;

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

Section 1. SMC Chapter 2.86 entitled “Emergency Management” is amended to read as follows:

Chapter 2.86

EMERGENCY MANAGEMENT

Sections:

- 2.86.010 Purpose
- 2.86.020 Emergency Management Policy
- 2.86.030 Emergency Management Defined
- 2.86.040 Emergency or Disaster Defined
- 2.86.050 Emergency Management Coordinator Defined
- 2.86.060 ~~Emergency Management Plan~~ Comprehensive Emergency Management Plan Annex (SNO-CEMP)
- 2.86.061 Snohomish County Comprehensive Emergency Management Plan (SCCEMP) Adopted by Reference
- 2.86.062 Snohomish County Hazard Mitigation Plan (SCHMP) Adopted by Reference
- 2.86.063 Snohomish County, Department of Public Works, Solid Waste Division, Disaster Debris Management Plan (DDMP) Adopted by Reference
- 2.86.070 Emergency Management ~~Program~~ Organization
- 2.86.080 City Manager Duties and Powers
- 2.86.090 City Manager Succession
- 2.86.100 Emergency Management Coordinator-Powers and Duties
- 2.86.110 Functions and Duties of Departments and Employees
- 2.86.120 ~~Private~~ Liability – RCW 38.52.180 Adoption by Reference
- 2.86.130 Violation-Penalties
- 2.86.140 Severability

2.86.010 Purpose. ~~The declared purposes of this~~ This chapter are to provide for the preparation and carrying out of plans for emergency mitigation, preparedness, response, and recovery for persons and property within the City of Snohomish in the event of an emergency or disaster; ~~and~~ to provide for the coordination of emergency functions and services of the City of Snohomish; and with those all of other public agencies and affected private persons, corporations, and organizations. Any expenditure made in connection with such emergency management activities, including mutual aid activities, shall be deemed conclusively to be for the direct protection and benefit of the inhabitants and property within the City of Snohomish. (Ord. 2026, 2003)

2.86.020 Emergency Management Policy.

A. It is the policy of the City of Snohomish city to make the best possible effective preparation and use of manpower, resources, and facilities for dealing with any emergency or disaster that may occur, and to cooperate to the extent possible with adjacent jurisdictions in order to make maximum use of local emergency response and recovery resources.

~~Disasters and emergencies, by their very nature, may disrupt or destroy existing systems and the capability of the City of Snohomish to respond to protect life, public health, property, and essential City services. Therefore, citizens are advised to be prepared to be on their own for up to 72 hours, should an emergency or disaster occur. (Ord. 2026, 2003)~~

ACTION ITEM 6a

- B. All personnel of the City of Snohomish are directed to support the emergency and disaster preparedness, response and recovery activities of the emergency management organization as defined in the approved Comprehensive Emergency Management Plan.
- C. Because the demands of the emergency may prevent the City from meeting all of the immediate needs of the community, each citizen is encouraged to prepare for at least seven (7) days without outside help.

2.86.030 Emergency Management Defined. “Emergency Management” or “comprehensive emergency management” shall mean the preparations for, and the carrying out of, all emergency functions, other than functions for which the military forces are primarily responsible, to mitigate, prepare for, respond to, and recover from emergencies and disasters, and to aid victims suffering from injury or damage resulting from disasters caused by all hazards, whether natural, ~~technological, or man-made~~ human-caused, and to provide support for search and rescue operations for persons and property in distress. However, “emergency management” or “comprehensive emergency management” does not mean preparation for emergency evacuation or relocation of residences in anticipation of nuclear attack. (Ord. 2026, 2003)

2.86.040 Emergency or Disaster Defined. “Emergency or Disaster” as used in this chapter shall mean an event or set of circumstances which: (a) demands immediate action to preserve public health, protect life, protect property, protect public property, or to provide relief to any stricken neighborhood overtaken by such occurrences, or (b) reaches such a dimension or degree of destructiveness as to warrant the City Council or City Manager proclaiming the existence of a disaster or emergency or the Governor declaring a state of emergency in accordance with appropriate local and State statute. (Ord. 2026, 2003; Ord. 2220, 2011)

2.86.050 Emergency Management Coordinator Defined. Under the direction of the City Manager, performs administrative and technical work in the development, implementation and coordination of the City’s Emergency Management Program; the City’s Comprehensive Emergency Management Plan; coordinates and acts as liaison for the City’s disaster recovery efforts; oversees the disaster training, exercises and public awareness programs; and performs related duties as assigned. The Chief of Police, or their designee, or in the absence of the Chief pursuant to Police Department Chain of Command protocol or the Chief’s designee, shall be the Emergency Management Coordinator for the City of Snohomish. Where the Chief of Police, or their designee is unavailable to act as the Emergency Management Coordinator during an event, the City Manager may designate City staff to act in the Emergency Management Coordinator capacity. The Emergency Management Coordinator shall review the Comprehensive Emergency Management Plan (CEMP) at least once a year with the Fire District and report to the City Manager. (Ord. 2026, 2003; Ord. 2220, 2011)

2.86.060 Emergency Management Plan Comprehensive Emergency Management Plan Annex (SNO-CEMP).

- A. The City of Snohomish Comprehensive Emergency Management Plan Annex (SNO-CEMP) provides the framework for mitigation, preparedness, response and recovery activities that establishes functions and responsibilities to save lives, protect public health, safety, property, the economy and the environment and foster a return to a normal

ACTION ITEM 6a

way of life, prepared by the Emergency Management Coordinator and adopted by the City Manager is the official Emergency Management Plan of the City of Snohomish. The City Manager shall review the CEMP at least annually and has authority to update and make and adopt amendments and revisions to the CEMP that are consistent with this Chapter and/or necessary in the City Manager's discretion. The City Manager will report any updates, amendments, and revisions to the CEMP to the City Council. The Emergency Management Coordinator shall file a copy of said CEMP in the office of the City Clerk, and distribute copies of said CEMP to appropriate City departments. (Ord. 2026, 2003; Ord. 2220, 2011)

- B. The SNO-CEMP is developed as an annex of the Snohomish County Comprehensive Emergency Management Plan (SC-CEMP).
- C. The City of Snohomish Comprehensive Emergency Management Plan Annex (SNO-CEMP) is hereby adopted and incorporated by reference as though fully set forth in this Chapter, as now or hereafter amended.
- D. A copy of the SNO-CEMP shall be filed in the office of the City Clerk.

2.86.061 Snohomish County Comprehensive Emergency Management Plan (SC-CEMP) Adopted by Reference. The current edition of the Snohomish County Comprehensive Emergency Management Plan (SC-CEMP) as promulgated by the Snohomish County Department of Emergency Management and adopted by the Snohomish County Council, is adopted and incorporated by reference as though fully set forth in this Chapter, as now or hereafter amended.

2.86.062 Snohomish County Hazard Mitigation Plan (SCHMP) Adopted by Reference. The current edition of the Snohomish County Hazard Mitigation Plan (SCHMP) as approved by the Federal Emergency Management Agency (FEMA) and adopted by the Snohomish City Council, is adopted and incorporated by reference as though fully set forth in this Chapter, as now or hereafter amended.

2.86.063 Snohomish County Department of Public Works, Solid Waste Division, Disaster Debris Management Plan (DDMP) Adopted by Reference. The Federal Emergency Management Agency (FEMA) requires that municipalities adopt a disaster debris management plan. As an emergency management partner with Snohomish County, the City of Snohomish utilizes the current edition of the Snohomish County Department of Public Works, Solid Waste Division, Disaster Debris Management Plan (DDMP). The current edition of the Snohomish County Department of Public Works, Solid Waste Division, Disaster Debris Management Plan (DDMP) is adopted and incorporated by reference as though fully set forth in this Chapter, as now or hereafter amended.

2.86.070 Emergency Management Program Organization. The Emergency Management Program Organization of the City of Snohomish is hereby created, and shall consist of:

- A. The City of Snohomish has the authority and responsibility to respond and direct disaster operations within its borders pursuant the adopted Comprehensive Emergency Management Plan Annex (SNO-CEMP).

ACTION ITEM 6a

- B. The City Manager shall be the administrative head of, and have direct responsibility for, the organization, administration, and operation of the Emergency Management Organization and Program for the City of Snohomish and for the emergency operations of the City.
- C. The Emergency Management Coordinator shall develop and maintain the Comprehensive Emergency Management Plan Annex (SNO-CEMP), and shall have such other duties as may be assigned by the City Manager or as provided in the approved SNO-CEMP.
- D. The City Council, during emergency operations, provides guidance to the City Manager on matters of public policy, budget authorizations and emergency declarations and other matters as they may arise.

~~A. The City Manager shall be the administrative head of, and have direct responsibility for, the organization, administration, and operation of the Emergency Management Program for the City of Snohomish and for the emergency operations of the City. The City Council is advisory and will provide guidance to the City Manager on matters of Public Policy and will be called upon as needed for certain authorizations and other matters at the discretion of the City Manager. (Ord. 2026, 2003; Ord. 2220, 2011)~~

~~B. The Emergency Management Coordinator shall develop and maintain the Emergency Management Plan and Program of the City, and shall have such other duties as may be assigned by the City Manager. (Ord. 2026, 2003; Ord. 2220, 2011)~~

~~C. The City may establish its own Department of Emergency Management, or be a member of a joint local organization pursuant to RCW 38.52. (Ord. 2026, 2003)~~

2.86.080 City Manager Duties and Powers. The City Manager is hereby empowered to:

- A. Request the City Council to proclaim or declare the existence, or threatened existence, of a disaster or emergency and the termination thereof, or if the City Council is not in session or unavailable, the City Manager may issue such proclamation or declaration of disaster or emergency, subject to confirmation by the City Council at the earliest practicable time if necessary; (Ord. 2026, 2003; Ord. 2220, 2011)
- B. Direct coordination and cooperation between departments and staff ~~of the departments of this city~~ in carrying out the provisions of the Comprehensive Emergency Management Plan Annex (SNO-CEMP), and to resolve questions of authority and responsibility that may arise; ~~among them~~; (Ord. 2026, 2003)
- C. Preserve and provide the continuity of the administrative and executive branch of government pursuant Section 35.18.010 RCW;
- D. ~~C. Prepare Report~~ adopted amendments and revisions to the SNO-CEMP ~~to the City Council and recommend for adoption by the City Council~~ mutual aid plans and

ACTION ITEM 6a

agreements and other matters that require City Council authorization, ~~and approval~~ and/or adoption; (Ord. 2026, 2003; Ord. 2220, 2011)

E. ~~D.~~ In the event of the proclamation of a disaster as herein provided, or the proclamation of a state of extreme emergency by the Governor or the State Director of Emergency Management, the City Manager is hereby empowered:

1. To make and issue rules and regulations on matters reasonably related to the protection of life and property as affected by such disaster; provided, however, such rules and regulations must be reported at the earliest practicable time to the City Council;
2. To obtain vital supplies, equipment, and such other properties found lacking and needed for the protection of the life and property of the people and where applicable to bind the City for the fair value thereof, and, if required immediately, to commandeer the same for public use:
 - a. To control and direct the efforts of the Emergency Management organization of this city for the accomplishment of the purposes of this chapter;
 - b. To require emergency services of any City officer or employee, and in the event of the proclamation of a state of extreme emergency by the Governor in the region in which ~~the~~is City is located, to command the aid of as many citizens of the City as may be deemed necessary in the execution of the City Manager's duties; such persons to be entitled to all privileges, benefits, and immunities as are provided by State law for registered emergency workers, pursuant to RCW 38.52;
 - c. To requisition necessary personnel or material of any City department or agency;
 - d. To execute all of the special powers conferred upon the City Manager by this chapter, or by any other statute, agreement, or lawful authority, as necessary. (Ord. 2026, 2003; Ord. 2220, 2011)

2.86.090 City Manager Succession. For the purpose of the City of Snohomish Emergency Management Program, the issuance of emergency proclamations, and the performance of duties as outlined in Section 2.86.080, the order of succession shall be:

- A. City Manager, if incapacitated or unavailable; then
- B. Deputy City Manager ~~Emergency Management Coordinator/ Chief of Police~~, if incapacitated or unavailable; then
- C. Public Works Director, if incapacitated or unavailable; then
- D. Director of Support Services, if incapacitated or unavailable; then

ACTION ITEM 6a

E. ~~Planning and Development Services Director. Emergency Management Coordinator~~
~~—per Police Department Chain of Command protocol or the Chief’s designee.~~
(Ord. 2026, 2003; Ord. 2220, 2011)

2.86.100 Emergency Management Coordinator-Power and Duties. The Emergency Management Coordinator is hereby empowered to:

- A. Represent the City of Snohomish in dealing with issues pertaining to emergency management; (Ord. 2026, 2003)
- B. Prepare, maintain, and implement the City of Snohomish Comprehensive Emergency Management Plan Annex (SNO-CEMP). ~~of the City and manage the day to day responsibilities of the Emergency Management Program activities of the City.~~ (Ord. 2026, 2003; Ord. 2220, 2011)

2.86.110 Functions and Duties of Departments and Employees. The City hereby assigns to the various departments, and to the officers and employees thereof, the functions, duties, and powers set forth in the City of Snohomish Comprehensive Emergency Management Plan Annex (SNO-CEMP) referenced in Section 2.86.070 of this chapter. (Ord. 2026, 2003)

2.86.120 Private Liability – RCW 38.52.180 Adoption by Reference. The City of Snohomish hereby adopts and incorporates by reference RCW 38.52.180 “Liability for property damage, bodily injury, death—Immunity—Assumption by state—Indemnification—Immunity from liability for covered volunteers,” as though fully set forth in this Chapter, as now or hereafter amended.

~~No individual, firm, association, corporation, or other party owning, maintaining, or controlling any building or premises, who voluntarily and without compensation, grants to the City of Snohomish a license or privilege or otherwise permits said City to inspect, designate, and use the whole or any part, or parts of, such building or premises for the purpose of sheltering persons during an actual, impending, mock, or practice emergency or disaster, or their successors in interest, or the agents or employees of any of them shall be subject to liability for injuries sustained by any person while in or upon said building or premises as a result of any act or omission in connection with the upkeep or maintenance thereof, except a willful act of misconduct, when such a person has entered or gone into or upon said building or premises for the purpose of seeking refuge therein during an emergency or disaster or an attack by enemies of the United States or during a disaster drill, exercise, or test ordered by a lawful authority. (Ord. 2026, 2003)~~

2.86.130 Violation-Penalties. Any person who:

- A. Willfully obstructs, hinders, or delays any member of the Emergency Management organization in the enforcement of any lawful rule or regulation issued pursuant to this chapter or in the performance of any duty imposed upon such member by virtue of this chapter;
- B. Performs any act forbidden by any lawful rules or regulations issued pursuant to this chapter if such act is of such a nature as to give, or be likely to give, assistance to the

ACTION ITEM 6a

enemy, or to imperil the lives or property of inhabitants of this city, or to prevent, hinder, or delay the defense of protection thereof;

- C. Wears, carries, or displays, without authority, any means of identification specified by the Emergency Management agency of the State; shall be in violation of the provisions of this ordinance and shall be a misdemeanor, and any person found guilty thereof shall be punished by a fine not to exceed one thousand dollars (\$1,000) or imprisonment in jail, not to exceed ninety (90) days, or by both such fine and imprisonment, in the discretion of the court. (Ord. 2026, 2003)

2.86.140 Severability. If any portion of this ordinance is now or hereafter amended, or its application to any person or circumstances, is held invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole, or any section, provision or part thereof not adjudged to be invalid or unconstitutional and its application to other persons or circumstances shall not be affected.

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

Section 3. Effective Date. This ordinance shall be effective one year after adoption and publication by summary.

ADOPTED by the City Council and **APPROVED** by the Mayor this 21st day of June, 2016.

CITY OF SNOHOMISH

By _____
Karen Guzak, Mayor

ATTEST:

By _____
Pat Adams, City Clerk

APPROVED AS TO FORM:

By _____
Grant Weed, City Attorney

ACTION ITEM 6a

ACTION ITEM 6b

Date: June 21, 2016
To: City Council
From: Jennifer Olson, Finance Director
Subject: **Ordinance 2311 – Financial Management Policy**

The purpose of this agenda item is for City Council consideration and adoption of Ordinance 2311 (see Attachment) which creates the City of Snohomish Financial Management Policy.

BACKGROUND: A Financial Management Policy serves as an operational guideline and basis for management and staff to crystallize City Council strategic intents for dealing with fiscal vitality and to support the community-wide Strategic Plan goals and objectives. The City Council and staff used a collaborative approach in updating the policy that contains acceptable and unacceptable courses of action, establishes parameters in which the City may operate and provides a standard for safeguarding City financial resources and practices. Exhibit A of Ordinance 2311 is the final proposed Financial Management Policy.

In December 2015, the City Council started discussions on the proposed Financial Management Policy and on creating a 5-year Financial Plan, both 2016 City Council Goals. On January 19, March 15, April 19, May 17 and June 7, 2016, the City Council conducted workshops and discussion topics to review the Financial Management Policy by section. The proposed policy is a final version for consideration.

STRATEGIC PLAN REFERENCE: Not applicable

RECOMMENDATION: That the City Council **ADOPT Ordinance 2311 establishing the City of Snohomish Financial Management Policy.**

ATTACHMENT: Ordinance 2311 with Exhibit A

ACTION ITEM 6b

**CITY OF SNOHOMISH
Snohomish, Washington**

ORDINANCE 2311

AN ORDINANCE OF THE CITY OF SNOHOMISH ADOPTING A COMPREHENSIVE FINANCIAL MANAGEMENT POLICY AND REPEALING ALL SEPARATE POLICIES PERTAINING TO FINANCIAL MANAGEMENT AND INTERNAL CONTROL PROCEDURES; PROVIDING FOR SEVERABILITY AND EFFECTIVE DATE

WHEREAS, the City Council has approved several separate Financial Management Policies relating to budget, utilities, purchasing, investments, contract management, asset or inventory management, cost allocation, purchasing cards, general accounting and internal control; and

WHEREAS, from time to time, best practices developed by the Government Accounting Standards Board, Government Finance Officers Association and the Washington State Auditor's Office provide guidance to local governments to ensure a high standard of fiscal management, accounting practices, budgeting and long-term financial planning; and

WHEREAS, a comprehensive Financial Management Policy serves as an operational guideline and basis for management staff to advance City Council strategy and goals for the promotion of fiscal vitality; and

WHEREAS, a comprehensive Financial Management Policy supports the community-wide Strategic Plan and Comprehensive Plan;

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

Section 1. The Financial Management Policy is hereby adopted as set forth in Exhibit A which is incorporated by this reference as fully set forth herein.

Section 2. All previously established separate financial policies and internal control procedures approved by Resolutions 664, 760, 764, 784, 823, 874, 888, 921, 950, 967, 976, 1049, 1067, 1148 of the City of Snohomish and any other prior financial policy not specifically referenced herein by resolution number are hereby repealed for the reason that they are replaced by this Ordinance.

Section 3. Effective Date. This ordinance shall become effective five (5) days following passage and publication.

ACTION ITEM 6b

ADOPTED by the City Council and **APPROVED** by the Mayor this 21st day of June, 2016.

CITY OF SNOHOMISH

By _____
Karen Guzak, Mayor

ATTEST:

APPROVED AS TO FORM:

By _____
Pat Adams, City Clerk

By _____
Grant K. Weed, City Attorney

EXHIBIT A

CITY OF SNOHOMISH

FINANCIAL MANAGEMENT POLICY

**Adopted: June 21, 2016
Ordinance 2311**

**CITY OF SNOHOMISH
FINANCIAL MANAGEMENT POLICY**

1.0 INTRODUCTION AND OBJECTIVES

The financial management policy of the City of Snohomish is established by the City Council. The policy is designed to provide guidance to all stakeholders whether they be directly involved in financial processes, internal control oversight, or any financial transaction. The financial management policy is intended to serve as a blueprint to achieve fiscal stability required to accomplish the City's Strategic Plan, Comp Plan and all master plans and goals. The City Council sets forth the authorities, responsibilities, and accountability requirements of those participating in the operations of Snohomish City government at all levels of the organization and endeavors to:

- Set forth financial principles which minimize the cost of government
- Reduce financial risk
- Maintain appropriate financial capacity for present and future needs
- Ensure the legal use of financial resources through an effective system of internal controls
- Provide financial transparency to the public

2.0 RESERVES AND FUND BALANCE

Fund balance is an approximate measure of liquidity. Reserves are a cornerstone of financial flexibility and provide the City of Snohomish with options to respond to unexpended issues and provide a buffer against minor fiscal challenges. This section defines thresholds and descriptions for fund balances, reserves, and retained earnings of all funds of the City of Snohomish. It is the intent of the City to provide a stable financial environment for which its citizens can depend on a consistent and quality level of service and for planned future expenditures. The Finance Director and City Manager are responsible for monitoring reserve levels and reporting current and projected reserves during each budget development cycle.

2.1 Fund Balance Definitions

As defined by GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City will reserve funds according to the following:

2.1.1 Non-spendable Fund Balance

Inherently non-spendable portions of net resources that cannot be spent because of their form or portions of net resources that cannot be spent because they must be maintained intact.

2.1.2 Restricted Fund Balance

Externally enforceable limitations, on the use of funds, that are imposed by creditors, grantors, contributors, or laws and regulations of other governments or limitations imposed by law through constitutional provisions or enabling legislation. Debt Service fund balance will be designated as restricted.

2.1.3 Committed Fund Balance

Self-imposed limitations, on the use of funds, that are set in place prior to the end of a period. Limitations imposed at highest level of local decision making that requires formal action at the

ACTION ITEM 6b

same level to remove. Capital Project fund balances typically will consist of funds designated by City Council for future capital improvement projects.

2.1.4 Assigned Fund Balance

Limitations resulting from intended use that is established by the highest level of decision making or intended use established by the City Council for a specific purpose. The resources for these funds may be acquired through the budgeting process or funds that are deposited with the city for specific purposes. Special Revenue fund balances typically consist of funds assigned by other governmental agency for specific use or by the City Council specific use.

2.1.5 Unassigned Fund Balance

Residual net resources that make up the fund balance in the general fund in excess of non-spendable, restricted, committed, and assigned fund balance (i.e., surplus) or excess of non-spendable, restricted, and committed fund balance over total fund balance (i.e., deficit). The General operating fund balance typically will consist of unassigned funds for use by the City Council.

2.2 Reserve Level Target – General Fund

A healthy unassigned fund balance is needed to provide cash flow to pay expenditures when due. The City receives a majority of its tax collections two times per year. A fund balance reserve target allows for cash flow while the city waits to receive its shared revenues and taxes. The unassigned fund balance is also a security against unforeseen changes or needs, i.e. natural disasters, loss of state shared revenues, etc.

The general fund unassigned fund balance should be approximately 15-20% of expenditures of the general fund, less annual transfers-out to the fund. The unassigned fund balance of the general fund should never fall below 15% of operating expenditures.

2.3 Conditions for Using Reserves

The City will avoid the appropriation of fund balance for recurring operating expenditures. If at any time the utilization of a fund balance to pay for operating expenditures is necessary to maintain the quality or level of current services, an explanation of the circumstances of the utilization of fund balance and the strategy to arrest the future use of fund balance will be included in the budget transmittal letter.

Reserves may be used at the discretion of the City Council to:

- Provide resources to make up for temporarily decreased revenues, such as state shared revenues
- Provide temporary resources in the event of an economic downturn while expenditure reductions are implemented
- Provide resources to meet emergency expenditures in case of flood, fire, earthquake, landslides or other catastrophic failures.

2.4 Reserve Level Target - Enterprise Funds

It is the goal of the enterprise funds to cover the cost of operations, debt obligations and capital infrastructure improvements and annual maintenance, so as to maintain a financially healthy enterprise. Enterprise fund balance is a product of revenues over expenditures over time and consists of the net result of assets minus liabilities. The City will establish utility rates and capital connection fees that are structured to meet several financial requirements. The Enterprise fund balance financial indicators are as follows:

2.4.1 Capital funding obligations-as defined through the 6-Year Capital Improvement Plan (CIP) - Utility Sections.

ACTION ITEM 6b

2.4.2 Debt coverage ratio – a ratio 1.5 of net revenues to total debt service.

2.4.3 Operating reserves-90 days of operating expenses reserved for water, wastewater and storm water.

2.4.4 Debt service-the amount needed to pay for current and future debt (125% or as per bond covenants).

2.4.5 System replacement-amounts required to pay for annual system replacement as defined through the CIP-Utility Sections.

2.4.6 Emergency capital repairs-amounts required to pay for cost overruns and unanticipated capital costs.

2.5 Reserve Level Target – Special Revenue, Capital Project and Other Fund Types

The main purpose of special revenue, capital project and debt funds is to account for resources and track spending that is specific to the funds purpose and it is presumed that all fund resources will eventually be spent. Capital Project Funds will reflect items represented in the CIP approved during the capital budget adoption process. It is the intent of the City of Snohomish to set aside funds, when operations allow, for large capital projects to help minimize the debt service needs for these projects. Current commitments for Capital Project fund reserves are transportation, parks, sidewalks and trails, utilities, and civic facilities as defined in the Comprehensive Plan – Capital Facilities Plan element.

Special revenue funds by their nature are funds used for specific purposes, and by definition, the corresponding fund balance will be used to solely support that purpose. Fund balances in special revenue funds will be monitored to stay consistent with the need and use of the specific purpose of that fund.

2.5.1 Seizure Funds

As defined by Ch. 69.50.505 RCW and inter-local agreement, between the City and Snohomish County Drug Task Force, law enforcement asset seizure funds shall be used for payment of all expenses of the investigation that led to the seizure, including the proceedings for forfeiture and sale, expenses of seizure, maintenance of custody, advertising, actual costs of prosecuting, city attorney and court costs.

2.5.2 REET Funds

As defined by Ch. 84.46.035 RCW, the City of Snohomish is authorized to levy REET funds and use in accordance to State Law. REET sources are allocated towards various Capital Improvement projects as defined in the 5-year adopted CIP and may be leveraged towards debt service obligations – see Section 6.3.1 of this policy. REET Fund reserves will be maintained at a level sufficient to ensure viability of future CIP funded projects with a minimum reserve balance of 15% of the fund annual operating revenues.

2.6 Reserve Level Target – Internal Service Funds

Reserve targets established for internal service funds shall ensure that the fund continues to provide service without interruption including self-insurance and equipment replacement plans. Internal service fund reserves are funded through the City of Snohomish Cost Allocation Plan (CAP). The equipment reserve funds will be maintained at a level sufficient to meet scheduled equipment replacement so as to sustain an acceptable level of municipal services and prevent a physical deterioration of city assets. If CAP

ACTION ITEM 6b

charges are sufficient to cover internal service operations, maintenance and equipment replacement expenditures then the minimum reserve balance may be 30% of the funds operating budget expenditures.

2.7 Replenishment of Reserves

Should assigned fund balance targets fall below a 15% threshold, **the City will strive toward regaining the minimum threshold during the next budget cycle** and forecast the timing of the unassigned fund balance improvement within the long-term financial plan.

2.8 Excess Reserves

Reserves above the targeted reserve levels may be used for new expenditures, with emphasis on one-time uses that achieve future operating cost reductions, capital expenditures or prepaying existing debt. **Use of excess reserves will be determined by the City Council through the next available budget cycle.**

3.0 REVENUES

3.1 Revenue Objectives

The City will maintain a diversified and stable revenue system to shelter it from short-term fluctuations. To protect and better develop future tax base, revenue guidelines will emphasize preserving the City's ability to grow and expand. The following are revenue objectives based on type of revenue:

3.1.1 Revenues That Align with Cost Recovery

Fees or tax are based on an objective of recovering a stated percentage of a given program's expenses.

3.1.2 Revenues Related to Economic Development

Fees or tax are based on objectives that foster growth related activity. The City's overall revenue structure should be designed to recapture some of the financial benefits resulting from City economic and community development investments. The City will strive to keep a total revenue mix that encourages growth and keeps Snohomish economically competitive and a city of choice for people to live in and do business.

3.1.3 Revenues with a Relationship to the Value of Money and Market Forces

Fees are based on maintaining a logical relationship with local market forces. Fees that are subject to ongoing inflationary or other indexes may be adjusted.

3.1.4 Revenues that Enforce Compliance

Fines and Infraction are set at a level that assists with enforcing compliance with City rules and regulations.

3.1.5 Revenue that is Self-Supporting

Fees and charges usually associated with a governmental "business" enterprise. Fees are based on a formal rate model for factoring in relevant operational, capital, and debt service cost components.

3.1.5.1 All utility enterprise funds shall be self-supporting; that is, they should generate enough revenue to pay for all costs without a subsidy from the general fund, from each other or from other sources. Utility rates should divide costs equitably among customer classes according to benefit and cost of service. If rates are set that subsidizes one class of customer at the expense of another, this action should be taken in support of explicit City policy. Because of the vital importance of water, sewer and storm water as public services, a minimum level of service should be available at a relatively low cost to all utility customers.

ACTION ITEM 6b

3.2 Fee Schedule

Charges and fees, including utility rates, should be reviewed and updated periodically based on factors such as impact of inflation, other cost increases, adequacy of coverage of costs, and current competitive rates. On a periodic basis, the Fee Schedule, as adopted by City Resolution, may be amended in conjunction with the budget development cycle.

3.3 Revenue Receipting & Processing

Deposits and cash receipting procedures, as defined in administrative procedures, will be adhered to for revenue collected at all City facilities per Ch. 43.09.240 RCW. Only authorized personnel are allowed to take cash receipts from customers. Administrative procedures provide guidance and enforcement of internal control, deposit of collections and oversight on all changes to revenue items in the financial system.

3.4 Bad Debt and Collections

Revenue collection guidelines, as defined in administrative procedures, will provide processes for the recognition of bad debt and the computation of an allowance of doubtful accounts, define procedures for determining refunds and discounts as allowed in City Code and provide for the administration of escrow accounts used for land use projects.

3.5 Grants

Grant funding can significantly leverage City resources to provide services, equipment and capital projects that would otherwise be unaffordable. The City is committed to pursuing grant funding as an appropriate funding source. Any grant programs must be consistent with the City's mission and Strategic Plan goals. City staff will seek out, apply for, and effectively administer federal, state and other grants that address the City's policy objectives and provide a positive benefit. Before any grant above \$50,000 is pursued, staff shall provide a detailed pro-forma to the City Manager and Finance Director that addresses the immediate and long-term costs and benefits to the City.

If grants are pursued for an on-going service and/or staff position(s) the City Council must:

- Pre-approve staff identified source of long-term funding to supplant the grant at the end of the grant program.
- Matching fund requirements must have an identified and available funding source prior to the acceptance of the grant award.

Responsibility for the administration of grants is the joint responsibility of the applying department, finance department and City Manager. Administrative procedures define the requirements for grant administration and compliance.

3.6 Donations & Gifts

All donations, as per Ch. 35.21.100 RCW, provided to the City shall be presented to the City Council for approval. If no terms or conditions are attached to the donation, the city staff will prepare a summary of the funding source and recommended use of proceeds for City Council approval.

3.6.1 Substantial Gifts

The City of Snohomish seeks to recognize donors who, through a distinguished effort or substantial financial gift, wish to support a City facility or structure. For example, structures may include pavilions, shelters, plazas, real estate to be used for parks, trails or open space, interpretive areas, or active recreation; or other large-scale projects as discussed with the Advisory Boards and City Council. The following guideline will be used for recognizing donations

ACTION ITEM 6b

for amenities or projects, in addition to defining the period of time in which the donation or gift will be received by the City.

For the purposes of this policy, "Substantial Financial Gift" is defined as at least 50% of the estimated cost of:

- 1) New construction, remodeling, or renovation
- 2) Developing a new real property, such as park buildings, structures, or real estate
- 3) Replacement of an existing, unnamed facility or landmark that requires substantial renovation at the time of the gift

3.6.2 Donation Funded Projects

The City of Snohomish will review projects that are proposed by private individuals or groups, where the project funding source will come from donations collected by the individual or group, (e.g. trees, park benches and other equipment or fixtures) on a case-by-case basis. City staff will review the donation project with the City Manager prior to City Council acceptance and oversee the donation funded projects according to administrative procedures.

3.7 Gifts to City Officials

With a few exceptions, no city official or city employee shall accept any gift as per Ch. 42.52.140 RCW.

4.0 EXPENDITURES

4.1 Expenditure Objectives

The City of Snohomish endeavors to connect expenditures to a fundamental level of stewardship by committing to a level of expenditures that are sufficient to ensure the on-going health, safety, and welfare of its' citizens. Operating expenditures, within particular funds, must be supported by the operating revenues generated by that fund. Expenditures will not expand beyond the City's ability to pay for them with current revenues.

The objectives of the expenditure guidelines are:

- To support the local firms and merchants within the community whenever possible subject to meeting other expenditure guideline objectives.
- To obtain supplies, equipment, and services as economically as possible and that are best suited to the specific departmental needs.
- To maintain compensation packages which are competitive with other public sector employers and that are sufficient to attract and retain quality employees.
- To enhance service methods that increase efficiency and effectiveness of the delivery of city services through technology improvements.
- To improve the speed of delivery to departments by predetermining, through contracts or other appropriate means the sources of supply before the actual needs.
- To ensure compliance with all applicable policies and regulations of the City, the State, and Federal Government.

4.2 Local Purchasing Objectives

Purchasing from local business and merchants is a high priority to support the economic vitality of the Snohomish business community. Whenever economically possible, local vendors will be included in the Purchase Contract Process, as per Ch. 39.04.190 RCW and as defined in administrative procedures.

ACTION ITEM 6b

4.3 Procurement Standards

All employees of the City shall comply with all City, State, and Federal statutory requirements regarding purchase of materials or services. The following practices are specifically forbidden so as not to create a conflict of interest:

- Using information available to an employee solely because of their position for personal profit, gain, or advantage.
- Directly or indirectly furnishing estimating services, or any other services or information not available to all prospective bidders, to any person bidding on, or who may reasonably be expected to bid on, a contract.
- Using their position or status in the City to directly or indirectly solicit business of any kind for private use or to obtain supplies and equipment at special discounts or with special concessions from any vendor who sells or solicits sales to the City.

4.4 Procurement Authorization & Accountability

Department Directors will be accountable for procurement within their departmental budgets. Purchases that exceed a departmental annual budget are not allowed. Failure to follow administrative procedures for procurement may result in disciplinary action, loss of purchasing privileges and a personal liability for purchases.

Pursuant to Ch. 42.24.080 RCW, warrants presented for payment to the City Council must be in writing, itemized and audited by the Auditing Officer. The Finance Director is designated as the City of Snohomish Auditing Officer. Department managers will be responsible for ensuring invoices meet this requirement and provide them to the Finance department for prompt payment and audit review as defined in the administrative procedures.

4.5 Level of Procurement Authority

The City Manager shall have the authority to authorize general purchases, execute Professional Service Agreements (PSA) and minor contracts for a dollar amount up to \$30,000 and a term not to exceed one year. All purchases are subject to compliance with administrative procedures.

All significant purchases should be made according to the Purchasing Threshold and further defined in administrative procedures and shall include requirements for acquiring quotes, estimates and competitive bidding. The City Manager has the sole authority to waive purchasing procedures, but only to the extent as authorized by State Law.

Purchasing Threshold Matrix	
Amount	Description
< \$500	Authorized staff and Department Manager prior approval. No bids, quotes required.
\$500 - \$5,000	Authorized Department Manager. Two or three verbal quotes. No competitive bids required.
\$5,001 - \$30,000	Authorized Department Manager with Department Director prior approval. Two written quotes. No competitive bids required. City Manager authorization for purchases over \$30,000.
> \$30,000 - \$40,000	Authorized Department Director and City Manager with City Council prior approval. Three written quotes required. No competitive bids required.
> \$40,000 - < \$65,000	City Manager with prior City Council approval. Sealed bid process may be utilized or direct negotiation - must obtain three written quotes.
> \$65,000	City Manager with prior City Council approval. Sealed bid process must be utilized. Requires contract and bid specifications

ACTION ITEM 6b

4.6 Purchasing Controls & Methods

Primary responsibility and authority for the expenditure of monies according to the adopted budget will be vested by the City Manager in the department managers or authorized designee. In addition to the primary responsibilities, the Finance Director shall exercise a secondary oversight responsibility for all budget expenditures. A purchase order system and commercial card programs may be used for all purchases as defined in administrative procedures. Open accounts shall not be allowed unless approved by the City Manager or Finance Director.

In general, each department shall make purchases for the requirements of the City. Purchases will not be separated into smaller purchasing components in order to eliminate a threshold authorization requirement. To facilitate a sound and cost effective purchasing operation, authorized personnel shall follow procurement methods as defined in administrative procedures which contain guidelines for procurement, bidding and awarding contracts.

4.7 Emergency Purchases

Emergency purchases are those made by the City Manager or authorized designee, such as a Department Manager, where an immediate purchase is necessary to correct a situation, which would adversely affect the life, health, or safety of the citizens.

To the greatest extent possible, administrative procedures should be followed for purchasing. However, in case of an emergency, a Department Manager may purchase directly any supplies, materials or services necessary to alleviate the emergency. Every effort shall be made to contact the City Manager or Finance Director whether the emergency occurs during or after normal working hours.

In the event where emergency purchasing is related to natural disaster events, a Declaration of Emergency Resolution shall be considered by the City Council according to State Law at the first opportunity available. The Finance Director shall review and approve of account coding for all emergency purchases and maintain a tracking system according to FEMA requirements, Emergency Management Plan, BARS and GFOA recommended practices for emergency management recordkeeping.

4.8 Personnel Compensation

Because personnel costs are the largest expenditure area of the annual budget, compensation guidelines are defined in the Employee Handbook and Local Union Agreements which establish salary ranges, performance evaluation requirements and total compensation costs as the basis for all compensation planning and bargaining.

4.9 Efficiency

The City will make efficient use of limited resources and will continually look for and implement the most cost effective and reliable methods of delivering services. City Management will develop service level changes that are needed to respond to budget shortfalls using system-wide and productivity measures that have been approved by the City Council. Opportunities may be found to improve efficiencies by pursuing a range of productivity-enhancing techniques such as:

- Analyzing systems and procedures to remove unnecessary requirements
- Evaluating new technologies and capital investments
- Establishing a systematic, ongoing process for periodic formal reviews of operations
- Maintaining the right balance between centralization and decentralization in managing the City support functions

ACTION ITEM 6b

4.10 Outsourcing

Contracting with other public agencies or the private sector for the delivery of services may provide the City with opportunities for cost containment and productivity service enhancement. As such, the City is committed to using outside resources for delivering municipal services as a key element in our continuing effort to provide effective and efficient programs while minimizing costs. In the event the City is contracting out all or part of bargaining unit work which would result in the displacement of bargaining unit employee(s), the City agrees to meet with the Union, upon request, to discuss the decision and effect(s) of outsourcing, if any.

5.0 BUDGET

5.1 Budget Objective

The formal operating and capital budget development process provides the primary mechanism by which key decisions are made regarding the levels and types of services to be provided, given the anticipated level of available resources.

5.2 Budget Principles

5.2.1 Link the budget to long-term, strategic financial plans

The City's budget will be developed in accordance with the policies and priorities set forth in the five-year Strategic Plan, Comprehensive Plan, City Council goals, the needs of the community and federal and state laws.

5.2.2 Critically examine past spending patterns

The City seeks to maximize the value the public receives through its spending. Accordingly, management should develop budget tools and methods to measure and maximize value, particularly by critically examining existing spending patterns to make sure they continue to provide value.

5.2.3 Prioritize services

The City will prioritize services based on a hierarchy from essential to discretionary, their relative importance to preserving the community's health, safety, and welfare, mandates, risk assessments, long-term costs, and evidence of their effectiveness in meeting strategic plan initiatives, comprehensive plan elements, annual goals and required mandates. Essential services will receive first priority for funding. The City will attempt to maintain current service levels for all essential services. The City will identify low-priority services for reduction or elimination, if necessary, before essential services. New services shall be evaluated for long-term sustainability.

5.2.4 Maintain existing services over providing new services

The City will ensure that it maintains the quality of existing core services before it adds new services unless there is an explicit decision to lower the quality of existing services in favor of providing a new service based on strategic goals and objectives.

5.2.5 Risk management and mitigation of liabilities

The City intends to fund the current portion of liabilities within the budget so as to maintain trust of creditors and to avoid or mitigate accumulating an unmanageable liability.

5.2.6 Establish preferences for budget balancing strategies

The City's preferred strategy for balancing the budget is to reduce expenditures through improved productivity. Except during dire economic circumstances, service and program

ACTION ITEM 6b

elimination is preferable. At no time, will the annual budget be balanced at the expense of long-term financial health.

5.3 Budget Scope & Basis

The City will adopt budgets for all funds on a biennial basis. A budget calendar will be prepared by city staff and include all required public hearings. Proposed budgets will be viewed and discussed by the City Council and the public at the department and object code levels. The final budget will be adopted by ordinance of the City Council at the fund level. To encourage synchronization between the budget document and financial reporting, the City will establish the budget based on the cash plus encumbrances basis of accounting which is the same as the cash basis of financial reporting.

5.4 Balanced Budget

The objective of the operating budget is to pay for all current expenditures with current revenues. The budgets for all city funds should be structurally balanced throughout the budget development process. Recurring revenue should equal or exceed recurring expenditures in both the proposed and adopted budgets. If a structural imbalance occurs, then a plan will be developed and implemented to bring the budget back into structural balance. The City will endeavor to avoid budgetary allocations that balance current expenditures at the expense of meeting future years' expenses. Beginning fund balance sources may be used to fund capital improvement projects or other one-time, non-recurring expenditures as long as the fund reserve targets are met.

5.5 Performance Measurement

The City will present a budget that furthers the short-term and long-term goals of the Strategic Plan and Comprehensive Plan. Where appropriate and instructive, performance measurements shall be used to offer insight into how efficiently money is being spent and the workload that is driving the need for service. The City will monitor progress by establishing objectives for strategic and policy intents and measures will illustrate trends, targets and other criteria by which the City's efforts on a given program can be evaluated. This evaluation is intended to inform organizational learning, repeating what works, discontinuing what isn't working and fostering continuous improvement.

5.6 Cost Allocation

The Cost Allocation Plan (CAP) is a method used to determine and assign the cost of indirect services to the internal government users of those services or direct operating funds.

5.6.1 References

OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribe Governments."

RCW 43.09.210 states in part, "all service rendered by...from, one department...to another, shall be paid for at its true and full value by the department...receiving the same, and no department...shall benefit in any financial manner whatsoever by an appropriation or fund made for the support of another..."

5.6.2 Definitions

- Indirect Costs are incurred for a common purpose benefitting more than one cost function or organizational unit. They cannot be directly assigned without effort disproportionate to the benefit received.
- Indirect Services are activities that support the departments that provide direct service to the public. Examples include accounting, purchasing, human resources, engineering, and fleet and information technology.
- Direct Services are activities that provide services directly to or for the public and are supported by indirect services. Examples include parks, streets and utilities (water, sewer, storm water).

ACTION ITEM 6b

5.6.3 Costs to be allocated

Costs shall only be allocated to departments that receive indirect support services. Only costs allowable for allocation in accordance with the requirements of OMB Circular A-87 shall be included in the cost allocation plan. This means that the City's resulting allocation plan will meet federal grant cost allocation requirements. It is the responsibility of staff creating the department's indirect cost allocation plan to review OMB Circular A-87 and ensure that only allocable costs are included.

As part of the annual budget development process, costs will be allocated based on the projected year budget forecast. Annually, a year-end adjustment or true up will be completed for the previous year's difference between budget-to-actual results or allocated based on actual costs. The true up will occur as part of the year-end financial reconciliations in preparation for the annual audit.

5.6.4 Basis of Allocation

Indirect cost allocation methods, as defined in administrative procedures, shall be reasonable, consistent, and equitable to distribute shared costs across funds and departments. Different factors are necessary to equitably allocate the various overhead costs. The Finance Director is responsible for preparing and determining which factor(s) will best accomplish this based on input from Direct Service Department Directors.

5.7 Budget Amendments

All budget amendments, such as shifting budget allocations from a) one fund to another fund; b) personnel and benefits and c) capital outlay or capital project expenditures must be approved by the City Council.

5.7.1 Administrative Budget Amendments

Department managers may, upon approval by the City Manager, request inter-departmental line item budget amendments for operating purposes only. These administrative budget amendments, authorized as per Ch. 35A.33.120 RCW, may be for contractual, supplies and materials and other miscellaneous line items within the department. No administrative amendments are allowed for personnel and capital outlay items. The process for requesting an administrative budget amendment is defined in administrative procedures.

5.8 Service Levels and Funding

The City will endeavor to maintain its present service levels for priority and essential services subject to available revenues. The objective is to maximize the benefit of available resources. The results or outcomes that matter most to citizens should be defined by the City Council. New services or programs will be considered for funding within available resources.

Department managers will be given the opportunity to request personnel, goods, and capital items needed to carry out the department responsibilities. Department requests must include supporting documentation and justification of needs for operating requests. Requests should integrate strategic plan priorities and departmental objectives into the budget.

5.9 Maintenance and Replacement

Maintenance and replacement funding will be prioritized each year to ensure that capital facilities and equipment are sufficiently maintained to avoid service disruptions. Non-current liabilities have important implications for a local government's fiscal health. The City will maintain its capital assets in a manner adequate to protect the City's capital investment and to minimize future liabilities for maintenance and replacement costs. Administrative procedures will identify the processes to include:

ACTION ITEM 6b

- Complete inventory and periodic measurement of physical condition
- Establish condition/functional standards by asset class
- Evaluate infrastructure and other assets and then set priorities
- Monitor and communicate progress

5.9.1 Capital Asset Management

The City inventories and assesses the condition of its buildings, equipment and vehicles on a periodic basis. The budget process includes a multi-year projection of facilities, equipment and vehicle replacement requirements. The budget will provide sufficient funding for adequate maintenance and orderly replacement of capital plant and equipment. Future maintenance needs and repairs will be cost out and included as budgetary decision criteria through the Internal Service Fund designated for Fleet and Facility maintenance.

5.10 Enterprise Fund Budgets

Enterprise operations are to be self-supporting, including capital improvements and depreciation. Enterprise operations are to be reviewed annually for self-sufficiency and proper cash-flow needs. Utility Rate studies, which occur every three years, will be included in the budget development process in the year for which new rates are established. Enterprise operating budgets will incorporate year one capital projects as identified within the Capital Improvement Plan (CIP).

5.11 Budget Reporting

The recommended and adopted budget documents will be available on the City website and at City Hall. The City will maintain an internal control system to help adhere to the budget allocations. Regular reports comparing actual revenues and expenditures to budgeted amounts will be provided to department managers on a monthly basis. The City Council will review quarterly budget versus actual reports.

6.0 CAPITAL IMPROVEMENT PLAN (CIP)

6.0 CIP Objective

The City of Snohomish Capital Improvement Plan (CIP) will describe the capital investments the City intends to make over a period of five years. Capital projects shall link to and identify the relationship to the Comprehensive Plan – Capital Facilities Plan (CFP) section that incorporates all master and functional plans where projects are identified with that plan. The CIP will serve as a comprehensive list of all capital project types where the City Council will address capital infrastructure improvements, capital equipment needs, and the affect on the City's resources.

6.1 CIP Criteria and Ranking

As adopted within the City of Snohomish Comprehensive Plan – CFP: Elements Goals and Policies, CIP projects shall be evaluated and prioritized using criteria adopted within the CFP.

6.2 CIP Budget

The City will coordinate development of the CIP with the development of the operating budget. As resources are available, the most current year of the CIP will be recommended for incorporation into the current year operating budget as capital project fund budget line items. Years two through six of the CIP are for planning purposes only. Details regarding the CIP development process will be found in administrative procedures.

ACTION ITEM 6b

6.3 Project Source and Use Identification

Capital project submissions shall include multi-year funding sources, including grants, applicable impact fees, special funding and other outside sources. Multi-year project costs, including acquisitions, right-of-way, design, construction, in-house staff time, permitting, inflationary costs and contingency must be included in the project identification. Capital projects shall be identified as unfunded, partially funded or fully funded. Each capital improvement project will be reviewed by department managers for its long-term impact on the operating budget in terms of:

- future year revenue generation
- additional personnel requirements
- future operating and maintenance expenditures

6.3.1 Project Sources

Capital funding for general government, transportation and enterprise (utility) projects comes from operating revenues, grants, local improvement districts, impact fees and user fees. Washington State law limits the City of Snohomish ability to raise funds for capital improvements such as tax rate limits and amount of debt capacity. Given the extensive number of capital improvement projects and lack of funding available, the following are capital financing strategies used by the Snohomish City Council when preparing or updating the Capital Improvement Plan:

- Non “brick & mortar” solutions will be utilized wherever possible
- Similar departmental capital projects will be combined for efficiencies and cost savings such as street improvements combined with utility improvements to minimize impact to the community
- Existing resources be fully utilized prior to purchase or construction of new infrastructure
- Stretch REET funding utilizing councilmanic bonds
 - Total debt service financed by REET sources should amount to no more than 75% of total annual REET revenues. See Reserve Section 2.5.2 regarding Fund reserve requirement.
- Enterprise (utility) fund projects shall be paid for by user rates and capital connection charges

6.3.2 Project Costs

For the purpose of the CIP, capital outlay is distinguished from capital projects. Capital outlay includes expenditures for equipment, technology and professional services between \$5,000 and \$29,999 and having less than an estimated three years of useful life. Capital outlay type expenditures will be included in the operating budget, as well as, master planning or professional services of any size and scope, adopted by the City Council, shall be budgeted for within the operating budget as a separate line item.

All capital projects or capital equipment purchases at least \$30,000 or over and having a useful life of three years or more are included in the CIP budget process. These projects include large capital maintenance items that extend the useful life of the capital asset. Projects may not be combined to meet the minimum standard unless they are dependent upon each other. Projects may not be separated to forego the maximum standard. Items that are operating expenditures (such as professional services, master plan updates, maintenance agreements, technology items, etc.) will not be considered within the CIP.

6.5 Capital Improvement Plan Review

Department managers will present the CIP to the City Council for approval prior to the year-one CIP projects being included within the annual operating budget. Any substantive change to the CIP after approval must be approved by the City Council.

ACTION ITEM 6b

7.0 DEBT MANAGEMENT

7.1 Debt Purpose

Debt financing is primarily used for capital project expenditures. Use of long-term debt financing for operations and maintenance costs are forbidden. Debt financing will be considered if the City is able to repay debt without causing financial distress. It is the City's objective to:

- Only obtain financing when necessary
- Identify the timing and amount of debt required as specifically as possible
- Achieve the most favorable interest rates and other related financing costs
- Ensure that future financial flexibility be maintained
- Utilize inter-fund loans from one fund to another as a first source of debt financing

7.2 Debt Practices

The City Council may authorize the following types of debt financing only for those purposes as provided by Ch. 39 RCW:

- Utilization of the Public Works Loan Fund, per WAC 399.30 for allowable purposes, if available
- Utilization of Inter-Fund Loans as per the BARS Manual Part 3, Chapter 4, Interfund Transactions, Section 1
- Issuance of Councilmatic Bonds to fund proprietary capital infrastructure projects such as water, sewer and storm water
- Issuance of Councilmatic Bonds for capital projects that generate adequate revenues from user fees to support operations and debt service requirements.

Utility System replacements, due to age or the need to upgrade to meet minimum standards, should be financed by a combination of:

- Reserving portions of the Enterprise fund balance for capital improvement projects
- Borrowing and repaying on a schedule that matches the useful life of the capital improvement

The City of Snohomish will never issue debt in excess of limitations as prescribed in Ch. 39.36.020 RCW based on percentage of its total market value. Additionally, no more than 10% of the annual operating budget may be spent on debt service annual obligations.

7.3 Bond Rating

Strong financial management is a key credit rating factor. In order for the City of Snohomish to respond quickly to economic and financial demands, the City will seek to maintain or continually improve its bond rating so as to seek the lowest possible interest rate available OR maintain its AA Bond Rating. The City will also maintain a "strong" Financial Management Practice (FMA) score – as defined by Standard & Poor Financial Management rating criteria - to provide transparent and consistent information about financial management practices.

7.4 Financial Guarantees

Should financial guarantees be utilized to defer public improvements required of development projects or to ensure that disturbed public facilities will be restored, the developer or property owner shall provide an irrevocable letter of credit, issued by a banking institution approved by the Finance Director, a bond, an assignment of savings, or a cash deposit. The form of the financial guarantee shall be at the discretion of the Finance Director and City Engineer. The amount of any approved financial guarantee shall be at least 150% of the estimated improvement cost and may be increased to reduce risk to City resources based on the professional judgment of the City Engineer.

ACTION ITEM 6b

8.0 INVESTMENTS

8.1 Policy and Scope

It is the policy of the City of Snohomish to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to State law governing the investment of public funds.

The investment policy applies to all financial assets of the City of Snohomish. These funds are accounted for in the City of Snohomish's Annual Financial Report and include all operating, special revenue, capital project, enterprise, debt service and trust funds.

8.2 Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" and/or "prudent investor" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with this policy and with Ch. 35.39 RCW and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

8.3 Objective

The primary objectives, in priority order, of the City of Snohomish investment activities shall be:

8.3.1 Safety: Safety of principal is the foremost objective of the investment program.

Investments of the City of Snohomish shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City of Snohomish will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions.

8.3.2 Liquidity: The City of Snohomish investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated.

8.3.3 Return: The City of Snohomish investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio. Short-term investment returns should attain a return rate of at least equal to the Washington Local Government Investment Pool (LGIP).

8.4 Delegation of Authority

Management responsibility for the investment program is hereby delegated to the Finance Director and City Manager who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate personnel and their procedures in the absence of the Finance Director and City Manager.

8.5 Investment Procedures

The Finance Director shall establish written administrative procedures for the operation of the investment program consistent with this policy. The procedures should include reference to safekeeping, repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository

ACTION ITEM 6b

agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director.

8.6 Ethics and Conflicts of Interest

Public officials and city employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Council any material financial interest in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City of Snohomish.

8.7 Authorized Financial Dealers and Institutions

The Finance Director will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Washington. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule). No public deposit shall be made except in a qualified public depository as established by Washington State laws.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Finance Director, upon request, with annual audited financial statements, proof of National Association of Security Dealers (NASD) certification, and proof of State of Washington registration. Annual completion of Notification to Broker and Certification by Broker will be done.

8.8 Authorized and Suitable Investments

From the governing body perspective, special care must be taken to ensure that the list of instruments includes only those allowed by law and those that local investment managers are trained and competent to handle. Interest-bearing deposits in authorized depositories must be fully insured or collateralized.

The following is a list of investments which the City of Snohomish will be authorized to invest in as per Ch. 39.58 and 39.59 RCW:

Government Securities: Instruments such as bonds, notes, bills, mortgages and other securities which are direct obligations of the federal government or its agencies, with the principal fully guaranteed by the U.S. Government or its agencies.

Certificate of Deposit: A negotiable or nonnegotiable instrument issued by commercial banks, located in the State of Washington and insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC), or, if exceeding \$100,000 FDIC coverage, is fully insured or collateralized.

Prime Commercial Paper: An investment used by corporations to finance receivables. A short-term (matures in 270 days or less) unsecured promissory note is issued for a maturity specified by the purchaser. Corporations market their paper through dealers who in turn market the paper to investors.

State of Washington Securities and Pools: Any security which is a general obligation of the State of Washington or any of its municipalities. Statewide investment pools which invest in authorized instruments.

Money Markets: Money market mutual funds which invest in authorized instruments.

ACTION ITEM 6b

8.9 Safekeeping and Custody

When a broker dealer holds investments purchased by the City of Snohomish in safekeeping, the broker-dealer must provide asset protection of \$500,000 through the Securities Investor Protector Corporation (SIPC) and at least another \$49.5 million supplemental insurance protection.

8.10 Diversification

The City will attempt to diversify its investments according to type and maturity. The portfolio, as much as possible, will contain both short-term and long-term investments. The City will attempt to match its investments with anticipated cash flow requirements, as per the long-range financial plan. Extended maturities may be utilized to take advantage of higher yields and to match investment maturities with debt obligations; however, no more than 20% of the total investments should extend beyond 5 years. Unless prior City Council approval is received, no investment with a maturity exceeding 10 years will be purchased.

- The City will attempt to diversify its investment portfolio according to broker-dealer or financial institutions. No more than 50% of the entire investment portfolio shall be held with one broker.

8.11 Reporting

Periodic required investment reports to policymakers and elected officials provide necessary written communication regarding investment performance, risk analysis, adherence to policy provisions, as well as other information. The Finance Director shall provide the City Council periodic investment reports, which provide a clear picture of the status of the current investment portfolio. The management report should include a summary of securities held at the end of the reporting period by authorized investment category, percentage of portfolio represented by each investment category, percentage of portfolio represented by each financial institution, and overall portfolio values.

9.0 LONG-TERM FINANCIAL PLANNING

A 5-year Financial Management Plan with an integrated 5- year Capital Improvement Plan (CIP) is utilized to assist the City Council and department managers in strategizing and aligning financial capacity with the City Council Strategic Plan and objectives. The long-term financial plan serves as a foundation for conversations regarding purchases and project planning.

The plan will include an analysis of the current and future year's financial environment, revenue, operating and capital expenditure forecasts, debt positions and affordability analysis. The financial plan will be updated as needed in order to provide direction to the budget process.

The City's budget process involves incorporating the goals and strategies identified by the City Council's five-year Strategic Plan to provide for the community's highest priority needs. Strategic planning begins with determining the City's fiscal capacity based upon long-term financial forecasts of recurring available resources.

10.0 AUDITING, ACCOUNTING & INTERNAL CONTROL

The City of Snohomish will establish and maintain a high standard of accounting practices and procedures. Accounting standards will conform to Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board (GASB). Accounting standards will reflect Best Practices recommended by the Government Finance Officers Association (GFOA) and chart of accounts required by the Washington Office of the State Auditor (SAO) BARS manual.

ACTION ITEM 6b

After each fiscal year, the Washington SAO will conduct an audit of the City financial transactions, contract management and internal control. The report will include a financial opinion and a management and compliance report on internal controls. Annually, a comprehensive annual financial report will be prepared by the City. This report shall be made available to elected officials, city management, bond-rating agencies, and the general public.

10.1 Internal Control

The City Council and City Management is responsible for ensuring and maintaining a system of internal control to safeguard its assets against loss, check the accuracy and reliability of its accounting data promote operational efficiency and encourage adherence to prescribed administrative procedures.

The Finance Director shall develop internal control processes or administrative procedures to ensure and maintain a strong internal control function. Periodic updates and new recommended practices set forward by the SAO and GFOA are communicated and addressed with the City Council. Any weakness in internal control and accounting procedures shall be addressed immediately by the City Manager or Finance Director so a timeline to remedy improvement can be established.

10.2 Accounting Write-offs

The Finance Director shall make every effort to collect all receivables owed to the City. The following is criteria that must be met before a receivable is allowed for write-off:

- Standardized collection procedures have been exhausted
- A determination has been made that the debt is uncollectible or that further measures to collect the debt are inappropriate and deemed to exceed the cost of collection
- The characteristics of the debt are such that write-off is appropriate - If funds are uncollectible, the Finance Director would make a determination for write offs to a bad debt expenditure up to \$5,000. City Council approval is required for balances above this threshold and must accompany the write off to the bad debt expenditure.
- The reason for the write-off is documented adequately and is made available for audit.

10.3 Petty Cash and Bank Account Controls

The Finance Director shall establish processes for control and handling of petty cash funds, which include investigative buy funds. The Finance Director will oversee and manage all City of Snohomish Banking Accounts such as Imprest accounts, Claims accounts, and Payroll accounts within administrative procedures. Bank accounts will be reconciled on a monthly basis.

10.3 Capital Asset Threshold

Real property, titled vehicles and utility system components shall be considered capital assets. All other property, with a value of \$5,000 or more and a useful life of three years or more shall be considered capital. For purposes of asset disposition and equipment replacement planning, the City shall depreciate capital assets under a straight-line method, based on the assets useful life to a book value of \$1.00 or salvageable value.

10.4 Inventory of Small and Attractive Items

Operating departments shall be responsible for conducting regular inventory of their small and attractive items (i.e. cell phones, tablet, hand tools and power equipment) and submit a physical inventory to the Finance Director. Asset management and inventory procedures are defined in administrative procedures

10.5 Surplus Assets

The City Manager may administratively surplus non-public utility office equipment, computer equipment, small tools, computer software and minor equipment with a value of less than \$5,000. Titled vehicles, real property, and any City property with a value of greater than \$5,000 will be surpluses by the City Council

ACTION ITEM 6b

by resolution. The process for surplus assets is defined in administrative procedures. The Finance Director shall be responsible for the accounting of all surplus property transactions.

10.5.1 Surplus or Inter-governmental Disposition of Public Utility Assets

As per Ch. 35.94.040 RCW, titled vehicles, real property, and equipment originally acquired for public utility purposes and which no longer required for providing continued public utility service may be surplus after a public hearing and subsequent City Council resolution.

FINANCIAL MANAGEMENT POLICY ADOPTION

The City of Snohomish Financial Management Policy shall be adopted and amended by action of the City Council. The Snohomish City Council shall review the policy periodically and any modifications made thereto must be approved by the City Council.

Policy Approved on: June 21, 2016 – Ordinance 2311

This policy replaces separate, previously adopted policies and procedures regarding revenue management, procurement, fund reserves, purchasing or commercial credit cards, asset management policies or any other policy regarding financial management and administrative procedures.

ACTION ITEM 6b

ACTION ITEM 6c

Date: June 21, 2016
To: City Council
From: Larry Bauman, City Manager
Subject: **Authorize an Addendum to the Professional Services Agreement for Facilitation of Committee on Open Government**

SUMMARY: The purpose of this agenda item is to request that the City Council authorize execution of an addendum to the professional services agreement (PSA) for facilitation of the Ad Hoc Open Government Committee (see Attachment B). The proposed addendum is to a \$12,090 professional services agreement with Norton-Arnold & Company. The amount of the proposed addendum would add an additional cost of \$1,755.

BACKGROUND: The City Council approved in December 2015 a PSA for facilitation of the Ad Hoc Open Government Committee (See Attachment A). Due in part to the fact that the members of this committee had no experience in working together or working on policy recommendations of this type, it was recommended by staff that the ad hoc committee would be professionally facilitated. The committee began meeting in February 2016 and has met monthly. While initial plans called for the committee to finalize its work at their meeting on June 13, the ongoing work of the committee members to develop recommendations has necessitated an additional meeting that was not included in the agreement originally developed with facilitator Margaret Norton-Arnold.

ANALYSIS: The City Council originally authorized staff to execute an agreement not to exceed \$12,090. Without the addendum for the requested extra meeting, total expenses would be held to this amount. The scope of work for the agreement included preliminary interviews with each of the nine committee members, development of five meeting agendas, draft recommendations, facilitation of five meetings, ongoing communications with committee members, and the development of other materials necessary for the committee's work. Although the cost of this project was not originally anticipated as an element of the 2016 budget, personnel cost savings for 2016 that were developed in late 2015 allowed the project costs to be accommodated without any reduction to the projected 2016 ending fund balance.

The cost of supporting the process of an additional meeting is the same as included as cost elements for each of the five previously scheduled meetings: \$1,755. This amount includes costs for nine hours to design and facilitate the meeting, as well as revise the group's recommendations report as a result of its discussions on June 13. If the City Council approves the addendum, the total new contract cost would be \$13,845 and the new termination date would be July 30, 2016.

With this revision to the agreement, the committee would be expected to be on track to deliver its recommendations to the City Council at a workshop scheduled for 6:00 p.m. on July 19. The committee's additional and final meeting would be scheduled for June 27, 2016. If the Council were to not approve the addendum, the tasks of completing this project, including agenda development

ACTION ITEM 6c

and facilitation of the July meeting as well as the development of a final report with recommendations to the City Council, would need to be completed by City staff.

STRATEGIC PLAN REFERENCE: Not applicable.

RECOMMENDATION: That the City Council **AUTHORIZE** the City Manager to execute an addendum to the professional services agreement with Norton-Arnold & Company in an amount not to exceed \$1,755.

ATTACHMENTS:

- A. Professional Services Agreement with Norton-Arnold & Company
- B. Proposed Addendum to the Professional Services Agreement with Norton-Arnold & Company

ATTACHMENT A

**PROFESSIONAL SERVICES AGREEMENT BETWEEN
CITY OF SNOHOMISH
AND NORTON-ARNOLD & COMPANY FOR CONSULTANT SERVICES**

THIS AGREEMENT (“Agreement”) is made and entered into by and between the City of Snohomish, a Washington State municipal corporation (“City”), and Norton-Arnold & Company, a Washington Corporation (“Consultant”).

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performances contained herein, the parties hereto agree as follows:

ARTICLE I. PURPOSE

The purpose of this Agreement is to provide the City with consultant services regarding services for facilitation of an ad hoc committee concerning open government as described in Article II. The general terms and conditions of the relationship between the City and the Consultant are specified in this Agreement.

ARTICLE II. SCOPE OF SERVICES

The Scope of Services is attached hereto as **Exhibit “A”** and incorporated herein by this reference (“Scope of Services”). All services and materials necessary to accomplish the tasks outlined in the Scope of Services shall be provided by the Consultant unless noted otherwise in the Scope of Services or this Agreement. All such services shall be provided in accordance with the standards of the Consultant’s profession.

ARTICLE III. OBLIGATIONS OF THE CONSULTANT

III.1 MINOR CHANGES IN SCOPE. The Consultant shall accept minor changes, amendments, or revision in the detail of the Scope of Services as may be required by the City when such changes will not have any impact on the service costs or proposed delivery schedule. Extra work, if any, involving substantial changes and/or changes in cost or schedules will be addressed as follows:

Extra Work. The City may desire to have the Consultant perform work or render services in connection with each project in addition to or other than work provided for by the expressed intent of the Scope of Services in the scope of services. Such work will be considered as extra work and will be specified in a written supplement to the scope of services, to be signed by both parties, which will set forth the nature and the scope thereof. All proposals for extra work or services shall be prepared by the Consultant at no cost to the City. Work under a supplemental agreement shall not proceed until executed in writing by the parties.

ACTION ITEM 6c

III.2 WORK PRODUCT AND DOCUMENTS. The work product and all documents produced under this Agreement shall be furnished by the Consultant to the City, and upon completion of the work shall become the property of the City, except that the Consultant may retain one copy of the work product and documents for its records. The Consultant will be responsible for the accuracy of the work, even though the work has been accepted by the City.

In the event that the Consultant shall default on this Agreement or in the event that this Agreement shall be terminated prior to its completion as herein provided, all work product of the Consultant, along with a summary of work as of the date of default or termination, shall become the property of the City. Upon request, the Consultant shall tender the work product and summary to the City. Tender of said work product shall be a prerequisite to final payment under this Agreement. The summary of work done shall be prepared at no additional cost to the City.

Consultant will not be held liable for reuse of documents produced under this Agreement or modifications thereof for any purpose other than those authorized under this Agreement without the written authorization of Consultant.

III.3 TERM. The term of this Agreement shall commence on January 1, 2016 and shall terminate at midnight, June 1, 2016. The parties may extend the term of this Agreement by written mutual agreement.

III.4 NONASSIGNABLE. The services to be provided by the Consultant shall not be assigned or subcontracted without the express written consent of the City.

III.5 EMPLOYMENT. Any and all employees of the Consultant, while engaged in the performance of any work or services required by the Consultant under this Agreement, shall be considered employees of the Consultant only and not of the City, and any and all claims that may or might arise under the Workman's Compensation Act on behalf of any said employees while so engaged, and any and all claims made by any third party as a consequence of any negligent act or omission on the part of the Consultant or its employees while so engaged in any of the work or services provided herein shall be the sole obligation of the Consultant.

III.6 INDEMNITY. Indemnification/Hold Harmless Consultant shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City. 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 Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been

ACTION ITEM 6c

mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

III.7 INSURANCE.

a. **Minimum Limits of Insurance.** The Consultant shall procure, and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work and services hereunder by the Consultant, its agents, representatives, employees or subcontractors. The Consultant shall, before commencing work under this agreement, file with the City certificates of insurance coverage and the policy endorsement to be kept in force continuously during this Agreement, in a form acceptable to the City. Said certificates and policy endorsement shall name the City, its officers, elected officials, agents and/or employees as an additional named insured with respect to all coverages except professional liability insurance and workers' compensation. The minimum insurance requirements shall be as follows:

(1) **Comprehensive General Liability.** \$1,000,000 combined single limit per occurrence for bodily injury personal injury and property damage; \$2,000,000 general aggregate.

(2) **Automobile Liability.** \$300,000 combined single limit per accident for bodily injury and property damage.

(3) **Workers' Compensation.** Workers' compensation limits as required by the Workers' Compensation Act of Washington.

b. **Notice of Cancellation.** In the event that the Consultant receives notice (written, electronic or otherwise) that any of the above required insurance coverage is being cancelled and/or terminated, the Consultant shall immediately (within forty-eight (48) hours) provide written notification of such cancellation/termination to the City.

c. **Acceptability of Insurers.** Insurance to be provided by Consultant shall be with a Bests rating of no less than A:VII, or if not rated by Bests, with minimum surpluses the equivalent of Bests' VII rating.

d. **Verification of Coverage.** In signing this agreement, the Consultant is acknowledging and representing that required insurance is active and current. Further, throughout the term of this Agreement, the Consultant shall provide the City with proof of insurance upon request by the City.

e. **Insurance shall be Primary.** The Consultant's insurance coverage shall be primary insurance as respect the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

ACTION ITEM 6c

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

g. **Claims-made Basis.** Unless approved by the City all insurance policies shall be written on an "Occurrence" policy as opposed to a "Claims-made" policy. The City may require an extended reporting endorsement on any approved "Claims-made" policy.

III.8 DISCRIMINATION PROHIBITED AND COMPLIANCE WITH EQUAL OPPORTUNITY LEGISLATION. The Consultant agrees to comply with equal opportunity employment and not to discriminate against client, employee, or applicant for employment or for services because of race, creed, color, religion, national origin, marital status, sex, sexual orientation, age or handicap except for a bona fide occupational qualification with regard, but not limited to, the following: employment upgrading; demotion or transfer; recruitment or any recruitment advertising; layoff or terminations; rates of pay or other forms of compensation; selection for training, rendition of services. The Consultant further agrees to maintain (as appropriate) notices, posted in conspicuous places, setting forth the provisions of this nondiscrimination clause. The Consultant understands and agrees that if it violates this nondiscrimination provision, this Agreement may be terminated by the City, and further that the Consultant will be barred from performing any services for the City now or in the future, unless a showing is made satisfactory to the City that discriminatory practices have been terminated and that recurrence of such action is unlikely.

III.9 UNFAIR EMPLOYMENT PRACTICES. During the performance of this Agreement, the Consultant agrees to comply with RCW 49.60.180, prohibiting unfair employment practices.

III.10 LEGAL RELATIONS. The Consultant shall comply with all federal, state and local laws and ordinances applicable to work to be done under this Agreement. The Consultant represents that the firm and all employees assigned to work on any City project are in full compliance with the statutes of the State of Washington governing activities to be performed and that all personnel to be assigned to the work required under this Agreement are fully qualified-and properly licensed to perform the work to which they will be assigned. This Agreement shall be interpreted and construed in accordance with the laws of Washington. Venue for any litigation commenced relating to this Agreement shall be in Snohomish County Superior Court.

III.11 INDEPENDENT CONTRACTOR.

a. The Consultant and the City understand and expressly agree that the Consultant is an independent contractor in the performance of each and every part of this Agreement. The Consultant expressly represents, warrants and agrees that his status as an independent contractor in the performance of the work and services required under this Agreement is consistent with and meets the six-part independent contractor test set forth in RCW 51.08.195 or as hereafter amended. The Consultant, as an independent contractor, assumes the entire responsibility for carrying out and accomplishing the services required

ACTION ITEM 6c

under this Agreement. The Consultant shall make no claim of City employment nor shall claim any related employment benefits, social security, and/or retirement benefits.

b. The Consultant shall be solely responsible for paying all taxes, deductions, and assessments, including but not limited to federal income tax, FICA, social security tax, assessments for unemployment and industrial injury, and other deductions from income which may be required by law or assessed against either party as a result of this Agreement. In the event the City is assessed a tax or assessment as a result of this Agreement, the Consultant shall pay the same before it becomes due.

c. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Consultant performs hereunder.

d. Prior to commencement of work, the Consultant shall obtain a business license from the City.

III.12 CONFLICTS OF INTEREST. The Consultant agrees to and shall notify the City of any potential conflicts of interest in Consultant's client base and shall obtain written permission from the City prior to providing services to third parties where a conflict or potential conflict of interest is apparent. If the City determines in its sole discretion that a conflict is irreconcilable, the City reserves the right to terminate this Agreement.

III.13 CITY CONFIDENCES. The Consultant agrees to and will keep in strict confidence, and will not disclose, communicate or advertise to third parties without specific prior written consent from the City in each instance, the confidences of the City or any information regarding the City or services provided to the City.

ARTICLE IV. OBLIGATIONS OF THE CITY

IV.1 PAYMENTS.

a. The Consultant shall be paid by the City for services rendered under this Agreement as described in the Scope of Services and as provided in this section. In no event shall the compensation paid to Consultant under this Agreement exceed \$12,090.00 without the written agreement of the Consultant and the City. Such payment shall be full compensation for work performed and services rendered and for all labor, materials, supplies, equipment and incidentals necessary to complete the work. In the event the City elects to expand the scope of services from that set forth in Exhibit A, the City shall pay Consultant a mutually agreed amount.

b. The Consultant shall submit a monthly invoice to the City for services performed in the previous calendar month in a format acceptable to the Cities. The Consultant shall maintain time and expense records and provide them to the Cities upon request.

ACTION ITEM 6c

c. The City will pay timely submitted and approved invoices consistent with the attached Exhibit A, Scope of Work and Budget, received before the 20th of each month within thirty (30) days of receipt.

IV.2 CITY APPROVAL. Notwithstanding the Consultant's status as an independent contractor, results of the work performed pursuant to this Agreement must meet the approval of the City, which shall not be unreasonably withheld if work has been completed in compliance with the Scope of Services and City requirements.

IV.3 MAINTENANCE/INSPECTION OF RECORDS. The Consultant shall maintain all books, records, documents and other evidence pertaining to the costs and expenses allowable under this Agreement in accordance with generally accepted accounting practices. All such books and records required to be maintained by this Agreement shall be subject to inspection and audit by representatives of the City and/or the Washington State Auditor at all reasonable times, and the Consultant shall afford the proper facilities for such inspection and audit. Representatives of the City and/or the Washington State Auditor may copy such books, accounts and records where necessary to conduct or document an audit. The Consultant shall preserve and make available all such books of account and records for a period of three (3) years after final payment under this Agreement. In the event that any audit or inspection identifies any discrepancy in such financial records, the Consultant shall provide the City with appropriate clarification and/or financial adjustments within thirty (30) calendar days of notification of the discrepancy.

ARTICLE V. GENERAL

V.1 NOTICES. Notices to the City shall be sent to the following address:

City of Snohomish
Attn: City Manager Larry Bauman
116 Union Ave.
Snohomish, WA 98290

Notices to the Consultant shall be sent to the following address:

Margaret Norton-Arnold
Norton Arnold & Company
405 NW 42nd Street
Seattle, WA 98107

Receipt of any notice shall be deemed effective three (3) days after deposit of written notice in the U.S. mail with proper postage and address.

V.2 TERMINATION. The right is reserved by the City to terminate this Agreement in whole or in part at any time upon ten (10) calendar days' written notice to the Consultant.

ACTION ITEM 6c

If this Agreement is terminated in its entirety by the City for its convenience, the City shall pay the Consultant for satisfactory services performed through the date of termination in accordance with payment provisions of Section VI.1.

V.3 **DISPUTES.** The parties agree that, following reasonable attempts at negotiation and compromise, any unresolved dispute arising under this Agreement may be resolved by a mutually agreed-upon alternative dispute resolution of arbitration or mediation.

V.4 **EXTENT OF AGREEMENT/MODIFICATION.** This Agreement, together with attachments or addenda, represents the entire and integrated Agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties.

V.5 SEVERABILITY

a. If a court of competent jurisdiction holds any part, term or provision of this Agreement to be illegal or invalid, in whole or in part, the validity of the remaining provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

b. If any provision of this Agreement is in direct conflict with any statutory provision of the State of Washington, that provision which may conflict shall be deemed inoperative and null and void insofar as it may conflict, and shall be deemed modified to conform to such statutory provision.

V.6 **NONWAIVER.** A waiver by either party hereto of a breach by the other party hereto of any covenant or condition of this Agreement shall not impair the right of the party not in default to avail itself of any subsequent breach thereof. Leniency, delay or failure of either party to insist upon strict performance of any agreement, covenant or condition of this Agreement, or to exercise any right herein given in any one or more instances, shall not be construed as a waiver or relinquishment of any such agreement, covenant, condition or right.

V.7 **FAIR MEANING.** The terms of this Agreement shall be given their fair meaning and shall not be construed in favor of or against either party hereto because of authorship. This Agreement shall be deemed to have been drafted by both of the parties.

V.8 **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

V.9 **VENUE.** The venue for any action to enforce or interpret this Agreement shall lie in the Superior Court of Washington for Snohomish County, Washington.

V.10 **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.

ACTION ITEM 6c

V.11 **AUTHORITY TO BIND PARTIES AND ENTER INTO AGREEMENT.** The undersigned represent that they have full authority to enter into this Agreement and to bind the parties for and on behalf of the legal entities set forth below.

DATED this _____ day of _____, 20____.

CITY OF SNOHOMISH

NORTON-ARNOLD, CONSULTANT

By _____
Larry Bauman, City Manager

By _____
Margaret Norton-Arnold

Attest:

Pat Adams, City Clerk

Approved as to form:

Grant K. Weed, City Attorney

ACTION ITEM 6c

EXHIBIT A—Scope of Work & Budget



405 NW 42nd Street
Seattle, WA 98107
206/269-0229

Facilitation of Ad Hoc Open Government Committee Scope of Work and Budget Margaret Norton-Arnold November 24, 2015

Task One: Committee Charter and Member Interviews

Margaret will create a draft committee charter and mission statement that will be reviewed by City staff. After staff edits have been incorporated, Margaret will produce a second draft that will then become the basis for interviews with all nine committee members. Margaret will conduct telephone interviews with all members and will summarize the results of these interviews in advance of the first committee meeting. She will also create a final committee charter based on feedback from members.

Estimated Hours: 20

Anticipated Date of Completion: December 24, 2015

Budget to Complete This Task: \$3900

Task Two: Facilitation of Committee Meetings

Margaret will develop agendas for, and facilitate, five committee meetings. She will work in-between meetings to communicate with members. Margaret will also write committee work products, including goal statements, program ideas, and draft and final recommendations.

Estimated Hours: 42

Anticipated Date of Completion: June 6, 2016

Budget to Complete This Task: \$8,090

Total Estimated Budget: \$12,090

Proposed Schedule of Meetings

Meeting 1: Monday, February 1, 2016

- Overview of Committee Charter, Groundrules, Mission and Scope
- Introduction: What is public engagement, and how does the City currently manage its public engagement program?
- Brainstorming: What are the most important issues, programs, activities, and policies in the City of Snohomish? Where do we need to put the most public involvement energy?
- Homework Assignment: Continue to think about the programs and issues that can benefit the most from public engagement. Read the "Best Practices" document about public engagement programs.

Meeting 2: Monday, March 7

- Continued brainstorming on the issues and programs that will benefit the most from public engagement.
- Reflections on Best Practices – anything we want to adopt in Snohomish?
- Review of Topic Guide and Format for Focus Groups (if approved)

ACTION ITEM 6c

- Preliminary ideas: What do you think about the City's current public engagement program, and what improvements might you recommend? What are the types of goals we might want to establish for public engagement in the City of Snohomish?
- Homework Assignment : Start putting together the puzzle pieces. Goals for public engagement, where and how techniques should be applied; best techniques for the City.

Meeting 3: Monday, April 11

- Presentation on Focus Group Results (if approved)
- Puzzle Pieces: Public Engagement Goals, Program Possibilities, Techniques: Where are we headed in terms of recommendations to the City?
- Homework Assignment: Review preliminary draft recommendations that will be developed by Margaret as a result of this meeting.

Meeting 4: Monday, May 9

- Work and discussion on draft recommendations.
- Homework Assignment: Review draft recommendations and be prepared to suggest edits and refinements.

Meeting 5: Monday, June 13

- Review and discussion of final recommendations document that will be submitted to the City Council.

ATTACHMENT B

**FIRST ADDENDUM TO
PROFESSIONAL SERVICES AGREEMENT BETWEEN
CITY OF SNOHOMISH
AND NORTON-ARNOLD & COMPANY FOR CONSULTANT SERVICES**

THIS FIRST ADDENDUM TO THE PROFESSIONAL SERVICES AGREEMENT WITH NORTON-ARNOLD & COMPANY is entered into by and between the City of Snohomish, Washington, "City," and "Norton-Arnold and Company" as follows:

That certain professional services agreement with Norton-Arnold & Company, which commenced on January 1, 2016, is hereby amended as follows:

Paragraph III.3. entitled "TERM" is hereby amended to read as follows:

III.3 **TERM.** The term of this Agreement shall commence on January 1, 2016 and shall terminate at midnight, July 30, 2016. The parties may extend the term of this Agreement by written mutual agreement.

And, "EXHIBIT A—Scope of Work and Budget, Task Two: Facilitation of Committee Meetings" is hereby amended to read as follows:

Task Two: Facilitation of Committee Meetings

Margaret will develop agendas for, and facilitate, six committee meetings. She will work in between meetings to communicate with members. Margaret will also write committee work products, including goal statements, program ideas, and draft and final recommendations.

Anticipated Date of Completion: July 30, 2016

Budget to Complete This Task: \$1,755 Additional cost for a new total contract cost of \$13,845

Except as provided above, all other terms and conditions of the professional services agreement with Norton-Arnold & Company dated December 21, 2015, shall continue in full force and effect, unchanged.

DATED this 21st day of June, 2016.

CITY OF SNOHOMISH

By _____
LARRY BAUMAN, City Manager

ACTION ITEM 6c

Attest:

By _____
PAT ADAMS, City Clerk

By _____
MARGARET NORTON-ARNOLD

Approved as to form:

By _____
GRANT K. WEED, City Attorney

DISCUSSION ITEM 7a

Date: June 21, 2016
To: City Council
From: Yoshihiro Monzaki, City Engineer
Subject: **Tenth Street Right-of-Way (east of Avenue D) Vacation Request**

The Snohomish Covenant Group, LLC, (SCG) owner of Parcel No. 00487700000811 (1001 Avenue D), has requested a street vacation of a portion of the Tenth Street right-of-way that is east of Avenue D. The requested vacation area is along the south side of Parcel No. 00487700000811 and was deeded to Snohomish County in 1918. This area was annexed in 1960 and the right-of-way was transferred to the City as part of the annexation. A street vacation is a process whereby the City agrees to relinquish its ownership of a street right-of-way to a property owner. Property owners have a claim to the half of the right-of-way that abuts their property.

SCG is requesting a vacation of a portion of the northern half of the Tenth Street right-of-way. Tenth Street is classified as a collector and no other portion of Tenth Street has been vacated. The total requested vacation area is approximately 1,500 square feet. If granted by the City, the vacated portion of the City's right-of-way would become a part of Parcel No. 00487700000811. This vacation will resolve an existing encroachment of a commercial building within the requested vacation area. The building was constructed in 1998 and SCG purchased the property in 2014. The City approved a right-of-way use agreement which allowed SCG to perform repairs and improvements to convert the building from a video store to a dental office and other commercial business spaces. This agreement required SCG to provide insurance coverage for the City and submit a vacation petition for this right-of-way area. The agreement will be terminated after the vacation process is completed.

Chapter 12.48 of the Snohomish Municipal Code (SMC) describes the process for Street Vacations. The code allows the applicant to request a meeting with the City Council to discuss the petition with the Council before spending funds on a professional appraiser, and preparation of legal descriptions. If the vacation is approved by the City, the applicant will be required to compensate the City for the vacated property as required.

Attachment A includes the vacation petition and associated documents from the applicant which describes how the requested vacation satisfies the criteria for granting a vacation as set forth in SMC 12.48.080.

It appears that no easements will be needed for this area. The vacation would not affect the existing traffic flows or travel lanes. There will be no impacts to the access of adjacent properties due to the street vacation. The requested street vacation area does not abut a body of water and will comply with RCW 35.79.035.

Per SMC 12.48.015, the City Council's "preliminary determination shall not be final or binding in any respect. If the applicant thereafter decides to proceed with a street vacation petition, all provision of this chapter shall apply."

DISCUSSION ITEM 7a

STRATEGIC PLAN REFERENCE: Not applicable.

RECOMMENDATION: That the City Council **DISCUSS** the Street Vacation request and **DIRECT** that staff process the petition for vacation of approximately 1,500 square feet of the northern half of the Tenth Street right-of-way east of Avenue D.

ATTACHMENTS:

- A. Street Vacation Petition
- B. Request Vacation Area Exhibit
- C. Right-of-Way Use Agreement

REFERENCE DOCUMENT: Chapter 12.48, Street Vacation, Snohomish Municipal Code.
(<http://www.snohomishwa.gov/DocumentCenter/Home/View/424>)

DISCUSSION ITEM 7a

ATTACHMENT A



HUITT-ZOLLARS, INC. | 1102 Broadway | Suite 301 | Tacoma, WA 98402-3526 | 253.627.9131 phone | 253.627.4730 fax | huitt-zollars.com

Letter of Transmittal

Date: 4/21/16 Project No.: R301842.01 Reimbursable? Yes No

ATTENTION: Yoshihiro Monzaki

PROJECT NAME: 1001 Ave. D, Snohomish, WA Street Vacation

TO: City of Snohomish

116 Union Ave.

Snohomish, WA 98290-2943

PHONE NO.: (360) 568-3115 VIA: Courier Mail Overnight

WE ARE SENDING YOU: Attached Under a separate cover
 Shop Drawings Prints Plans Specifications
 Copy of letter Change Order Samples CD

Copies	Date	Item No.	Description
1	2/17/16		Land Use Application
1	2/10/16		Legal Description for Parcel 00487700000811
1	2/10/16		Legal Description for Street Vacation
1	2/10/16		Street Vacation Exhibit
1	2/17/16		Petition for Vacation of Public Right-of-Way
1	2/10/16		Vicinity Map
1	3/29/16		Check #0000001916 for Street Vacation Application

THESE ARE BEING TRANSMITTED as checked below:

For approval Approved as submitted Resubmit _____ copies for approval
 For your use Approved as noted Submit _____ copies for distribution
 As requested Returned for corrections Return _____ corrected prints
 For review and comment _____
 FOR BIDS DUE _____ 20____ PRINTS RETURNED AFTER LOAN TO US

REMARKS:

Hi Yosh,

Attached are copies of the 1001 Ave. D Street Vacation forms for your use. Please let me know if you have any questions or need anything else. Thanks!

COPY TO: file

FILE & FOLDER NO.: R301842.01

SIGNED BY: Erik R. Halvorson

Erik R. Halvorson, PLS

DISCUSSION ITEM 7a

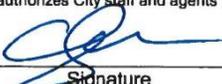


CITY OF SNOHOMISH

Founded 1859, Incorporated 1890

118 UNION AVENUE · SNOHOMISH, WASHINGTON 98290 · TEL (360) 568-3115 FAX (360) 568-1375

LAND USE APPLICATION

<input type="checkbox"/> ADMINISTRATIVE DEVELOPMENT PLAN <input type="checkbox"/> BOUNDARY LINE ADJUSTMENT <input type="checkbox"/> CONDITIONAL USE <input type="checkbox"/> FINAL PLAT <input type="checkbox"/> FLOODPLAIN DEVELOPMENT <input type="checkbox"/> HOME OCCUPATION <input type="checkbox"/> PLANNED RESIDENTIAL DEVELOPMENT <input type="checkbox"/> PRELIMINARY PLAT <input type="checkbox"/> RECORDED DEVELOPMENT PLAN <input type="checkbox"/> SEPA (ENVIRONMENTAL REVIEW) <input type="checkbox"/> SHORELINE SUBSTANTIAL DEVELOPMENT <input type="checkbox"/> SHORT PLAT <input checked="" type="checkbox"/> STREET VACATION <input type="checkbox"/> VARIANCE <input type="checkbox"/> OTHER: _____	FOR OFFICE USE ONLY						
	FILE #:						
	DATE:		REC'D BY:				
	FEE:		RECEIPT #:				
	<input type="checkbox"/> HE	<input type="checkbox"/> STAFF	<input type="checkbox"/> DRB	<input type="checkbox"/> CC			
	Permit Type	1	2	3	4	5	6
	STAMP IN DATE						
PROJECT ADDRESS OR LOCATION: _____							
Property Tax#: (14 digits)	00487700000811		Land Use Designation:	573 Radios, Televisions & Music Supplies			
Property Owner:	Snohomish Covenant Group LLC		Phone:	(714) 845-8646			
Mailing Address:	17000 Red Hill Ave., Irvine, CA 92614		E-mail:	taylorkim@pacificdentalservices.com			
Applicant/Agent:	Kimberly Taylor		Phone:	(714) 845-8646			
Mailing Address:	17000 Red Hill Ave., Irvine, CA 92614		E-mail:	taylorkim@pacificdentalservices.com			
Description of your request (submit additional pages if necessary):							
<p>To vacate a portion of 10th Street described in a deed recorded in 1918 under Auditor's File Number 239669. The existing roadway was not constructed within the right-of-way described in the 1918 Deed. In addition, a portion of the existing building on parcel number 00487700000811 falls within the unused portion of the right-of-way described in the 1918 Deed.</p> <p style="text-align: right;">Note: Property Legal Description Must be Attached</p>							
SIGNATURE OF OWNER(S):							
<p>The undersigned owner, and his/ her/ its heirs, and assigns, in consideration of the processing of the application, agree to release, indemnify, defend and hold the City of Snohomish harmless from any and all damages, including reasonable attorney's fees, arising from any action or infraction based in whole or in part upon false, misleading, inaccurate or incomplete information furnished by the owner, his/ her/ its agents or employees. The undersigned owner grants his/ her/ its permission for public officials and the staff of the City of Snohomish to enter the subject property for the purpose of inspection and posting attendant to this application.</p> <p>I/We, hereby attest that I am/we are the owner(s) in fee simple of the property involved in this application and that the foregoing statements and answers contained herein, and the information herewith submitted, are in all respects true and correct to the best of my/our knowledge and belief. I/We shall be solely responsible for verification of all property lines and setbacks. I/We also understand that signing and submitting this application authorizes City staff and agents to enter and inspect the site at any reasonable time for the purpose of reviewing this application.</p>							
 Signature		Christopher Aguiar Printed Name		2/17/16 Date			

Land Use Application

July 2011

DISCUSSION ITEM 7a



HUITT-ZOLIARS, INC. | 302 South 9th St. | Suite 101 | Tacoma, WA 98402-3699 | 253.627.9131 phone | 253.627.4730 fax | huilt-zoliars.com

**LEGAL DESCRIPTION FOR SNOHOMISH COVENANT GROUP LLC PROPERTY
PARCEL NO. 00487700000811
CITY OF SNOHOMISH, SNOHOMISH COUNTY, WA**

LOT B OF CITY OF SNOHOMISH BOUNDARY LINE ADJUSTMENT 98-5 RECORDED UNDER AUDITOR'S FILE NUMBER 9807280148, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PART OF LOT 8 OF LAKE ADDITION TO SNOHOMISH, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 5 OF PLATS, PAGE 10, RECORDS OF SNOHOMISH COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF THE SOUTH 264.00 FEET OF SAID LOT 8 WITH A LINE 60.00 FEET DISTANT EASTERLY, AS MEASURED AT RIGHT ANGLES FROM THE CENTERLINE OF STATE HIGHWAY 15;

THENCE NORTH 89°57'32" EAST ALONG SAID NORTH LINE 51.01 FEET TO A POINT 111.01 FEET EASTERLY OF SAID CENTERLINE;

THENCE SOUTH 00°04'19" WEST PARALLEL WITH THE EAST LINE OF SAID LOT 8 A DISTANCE OF 114.00 FEET TO THE NORTH LINE OF THE SOUTH 150.00 FEET THEREOF; THENCE NORTH 89°57'32" EAST ALONG SAID NORTH LINE 28.96 FEET TO THE EAST LINE OF SAID LOT 8;

THENCE SOUTH 00°04'19" WEST 150.00 FEET TO THE SOUTHEAST CORNER THEREOF; THENCE SOUTH 89°57'32" WEST ALONG SAID SOUTH LINE 92.87 FEET TO A POINT 60.00 FEET DISTANT EASTERLY, AS MEASURED AT RIGHT ANGLES FROM THE CENTERLINE OF STATE HIGHWAY 15;

THENCE NORTH 02°52'05" EAST PARALLEL WITH SAID CENTERLINE 264.34 FEET TO THE POINT OF BEGINNING;

TOGETHER WITH THAT PORTION OF AVENUE "D" VACATED BY CITY OF SNOHOMISH ORDINANCE NO. 1474 RECORDED UNDER AUDITOR'S FILE NUMBER 8304280324, BEING A RE-RECORDING OF 8304050216;

EXCEPTING THEREFROM THAT PORTION LYING WITHIN COUNTY ROAD AS DISCLOSED BY SURVEY DATED DECEMBER 20, 1957 BY ROY A. CRANE, P.E. (BEING THAT PORTION CONVEYED TO SNOHOMISH COUNTY BY DEED RECORDED UNDER AUDITOR'S FILE NUMBER 239669);

AND EXCEPTING THEREFROM ANY PORTION LYING WITHIN 10TH STREET.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

DISCUSSION ITEM 7a

HULLT-ZOLLARS

HULLT-ZOLLARS, INC. | 302 South 9th St. | Suite 101 | Tacoma, WA 98402-3699 | 253.627.9131 phone | 253.627.4730 fax | hullt-zollars.com

**LEGAL DESCRIPTION FOR 10TH STREET VACATION
CITY OF SNOHOMISH, SNOHOMISH COUNTY, WA**

THAT PORTION OF LOT 8 OF LAKE ADDITION TO SNOHOMISH, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 5 OF PLATS, PAGE 10, RECORDS OF SNOHOMISH COUNTY, WASHINGTON BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 8;

THENCE NORTH 0°21'14" EAST 16.92 FEET TO THE **POINT OF BEGINNING**;

THENCE SOUTH 79°40'09" WEST 92.13 FEET;

THENCE NORTH 89°44'48" WEST 3.04 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT WHOSE RADIAL POINT BEARS SOUTH 32°46'14" EAST A DISTANCE OF 221.00 FEET;

THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 4°28'36", A DISTANCE OF 17.27 FEET;

THENCE NORTH 61°42'22" EAST 25.40 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT WHOSE RADIAL POINT BEARS SOUTH 28°17'38" EAST A DISTANCE OF 316.50 FEET;

THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 10°00'00", A DISTANCE OF 55.24 FEET;

THENCE SOUTH 18°17'38" EAST 18.55 FEET;

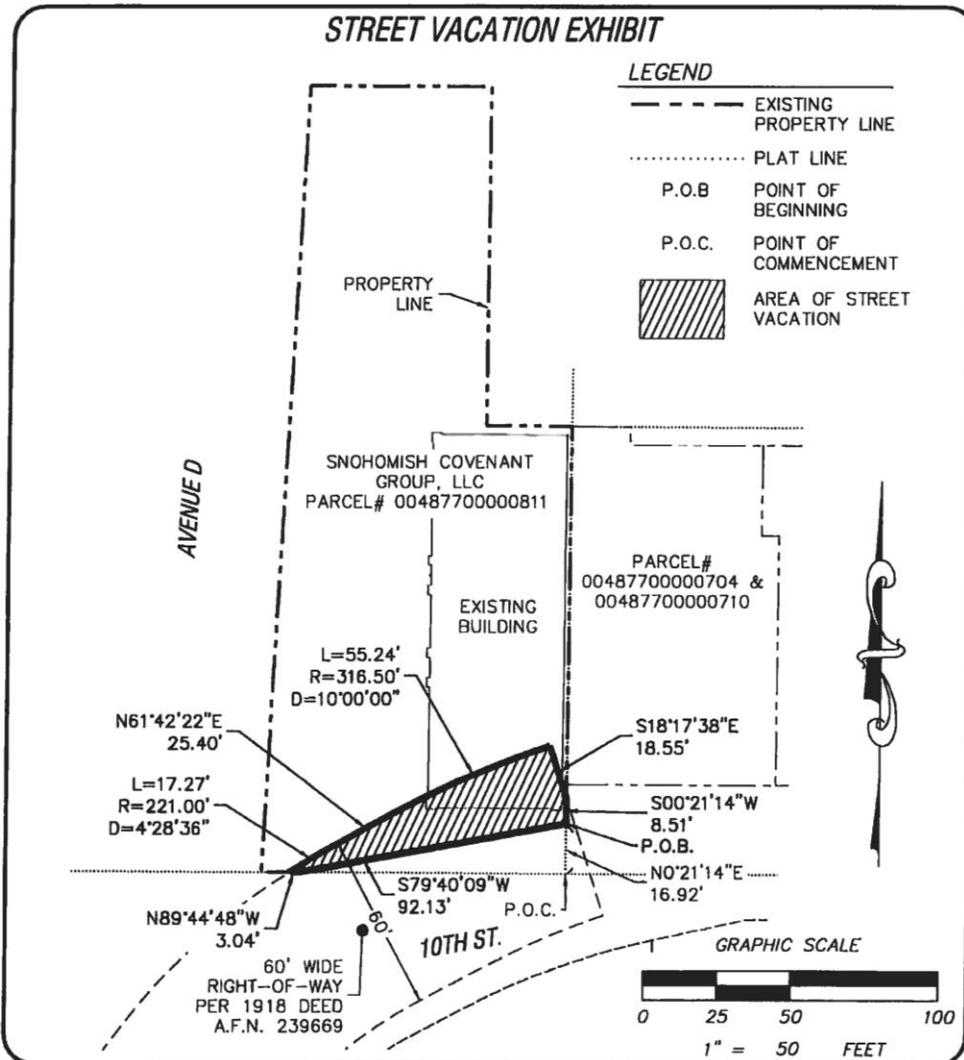
THENCE SOUTH 00°21'14" WEST 8.51 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINING 1,498 SQUARE FEET OR 0.03 ACRES, MORE OR LESS.

SUBJECT TO EASEMENTS, RESTRICTIONS, RESERVATIONS AND CONDITIONS OF RECORD.



DISCUSSION ITEM 7a



DATE: 2-10-16
 DRAWN: EH
 DESIGNED:
 CHECKED: DO
 PROJ. NO.: R301842.01
 SHEET: 1 OF 1



HUITT-ZOLLARS
 1102 Broadway, Suite 300
 Tacoma, Washington 98402
 Phone (253) 627-9131 Fax (253) 627-4730

CLIENT: SNOHOMISH COVENANT GROUP, LLC
 SITE ADDRESS: 1001 AVE. D, SNOHOMISH, WA 98290

DISCUSSION ITEM 7a



CITY OF SNOHOMISH

Founded 1859, Incorporated 1890

116 UNION AVENUE · SNOHOMISH, WASHINGTON 98290 · TEL (360) 568-3115 FAX (360) 568-1375

PETITION FOR VACATION OF PUBLIC RIGHT-OF-WAY

Date: February 10, 2016	Project #
--------------------------------	------------------

PETITION SUBMITTED BY:

Name:	Kimberly Taylor
Address:	17000 Red Hill Ave.
City/State/Zip:	Irvine, CA 92614
Phone:	(714) 845-8646
Cell Phone:	
Alternate Phone:	
E-mail:	taylorkim@pacificdentalservices.com

DEPOSITS

<input type="checkbox"/>	Application	\$ 300.00 1,000 <i>you 4.26.16</i>
TOTAL:		\$
Date of Receipt:		
Receipt #:		

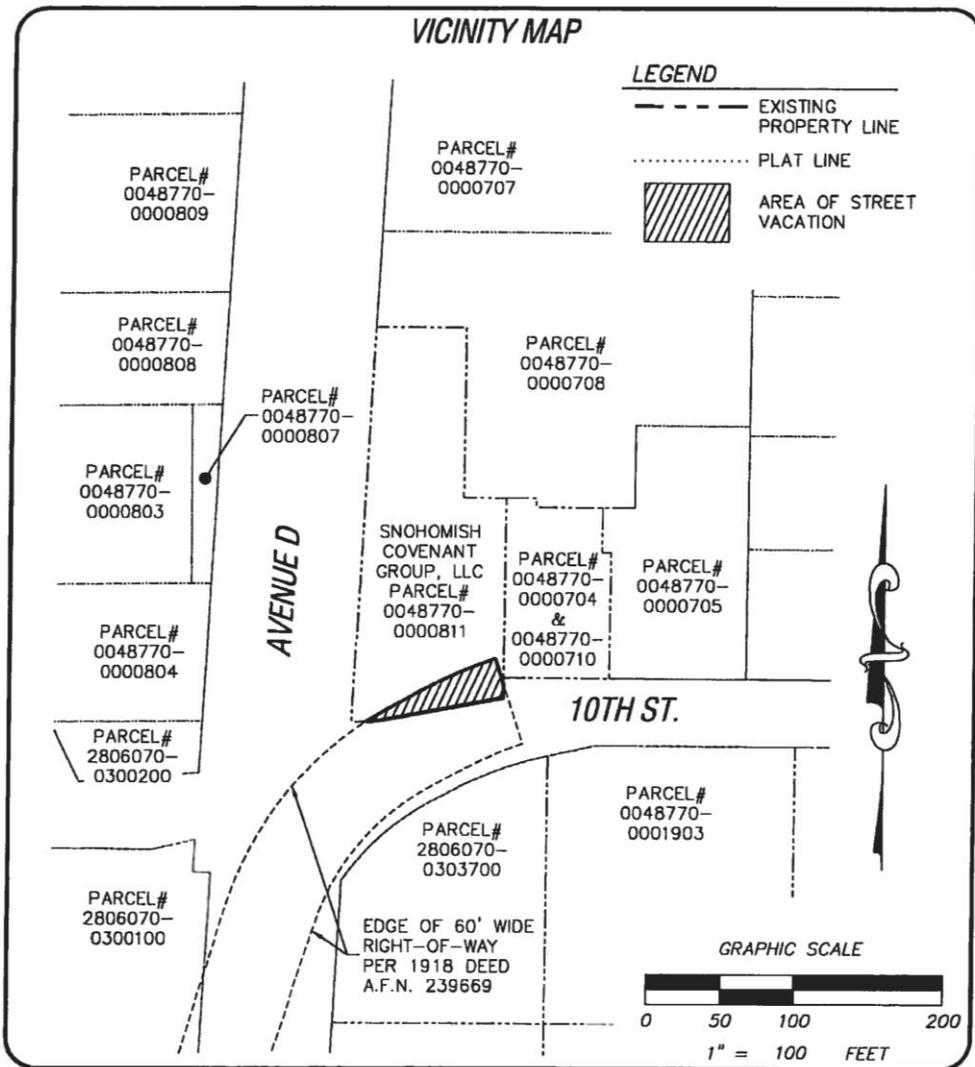
THE UNDERSIGNED owners of more than two-thirds of the property abutting the following described street hereby request the vacation of a portion of:

SEE ATTACHED VICINITY MAP.
you 4.26.16

PETITION SIGNED BY:

<p><i>[Signature]</i> 2/17/16</p> <p>Signature Date</p> <p>Print Name: <i>Christoph Aguera</i></p>	Owner of the following described property:
<p>Signature Date</p> <p>Print Name:</p>	Owner of the following described property:
<p>Signature Date</p> <p>Print Name:</p>	Owner of the following described property:
<p>Signature Date</p> <p>Print Name:</p>	Owner of the following described property:
<p>Signature Date</p> <p>Print Name:</p>	Owner of the following described property:

DISCUSSION ITEM 7a



DATE: 2-10-16
 DRAWN: EH
 DESIGNED:
 CHECKED: DO
 PROJ. NO.: R301842.01
 SHEET: 1 OF 1



HUITT-ZOLIARS

1102 Broadway, Suite 300
 Tacoma, Washington 98402
 Phone (253) 627-9131 Fax (253) 627-4730

CLIENT: SNOHOMISH COVENANT GROUP, LLC
 SITE ADDRESS: 1001 AVE. D, SNOHOMISH, WA 98290

DISCUSSION ITEM 7a

HUITT-ZOLLARS

HUITT-ZOLLARS, INC. | 1102 Broadway | Suite 301 | Tacoma, WA 98402-3526 | 253.627.9131 phone | 253.627.4730 fax | huilt-zollars.com

June 2, 2016

City of Snohomish
116 Union Avenue
Snohomish, WA 98290-2943

Ref: Pacific Dental Services Building, 1001 Ave. D, Snohomish, WA
Street Vacation for a Portion of 10th Street

To Snohomish City Council Members:

This letter is to answer questions about the proposed Street Vacation for a portion of 10th Street adjacent to the 1001 Avenue D. property in Snohomish, Washington. In order to answer the questions I will first have to give you a brief description of the project and the reason why we need a portion of 10th Street vacated.

In 2013 during the course of performing an American Land Title Association (ALTA) Survey on the 1001 Avenue D property (Snohomish County Parcel Number 00487700000811) we discovered a deed recorded in March of 1918 (A.F.N. 239669) for the 10th Street roadway that's legal description placed a portion of the roadway within the 1001 Avenue D. building. The right-of-way width for 10th Street based on the 1918 deed is 60 foot wide and the existing roadway is currently built on the south side of the existing right-of-way. The intent of the proposed street vacation is to vacate that portion of the right-of-way north of the existing sidewalk the runs along the north side of 10th Street adjacent to the 1001 Avenue D property.

The following are answers in response to the questions asked in the City of Snohomish Street Vacation form:

Will the vacation provide a public benefit, and/or be for public purpose?

- The street vacation will not be for a public purpose and will not provide a public benefit.

Will the right-of-way vacation adversely affect the street pattern or circulation of the immediate area or the community as a whole?

- The street vacation will not affect the street pattern or circulation in the immediate area or the community as a whole. The location of the existing roadway will not be changed and the sidewalk along the north side of 10th Street will still be in the public right-of-way and be available for pedestrian use.

Will the public need be adversely affected?

- There will be no adverse effects on the general public from the proposed street vacation.

Is the right-of-way contemplated or needed for future public use?

- At this time, we are unaware of any future use for this portion of right-of-way. If there were to be any improvements in this portion of right-of-way, the existing building and site improvements located in the right-of-way would have to be removed. The removal of the building would cause unwanted stress and burden to the public that frequents the building/business.

Will any abutting property owner become landlocked, or will his/her access be substantially impaired?

- The abutting property owners will not be landlocked or have any access impaired as a result of the proposed street vacation.

DISCUSSION ITEM 7a

HUITT-ZOLLARS

Please let me know if you have any additional questions about the proposed street vacation. I appreciate your time in reviewing this street vacation application.

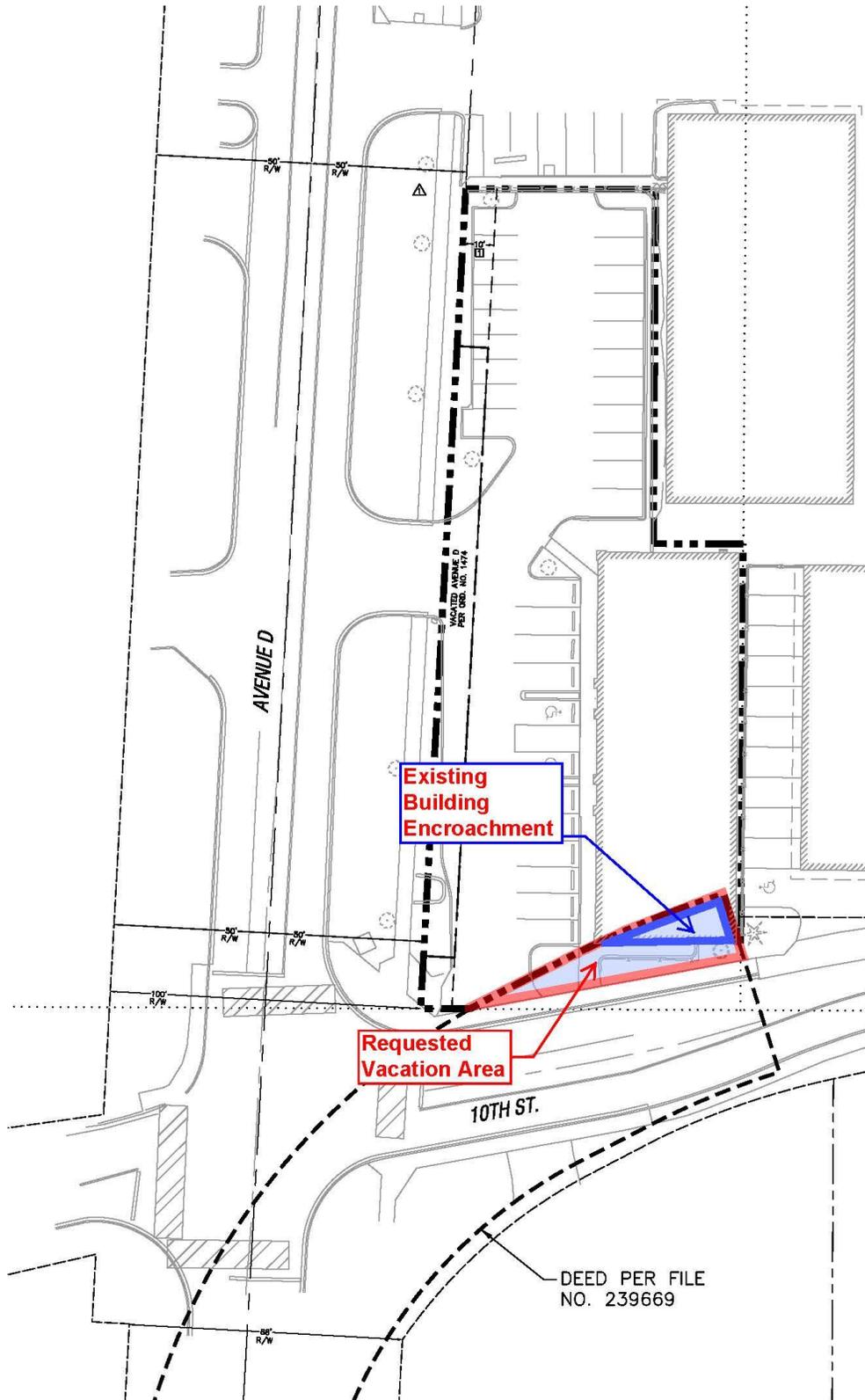
Huitt-Zollars, Inc.



Erik Halvorson, PLS
Project Surveyor

cc: Kimberly Taylor, James McCoy Jr.

ATTACHMENT B



DISCUSSION ITEM 7a

ATTACHMENT C

ELECTRONICALLY RECORDED
201411140655 14
11/14/2014 03:08 PM 85.00
SNOHOMISH COUNTY, WASHINGTON

**Recording requested by and
when recorded return to:**

Snohomish Covenant Group, LLC, and
Covenant Real Estate, Inc.
17000 Red Hill Avenue
Irvine, California 92614
Attention: Real Estate Department

201411140655

Document Title: Snohomish Right-of-Way Use Agreement and Permit
Grantor: City of Snohomish (City)
Grantee: Snohomish Covenant Group, LLC, a Delaware limited liability company, and Covenant Real Estate, Inc., a California corporation (collectively, Covenant)
Legal Description (abbreviated): PTN LOT 8, LAKE ADD. TO SNOHOMISH; PTN VACATED AVE D
The complete legal description can be found on Exhibit "A".
Assessor's Property Tax Parcel Account Number(s): 004877-000-008-05; 004877-000-008-06; and 004877-000-008-10

CHICAGO TITLE INSURANCE COMPANY HAS PLACED
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DISCUSSION ITEM 7a

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DISCUSSION ITEM 7a

**CITY OF SNOHOMISH
RIGHT-OF-WAY USE AGREEMENT AND PERMIT**

THIS CITY OF SNOHOMISH RIGHT-OF-WAY USE AGREEMENT AND PERMIT (“Agreement”) is made by CITY OF SNOHOMISH, a Washington municipal corporation (“City”), on the one hand, and SNOHOMISH COVENANT GROUP, LLC, a Delaware limited liability company, a tenant in common (“SCG”), and COVENANT REAL ESTATE, INC., a California corporation, a tenant in common (“CREI”, and together with SCG, collectively, “Covenant”), on the other hand, with reference to the following facts:

WHEREAS, Covenant is the fee simple owner of the real estate situated in the City of Snohomish, County of Snohomish, State of Washington, and legally described on Exhibit “A” attached hereto and by this reference incorporated herein (“Property”);

WHEREAS, Covenant is the owner of existing improvements (“Improvements”) that were constructed on the Property and encroach into the City’s 10th Street right-of-way (“ROW”) adjoining the Property;

WHEREAS, Covenant contends that the Encroachment Area is caused by an error in a 1918 Deed, Snohomish County Auditor’s File No. 239669;

WHEREAS, the area of the ROW on which the Improvements encroach (“Encroachment Area”) is legally described on Exhibit “B” attached hereto and by this reference incorporated herein, and graphically depicted on Exhibit “C” attached hereto and by this reference incorporated herein; and

WHEREAS, Covenant and the City desire to enter into an agreement and permit Covenant’s Improvements to occupy, encroach upon and use the Encroachment Area,

NOW THEREFORE, in consideration of \$10 00 in hand paid by Covenant to the City, and other good and valuable consideration and the mutual promises set forth herein, the sufficiency of which are hereby acknowledged, the City permits Covenant to use the Encroachment Area, and Covenant and the City agree, as follows:

A. **Encroachment Permit; Maintenance and Repair.** Covenant is authorized and permitted to occupy, encroach upon and use the Encroachment Area for the Improvements as depicted on Exhibit “C”, subject to the terms and conditions herein, including the general conditions stated below. Covenant may maintain and repair the Improvements, but may not expand or replace the Improvements into the ROW beyond the Encroachment Area.

If maintenance or repair of the Improvements within the Encroachment Area shall require building or related permits and authorizations, then the same shall be obtained in accordance with the provisions of the Snohomish Municipal Code.

DISCUSSION ITEM 7a

B. **Damage or Destruction; Condemnation; Vacation.** This Agreement shall be in effect indefinitely, but shall be terminated if fifty percent (50%) of the building on the Property as measured on a square footage basis, including the portion in the Encroachment Area, is substantially damaged or destroyed. In that event, Covenant shall remove the encroaching Improvements from the Encroachment Area in the repair and reconstruction of the building. Covenant shall claim no ownership of the Encroachment Area, and shall make no claim in a condemnation or inverse condemnation action for compensation for the Encroachment Area or for the rights conferred by this Agreement; provided, however, that nothing shall prevent Covenant from processing a vacation of or a request to surplus the Encroachment Area in accordance with the City's vacation/ surplus property requirements and applicable codes.

C. **Breach of Agreement and Remedies.** This Agreement may be terminated by the City if Covenant breaches this Agreement and fails to cure the default within one-hundred eighty (180) days following notice from City in writing of such default. In the event of termination of this Agreement, the City may require Covenant to remove Improvements from the Encroachment Area.

D. **General Conditions.** The General Conditions referenced in Paragraph A are as follows:

Section 1. Maintenance. Covenant shall maintain the Improvements in the Encroachment Area in good condition and repair.

Section 2. Repairs. If the City requires reasonable repairs to be made to the Improvements, Covenant shall make such repairs in a timely manner at no cost to the City unless the repairs were necessitated by damage caused by the City in which event the City shall be responsible for the cost of any such repairs.

Covenant shall have the right to propose alternatives to such repairs and to make any arrangements it may deem appropriate to accomplish such repairs or such alternatives that may be approved by the City, which approval will not be unreasonably withheld, conditioned or delayed.

In the event Covenant fails to make such repairs in a timely manner, City, after prior written notice to Covenant, may make the repairs, in which event Covenant shall reimburse City for all of City's actual and reasonable costs and expenses incurred in making the repairs. The period for such notice shall be ninety (90) days, or such lesser period as may be reasonably necessary in the event the condition to be remedied presents a hazard to the public. If Covenant fails to reimburse the City within fifteen (15) days after tender of an invoice for City's repair expenses, the invoice amount shall bear interest at the rate of 12% per annum from the invoice date until paid and shall constitute a lien against Covenant's Property described above, which lien may be enforced in the manner for enforcement of other real property liens, including foreclosure. If litigation is required to collect the delinquent invoice amount, or to foreclose the lien, Covenant shall be liable for all costs, disbursements and reasonable attorney's fees incurred therein.

DISCUSSION ITEM 7a

Section 3. Hold Harmless and Indemnity.

- 3.1 Covenant shall indemnify, save harmless and defend the City, its elected and appointed officials, employees, and agents (including reimbursing the City for all costs and reasonable attorney's fees) from any and all damages, claims, or demands, of any kind, on account of injury to or death of any and all persons, caused by Covenant's use of the Encroachment Area, including, but not limited to, Covenant, its agents, employees, subcontractors and their successors and assigns as well as the City or the City's employees, elected and appointed officials and against contractors and all third parties. Covenant shall further indemnify, save harmless and defend the City, as provided above from all property damage of any kind, whether tangible or intangible, including loss of use resulting from such damage, that occurs in connection with any work performed by Covenant or caused, in whole or in part, by the presence of Covenant or its officials, employees, agents, contractors, subcontractors, or their Improvements in the Encroachment Area. Such indemnification will not extend to damages, claims or demands that are caused by the negligence or intentional misconduct of the City, its appointed officials, its employees, agents, invitees, or contractors.
- 3.2 Covenant agrees that its obligations under this Section 3 extend to any claim, demand and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, Covenant, by mutual negotiation, hereby waives, as respects the City only, any immunity that would otherwise be available against or such claims under the Industrial Insurance provisions of Title 51 of the Revised Code of Washington. In the event the City incurs any judgment, award, and/or cost arising therefrom including reasonable attorney's fees, expenses, and costs shall be recoverable from Covenant.

Section 4. Insurance. Covenant shall maintain in full force and effect throughout the term of this Agreement, or the period of occupancy of the Improvements within the Encroachment Area, whichever is less, the following:

- 4.1 One Million Dollars (\$1,000,000) comprehensive general liability insurance for bodily injury or death to any one person;
- 4.2 Two Million Dollars (\$2,000,000) comprehensive general liability insurance for bodily injury or death resulting from any one accident;
- 4.3 One Million Dollars (\$1,000,000) comprehensive general liability insurance for property damage resulting from any one accident;
- 4.4 The City shall be named as an additional insured on any policy for the purposes of any actions performed under this Agreement; and
- 4.5 The insurance policy shall provide that it may not be canceled or amended without thirty (30) days advance written notice to the City.

DISCUSSION ITEM 7a

Covenant shall provide City with such proof of insurance as City may from time to time request, but no more frequently than semi-annually.

Section 5. Civil Penalties and Additional Relief.

- 5.1 Covenant, and the officers, directors, members, manager and employees of Covenant or any agent, subcontractor or other person acting on behalf of Covenant failing to comply with any of the provisions of this Agreement, following written notice issued by the City and providing a sixty (60) day opportunity to cure shall be subjected to a civil penalty in the manner and to the extent provided for in Chapter 1-14 of the Snohomish Municipal Code.
- 5.2 In addition to any penalty which may be imposed by the City, any person violating or failing to comply with any of the provisions of this Agreement shall be liable for any and all damage to the City property or ROW arising from such violation, including the cost of restoring the affected area to its condition prior to the violation in accordance with this Agreement.
- 5.3 Notwithstanding any other provision herein, after notice as provided in Section 5.1 hereof, the City may seek legal or equitable relief to enjoin any acts or practices and abate any condition which constitutes or will constitute a violation of the applicable provision of this Agreement when civil or criminal penalties are inadequate to effect compliance. In addition to the penalties set forth in this section, violation of any provision of this Agreement may also result in the revocation of any right-of-way use agreement, right-of-way use permit, facilities lease, or other authorization.
- 5.4 Nothing in this Section 5 shall be construed as limiting any remedies that the City may have, at law or in equity, for enforcement of this Agreement.
- 5.5 The City shall have the right to file a lien or liens against Covenant's Property adjacent to the ROW, which lien or liens shall be for, and in the amount of, the City's costs of enforcing or obtaining compliance with the terms of the Agreement from Covenant or Covenant's successor(s) in interest, including but not limited to the cost of removal of the Improvements in the Encroachment Area.

Section 6. Police Powers. Nothing contained herein shall be deemed to affect the City's authority to exercise its police powers. Covenant shall not by this Agreement obtain any vested rights or adverse possession or related rights to use any portion of the ROW or Encroachment Area.

Section 7. Surplus / Vacation. Within one (1) year from the date this Agreement is signed by both City and Covenant, Covenant shall make application to, and use commercially reasonable efforts to, complete the processing of either a surplus property request or street vacation for the Encroachment Area. Upon the Encroachment Area becoming the property of Covenant, notwithstanding any other provision herein for

DISCUSSION ITEM 7a

termination, on the conveyance of the Encroachment Area to Covenant by deed or ordinance, this Agreement shall automatically terminate without further action by the City or Covenant.

E. **Modifications of Terms and Conditions.** The City and Covenant hereby reserve the right to alter, amend or modify the terms and conditions of this Agreement upon written agreement by both parties to such alteration, amendment or modification.

F. **Abandonment or Non-Use of Facilities.** In the event Covenant's Improvements shall be entirely unoccupied and be in a state of disrepair, where the City could take action under the Uniform Code for the Abatement of Dangerous Buildings, or then applicable comparable code, the City may, upon one-hundred eighty (180) days written notice from the City to Covenant, require removal of all such Improvements from the Encroachment Area at Covenant's sole expense. If Covenant fails to remove such Improvements upon proper notice from the City, the City may remove such Improvements, and Covenant shall be responsible for reimbursing the City for the City's cost of removal. Notwithstanding any other provisions of the Agreement, the City may permit Covenant to abandon such Improvements in place. However, no improvements (including the Improvements) of any type may be abandoned in place without the express written consent of the City. The provisions of this Paragraph F shall survive the expiration, revocation, or termination of this Agreement.

G. **Severability.** If any term, provision, condition, or portion of this Agreement shall be held to be invalid or unconstitutional for any reason, the portion declared invalid shall be severable and the remaining portions of this Agreement shall be enforceable unless to do so would be inequitable or would result in a material change in the rights and obligations of the parties hereunder.

H. **Transferability.** The rights and privileges granted to Covenant shall run with the Property and inure to the successors and assigns of Covenant. The provisions of this Agreement shall be binding on Covenant and the City and their successors and assigns. For the purposes of this Agreement and permit, "Covenant" shall mean Snohomish Covenant Group, LLC, a Delaware limited liability company, and Covenant Real Estate, Inc., a California corporation, and each of their successors and assigns.

I. **Effective Date.** This Agreement shall take effect upon execution by both parties to this Agreement.

J. **Miscellaneous.**

Section 1. This Agreement constitutes the entire agreement and understanding between the parties, and supersedes all offers, negotiations and other agreements concerning the subject matter contained herein. Any amendments to this Agreement must be in writing and executed by both parties.

Section 2. If any provision of this Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement or the application of such provisions to persons other than those as to whom it is held invalid or unenforceable, shall not be

DISCUSSION ITEM 7a

affected and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 3. This Agreement shall be binding on and inure to the benefit of the successors and permitted assignees of the respective parties.

Section 4. This Agreement shall be governed by the laws of the State of Washington.

Section 5. In any case where the approval or consent of one party hereto is required, requested or otherwise to be given under this Agreement, such party shall not unreasonably delay, condition, or withhold its approval or consent.

Section 6. All Exhibits annexed hereto form material parts of this Agreement.

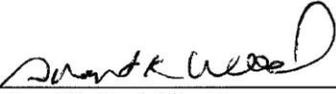
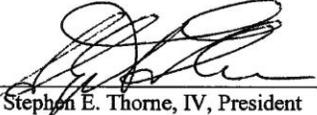
Section 7. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original.

Section 8. In any action relating to a dispute under this Agreement or relating to enforcement of this Agreement, the prevailing party shall be entitled to recover its legal costs and reasonable attorney's fees as determined by the court.

[Signature and acknowledgement pages follow.]

DISCUSSION ITEM 7a

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date(s) set forth below.

Date: <u>Nov. 3</u> , 2014	Date: <u>Oct. 22</u> , 2014
CITY:	COVENANT:
<p>CITY OF SNOHOMISH, a Washington municipal corporation</p> <p>By:  Larry Bauman, City Manager</p> <p>Approved as to form.</p> <p>By:  Grant K. Weed, City Attorney</p>	<p>SNOHOMISH COVENANT GROUP, LLC, a Delaware limited liability company, a tenant in common</p> <p>By: Covenant RE Management, Inc., a California corporation, Its Managing Member</p> <p>By:  Stephen E. Thorne, IV, President</p> <p>COVENANT REAL ESTATE, INC., a California corporation, a tenant in common</p> <p>By:  Stephen E. Thorne, IV, President</p>

DISCUSSION ITEM 7a

State of California)

County of Orange)

On OCTOBER 22, 2014 before me, KIMBERLY M. TAYLOR, NOTARY PUBLIC (insert name and title of the officer) personally appeared STEPHEN E. THORNE, IV who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]

(Seal)



State of California)

County of Orange)

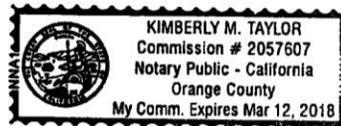
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I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]

(Seal)



DISCUSSION ITEM 7a

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

LOT B OF CITY OF SNOHOMISH BOUNDARY LINE ADJUSTMENT 98-5 RECORDED UNDER AUDITOR'S FILE NUMBER 9807280148, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PART OF LOT 8 OF LAKE ADDITION TO SNOHOMISH, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 5 OF PLATS, PAGE 10, RECORDS OF SNOHOMISH COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF THE SOUTH 264.00 FEET OF SAID LOT 8 WITH A LINE 60.00 FEET DISTANT EASTERLY, AS MEASURED AT RIGHT ANGLES FROM THE CENTERLINE OF STATE HIGHWAY 15;

THENCE NORTH 89°57'32" EAST ALONG SAID NORTH LINE 51.01 FEET TO A POINT 111.01 FEET EASTERLY OF SAID CENTERLINE;

THENCE SOUTH 00°04'19" WEST PARALLEL WITH THE EAST LINE OF SAID LOT 8 A DISTANCE OF 114.00 FEET TO THE NORTH LINE OF THE SOUTH 150.00 FEET THEREOF;

THENCE NORTH 89°57'32" EAST ALONG SAID NORTH LINE 28.96 FEET TO THE EAST LINE OF SAID LOT 8;

THENCE SOUTH 00°04'19" WEST 150.00 FEET TO THE SOUTHEAST CORNER THEREOF;

THENCE SOUTH 89°57'32" WEST ALONG SAID SOUTH LINE 92.87 FEET TO A POINT 60.00 FEET DISTANT EASTERLY, AS MEASURED AT RIGHT ANGLES FROM THE CENTERLINE OF STATE HIGHWAY 15;

THENCE NORTH 02°52'05" EAST PARALLEL WITH SAID CENTERLINE 264.34 FEET TO THE POINT OF BEGINNING;

TOGETHER WITH THAT PORTION OF AVENUE "D" VACATED BY CITY OF SNOHOMISH ORDINANCE NO. 1474 RECORDED UNDER AUDITOR'S FILE NUMBER 8304280324, BEING A RE-RECORDING OF 8304050216;

EXCEPTING THEREFROM THAT PORTION CONVEYED TO SNOHOMISH COUNTY BY DEED RECORDED UNDER AUDITOR'S FILE NUMBER 239669;

AND EXCEPTING THEREFROM ANY PORTION LYING WITHIN 10TH STREET.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

DISCUSSION ITEM 7a

EXHIBIT "B"

LEGAL DESCRIPTION OF THE ENCROACHMENT AREA

THAT PORTION OF LOT 8 OF LAKE ADDITION TO SNOHOMISH, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 5 OF PLATS, PAGE 10, RECORDS OF SNOHOMISH COUNTY, WASHINGTON BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 8;

THENCE NORTH 0°21'14" EAST 16.92 FEET TO THE **POINT OF BEGINNING**;

THENCE SOUTH 79°40'09" WEST 92.13 FEET;

THENCE NORTH 89°44'48" WEST 3.04 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT WHOSE RADIAL POINT BEARS SOUTH 32°46'14" EAST A DISTANCE OF 221.00 FEET;

THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 4°28'36", A DISTANCE OF 17.27 FEET;

THENCE NORTH 61°42'22" EAST 25.40 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT WHOSE RADIAL POINT BEARS SOUTH 28°17'38" EAST A DISTANCE OF 316.50 FEET;

THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 10°00'00", A DISTANCE OF 55.24 FEET;

THENCE SOUTH 18°17'38" EAST 18.55 FEET;

THENCE SOUTH 00°21'14" WEST 8.51 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINING 1,498 SQUARE FEET OR 0.03 ACRES, MORE OR LESS.

SUBJECT TO EASEMENTS, RESTRICTIONS, RESERVATIONS AND CONDITIONS OF RECORD.

B-1

DISCUSSION ITEM 7a

EXHIBIT "C"

GRAPHIC DEPICTION OF THE ENCROACHMENT AREA

[See attached.]

DISCUSSION ITEM 7a

ATTACHMENT C

ELECTRONICALLY RECORDED
201411140655 14
11/14/2014 03:08 PM 85.00
SNOHOMISH COUNTY, WASHINGTON

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RIGHT-OF-WAY USE AGREEMENT AND PERMIT**

THIS CITY OF SNOHOMISH RIGHT-OF-WAY USE AGREEMENT AND PERMIT ("Agreement") is made by CITY OF SNOHOMISH, a Washington municipal corporation ("City"), on the one hand, and SNOHOMISH COVENANT GROUP, LLC, a Delaware limited liability company, a tenant in common ("SCG"), and COVENANT REAL ESTATE, INC., a California corporation, a tenant in common ("CREI", and together with SCG, collectively, "Covenant"), on the other hand, with reference to the following facts:

WHEREAS, Covenant is the fee simple owner of the real estate situated in the City of Snohomish, County of Snohomish, State of Washington, and legally described on Exhibit "A" attached hereto and by this reference incorporated herein ("Property");

WHEREAS, Covenant is the owner of existing improvements ("Improvements") that were constructed on the Property and encroach into the City's 10th Street right-of-way ("ROW") adjoining the Property;

WHEREAS, Covenant contends that the Encroachment Area is caused by an error in a 1918 Deed, Snohomish County Auditor's File No. 239669;

WHEREAS, the area of the ROW on which the Improvements encroach ("Encroachment Area") is legally described on Exhibit "B" attached hereto and by this reference incorporated herein, and graphically depicted on Exhibit "C" attached hereto and by this reference incorporated herein; and

WHEREAS, Covenant and the City desire to enter into an agreement and permit Covenant's Improvements to occupy, encroach upon and use the Encroachment Area,

NOW THEREFORE, in consideration of \$10 00 in hand paid by Covenant to the City, and other good and valuable consideration and the mutual promises set forth herein, the sufficiency of which are hereby acknowledged, the City permits Covenant to use the Encroachment Area, and Covenant and the City agree, as follows:

A. Encroachment Permit; Maintenance and Repair. Covenant is authorized and permitted to occupy, encroach upon and use the Encroachment Area for the Improvements as depicted on Exhibit "C", subject to the terms and conditions herein, including the general conditions stated below. Covenant may maintain and repair the Improvements, but may not expand or replace the Improvements into the ROW beyond the Encroachment Area.

If maintenance or repair of the Improvements within the Encroachment Area shall require building or related permits and authorizations, then the same shall be obtained in accordance with the provisions of the Snohomish Municipal Code.

DISCUSSION ITEM 7a

B. **Damage or Destruction; Condemnation; Vacation.** This Agreement shall be in effect indefinitely, but shall be terminated if fifty percent (50%) of the building on the Property as measured on a square footage basis, including the portion in the Encroachment Area, is substantially damaged or destroyed. In that event, Covenant shall remove the encroaching Improvements from the Encroachment Area in the repair and reconstruction of the building. Covenant shall claim no ownership of the Encroachment Area, and shall make no claim in a condemnation or inverse condemnation action for compensation for the Encroachment Area or for the rights conferred by this Agreement; provided, however, that nothing shall prevent Covenant from processing a vacation of or a request to surplus the Encroachment Area in accordance with the City's vacation/ surplus property requirements and applicable codes.

C. **Breach of Agreement and Remedies.** This Agreement may be terminated by the City if Covenant breaches this Agreement and fails to cure the default within one-hundred eighty (180) days following notice from City in writing of such default. In the event of termination of this Agreement, the City may require Covenant to remove Improvements from the Encroachment Area.

D. **General Conditions.** The General Conditions referenced in Paragraph A are as follows:

Section 1. Maintenance. Covenant shall maintain the Improvements in the Encroachment Area in good condition and repair.

Section 2. Repairs. If the City requires reasonable repairs to be made to the Improvements, Covenant shall make such repairs in a timely manner at no cost to the City unless the repairs were necessitated by damage caused by the City in which event the City shall be responsible for the cost of any such repairs.

Covenant shall have the right to propose alternatives to such repairs and to make any arrangements it may deem appropriate to accomplish such repairs or such alternatives that may be approved by the City, which approval will not be unreasonably withheld, conditioned or delayed.

In the event Covenant fails to make such repairs in a timely manner, City, after prior written notice to Covenant, may make the repairs, in which event Covenant shall reimburse City for all of City's actual and reasonable costs and expenses incurred in making the repairs. The period for such notice shall be ninety (90) days, or such lesser period as may be reasonably necessary in the event the condition to be remedied presents a hazard to the public. If Covenant fails to reimburse the City within fifteen (15) days after tender of an invoice for City's repair expenses, the invoice amount shall bear interest at the rate of 12% per annum from the invoice date until paid and shall constitute a lien against Covenant's Property described above, which lien may be enforced in the manner for enforcement of other real property liens, including foreclosure. If litigation is required to collect the delinquent invoice amount, or to foreclose the lien, Covenant shall be liable for all costs, disbursements and reasonable attorney's fees incurred therein.

DISCUSSION ITEM 7a

Section 3. Hold Harmless and Indemnity.

- 3.1 Covenant shall indemnify, save harmless and defend the City, its elected and appointed officials, employees, and agents (including reimbursing the City for all costs and reasonable attorney's fees) from any and all damages, claims, or demands, of any kind, on account of injury to or death of any and all persons, caused by Covenant's use of the Encroachment Area, including, but not limited to, Covenant, its agents, employees, subcontractors and their successors and assigns as well as the City or the City's employees, elected and appointed officials and against contractors and all third parties. Covenant shall further indemnify, save harmless and defend the City, as provided above from all property damage of any kind, whether tangible or intangible, including loss of use resulting from such damage, that occurs in connection with any work performed by Covenant or caused, in whole or in part, by the presence of Covenant or its officials, employees, agents, contractors, subcontractors, or their Improvements in the Encroachment Area. Such indemnification will not extend to damages, claims or demands that are caused by the negligence or intentional misconduct of the City, its appointed officials, its employees, agents, invitees, or contractors.
- 3.2 Covenant agrees that its obligations under this Section 3 extend to any claim, demand and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, Covenant, by mutual negotiation, hereby waives, as respects the City only, any immunity that would otherwise be available against or such claims under the Industrial Insurance provisions of Title 51 of the Revised Code of Washington. In the event the City incurs any judgment, award, and/or cost arising therefrom including reasonable attorney's fees, expenses, and costs shall be recoverable from Covenant.

Section 4. Insurance. Covenant shall maintain in full force and effect throughout the term of this Agreement, or the period of occupancy of the Improvements within the Encroachment Area, whichever is less, the following:

- 4.1 One Million Dollars (\$1,000,000) comprehensive general liability insurance for bodily injury or death to any one person;
- 4.2 Two Million Dollars (\$2,000,000) comprehensive general liability insurance for bodily injury or death resulting from any one accident;
- 4.3 One Million Dollars (\$1,000,000) comprehensive general liability insurance for property damage resulting from any one accident;
- 4.4 The City shall be named as an additional insured on any policy for the purposes of any actions performed under this Agreement; and
- 4.5 The insurance policy shall provide that it may not be canceled or amended without thirty (30) days advance written notice to the City.

DISCUSSION ITEM 7a

Covenant shall provide City with such proof of insurance as City may from time to time request, but no more frequently than semi-annually.

Section 5. Civil Penalties and Additional Relief.

- 5.1 Covenant, and the officers, directors, members, manager and employees of Covenant or any agent, subcontractor or other person acting on behalf of Covenant failing to comply with any of the provisions of this Agreement, following written notice issued by the City and providing a sixty (60) day opportunity to cure shall be subjected to a civil penalty in the manner and to the extent provided for in Chapter 1-14 of the Snohomish Municipal Code.
- 5.2 In addition to any penalty which may be imposed by the City, any person violating or failing to comply with any of the provisions of this Agreement shall be liable for any and all damage to the City property or ROW arising from such violation, including the cost of restoring the affected area to its condition prior to the violation in accordance with this Agreement.
- 5.3 Notwithstanding any other provision herein, after notice as provided in Section 5.1 hereof, the City may seek legal or equitable relief to enjoin any acts or practices and abate any condition which constitutes or will constitute a violation of the applicable provision of this Agreement when civil or criminal penalties are inadequate to effect compliance. In addition to the penalties set forth in this section, violation of any provision of this Agreement may also result in the revocation of any right-of-way use agreement, right-of-way use permit, facilities lease, or other authorization.
- 5.4 Nothing in this Section 5 shall be construed as limiting any remedies that the City may have, at law or in equity, for enforcement of this Agreement.
- 5.5 The City shall have the right to file a lien or liens against Covenant's Property adjacent to the ROW, which lien or liens shall be for, and in the amount of, the City's costs of enforcing or obtaining compliance with the terms of the Agreement from Covenant or Covenant's successor(s) in interest, including but not limited to the cost of removal of the Improvements in the Encroachment Area.

Section 6. Police Powers. Nothing contained herein shall be deemed to affect the City's authority to exercise its police powers. Covenant shall not by this Agreement obtain any vested rights or adverse possession or related rights to use any portion of the ROW or Encroachment Area.

Section 7. Surplus / Vacation. Within one (1) year from the date this Agreement is signed by both City and Covenant, Covenant shall make application to, and use commercially reasonable efforts to, complete the processing of either a surplus property request or street vacation for the Encroachment Area. Upon the Encroachment Area becoming the property of Covenant, notwithstanding any other provision herein for

DISCUSSION ITEM 7a

termination, on the conveyance of the Encroachment Area to Covenant by deed or ordinance, this Agreement shall automatically terminate without further action by the City or Covenant.

E. **Modifications of Terms and Conditions.** The City and Covenant hereby reserve the right to alter, amend or modify the terms and conditions of this Agreement upon written agreement by both parties to such alteration, amendment or modification.

F. **Abandonment or Non-Use of Facilities.** In the event Covenant's Improvements shall be entirely unoccupied and be in a state of disrepair, where the City could take action under the Uniform Code for the Abatement of Dangerous Buildings, or then applicable comparable code, the City may, upon one-hundred eighty (180) days written notice from the City to Covenant, require removal of all such Improvements from the Encroachment Area at Covenant's sole expense. If Covenant fails to remove such Improvements upon proper notice from the City, the City may remove such Improvements, and Covenant shall be responsible for reimbursing the City for the City's cost of removal. Notwithstanding any other provisions of the Agreement, the City may permit Covenant to abandon such Improvements in place. However, no improvements (including the Improvements) of any type may be abandoned in place without the express written consent of the City. The provisions of this Paragraph F shall survive the expiration, revocation, or termination of this Agreement.

G. **Severability.** If any term, provision, condition, or portion of this Agreement shall be held to be invalid or unconstitutional for any reason, the portion declared invalid shall be severable and the remaining portions of this Agreement shall be enforceable unless to do so would be inequitable or would result in a material change in the rights and obligations of the parties hereunder.

H. **Transferability.** The rights and privileges granted to Covenant shall run with the Property and inure to the successors and assigns of Covenant. The provisions of this Agreement shall be binding on Covenant and the City and their successors and assigns. For the purposes of this Agreement and permit, "Covenant" shall mean Snohomish Covenant Group, LLC, a Delaware limited liability company, and Covenant Real Estate, Inc., a California corporation, and each of their successors and assigns.

I. **Effective Date.** This Agreement shall take effect upon execution by both parties to this Agreement.

J. **Miscellaneous.**

Section 1. This Agreement constitutes the entire agreement and understanding between the parties, and supersedes all offers, negotiations and other agreements concerning the subject matter contained herein. Any amendments to this Agreement must be in writing and executed by both parties.

Section 2. If any provision of this Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement or the application of such provisions to persons other than those as to whom it is held invalid or unenforceable, shall not be

DISCUSSION ITEM 7a

affected and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 3. This Agreement shall be binding on and inure to the benefit of the successors and permitted assignees of the respective parties.

Section 4. This Agreement shall be governed by the laws of the State of Washington.

Section 5. In any case where the approval or consent of one party hereto is required, requested or otherwise to be given under this Agreement, such party shall not unreasonably delay, condition, or withhold its approval or consent.

Section 6. All Exhibits annexed hereto form material parts of this Agreement.

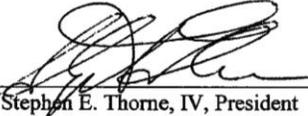
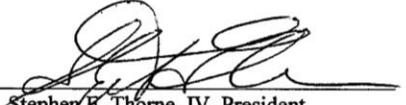
Section 7. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original.

Section 8. In any action relating to a dispute under this Agreement or relating to enforcement of this Agreement, the prevailing party shall be entitled to recover its legal costs and reasonable attorney's fees as determined by the court.

[Signature and acknowledgement pages follow.]

DISCUSSION ITEM 7a

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date(s) set forth below.

Date: <u>Nov. 3</u> , 2014	Date: <u>Oct. 22</u> , 2014
CITY:	COVENANT:
<p>CITY OF SNOHOMISH, a Washington municipal corporation</p> <p>By:  Larry Bauman, City Manager</p> <p>Approved as to form.</p> <p>By:  Grant K. Weed, City Attorney</p>	<p>SNOHOMISH COVENANT GROUP, LLC, a Delaware limited liability company, a tenant in common</p> <p>By: Covenant RE Management, Inc., a California corporation, Its Managing Member</p> <p>By:  Stephen E. Thorne, IV, President</p> <p>COVENANT REAL ESTATE, INC., a California corporation, a tenant in common</p> <p>By:  Stephen E. Thorne, IV, President</p>

DISCUSSION ITEM 7a

State of California)

County of Orange)

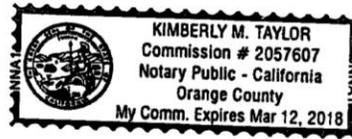
On OCTOBER 22, 2014 before me, KIMBERLY M. TAYLOR, NOTARY PUBLIC (insert name and title of the officer) personally appeared STEPHEN E. THORNE, IV who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]

(Seal)



State of California)

County of Orange)

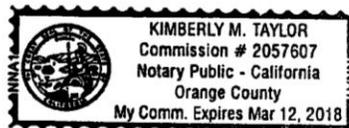
On OCTOBER 22, 2014 before me, KIMBERLY M. TAYLOR, NOTARY PUBLIC (insert name and title of the officer) personally appeared STEPHEN E. THORNE, IV who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]

(Seal)



DISCUSSION ITEM 7a

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

LOT B OF CITY OF SNOHOMISH BOUNDARY LINE ADJUSTMENT 98-5 RECORDED UNDER AUDITOR'S FILE NUMBER 9807280148, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PART OF LOT 8 OF LAKE ADDITION TO SNOHOMISH, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 5 OF PLATS, PAGE 10, RECORDS OF SNOHOMISH COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF THE SOUTH 264.00 FEET OF SAID LOT 8 WITH A LINE 60.00 FEET DISTANT EASTERLY, AS MEASURED AT RIGHT ANGLES FROM THE CENTERLINE OF STATE HIGHWAY 15;

THENCE NORTH 89°57'32" EAST ALONG SAID NORTH LINE 51.01 FEET TO A POINT 111.01 FEET EASTERLY OF SAID CENTERLINE;

THENCE SOUTH 00°04'19" WEST PARALLEL WITH THE EAST LINE OF SAID LOT 8 A DISTANCE OF 114.00 FEET TO THE NORTH LINE OF THE SOUTH 150.00 FEET THEREOF;

THENCE NORTH 89°57'32" EAST ALONG SAID NORTH LINE 28.96 FEET TO THE EAST LINE OF SAID LOT 8;

THENCE SOUTH 00°04'19" WEST 150.00 FEET TO THE SOUTHEAST CORNER THEREOF;

THENCE SOUTH 89°57'32" WEST ALONG SAID SOUTH LINE 92.87 FEET TO A POINT 60.00 FEET DISTANT EASTERLY, AS MEASURED AT RIGHT ANGLES FROM THE CENTERLINE OF STATE HIGHWAY 15;

THENCE NORTH 02°52'05" EAST PARALLEL WITH SAID CENTERLINE 264.34 FEET TO THE POINT OF BEGINNING;

TOGETHER WITH THAT PORTION OF AVENUE "D" VACATED BY CITY OF SNOHOMISH ORDINANCE NO. 1474 RECORDED UNDER AUDITOR'S FILE NUMBER 8304280324, BEING A RE-RECORDING OF 8304050216;

EXCEPTING THEREFROM THAT PORTION CONVEYED TO SNOHOMISH COUNTY BY DEED RECORDED UNDER AUDITOR'S FILE NUMBER 239669;

AND EXCEPTING THEREFROM ANY PORTION LYING WITHIN 10TH STREET.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

A-1

DISCUSSION ITEM 7a

EXHIBIT "B"

LEGAL DESCRIPTION OF THE ENCROACHMENT AREA

THAT PORTION OF LOT 8 OF LAKE ADDITION TO SNOHOMISH, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 5 OF PLATS, PAGE 10, RECORDS OF SNOHOMISH COUNTY, WASHINGTON BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 8;

THENCE NORTH 0°21'14" EAST 16.92 FEET TO THE **POINT OF BEGINNING**;

THENCE SOUTH 79°40'09" WEST 92.13 FEET;

THENCE NORTH 89°44'48" WEST 3.04 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT WHOSE RADIAL POINT BEARS SOUTH 32°46'14" EAST A DISTANCE OF 221.00 FEET;

THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 4°28'36", A DISTANCE OF 17.27 FEET;

THENCE NORTH 61°42'22" EAST 25.40 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT WHOSE RADIAL POINT BEARS SOUTH 28°17'38" EAST A DISTANCE OF 316.50 FEET;

THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 10°00'00", A DISTANCE OF 55.24 FEET;

THENCE SOUTH 18°17'38" EAST 18.55 FEET;

THENCE SOUTH 00°21'14" WEST 8.51 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINING 1,498 SQUARE FEET OR 0.03 ACRES, MORE OR LESS.

SUBJECT TO EASEMENTS, RESTRICTIONS, RESERVATIONS AND CONDITIONS OF RECORD.

B-1

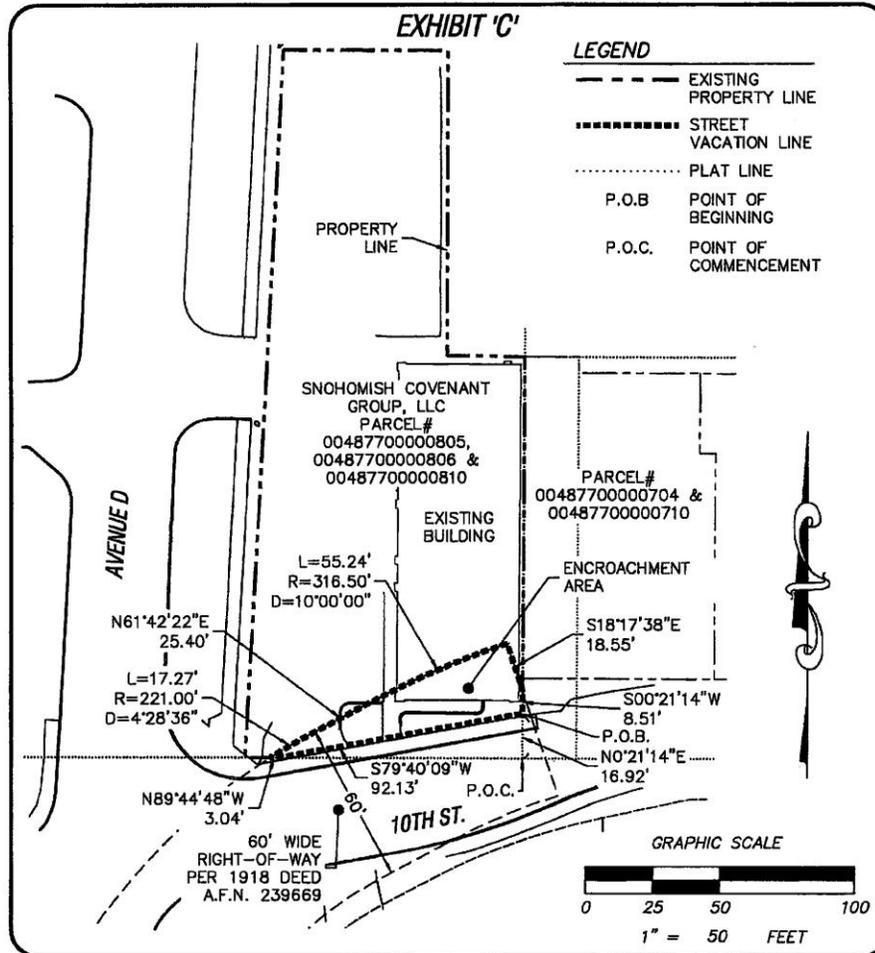
DISCUSSION ITEM 7a

EXHIBIT "C"

GRAPHIC DEPICTION OF THE ENCROACHMENT AREA

[See attached.]

DISCUSSION ITEM 7a



DATE: 10-24-14
 DRAWN: EH
 DESIGNED:
 CHECKED: DO
 PROJ. NO.: R301842.01
 SHEET: 1 OF 1



HUITT-ZOLLARS
 1102 Broadway, Suite 300
 Tacoma, Washington 98402
 Phone (253) 627-9131 Fax (253) 627-4730

GRANTOR: CITY OF SNOHOMISH (CITY)
 GRANTEE: SNOHOMISH COVENANT GROUP, LLC
 CITY OF SNOHOMISH, SNOHOMISH COUNTY,
 WASHINGTON

DISCUSSION ITEM 7b

Date: June 21, 2016
To: City Council
From: Brooke Eidem, Associate Planner
Subject: **Community-Based Theaters**

INTRODUCTION

This agenda item provides for the City Council's discussion of proposed amendments to Title 14 SMC addressing *community-based theaters*. The proposed amendments would identify community-based theaters as a separate land use to allow limited adaptive re-use of historic, non-residential structures in the Single Family zone. Under the draft language included as Attachment A, the regulations would have limited applicability.

This item has been discussed by the Planning Commission and was recommended for approval following a public hearing on June 1, 2016. The Planning Commission's findings of fact and conclusions are provided as Attachment B. Planning and Development Services is recommending that the Council move this item forward for a public hearing on July 19, 2016.

BACKGROUND

There are currently a number of nonconforming uses in the Single Family designated portion of the Historic District. According to the Comprehensive Plan Goal LU4, the Single Family designation is intended to provide "quietness, privacy, safety, and land use stability and compatibility". Implementation of this policy direction generally limits the range of allowed land uses to residential uses and certain limited, low-intensity commercial, social, utility, and civic uses. Non-residential uses include bed and breakfast uses, family childcare, religious facilities, commercial kennels, nursing/convalescent homes, congregate care/assisted living facilities, schools, fire stations, public parks, trails, libraries, and museums. This list includes both permitted and conditional uses.

The purpose of the proposed amendments is to establish a mechanism for certain nonconforming uses in the Single Family designation, such as the Thumbnail Theater at 1211 Fourth Street, to achieve conformity with the land use code. The Thumbnail Theater was initially established as accessory to a church use. It has existed as a nonconforming use with no vesting protections since the theater became the principal use of the structure in 2007. The building is 86 years old, and not particularly adaptable for use as a single family home or other conforming use in the Single Family zone. Further, it is staff's perception that the Thumbnail Theater is largely viewed as a community asset. However, the nonconforming use status is a significant issue.

The Planning Commission held a public hearing on June 1, 2016, to discuss the proposed amendments. Two members of the public gave testimony. One was a neighbor of the Thumbnail Theater who pointed out the economic benefits of such a use, as many patrons visit local restaurants following shows. The other commenter is a volunteer at the Thumbnail Theater and talked about the theater's inclusiveness, and the community benefits it provides.

DISCUSSION ITEM 7b

PROPOSAL

Draft language for Chapters 14.100, 14.207, and 14.235 SMC is provided in Attachment A. Consistent with the intent to encourage preservation of historic structures, the proposed regulations would limit the use to the Historic District. The proposed definition would require such facilities to be owned and operated by a non-profit organization. The use would be listed as a conditional use only for the Single Family designation. In addition to the conditional use criteria of SMC 14.65.020, proposed conditions would restrict the use to a maximum floor area of 4,000 square feet to maintain a single family scale, and location within the Historic District and on a collector arterial or minor arterial.

The Recreational/Cultural Land Use Table in SMC 14.207.130 currently has two theater listings: *Plays/theatrical production* and *Theater*. Neither use is defined in the code, although staff interprets the *Theater* use to mean movie houses. Staff proposes to collapse Plays/theatrical production and Theater into one *Theater* listing, and add a definition for *Theater* to Chapter 14.100 SMC. A separate definition for *community-based theater* is also proposed.

Historic District sites eligible for the new use will be limited, in large part, to properties where adequate parking exists or where the prior use had an equal or larger parking requirement than the community-based theater use. Parking standards would be the same as the current requirement of one stall per every four seats listed for *Theater, Plays* in SMC 14.235.230. Staff proposes to revise this Land Use type to *Theaters* to encompass all theater uses.

STRATEGIC PLAN REFERENCE: Initiative #6: Cultivate local businesses and promote the City as a great place to do business; Action Strategy 6.c: Facilitate growth and the enhancement of community character by establishing plans and ordinances that support businesses and residents in key opportunity districts; and Action Strategy 6.d: Attract new residents and businesses by promoting Snohomish's quality of life and supportive business climate.

RECOMMENDATION: That the City Council DIRECT staff to make any Council requested changes to the draft codes and to schedule a public hearing on the Community Based Theater regulations on July 19, 2016.

ATTACHMENTS:

- A. Draft code sections from Chapters 14.100, 14.207, 14.235 SMC
- B. Planning Commission Findings and Conclusions
- C. Map of potential locations for community-based theaters
- D. Analysis of site characteristics for eligible locations

DISCUSSION ITEM 7b

ATTACHMENT A

Draft code sections from Chapters 14.100, 14.207, 14.235 SMC

Chapter 14.100

DEFINITIONS

(...)

Community-based theater means a land use where musical and dramatic performances are staged for public audiences. The term includes only those facilities owned and operated by a non-profit organization. Accessory uses may include arts education, assembly uses, ticket sales, and concessions.

(...)

Theater means an establishment primarily engaged in the indoor exhibition of motion pictures or of live theatrical presentations.

(...)

14.207.130 Recreational/Cultural Land Use Table.

DISCUSSION ITEM 7b

Land Use	Open Space	Public Park	Urban Horticulture	Single Family Residential	Low Density Residential	Medium Density Residential	High Density Residential	Commercial	Neighborhood Business	Historic Business District	Business Park	Industrial	Airport Industry	Mixed Use
Parks and Recreation														
Campgrounds	p	p												
Community stables		c	c											
Destination resorts		p						p		p			p	
Marina		p	c					p		p				
Public park	p	p	p	p	p	p	p	p		p	p	p	p	p
Public trails	p	p	p	p	p	p	p	p		p	p	p	p	p
Recreational center		p						p			p			
Recreational vehicle park		c						p2						
Amusement/Entertainment														
Amusement arcades								p		p	p	p		p
Bowling center								p			p			
Golf driving range		c											c	
Golf facility		c						p						
((Plays/theatrical production)) Community-based theater		((p))		c8				((p))		((p))	((p))			((p))
Shoot range												c6		
Sports club		p						p		p	p	p		p
Theater		p						p		p	p			
Cultural														
Arboretum		p7		p	p	p	p	p		p	p	p	p	p
Conference center		p7						p		p	p	p	p	p
Library		p7		c	c	c	c	p		p				p
Museum		p7		c	c	c	c	p		p	p	p		p

14.207.135 Recreational/Cultural Land Uses: Regulations.

(. . .)

8. The following conditions and limitations shall apply to community-based theaters:

- a. The floor area of the facility is limited to 4,000 square feet.
- b. The facility shall be located within the Historic District.
- c. The site shall have direct access to a street designated as a collector arterial or minor arterial.

DISCUSSION ITEM 7b

14.235.230 Parking for Recreational/Cultural Land Uses.			
	Land Use	Parking Requirement	Supplemental Requirements
Parks and Recreation			
	Park	To be determined based on use	
	Trails	To be determined based on use	
	Campgrounds	1 space per camp site	
	Community stables	1 space per horse if at maximum capacity	
	Destination resorts	1 space per 200 gsf	
	Recreational vehicle park	1 stall per space	
Amusement/Entertainment			
	Theater(, Plays))	1 space per every 4 seats	
	Bowling center	1 space per maximum design capacity for use	1 space per 200 sf of gfa not incl. in calculation
	Sports club	1 space per 200 sf enclosed gfa	plus 1 space for every 3 persons at maximum capacity use
	Golf facility	1 space per 300 sf of area	1 space per 200 sf of enclosed gfa
	Golf driving range	1 space per tee	1 space per 200 sf of enclosed gfa
	Shooting range (indoor)	1 space per 400 enclosed gsf	
	Amusement arcades	1 space per 200 sf gfa	
Cultural			
	Library, Museum	1 space per 300 sf of gfa	
	Arboretum	to be determined	
	Conference center	1 space per 200 gfa	

DISCUSSION ITEM 7b

ATTACHMENT B

Planning Commission

Findings of Fact and Conclusions for Community-Based Theaters

A. Findings of Fact

1. The City of Snohomish Planning Commission held a discussion on March 2, 2016 and a briefing on May 4, 2016, concerning the proposed amendments.
2. The Planning Commission held a public hearing on June 1, 2016, to receive public testimony concerning the proposed amendments.
3. At the conclusion of the public hearing, the Planning Commission voted 6-0 to approve the proposed amendments.
4. The proposed amendments will accommodate a new land use for community-based theaters in existing structures in the single family zone of the Historic District as a conditional use, subject to a separate, site-specific permitting process.
5. The proposed amendments to Title 14 SMC will:
 - a. Amend Chapter 14.100 SMC (Definitions) to add definitions for community-based theaters and theaters.
 - b. Amend SMC 14.207.130 (Recreational/Cultural Land Use Table) to clarify that community-based theaters are conditionally approved in the Single Family land use designation.
 - c. Amend SMC 14.207.135 (Recreational/Cultural Land Uses: Regulations) to impose conditions including: 1) a 4,000 square foot maximum floor area; 2) that the building must be located in the Historic District; and 3) that the site must have direct access to an arterial.
 - d. Amend SMC 14.235.230 (Parking for Recreational/Cultural Land Uses) to remove “plays” from the Theater listing, to clarify that the parking standard applies to all theater uses.
6. The proposed amendments implement GMA planning goal 13 related to historic preservation, “(13) Historic preservation. Identify and encourage the preservation of lands, sites, and structures, that have historical or archaeological significance.”
7. The proposed amendments implement the following goals and policies contained in the Snohomish Comprehensive Plan:
 - a. Goal LU 2: Manage growth and community change in accordance with the values and vision of the Snohomish community of residents, land owners, and business people, and consistent with the Growth Management Act.

DISCUSSION ITEM 7b

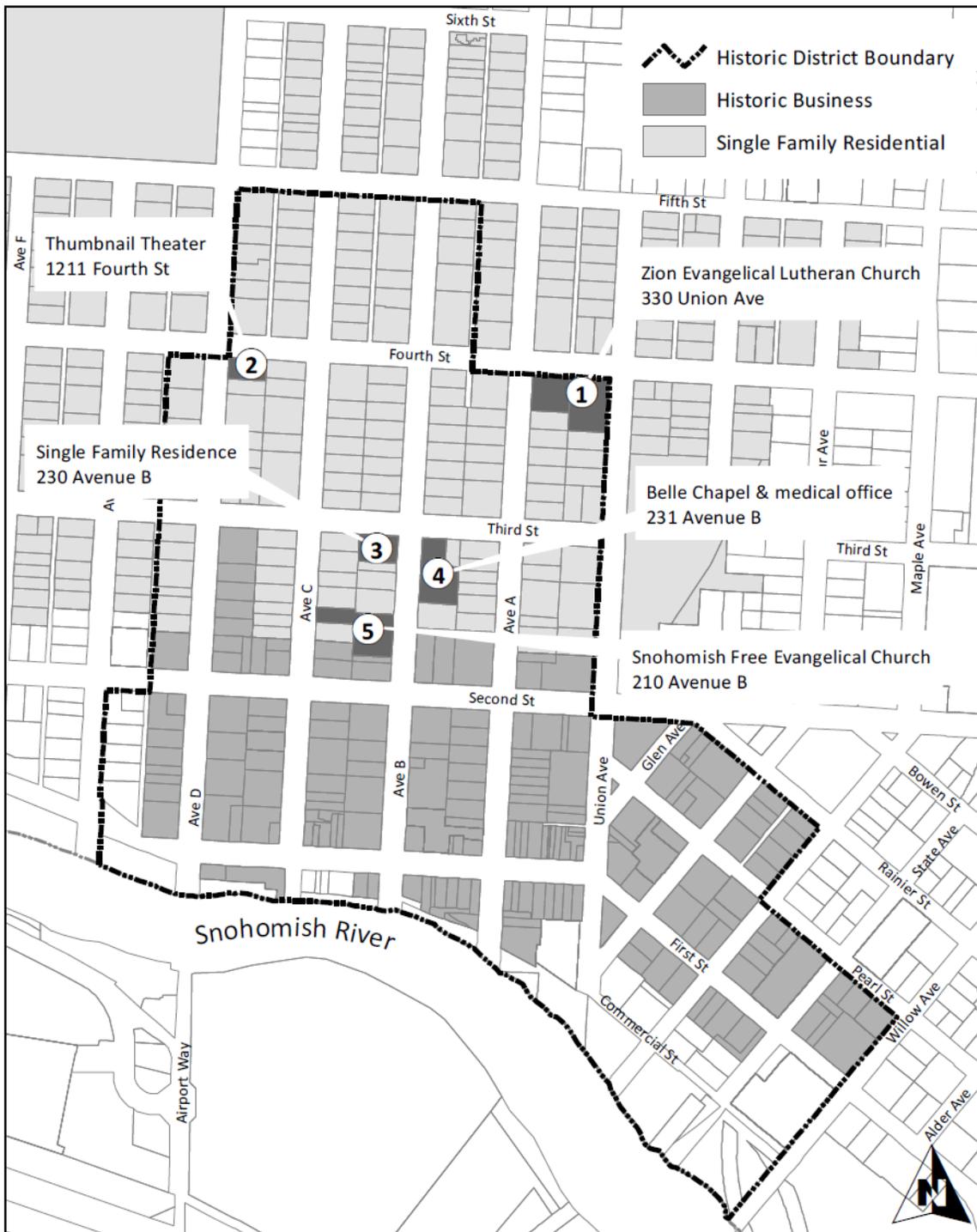
- b. Policy LU 2.1: Innovative zoning. Utilize innovative zoning models to increase density and achieve other policy goals where it will not adversely affect the character of existing neighborhoods.
 - c. Policy SF 4.4: Neighborhood character. The predominant character of Single Family designations should be a detached single-family neighborhood. Non-residential uses, where permitted, should be designed to maintain and continue the residential character.
 - d. Goal ED 3: Foster a high quality of life in the city to attract and retain economic activity.
 - e. Policy ED 3.5: Historic Resources. Preserve and promote historic resources of the city and continue the community character as new development occurs.
8. Procedural requirements.
- a. The proposed amendments are consistent with state law.
 - b. Pursuant to RCW 36.70A.106(1), a notice of intent to adopt the proposed amendments was transmitted to the Washington State Department of Commerce for distribution to state agencies on April 27, 2016.
 - c. Pursuant to WAC 197-11-800(19)(b), the proposal is exempt from State Environmental Policy Act (SEPA) review.
 - d. The public process used in the adoption of the proposed amendments has complied with all applicable requirements of the GMA and the SMC.

B. Conclusions

- 1. The proposed amendments provide a mechanism for adaptive reuse of historic structures in the Single Family zone.
- 2. The proposed amendments are consistent with Washington State law and the SMC.
- 3. The proposed amendments implement and are consistent with the goals and policies of the Comprehensive Plan.
- 4. The project is exempt from SEPA requirements.

ATTACHMENT C

Map of potential locations for community-based theaters



Potential Sites for Community-Based Theaters

DISCUSSION ITEM 7b

ATTACHMENT D

Analysis of site characteristics for eligible locations

Map #	Address	Size (acres)	Former use	Present use	Parking	Floor Area	Year built	Arterial location
1	330 Union Ave	0.88	church	Zion Lutheran Church	32	12,562 (chapel); 14,900 (annex)	1922; 1960	no
2	1211 Fourth St	0.21	church	Thumbnail Theater	1	3,698	1930	yes
3	230 Avenue B	0.26	church	Single Family Residence	3	4,368 (chapel) 3,212 (rectory)	1890	no
4	231 Avenue B	0.53	church	Belle Chapel; Compass Health	30	2,752 (Chapel); 4,856 (office)	1900; 1967	no
5	210 Avenue B	0.56	church	Snohomish Evangelical Free Church	30	5,700 (chapel); 2,912 (annex)	1956	no

DISCUSSION ITEM 7b

DISCUSSION ITEM 7c

Date: June 21, 2016
To: Snohomish City Council
From: Clay White, Interim Planning Director
Subject: **Deferral of Impact Fee regulations**

INTRODUCTION

This agenda item provides for the City Council discussion on proposed amendments to 14.290 (School Impact Fees), 14.295 (Traffic Impact Fees) and 14.300 (Park Impact Fees) regarding the optional deferral of school, traffic, and park impact fees for single-family attached and detached residential construction. Staff is recommending the City Council direct staff to make any Council requested changes to the draft codes and to schedule a public hearing on the deferral on impact fee regulations for July 19, 2016.

BACKGROUND

RCW 82.02 provides the statutory authority for the collection of impact fees. The collection of impact fees is optional for Growth Management Act counties, cities, and towns but many use this option as a way to offset the impacts of new development. RCW 82.02.050 describes the purpose for impact fee collection. It states:

- (1) It is the intent of the legislature:*
- (a) To ensure that adequate facilities are available to serve new growth and development;*
 - (b) To promote orderly growth and development by establishing standards by which counties, cities, and towns may require, by ordinance, that new growth and development pay a proportionate share of the cost of new facilities needed to serve new growth and development; and*
 - (c) To ensure that impact fees are imposed through established procedures and criteria so that specific developments do not pay arbitrary fees or duplicative fees for the same impact.*

Most jurisdictions that collect impact fees do so at the time of permit issuance, including the City of Snohomish. The idea of deferring impact fee collection until later in the development process became popular during the recession. By deferring collection, applicants could hold on to their money until a time closer to the point of sale. This was especially important to developers who were building many houses at one time as the cost of impact fees can add up. Several jurisdictions adopted deferral processes but it was still an optional process to do so.

This changed in 2015, when the legislature passed Engrossed Senate Bill (ESB) 5923. The Bill requires that the City of Snohomish (and all other jurisdictions that collect impact fees under RCW 82.02) adopt a process for the deferral impacts fees for single-family attached and detached residential construction.

DISCUSSION ITEM 7c

Currently, the City of Snohomish requires collection of impact fees prior to building permit issuance or prior to final plat approval. These can include traffic, parks, and school impact fees (the Snohomish School District does not currently require impact fees for new development but it could in the future). Although not an impact fee, the City does have a process for deferring utility connect fees. A change in the code for impact fees could run similar to the process currently outlined in 15.04 SMC for utilities.

Under ESB 5923, we are required to provide an optional process for applicants to defer fees for single-family attached and detached residential construction until one of these steps in the permit process:

- Final inspection
- Issuance of a certificate of occupancy
- Closing of the first sale of the property occurring after the issuance of the applicable building permit

Based upon feedback from the Planning Commission on May 4, hearing on June 1, and recommendation from the Building Official, the draft code has been written to require payment before final inspection. No matter which point of the process we choose to collect impact fees for building permits, they cannot be deferred longer than 18 months from building permit submittal. It is also important to note that the final inspection and the certificate of occupancy processes are often completed at or near the same time. New regulations must be adopted by the City Council no later than September 1, 2016.

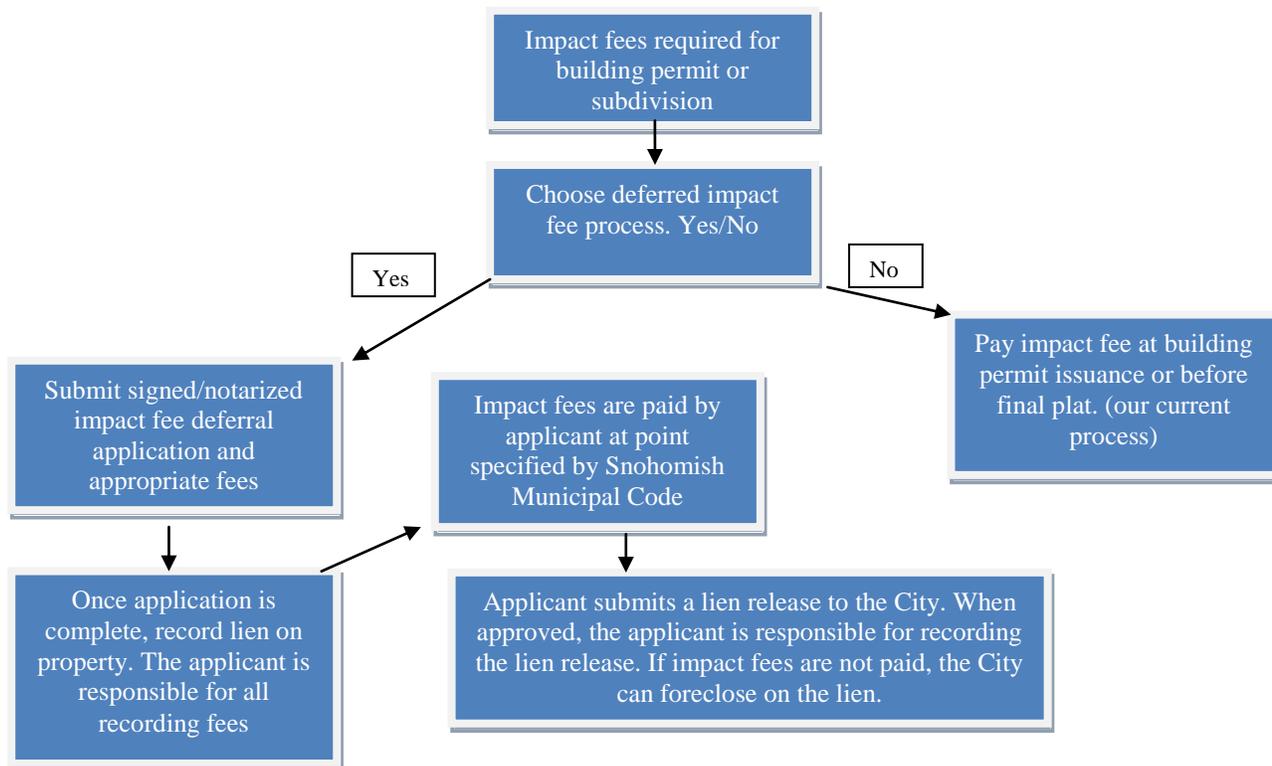
PROPOSAL

ESB 5923 provides very few areas of discretion for the Council to consider. We are required to provide an optional process to defer impact fees and the law sets out how the process is accomplished. There are a couple of areas where it will be important to get policy direction from the Planning Commission including:

- The point at which we should collect deferred impact fees when the applicant chooses this process?
- Should we charge applicants for deferring impact fees (adjusting the fee schedule would be accomplished at a later date)?

As described above, the City currently collects impact fees prior to building permit issuance or final plat approval. The optional deferral process will be much more cumbersome. The following describes both processes when impact fees are required:

DISCUSSION ITEM 7c



ENVIRONMENTAL REVIEW

Pursuant to WAC 197-11-800(19), this proposal is exempt from State Environmental Policy Act (SEPA) review.

NOTIFICATION TO STATE AGENCIES

Pursuant to RCW 36.70A.106, staff sent the 60-day notice of intent to adopt the proposed regulations to the Washington State Department of Commerce on April 25, 2016.

PLANNING COMMISSION

The City of Snohomish Planning Commission held a public meeting on this issue on May 4 and a hearing on June 1, 2016. The Commission recommended approval of the changes and adopted findings of fact and conclusions which have been attached.

STRATEGIC PLAN REFERENCE: Not applicable

RECOMMENDATION: That the City Council **DIRECT** staff to make any Council requested changes to the draft codes and to schedule a public hearing on the deferral on impact fee regulations for July 19, 2016.

ATTACHMENTS:

- A. Planning Commission Findings of Fact and Conclusions
- B. Engrossed Senate Bill 5923
- C. Draft changes - 14.290 SMC (School Impact Fees)
- D. Draft changes - 14.295 SMC (Traffic Impact Fees)
- E. Draft changes - 14.300 SMC (Park Impact Fees)

ATTACHMENT A

**Findings of Fact and Conclusions for Planning Commission Hearing
on Deferred Impact Fees**

A. Findings of Fact

1. RCW 82.02.050 and 82.02.060 authorize cities to adopt by ordinance a schedule of impact fees to ensure that adequate facilities are available to serve new growth and development.
2. RCW 82.02.050(2) authorizes cities that are required to plan under RCW 36.70A.040, which includes the City of Snohomish, to impose impact fees on development activity as part of the financing of public facilities, provided that the financing for system improvements to serve new development must provide for a balance between impact fees and other sources of public funds and cannot rely solely on impact fees.
3. RCW 82.02.050(4) authorizes impact fees to be collected and spent only for the public facilities defined in RCW 82.02.090 addressed in a capital facilities plan element of a comprehensive land use plan adopted pursuant to the provisions of RCW 36.70A.070 that identifies: (a) deficiencies in public facilities serving existing development and the means by which existing deficiencies will be eliminated within a reasonable period of time; (b) additional demands placed on existing public facilities by new development; and (c) additional public facility improvements required to serve new development.
4. The City has adopted 14.290 SMC, related to the collection of School Impact Fees, 14.295 SMC related to the collection of Traffic Impact Fees, and 14.300 SMC related to the collect of Park Impact Fees.
5. The Washington State Legislature passed Engrossed Senate Bill (ESB) 5923 as part of the 2015 legislative session.
6. ESB 5923 requires cities and counties, collecting impact fees authorized by RCW 82.02, to provide an optional process for the deferred collection of impact fees for single family attached or detached residences.
7. Pursuant to SMC 14.15.070 and RCW 36.70A.106, the City has notified the Washington State Department of Commerce of the City's intent to adopt the proposed amendments to the City's Development Code.
8. Acting as the City of Snohomish SEPA Responsible Official, the City Planning Director reviewed the proposed amendments and determined the proposal is exempt from SEPA review pursuant to Section 197-11-800(19) of the Washington Administrative Code and Snohomish Municipal Code.
9. The City of Snohomish Planning Commission held a briefing on May 4, 2016 concerning the proposed amendments.

DISCUSSION ITEM 7c

10. The Planning Commission held a public hearing on June 1, 2016 to receive public testimony concerning the proposed amendments.
11. The Planning Commission hearing was properly advertised and noticed as required by Snohomish Municipal Code.
12. The proposed amendments are consistent with goals and policies contained in the Snohomish Comprehensive Plan:
 - a. **HO 6.2: Impact fees.** Impact fees should add no more to the cost of each housing unit than a fairly-derived proportionate share of the cost of new public facilities necessary to accommodate the housing unit.
 - b. **PRO 1.5: Impact fees.** All new residential development shall provide park impact fees and/or appropriate parkland to ensure new development does not diminish the City's adopted level of service standards.
 - c. **PRO 6.4: Level of service.** Ensure that new development is accommodated without reducing the LOS established for critical municipal services, including parks, recreation, and open space through the utilization of a GMA-based parks impact fee and other resources.
 - d. **TR 23: Development review.** Review all land use and development proposals for compliance with the Transportation Element.
 - e. **TR 34: Finance options.** Use grants, local taxes, impact fees, and other funding sources to implement capital projects identified in the City's transportation improvement program.
 - f. **CF 2.2: Maintain LOS.** A developer is responsible for ensuring adequate capacity to adequately serve the proposed development without reducing service to existing users below adopted levels. If the City requires improvements to increase system capacity to serve future users, the City may participate in the cost of the excess system improvements.
13. At the conclusion of the public hearing, the Planning Commission voted 7-0 to approve the proposed amendments.

B. Conclusions

1. The proposed amendments to 14.290 (School Impact Fees), 14.295 (Traffic Impact Fees) and 14.300 (Park Impact Fees) implement the requirements found in ESB 5923 for the optional deferment of single family attached and detached residential impact fees imposed by the city as authorized by RCW 82.02.

DISCUSSION ITEM 7c

2. The proposed code amendments were processed as required by the Snohomish Municipal Code.
3. The proposed amendments are consistent with polices contained in the Comprehensive Plan.
4. The proposed changes are consistent with Growth Management Act and the State Environmental Policy Act requirements.
5. The proposed changes are in the interest of the public health, safety, and welfare of Snohomish residents.

DISCUSSION ITEM 7c

ATTACHMENT B

CERTIFICATION OF ENROLLMENT

ENGROSSED SENATE BILL 5923

64th Legislature
2015 Regular Session

Passed by the Senate April 16, 2015
Yeas 28 Nays 18

President of the Senate

Passed by the House April 14, 2015
Yeas 82 Nays 15

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Pablo G. Campos, Deputy Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SENATE BILL 5923** as passed by Senate and the House of Representatives on the dates hereon set forth.

Deputy Secretary

FILED

**Secretary of State
State of Washington**

DISCUSSION ITEM 7c

ENGROSSED SENATE BILL 5923

AS AMENDED BY THE HOUSE

Passed Legislature - 2015 Regular Session

State of Washington 64th Legislature 2015 Regular Session

By Senators Brown, Llias, Roach, Dansel, Hobbs, Warnick, and Chase

Read first time 02/11/15. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to promoting economic recovery in the
2 construction industry; amending RCW 82.02.050 and 36.70A.070; adding
3 a new section to chapter 44.28 RCW; adding a new section to chapter
4 43.31 RCW; and providing an effective date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 82.02.050 and 1994 c 257 s 24 are each amended to
7 read as follows:

8 (1) It is the intent of the legislature:

9 (a) To ensure that adequate facilities are available to serve new
10 growth and development;

11 (b) To promote orderly growth and development by establishing
12 standards by which counties, cities, and towns may require, by
13 ordinance, that new growth and development pay a proportionate share
14 of the cost of new facilities needed to serve new growth and
15 development; and

16 (c) To ensure that impact fees are imposed through established
17 procedures and criteria so that specific developments do not pay
18 arbitrary fees or duplicative fees for the same impact.

19 (2) Counties, cities, and towns that are required or choose to
20 plan under RCW 36.70A.040 are authorized to impose impact fees on
21 development activity as part of the financing for public facilities,

DISCUSSION ITEM 7c

1 provided that the financing for system improvements to serve new
2 development must provide for a balance between impact fees and other
3 sources of public funds and cannot rely solely on impact fees.

4 (3)(a)(i) Counties, cities, and towns collecting impact fees
5 must, by September 1, 2016, adopt and maintain a system for the
6 deferred collection of impact fees for single-family detached and
7 attached residential construction. The deferral system must include a
8 process by which an applicant for a building permit for a single-
9 family detached or attached residence may request a deferral of the
10 full impact fee payment. The deferral system offered by a county,
11 city, or town under this subsection (3) must include one or more of
12 the following options:

13 (A) Deferring collection of the impact fee payment until final
14 inspection;

15 (B) Deferring collection of the impact fee payment until
16 certificate of occupancy or equivalent certification; or

17 (C) Deferring collection of the impact fee payment until the time
18 of closing of the first sale of the property occurring after the
19 issuance of the applicable building permit.

20 (ii) Counties, cities, and towns utilizing the deferral process
21 required by this subsection (3)(a) may withhold certification of
22 final inspection, certificate of occupancy, or equivalent
23 certification until the impact fees have been paid in full.

24 (iii) The amount of impact fees that may be deferred under this
25 subsection (3) must be determined by the fees in effect at the time
26 the applicant applies for a deferral.

27 (iv) Unless an agreement to the contrary is reached between the
28 buyer and seller, the payment of impact fees due at closing of a sale
29 must be made from the seller's proceeds. In the absence of an
30 agreement to the contrary, the seller bears strict liability for the
31 payment of the impact fees.

32 (b) The term of an impact fee deferral under this subsection (3)
33 may not exceed eighteen months from the date of building permit
34 issuance.

35 (c) Except as may otherwise be authorized in accordance with (f)
36 of this subsection (3), an applicant seeking a deferral under this
37 subsection (3) must grant and record a deferred impact fee lien
38 against the property in favor of the county, city, or town in the
39 amount of the deferred impact fee. The deferred impact fee lien,

DISCUSSION ITEM 7c

1 which must include the legal description, tax account number, and
2 address of the property, must also be:

3 (i) In a form approved by the county, city, or town;

4 (ii) Signed by all owners of the property, with all signatures
5 acknowledged as required for a deed, and recorded in the county where
6 the property is located;

7 (iii) Binding on all successors in title after the recordation;
8 and

9 (iv) Junior and subordinate to one mortgage for the purpose of
10 construction upon the same real property granted by the person who
11 applied for the deferral of impact fees.

12 (d)(i) If impact fees are not paid in accordance with a deferral
13 authorized by this subsection (3), and in accordance with the term
14 provisions established in (b) of this subsection (3), the county,
15 city, or town may institute foreclosure proceedings in accordance
16 with chapter 61.12 RCW.

17 (ii) If the county, city, or town does not institute foreclosure
18 proceedings for unpaid school impact fees within forty-five days
19 after receiving notice from a school district requesting that it do
20 so, the district may institute foreclosure proceedings with respect
21 to the unpaid impact fees.

22 (e)(i) Upon receipt of final payment of all deferred impact fees
23 for a property, the county, city, or town must execute a release of
24 deferred impact fee lien for the property. The property owner at the
25 time of the release, at his or her expense, is responsible for
26 recording the lien release.

27 (ii) The extinguishment of a deferred impact fee lien by the
28 foreclosure of a lien having priority does not affect the obligation
29 to pay the impact fees as a condition of final inspection,
30 certificate of occupancy, or equivalent certification, or at the time
31 of closing of the first sale.

32 (f) A county, city, or town with an impact fee deferral process
33 on or before April 1, 2015, is exempt from the requirements of this
34 subsection (3) if the deferral process delays all impact fees and
35 remains in effect after September 1, 2016.

36 (g)(i) Each applicant for a single-family residential
37 construction permit, in accordance with his or her contractor
38 registration number or other unique identification number, is
39 entitled to annually receive deferrals under this subsection (3) for
40 the first twenty single-family residential construction building

DISCUSSION ITEM 7c

1 permits per county, city, or town. A county, city, or town, however,
2 may elect, by ordinance, to defer more than twenty single-family
3 residential construction building permits for an applicant. If the
4 county, city, or town collects impact fees on behalf of one or more
5 school districts for which the collection of impact fees could be
6 delayed, the county, city, or town must consult with the district or
7 districts about the additional deferrals. A county, city, or town
8 considering additional deferrals must give substantial weight to
9 recommendations of each applicable school district regarding the
10 number of additional deferrals. If the county, city, or town
11 disagrees with the recommendations of one or more school districts,
12 the county, city, or town must provide the district or districts with
13 a written rationale for its decision.

14 (ii) For purposes of this subsection (3)(g), an "applicant"
15 includes an entity that controls the applicant, is controlled by the
16 applicant, or is under common control with the applicant.

17 (h) Counties, cities, and towns may collect reasonable
18 administrative fees to implement this subsection (3) from permit
19 applicants who are seeking to delay the payment of impact fees under
20 this subsection (3).

21 (i) In accordance with sections 3 and 4 of this act, counties,
22 cities, and towns must cooperate with and provide requested data,
23 materials, and assistance to the department of commerce and the joint
24 legislative audit and review committee.

25 (4) The impact fees:

26 (a) Shall only be imposed for system improvements that are
27 reasonably related to the new development;

28 (b) Shall not exceed a proportionate share of the costs of system
29 improvements that are reasonably related to the new development; and

30 (c) Shall be used for system improvements that will reasonably
31 benefit the new development.

32 ~~((4))~~(5)(a) Impact fees may be collected and spent only for the
33 public facilities defined in RCW 82.02.090 which are addressed by a
34 capital facilities plan element of a comprehensive land use plan
35 adopted pursuant to the provisions of RCW 36.70A.070 or the
36 provisions for comprehensive plan adoption contained in chapter
37 36.70, 35.63, or 35A.63 RCW. After the date a county, city, or town
38 is required to adopt its development regulations under chapter 36.70A
39 RCW, continued authorization to collect and expend impact fees
40 ~~((shall be))~~is contingent on the county, city, or town adopting or

DISCUSSION ITEM 7c

1 revising a comprehensive plan in compliance with RCW 36.70A.070, and
2 on the capital facilities plan identifying:

3 ~~((a))~~(i) Deficiencies in public facilities serving existing
4 development and the means by which existing deficiencies will be
5 eliminated within a reasonable period of time;

6 ~~((b))~~(ii) Additional demands placed on existing public
7 facilities by new development; and

8 ~~((c))~~(iii) Additional public facility improvements required to
9 serve new development.

10 (b) If the capital facilities plan of the county, city, or town
11 is complete other than for the inclusion of those elements which are
12 the responsibility of a special district, the county, city, or town
13 may impose impact fees to address those public facility needs for
14 which the county, city, or town is responsible.

15 **Sec. 2.** RCW 36.70A.070 and 2010 1st sp.s. c 26 s 6 are each
16 amended to read as follows:

17 The comprehensive plan of a county or city that is required or
18 chooses to plan under RCW 36.70A.040 shall consist of a map or maps,
19 and descriptive text covering objectives, principles, and standards
20 used to develop the comprehensive plan. The plan shall be an
21 internally consistent document and all elements shall be consistent
22 with the future land use map. A comprehensive plan shall be adopted
23 and amended with public participation as provided in RCW 36.70A.140.
24 Each comprehensive plan shall include a plan, scheme, or design for
25 each of the following:

26 (1) A land use element designating the proposed general
27 distribution and general location and extent of the uses of land,
28 where appropriate, for agriculture, timber production, housing,
29 commerce, industry, recreation, open spaces, general aviation
30 airports, public utilities, public facilities, and other land uses.
31 The land use element shall include population densities, building
32 intensities, and estimates of future population growth. The land use
33 element shall provide for protection of the quality and quantity of
34 groundwater used for public water supplies. Wherever possible, the
35 land use element should consider utilizing urban planning approaches
36 that promote physical activity. Where applicable, the land use
37 element shall review drainage, flooding, and storm water run-off in
38 the area and nearby jurisdictions and provide guidance for corrective

DISCUSSION ITEM 7c

1 actions to mitigate or cleanse those discharges that pollute waters
2 of the state, including Puget Sound or waters entering Puget Sound.

3 (2) A housing element ensuring the vitality and character of
4 established residential neighborhoods that: (a) Includes an inventory
5 and analysis of existing and projected housing needs that identifies
6 the number of housing units necessary to manage projected growth; (b)
7 includes a statement of goals, policies, objectives, and mandatory
8 provisions for the preservation, improvement, and development of
9 housing, including single-family residences; (c) identifies
10 sufficient land for housing, including, but not limited to,
11 government-assisted housing, housing for low-income families,
12 manufactured housing, multifamily housing, and group homes and foster
13 care facilities; and (d) makes adequate provisions for existing and
14 projected needs of all economic segments of the community.

15 (3) A capital facilities plan element consisting of: (a) An
16 inventory of existing capital facilities owned by public entities,
17 showing the locations and capacities of the capital facilities; (b) a
18 forecast of the future needs for such capital facilities; (c) the
19 proposed locations and capacities of expanded or new capital
20 facilities; (d) at least a six-year plan that will finance such
21 capital facilities within projected funding capacities and clearly
22 identifies sources of public money for such purposes; and (e) a
23 requirement to reassess the land use element if probable funding
24 falls short of meeting existing needs and to ensure that the land use
25 element, capital facilities plan element, and financing plan within
26 the capital facilities plan element are coordinated and consistent.
27 Park and recreation facilities shall be included in the capital
28 facilities plan element.

29 (4) A utilities element consisting of the general location,
30 proposed location, and capacity of all existing and proposed
31 utilities, including, but not limited to, electrical lines,
32 telecommunication lines, and natural gas lines.

33 (5) Rural element. Counties shall include a rural element
34 including lands that are not designated for urban growth,
35 agriculture, forest, or mineral resources. The following provisions
36 shall apply to the rural element:

37 (a) Growth management act goals and local circumstances. Because
38 circumstances vary from county to county, in establishing patterns of
39 rural densities and uses, a county may consider local circumstances,
40 but shall develop a written record explaining how the rural element

DISCUSSION ITEM 7c

1 harmonizes the planning goals in RCW 36.70A.020 and meets the
2 requirements of this chapter.

3 (b) Rural development. The rural element shall permit rural
4 development, forestry, and agriculture in rural areas. The rural
5 element shall provide for a variety of rural densities, uses,
6 essential public facilities, and rural governmental services needed
7 to serve the permitted densities and uses. To achieve a variety of
8 rural densities and uses, counties may provide for clustering,
9 density transfer, design guidelines, conservation easements, and
10 other innovative techniques that will accommodate appropriate rural
11 densities and uses that are not characterized by urban growth and
12 that are consistent with rural character.

13 (c) Measures governing rural development. The rural element shall
14 include measures that apply to rural development and protect the
15 rural character of the area, as established by the county, by:

- 16 (i) Containing or otherwise controlling rural development;
- 17 (ii) Assuring visual compatibility of rural development with the
18 surrounding rural area;
- 19 (iii) Reducing the inappropriate conversion of undeveloped land
20 into sprawling, low-density development in the rural area;
- 21 (iv) Protecting critical areas, as provided in RCW 36.70A.060,
22 and surface water and groundwater resources; and
- 23 (v) Protecting against conflicts with the use of agricultural,
24 forest, and mineral resource lands designated under RCW 36.70A.170.

25 (d) Limited areas of more intensive rural development. Subject to
26 the requirements of this subsection and except as otherwise
27 specifically provided in this subsection (5)(d), the rural element
28 may allow for limited areas of more intensive rural development,
29 including necessary public facilities and public services to serve
30 the limited area as follows:

31 (i) Rural development consisting of the infill, development, or
32 redevelopment of existing commercial, industrial, residential, or
33 mixed-use areas, whether characterized as shoreline development,
34 villages, hamlets, rural activity centers, or crossroads
35 developments.

36 (A) A commercial, industrial, residential, shoreline, or mixed-
37 use area (~~shall be~~) are subject to the requirements of (d)(iv) of
38 this subsection, but (~~shall~~) are not (~~be~~) subject to the
39 requirements of (c)(ii) and (iii) of this subsection.

DISCUSSION ITEM 7c

1 (B) Any development or redevelopment other than an industrial
2 area or an industrial use within a mixed-use area or an industrial
3 area under this subsection (5)(d)(i) must be principally designed to
4 serve the existing and projected rural population.

5 (C) Any development or redevelopment in terms of building size,
6 scale, use, or intensity shall be consistent with the character of
7 the existing areas. Development and redevelopment may include changes
8 in use from vacant land or a previously existing use so long as the
9 new use conforms to the requirements of this subsection (5);

10 (ii) The intensification of development on lots containing, or
11 new development of, small-scale recreational or tourist uses,
12 including commercial facilities to serve those recreational or
13 tourist uses, that rely on a rural location and setting, but that do
14 not include new residential development. A small-scale recreation or
15 tourist use is not required to be principally designed to serve the
16 existing and projected rural population. Public services and public
17 facilities shall be limited to those necessary to serve the
18 recreation or tourist use and shall be provided in a manner that does
19 not permit low-density sprawl;

20 (iii) The intensification of development on lots containing
21 isolated nonresidential uses or new development of isolated cottage
22 industries and isolated small-scale businesses that are not
23 principally designed to serve the existing and projected rural
24 population and nonresidential uses, but do provide job opportunities
25 for rural residents. Rural counties may allow the expansion of small-
26 scale businesses as long as those small-scale businesses conform with
27 the rural character of the area as defined by the local government
28 according to RCW 36.70A.030(15). Rural counties may also allow new
29 small-scale businesses to utilize a site previously occupied by an
30 existing business as long as the new small-scale business conforms to
31 the rural character of the area as defined by the local government
32 according to RCW 36.70A.030(15). Public services and public
33 facilities shall be limited to those necessary to serve the isolated
34 nonresidential use and shall be provided in a manner that does not
35 permit low-density sprawl;

36 (iv) A county shall adopt measures to minimize and contain the
37 existing areas or uses of more intensive rural development, as
38 appropriate, authorized under this subsection. Lands included in such
39 existing areas or uses shall not extend beyond the logical outer
40 boundary of the existing area or use, thereby allowing a new pattern

DISCUSSION ITEM 7c

1 of low-density sprawl. Existing areas are those that are clearly
2 identifiable and contained and where there is a logical boundary
3 delineated predominately by the built environment, but that may also
4 include undeveloped lands if limited as provided in this subsection.
5 The county shall establish the logical outer boundary of an area of
6 more intensive rural development. In establishing the logical outer
7 boundary, the county shall address (A) the need to preserve the
8 character of existing natural neighborhoods and communities, (B)
9 physical boundaries, such as bodies of water, streets and highways,
10 and land forms and contours, (C) the prevention of abnormally
11 irregular boundaries, and (D) the ability to provide public
12 facilities and public services in a manner that does not permit low-
13 density sprawl;

14 (v) For purposes of (d) of this subsection, an existing area or
15 existing use is one that was in existence:

16 (A) On July 1, 1990, in a county that was initially required to
17 plan under all of the provisions of this chapter;

18 (B) On the date the county adopted a resolution under RCW
19 36.70A.040(2), in a county that is planning under all of the
20 provisions of this chapter under RCW 36.70A.040(2); or

21 (C) On the date the office of financial management certifies the
22 county's population as provided in RCW 36.70A.040(5), in a county
23 that is planning under all of the provisions of this chapter pursuant
24 to RCW 36.70A.040(5).

25 (e) Exception. This subsection shall not be interpreted to permit
26 in the rural area a major industrial development or a master planned
27 resort unless otherwise specifically permitted under RCW 36.70A.360
28 and 36.70A.365.

29 (6) A transportation element that implements, and is consistent
30 with, the land use element.

31 (a) The transportation element shall include the following
32 subelements:

33 (i) Land use assumptions used in estimating travel;

34 (ii) Estimated traffic impacts to state-owned transportation
35 facilities resulting from land use assumptions to assist the
36 department of transportation in monitoring the performance of state
37 facilities, to plan improvements for the facilities, and to assess
38 the impact of land- use decisions on state-owned transportation
39 facilities;

40 (iii) Facilities and services needs, including:

DISCUSSION ITEM 7c

1 (A) An inventory of air, water, and ground transportation
2 facilities and services, including transit alignments and general
3 aviation airport facilities, to define existing capital facilities
4 and travel levels as a basis for future planning. This inventory must
5 include state-owned transportation facilities within the city or
6 county's jurisdictional boundaries;

7 (B) Level of service standards for all locally owned arterials
8 and transit routes to serve as a gauge to judge performance of the
9 system. These standards should be regionally coordinated;

10 (C) For state-owned transportation facilities, level of service
11 standards for highways, as prescribed in chapters 47.06 and 47.80
12 RCW, to gauge the performance of the system. The purposes of
13 reflecting level of service standards for state highways in the local
14 comprehensive plan are to monitor the performance of the system, to
15 evaluate improvement strategies, and to facilitate coordination
16 between the county's or city's six-year street, road, or transit
17 program and the office of financial management's ten-year investment
18 program. The concurrency requirements of (b) of this subsection do
19 not apply to transportation facilities and services of statewide
20 significance except for counties consisting of islands whose only
21 connection to the mainland are state highways or ferry routes. In
22 these island counties, state highways and ferry route capacity must
23 be a factor in meeting the concurrency requirements in (b) of this
24 subsection;

25 (D) Specific actions and requirements for bringing into
26 compliance locally owned transportation facilities or services that
27 are below an established level of service standard;

28 (E) Forecasts of traffic for at least ten years based on the
29 adopted land use plan to provide information on the location, timing,
30 and capacity needs of future growth;

31 (F) Identification of state and local system needs to meet
32 current and future demands. Identified needs on state-owned
33 transportation facilities must be consistent with the statewide
34 multimodal transportation plan required under chapter 47.06 RCW;

35 (iv) Finance, including:

36 (A) An analysis of funding capability to judge needs against
37 probable funding resources;

38 (B) A multiyear financing plan based on the needs identified in
39 the comprehensive plan, the appropriate parts of which shall serve as
40 the basis for the six-year street, road, or transit program required

DISCUSSION ITEM 7c

1 by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW
2 35.58.2795 for public transportation systems. The multiyear financing
3 plan should be coordinated with the ten-year investment program
4 developed by the office of financial management as required by RCW
5 47.05.030;

6 (C) If probable funding falls short of meeting identified needs,
7 a discussion of how additional funding will be raised, or how land
8 use assumptions will be reassessed to ensure that level of service
9 standards will be met;

10 (v) Intergovernmental coordination efforts, including an
11 assessment of the impacts of the transportation plan and land use
12 assumptions on the transportation systems of adjacent jurisdictions;

13 (vi) Demand-management strategies;

14 (vii) Pedestrian and bicycle component to include collaborative
15 efforts to identify and designate planned improvements for pedestrian
16 and bicycle facilities and corridors that address and encourage
17 enhanced community access and promote healthy lifestyles.

18 (b) After adoption of the comprehensive plan by jurisdictions
19 required to plan or who choose to plan under RCW 36.70A.040, local
20 jurisdictions must adopt and enforce ordinances which prohibit
21 development approval if the development causes the level of service
22 on a locally owned transportation facility to decline below the
23 standards adopted in the transportation element of the comprehensive
24 plan, unless transportation improvements or strategies to accommodate
25 the impacts of development are made concurrent with the development.
26 These strategies may include increased public transportation service,
27 ride sharing programs, demand management, and other transportation
28 systems management strategies. For the purposes of this subsection
29 (6), "concurrent with the development" means that improvements or
30 strategies are in place at the time of development, or that a
31 financial commitment is in place to complete the improvements or
32 strategies within six years. If the collection of impact fees is
33 delayed under RCW 82.02.050(3), the six-year period required by this
34 subsection (6)(b) must begin after full payment of all impact fees is
35 due to the county or city.

36 (c) The transportation element described in this subsection (6),
37 the six-year plans required by RCW 35.77.010 for cities, RCW
38 36.81.121 for counties, and RCW 35.58.2795 for public transportation
39 systems, and the ten-year investment program required by RCW
40 47.05.030 for the state, must be consistent.

DISCUSSION ITEM 7c

1 (7) An economic development element establishing local goals,
2 policies, objectives, and provisions for economic growth and vitality
3 and a high quality of life. The element shall include: (a) A summary
4 of the local economy such as population, employment, payroll,
5 sectors, businesses, sales, and other information as appropriate; (b)
6 a summary of the strengths and weaknesses of the local economy
7 defined as the commercial and industrial sectors and supporting
8 factors such as land use, transportation, utilities, education,
9 workforce, housing, and natural/cultural resources; and (c) an
10 identification of policies, programs, and projects to foster economic
11 growth and development and to address future needs. A city that has
12 chosen to be a residential community is exempt from the economic
13 development element requirement of this subsection.

14 (8) A park and recreation element that implements, and is
15 consistent with, the capital facilities plan element as it relates to
16 park and recreation facilities. The element shall include: (a)
17 Estimates of park and recreation demand for at least a ten-year
18 period; (b) an evaluation of facilities and service needs; and (c) an
19 evaluation of intergovernmental coordination opportunities to provide
20 regional approaches for meeting park and recreational demand.

21 (9) It is the intent that new or amended elements required after
22 January 1, 2002, be adopted concurrent with the scheduled update
23 provided in RCW 36.70A.130. Requirements to incorporate any such new
24 or amended elements shall be null and void until funds sufficient to
25 cover applicable local government costs are appropriated and
26 distributed by the state at least two years before local government
27 must update comprehensive plans as required in RCW 36.70A.130.

28 NEW SECTION. **Sec. 3.** A new section is added to chapter 44.28
29 RCW to read as follows:

30 (1) The joint legislative audit and review committee must review
31 the impact fee deferral requirements of RCW 82.02.050(3). The review
32 must consist of an examination of issued impact fee deferrals,
33 including: (a) The number of deferrals requested of and issued by
34 counties, cities, and towns; (b) the type of impact fee deferred; (c)
35 the monetary amount of deferrals, by jurisdiction; (d) whether the
36 deferral process was efficiently administered; (e) the number of
37 deferrals that were not fully and timely paid; and (f) the costs to
38 counties, cities, and towns for collecting timely and delinquent
39 fees. The review must also include an evaluation of whether the

DISCUSSION ITEM 7c

1 impact fee deferral process required by RCW 82.02.050(3) was
2 effective in providing a locally administered process for the
3 deferral and full payment of impact fees.

4 (2) The review required by this section must, in accordance with
5 RCW 43.01.036, be submitted to the appropriate committees of the
6 house of representatives and the senate on or before September 1,
7 2021.

8 (3) In complying with this section, and in accordance with
9 section 4 of this act, the joint legislative audit and review
10 committee must make its collected data and associated materials
11 available, upon request, to the department of commerce.

12 (4) This section expires January 1, 2022.

13 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.31
14 RCW to read as follows:

15 (1) Beginning December 1, 2018, and each year thereafter, the
16 department of commerce must prepare an annual report on the impact
17 fee deferral process established in RCW 82.02.050(3). The report must
18 include: (a) The number of deferrals requested of and issued by
19 counties, cities, and towns; (b) the number of deferrals that were
20 not fully and timely paid; and (c) other information as deemed
21 appropriate.

22 (2) The report required by this section must, in accordance with
23 RCW 43.01.036, be submitted to the appropriate committees of the
24 house of representatives and the senate.

25 NEW SECTION. **Sec. 5.** This act takes effect September 1, 2016.

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DISCUSSION ITEM 7c

ATTACHMENT C

Chapter 14.290

SCHOOL IMPACT FEES

Sections:

14.290.010	Purpose
14.290.020	Applicability
14.290.030	Incorporation of School District Capital Facilities Plan as a Sub-Element of the City Capital Facilities Plan
14.290.040	Establishment of Impact Fees
14.290.050	Exemptions from Impact Fees
14.290.060	Procedure for Determining Mitigation Impacts
14.290.070	Method for Calculating Impact Fees
14.290.080	Administrative Adjustment of Fee Amount
14.290.090	School District Impact Area
14.290.100	Comparable In-Kind Mitigation Option
14.290.110	Credit for Payment or Obligation Previously Incurred
14.290.120	Time of Performance for Mitigation of Impact
14.290.125	<u>Single-Family Residential Deferral Program.</u>
14.290.130	Use of Impact Mitigation Funds
14.290.140	Unacceptable Impact Levels
14.290.150	Impact Fee Schedule Exemptions
14.290.160	Impact Fee Limitations
14.290.170	Revision of School District CFP
14.290.180	Annual Report
14.290.190	Appeals

14.290.010 Purpose. The regulations contained in this chapter are necessary for the protection and preservation of the public health, safety, and general welfare of the citizens of the City of Snohomish. The public school system which serves City residents is unable to provide the services required to meet the educational needs of the growing community. The purposes of this chapter are (1) to ensure that adequate school facilities are available to serve new growth and development; and (2) to require that new growth and development pay a proportionate share of the costs of new school facilities needed to serve new growth and development.

14.290.020 Applicability. The terms of this title shall apply to all residential development as defined herein for which a complete application for approval has been submitted on or after the effective date of this chapter.

14.290.030 Incorporation of School District Capital Facilities Plan as a Sub-Element of the City Capital Facilities Plan. By separate ordinance, the City Council has adopted and incorporated by reference the Capital Facilities Plan of the Snohomish School District as a sub-element of the Capital Facilities Element of the City's Comprehensive Plan. The necessary school facilities and the methodology and schedule of school impact fees set forth in the School District's Capital Facilities Plan shall constitute the basis for the school impact fees established in SMC 14.290.040.

DISCUSSION ITEM 7c

14.290.040 Establishment of Impact Fees. As a condition of approval of all development or development activity, as defined herein, or as a condition of issuance of a building permit for existing undeveloped lots, the City will require mitigation of adverse impacts on school services pursuant to the State Growth Management Act, RCW 36.70A, RCW 82.02 and this chapter. School impact fee amounts shall be based on the Snohomish School District's adopted Capital Facilities Plan in the amounts shown in the adopted fee resolution No. 1340 as it now reads or is hereafter amended. (Ord. 2196, 2010; Ord. 2242, 2012; Ord. 2299, 2016)

14.290.050 Exemptions from Impact Fees. Accessory dwelling units, as defined in this title, are exempt from the requirements of this chapter. (Ord. 2196, 2010)

14.290.060 Procedure for Determining Mitigation Impacts. Approval of residential development by the City shall be contingent upon the project proponents documenting to the satisfaction of the City the projects adverse impacts on existing primary and secondary public educational improvements identified by this chapter and the School District's Capital Facilities Program. Documentation shall consist of a letter from the Snohomish School District stating that monetary, land, or comparable in-kind mitigation which meets the requirements of this chapter have been made by the project proponent.

14.290.070 Method for Calculating Impact Fees. The method and formula for determining any required school impact mitigation shall be as established by the Snohomish School District in its capital facilities plan and as adopted by the City of Snohomish in its Comprehensive Plan and this chapter. The school impact fees shall be in conformance with the schedule set forth in SMC 14.290.040.

14.290.080 Administrative Adjustment of Fee Amount.

A. Within 14 days of acceptance by the City of a building permit application a developer or school district may appeal to the Planner for an adjustment to the fees imposed by this title. The City Planner may adjust the amount of the fee, in consideration of studies and data submitted by the developer and any affected district, if one of the following circumstances exists:

1. It can be demonstrated that the school impact fee assessment was incorrectly calculated;
2. Unusual circumstances of the development demonstrate that application of the school impact fee to the development would be unfair or unjust;
3. A credit for in-kind contributions by the developer is warranted; or
4. Any other credit specified in RCW 82.02.060(1)(b) may be warranted.

B. To avoid delay pending resolution of the appeal, school impact fees may be paid under protest in order to obtain development approval.

C. Failure to exhaust this administrative remedy shall preclude appeals of the school impact fee pursuant to SMC 14.290.190 below.

DISCUSSION ITEM 7c

14.290.090 School District Impact Area. The service area for which a subdivision or residential development shall be considered to have impacted, shall be the entire Snohomish School District. The District encompasses a geographic area in excess of that of the City of Snohomish; therefore, impact fees cannot be directly attributable to a specific geographic area at all times. This is particularly true for junior and senior high schools. The School District shall, however, attempt to designate impact mitigation for elementary schools, as much as possible, to the general geographic area in which the subdivision or residential development is located, especially in such cases where the school population for the subdivision or Snohomish Municipal Code residential development is within what is considered normal walking distances between home and an elementary school or school site.

14.290.100 Comparable In-Kind Mitigation Option. The Snohomish School District and the proponent of the project may consider in-kind options to satisfy the mitigation obligation. Land dedication, site preparation, provision of portable units, equipment purchases, and other in-kind mitigation options equivalent in value to the dollar amount required for mitigation may be utilized if acceptable to the School District, so long as the mitigation is found by the School District to be equal to the impact fees otherwise due under this chapter.

14.290.110 Credit for Payment or Obligation Previously Incurred. The dollar value of comparable in-kind mitigation shall be credited against the dollar amount of mitigation required pursuant to this chapter. If the dollar value of comparable in-kind mitigation or any impact element exceeds the dollar amount required for mitigation for that element, the project proponent shall be reimbursed from impact mitigation monies collected for the same or similar mitigation for subsequent projects. Any process or schedule for reimbursement shall be negotiated between the project proponent and the School District, a copy of which will be forwarded to the City of Snohomish to be included in the file for the project, prior to final development approval.

14.290.120 Time of Performance for Mitigation of Impact. Payment of any required school impact fees or in-kind contribution shall be made prior to the issuance of a building permit unless the project proponent elects to defer payment utilizing the process outlined in 14.290.125. A project proponent may elect to pay before the final plat is approved for the lots within a subdivision or residential development. Such election to pay shall be noted by a covenant placed on the deed for each affected lot within the subdivision or residential development. When a subdivision or residential development is conditioned upon the performance of a comparable in-kind mitigation, a final plat shall not be recorded, and no building permit for any individual lot shall be issued until the School District indicates in writing to the City that such in-kind mitigation has been satisfactorily completed.

14.290.125 Single-Family Residential Deferral Program. An applicant for a building permit for a single-family detached or attached residence may request a deferral of the full impact fee payment until final inspection or 18 months from the date of original building permit issuance, whichever occurs first. Deferral of impact fees are considered under the following conditions:

- A. An applicant for deferral must request the deferral no later than the time of application for a building permit.
- B. To receive a deferral, an applicant must:

DISCUSSION ITEM 7c

1. Submit a deferred impact fee application and acknowledgment form for each single-family attached or detached residence for which the applicant wishes to defer payment of the impact fees on a form to be provided by the city;
2. Pay the applicable administrative fee as established by resolution or ordinance of the city;
3. Grant and record at the applicant's expense a deferred impact fee lien in a form approved by the city against the property in favor of the city in the amount of the deferred impact fee that:
 - a. Includes the legal description, tax account number, and address of the property;
 - b. Requires payment of the impact fees to the city prior to final inspection or 18 months from the date of original building permit issuance, whichever occurs first;
 - c. Is signed by all owners of the property, with all signatures acknowledged as required for a deed recorded in Snohomish County;
 - d. Binds all successors in title after the recordation; and
 - e. Is junior and subordinate to one mortgage for the purpose of construction upon the same real property granted by the person who applied for the deferral of impact fees.
4. The amount of impact fees deferred shall be determined by the fees in effect at the time the applicant applies for a deferral.
5. The city shall withhold final inspection until the impact fees have been paid in full. Upon receipt of final payment of impact fees deferred under this subsection, the city shall execute a release of deferred impact fee lien for each single-family attached or detached residence for which the impact fees have been received. The applicant, or property owner at the time of release, shall be responsible for recording the lien release at his or her expense.
6. The extinguishment of a deferred impact fee lien by the foreclosure of a lien having priority does not affect the obligation to pay the impact fees as a condition of final inspection.
7. If impact fees are not paid in accordance with the provisions of this chapter and in accordance with the term provisions established herein, the city may institute foreclosure proceedings in accordance with RCW 61.12.
8. Each applicant for a single-family attached or detached residential construction permit, in accordance with his or her contractor registration number or other unique identification number, is entitled to annually receive deferrals under this section for the first 20 single-family residential construction building permits.

14.290.130 Use of Impact Mitigation Funds. The Snohomish School District shall use mitigation impact funds received under this chapter to meet its Capital Facilities Plan, so long as said mitigation

DISCUSSION ITEM 7c

funds received are used in the same manner as mitigation funds received from subdivisions and residential developments from outside of the City limits of the City of Snohomish; and further provided the use of said mitigation funds results in improvements to district-wide student housing.

14.290.140 Unacceptable Impact Levels.

- A. The City shall review residential development proposals pursuant to all applicable state and local laws and regulations, including the State Environmental Policy Act (Chapter 43.21C RCW), the State Subdivision Law (Chapter 58.17 RCW), and the applicable sections of the Snohomish Municipal Code. Following such review, the City may condition or deny development approval as necessary or appropriate to mitigate or avoid significant adverse impacts to school facilities, to assure that appropriate provisions are made for schools, school grounds, and safe student walking conditions, and to ensure that development is compatible and consistent with each district's services, facilities, and capital facilities plan.
- B. Impact fees required by this chapter for development, together with compliance with development regulations and other mitigation measures offered or imposed at the time of development review, shall constitute adequate mitigation for all of a development's specific adverse environmental impacts on the school system for the purposes of Chapter 14.90 SMC. Nothing in this chapter prevents a determination of significance from being issued, the application of new or different development regulations, and/or requirements for additional environmental analysis, protection and mitigation measures to the extent required by applicable law.

14.290.150 Impact Fee Schedule Exemptions. The Council may, on a case-by-case basis, grant exemptions to the application of the fee schedule for low-income or senior housing that achieves broad public purposes as defined in Chapter 14.05.020 SMC, and authorized by and in accordance with the conditions specified under RCW 82.02.060(2). To qualify for the exemption, the developer of such housing shall submit a petition to the Planner for consideration by the Council prior to application for building permit. Conditions for such approvals shall be established by the Council at the time of approval that, at a minimum, meet the requirements of RCW 82.02.060(2), and which shall also include a requirement for a covenant to assure the project's continued use for low-income or senior housing. The covenant entered into by and between the developer and the City shall be an obligation that runs with the land, and shall be recorded against the title of the real property upon which such housing is located in the real property records of the City of Snohomish. The covenant shall be reviewed and approved as to form by the City Attorney.

14.290.160 Impact Fee Limitations.

- A. School impact fees shall be imposed for District capital facilities that are reasonably related to the development under consideration, shall not exceed a proportionate share of the costs of system improvements that are reasonably related to the development, and shall be used for system improvements that will reasonably benefit the new development.
- B. School impact fees must be expended or encumbered for a permissible use within six years of receipt by the District.
- C. To the extent permitted by law, school impact fees may be collected for capital facilities costs previously incurred to the extent that new growth and development will be served by the

DISCUSSION ITEM 7c

previously constructed capital facilities, provided that school impact fees shall not be imposed to make up for any existing system deficiencies.

- D. A developer required to pay a fee pursuant to RCW 43.21C.060 for capital facilities shall not be required to pay a school impact fee pursuant to RCW 82.02.050 - .090 and this title for the same capital facilities.

14.290.170 Revision of School District CFP. The Snohomish School District must review and update its CFP biennially in order for this ordinance to remain in effect. The CFP must be submitted in reasonable time for City review in advance of the expiration of the current CFP. The City will accept the updated CFP by adopting the Snohomish School District CFP as part of the City CFP in the City Comprehensive Plan and annual budget. (Ord. 2196, 2010)

14.290.180 Annual Report. The Snohomish School District must submit to the City annually a report in accordance with the requirements of RCW 82.02.070 showing the system improvements that were financed in whole or in part by impact fees and the amount of funds collected, expended and held for future improvements. The annual report shall be sent to the City on or before April 1 of each year for the preceding calendar year.

14.290.190 Appeals. Appeals of mitigation requirements imposed pursuant to this title shall be as provided in Chapter 14.75 of the Snohomish Municipal Code.

TRAFFIC IMPACT FEES AND MITIGATION

Sections:

14.295.010	Findings
14.295.020	Declaration of Purpose
14.295.030	Relationship to Environmental Impacts
14.295.040	Definitions
14.295.050	Street System Policy –General Provisions
14.295.060	Traffic Study
14.295.070	Determination of Street System Obligations
14.295.080	Street System Capacity Requirements
14.295.090	Traffic Impact Fee
14.295.095	Traffic Impact Fee Exemption
14.295.100	Level of Service and Concurrency Requirements
14.295.110	Inadequate Street Condition Requirements
14.295.120	Special Circumstances
14.295.135	<u>Single-Family Residential Deferral Program</u>
14.295.130	Administration of Traffic Impact Fee Payments
14.295.140	Administrative Appeals
14.295.150	Severability
14.295.160	No Special Duty

14.295.010 Findings. The City Council finds as follows:

- A. The acquisition, construction, and improvement of streets to serve new developments in the City of Snohomish is a major burden upon City government; the City is experiencing a rapid, large-scale increase in intensity of land use and in population growth; rapid growth creates large “front-end” demands for City services, including streets, and causes increased street usage; existing and projected City funds are not adequate to meet the public’s projected street needs; failure to ensure that street improvements are made as traffic increases cause severe safety problems, impedes commerce, and interferes with the comfort and repose of the public; and the provisions of this Chapter are necessary to preserve the State Legislature’s intent that the City, in the exercise of reasonable discretion, retains ultimate responsibility for City services and the City’s financial integrity.
- B. The City has the power under existing law to condition development and require street improvements reasonably related to the traffic impact of a proposed development, and it is appropriate and desirable to set out in this Chapter what will be required of developments and to establish a uniform method of treatment for similar development impacts on the City street system.
- C. The Growth Management Act (GMA), RCW 36.70A.070(6)(b), requires that “local jurisdictions must adopt and enforce ordinances which prohibit development approval if the development causes the level-of-service on a transportation facility to decline below the standards adopted in the transportation element of the comprehensive plan, unless transportation improvements or

DISCUSSION ITEM 7c

strategies to accommodate the impacts of development are made concurrent with the development” and that: “For the purposes of this subsection (6) ‘concurrent with development’ shall mean that improvements or strategies are in place at the time of development, or that a financial commitment is in place to complete the improvements or strategies within six years.”

- D. This Chapter is consistent with and implements the City’s Comprehensive Plan adopted pursuant to Chapter 36.70A RCW.
- E. The total benefits of certain transportation demand management measures in reducing marginal trips are projected to significantly outweigh the total costs.
- F. The regulations contained in this Chapter are necessary for the protection and preservation of the public health, safety and general welfare.

14.295.020 Declaration of Purpose.

- A. The purpose of this Chapter is to ensure that the public health, safety and welfare will be preserved by having safe and efficient streets serving new and existing developments by requiring development to mitigate traffic impacts, which may include a proportionate share payment reasonably related to the traffic impact of the proposed development and construction of street improvements and dedication of right-of-way reasonably necessary as a result of the direct traffic impact of proposed developments.
- B. Chapter 14.295 SMC is intended to ensure that City policy for the provision of safe and adequate access and the allocation of responsibility for immediate or future street improvements necessitated by new development is fairly and consistently applied to all developments.
- C. This Chapter requires the analysis and mitigation of a development’s traffic impact on the City street system. In order to quantify the continuing need for street improvements on the City street system anticipated by projected growth, the Public Works Department is authorized to develop and update the Transportation Facilities Plan based on and consistent with the Comprehensive Plan’s Transportation Element. The Transportation Facilities Plan shall be used in evaluating the traffic impact of developments and determining necessary mitigation of such impacts.

14.295.030 Relationship to Environmental Impacts.

- A. The requirements of this Chapter, together with the Comprehensive Plan and the City’s other development regulations and policies adopted pursuant thereto, shall constitute the policies of the City under the GMA and the State Environmental Policy Act, Ch. 43.21C RCW, (SEPA) for the review of development and the determination of significant adverse environmental impacts and imposition of mitigation requirements due to the impacts of development on the transportation system.
- B. Measures required by this Chapter shall constitute adequate mitigation of adverse or significant adverse environmental impacts on the street system for the purposes of SEPA, to the extent that the City determines the specific impacts of the development are adequately addressed by this Chapter in accordance with SEPA.
- C. In accordance with RCW 43.21C.065 and RCW 82.02.100, a person required to make a

DISCUSSION ITEM 7c

proportionate share mitigating payment under a SEPA payment program or pay a traffic impact fee under this Chapter shall be required to make a payment or pay a fee pursuant to either SEPA or the GMA, but not both, for the same system improvements.

14.295.040 Definitions.

- A. Approving authority. “Approving authority” means the City employee, agency or official having authority to issue the approval or permit for the development involved.
- B. Arterial unit. “Arterial unit” means a street, segment of a street, or portion of a street or a system of streets, including an intersection, consistent with the level-of-service methodology adopted in the City Comprehensive Plan and consistent with the criteria established by the Director, for the purpose of making level-of-service concurrency determinations.
- C. Arterial Unit in arrears. “Arterial unit in arrears” means any arterial unit operating below the adopted level-of-service standard adopted in the Comprehensive Plan, except where improvements to such a unit have been programmed in the City six-year Transportation Improvement Program adopted pursuant to RCW 36.81.121. with funding identified that would remedy the deficiency within six years.
- D. Capacity improvements. “Capacity improvements” means any improvements that increase the vehicle and/or people moving capacity of the street system.
- E. Comprehensive Plan. “Comprehensive Plan” means the generalized, coordinated land use policy statement of the City adopted pursuant to Chapter 36.70A RCW, which may include a land use plan, a capital facilities plan, a Transportation Element, subarea plans, and any such other documents or portions of documents identified as constituting part of the Comprehensive Plan under Chapter 36.70A RCW.
- F. Dedication. “Dedication” means conveyance of land to the City for street purposes by deed or some other instrument of conveyance or by dedication on a duly filed and recorded plat or short plat.
- G. Department. “Department” means the City of Snohomish Public Works Department.
- H. Developer. “Developer” means the person applying for or receiving a permit or approval for a development.
- I. Development. “Development” means all activities that require the following types of City permits or approvals: subdivisions, short subdivisions, industrial or commercial building permits, conditional use permits, recorded development plans, or building permits (including building permits for multi-family and duplex residential structures, and all similar uses), changes in occupancy and other applications pertaining to land uses; provided that “development” does not include building permits for single-family residential dwellings, attached or detached accessory apartments, or duplex conversions, on existing tax lots.
- J. Direct traffic impact. “Direct traffic impact” means any new vehicular trip added by new development to the City street system.

DISCUSSION ITEM 7c

- K. Director. “Director” means the City of Snohomish Department of Public Works Director or his/her authorized designee.
- L. Frontage improvements. “Frontage improvements” means improvements on streets abutting a development and tapers thereto required as a result of a development. Generally, frontage improvements shall consist of appropriate base materials, curb, gutter, sidewalk, storm drainage improvements, bus pullouts and waiting areas where necessary, bicycle lanes and bicycle paths where applicable, and lane improvements.
- M. Highway capacity manual. “Highway capacity manual” means the Highway Capacity Manual, Special Report 209, Transportation Research Board, National Research Council, 1985, 2101 Constitution Avenue, Washington, D.C., amendments thereto, and any supplemental editions or documents published by the transportation research board adopted by the U.S. Department of Transportation, Federal Highway Administration.
- N. Inadequate street condition. “Inadequate street condition” means any street condition, whether existing on the street system or created by a new development’s access or impact on the street system, which jeopardizes the safety of street users, including no automotive users, as determined by the City engineer in accordance with the Department policy and procedure for the determination of inadequate street conditions.
- O. Level-of-service. “Level-of-service” or “LOS” means a qualitative measure describing operational conditions within a traffic stream and the perception thereof by street users. Level-of-service standards may be evaluated in terms such as speed and travel time, freedom to maneuver, traffic interruptions, comfort, convenience, geographic accessibility, and safety. The highway capacity manual defines six levels of service for each type of facility for which analysis procedures are available. They are given letter designations, LOS A to F, with LOS A representing the best operating condition, and LOS F the worst. For the purposes of this Chapter, level-of-service will be measured only on arterial units.
- P. Offsite street or street improvement. “Offsite street or street improvement” means an improvement, except a frontage improvement, to an existing or proposed City street, which improvement is required or recommended in accordance with this Chapter.
- Q. Public agency. “Public agency” means any school district, public water, sewer or utility district, fire district, airport district, public transportation benefit area, or local government agency, seeking a land use permit or approval reviewed under this Chapter.
- R. Street. “Street” means an open, public way for the passage of vehicles, that where appropriate, may include pedestrian, equestrian and bicycle facilities. Limits include the outside edge of sidewalks, or curbs and gutters, paths, walkways, or side ditches, including the appertaining shoulder and all slopes, ditches, channels, waterways, and other features necessary for proper drainage and structural stability within the right-of-way or access easement.
- S. Street system. “Street system” means those existing or proposed City streets within the transportation service area.

DISCUSSION ITEM 7c

- T. Transportation Element. “Transportation Element” means the element of the City’s Comprehensive Plan that consists of transportation goals and policies, an inventory of transportation facilities and services, adopted level of service standards for the street system, an analysis of the street system’s deficiencies and needs, prioritized street system improvements and management strategies, and a multiyear financial plan, adopted pursuant to Ch. 36.70A RCW.
- U. Transportation Facilities Plan. “Transportation Facilities Plan” means the City approved document containing the prioritized improvements and projects designated by the City to implement the six-year Transportation Improvement Program.
- V. Transportation service area. “Transportation service area” means the entire geographic area of the City, as identified and utilized in the Transportation Element for the purpose of evaluating the transportation impacts of development, determining proportionate shares of needed transportation improvements, and allocating revenue to transportation improvement projects.

14.295.050 Street System Policy-General Provisions.

- A. Applicability to development. Any application for approval of a permit for a development in the City of Snohomish is subject to the provisions of this Chapter.
- B. Director’s recommendation: approval.
 - 1. In approving or permitting a development, the approval authority shall consider the Director’s recommendations and act in conformity with this Chapter.
 - 2. The Director shall only recommend approval of a development, if, in the Director’s opinion, adequate provisions for City streets, access, and mitigation of the transportation impacts of the development are made as provided in the City’s development regulations, SEPA, and this Chapter.
 - 3. The Director shall only recommend approval of a development if the development is deemed to be concurrent in accordance with this Chapter.
- C. Excessive expenditure of public funds. If the location, nature, and/or timing of a proposed development necessitates the expenditure of public funds in excess of those currently available for the necessary street improvement or is inconsistent with priorities established to serve the general public benefit, and if provision has not otherwise been made to meet the mitigation requirements as provided in this Chapter, the City may refuse to approve or grant a permit for development. As an alternative, the City may allow the developer to alter the proposal so that the need for street improvement is lessened or may provide the developer with the option of bearing all or more than the development’s proportionate share of the required street improvement costs.
- D. Development mitigation obligations. Any application for approval of a permit for a development shall be reviewed to determine any requirements or mitigation obligations that may be applicable for the following:
 - 1. Impact on street system capacity;

DISCUSSION ITEM 7c

2. Impact on specific level-of-service deficiencies;
 3. Impact on specific inadequate street condition locations;
 4. Frontage improvements requirements;
 5. Access and transportation system circulation requirements;
 6. Dedication or deeding of right-of-way requirements;
 7. Transportation demand management measures.
- E. Street system capacity requirements. The direct traffic impacts of any development on the capacity of all intersections, arterials and non-arterials in the street system identified as needing future capacity improvements in the currently adopted Transportation Element will be mitigated either by constructing street improvements which offset the traffic impact of the development or by paying the development's share of the cost of the future capacity improvements.
- F. Level-of service standards.
1. As required by RCW 36.70A.070(6)(a), standards for levels of service on City arterials have been adopted by the City in the Comprehensive Plan. The Department will plan, program and construct transportation system capacity improvements for the purpose of maintaining these adopted level-of-service standards in order to facilitate new development that is consistent with the Comprehensive Plan.
 2. In accordance with RCW 36.70A.070(6)(b), no development will be approved which would cause the level-of-service on any arterial unit or intersection to fall below the adopted level-of-service standards unless improvements are programmed and funding identified which would remedy the deficiency within six years.
 3. When the City Council determines that excessive expenditure of public funds is not warranted for the purpose of maintaining adopted level-of-service standards on an intersection or arterial unit, the City Council may designate by motion such intersection or arterial unit as being at ultimate capacity. Improvements needed to address operational and safety issues may be identified in conjunction with such ultimate capacity designation.
- G. Inadequate pre-existing street condition.
1. Mitigation of impacts on inadequate pre-existing street conditions is required in order to improve inadequate streets in accordance with adopted standards, prior to dealing with the impacts of traffic from new development. If such inadequate conditions are found to be existing in the street system at the time of development application review and the development will put three or more p.m. peak-hour trips through the identified locations, the development may be approved only if provisions are made in accordance with this Chapter for improving the inadequate street conditions.

DISCUSSION ITEM 7c

2. The Public Works Director shall make determinations of street inadequacy in accordance with Department policies, standards, and procedures, as adopted pursuant to this Chapter.
- H. Frontage improvements. All developments will be required to make frontage improvements in accordance with City standards.
- I. Access and transportation circulation requirements. All developments shall be required to provide for access and transportation circulation in accordance with the Comprehensive Plan and the development regulations applicable to the particular development, to design and construct such access in accordance with the adopted engineering design and development standards, and to improve existing streets that provide access to the development in order to comply with adopted design standards.
- J. Right-of-way requirements. As provided for by RCW 82.02.020, all developments, as a condition of approval, will be required to deed or dedicate property, as appropriate pursuant to City standards, when to do so is found by the Director or a City approval authority to be reasonably necessary as a direct result of the proposed development for improvement, use, or maintenance of the street system serving the proposed development.
- K. Development permit application completeness. For purposes of this Chapter, permit applications for development shall be determined to be complete in accordance with the complete application provisions as defined in the applicable development regulations in accordance with Chapter 36.70B RCW. A development permit application shall not be considered complete until all traffic studies or data required in accordance with this Chapter and/or as specified in a preapplication meeting conducted pursuant to Title 14 SMC are received. Review periods and time limits shall be established in Title 14 SMC in accordance with Chapter 36.70B RCW.
- L. Director authorization for administrative policies and technical standards and procedures. The Director is hereby authorized to produce and maintain administrative policies and technical standards and procedures in order to administer this Chapter. The policies, standards, and procedures shall cover the transportation-related aspects of processing land use applications and shall set forth any necessary procedural requirements for developers to follow in order for their applications to be processed by staff in an efficient manner. The Director shall produce administrative policies and technical standards and procedures on at least the following topics:
1. Traffic studies: scoping, elements, processing.
 2. Level-of-service determination: methodology, data collection.
 3. Transit compatibility: transit supportive criteria.
 4. Inadequate street conditions: criteria for identification.
 5. Frontage improvements: standards, variables.
 6. Mitigation measures: extent, timing, agreements.

DISCUSSION ITEM 7c

14.295.060 Traffic Study.

- A. When required. In order to provide sufficient information to assess a development's impact on the street system, developments adding three or more p.m. peak-hour trips will be required to provide a traffic study when it has been determined that there is not sufficient information existing in the Department's database to adequately assess the traffic impacts of the development. The traffic study will consist of at least a traffic generation and distribution analysis. The Director may require that additional information be provided on impacts of the development to level-of-service of affected streets, inadequate street conditions, adequacy of the proportionate share calculations of any voluntary payments required under this Chapter to reasonably or adequately mitigate impacts of the proposed development, and conformance with the Comprehensive Plan's Transportation Element. The Director may determine at a pre-application conference the need for a study and the scope of analysis of any needed study.
- B. Waiver. If, in the opinion of the Director, there is sufficient information known about a development's street system impacts from previous traffic studies, the Director may waive the requirement for a traffic study and so state the waiver determination in the preapplication meeting. In such cases, the existing information will be used to establish any necessary traffic mitigation requirements to be recommended in the review of the development.

14.295.070 Determination of Street System Obligations.

- A. Applications which have a prior SEPA threshold determination establishing developer obligation for the transportation impacts prior to the enactment of this Chapter shall be vested under the development obligation identified under SEPA.
- B. A determination of developer obligation shall be made by the City before approval of preliminary plats, short subdivisions, and conditional use permits. For other development approvals, the determination of developer obligation shall be made prior to issuance of a building permit.
- C. Mitigation measures imposed as conditions of a development approval shall remain valid until the expiration date of the concurrency determination for the development. Any building permit application submitted after the expiration date shall be subject to full reinvestigation of traffic impacts under this Chapter before the building permit can be issued. Determination of new or additional impact mitigation measures shall take into consideration, and may allow credit for, mitigation measures fully accomplished in connection with approval of the development or prior building permits pursuant to a recorded development plan, only where those mitigation measures addressed impacts of the current building permit application.
- D. The Director, following review of any required traffic study and any other pertinent data, shall inform the developer in writing what the development's impacts and mitigation obligations are under this Chapter. The developer shall make a written proposal for mitigation of the development's traffic impact, except when such mitigation is by payment of any impact fee under the authority provided to the City under RCW 82.02.050(2). When the developer's written proposal has been reviewed for accuracy and completeness by the Director, the Director shall make a recommendation to the City approval authority, as to the concurrency determination and conditions of approval or reasons for recommending denial of the development application, citing the requirements of this Chapter.

DISCUSSION ITEM 7c

- E. Any request to revise a proposed development, following the determination of developer obligations and approval of the development, which causes an increase in the traffic generated by the development, or a change in points of access, shall be processed in the same manner as an original application except where the Director determines that such revision may be administratively approved.

14.295.080 Street System Capacity Requirements.

- A. All developments must mitigate their impact upon the future capacity of the street system either by constructing offsite street improvements, which offset the traffic impacts of the development, or by paying the development's proportionate share cost of the future capacity improvements.

- B. Construction option.

1. If a developer chooses to mitigate the development's impact to the street system capacity by constructing offsite street improvements, the developer must investigate the impact, identify improvements, and offer a construction plan to the Director for construction of the offsite improvements.
2. When two or more developers have agreed to fully fund a certain improvement, the proportionate sharing of the costs shall be on any basis that the developers agree among themselves would be equitable. Under such an arrangement, the terms of the agreement shall be binding on each development as a condition of approval.
3. Any developer who volunteers to construct more than the development's share of the cost of offsite improvements may apply for a reimbursement contract.

- C. Payment option.

1. If a developer chooses to mitigate the development's impact by making a proportionate share mitigating payment, the development's share of the cost of future capacity improvements will be calculated as set forth in SMC 14.295.090.
2. Any developer who volunteers to pay more than the development's share of the cost of offsite improvements may apply for a reimbursement contract.

14.295.090 Traffic Impact Fee.

- A. The proportionate share fee amount shall be calculated in the Comprehensive Plan's Transportation Element and in the Transportation Facilities Plan.

14.295.095 Traffic Impact Fee Exemption.

- A. Application For Traffic Impact Fee Exemption.

DISCUSSION ITEM 7c

Any developer applying for or receiving a building permit, which meets the criteria set forth in Subsection B below, may apply to the City Planner for an exemption from the traffic impact fee established pursuant to SMC 14.295.090. Said application shall be on forms provided by the City and shall be accompanied by all information and data the City deems necessary to process the application. To the extent it is authorized by law, the City shall endeavor to keep all proprietary information submitted with said application confidential, provided, however, that this ordinance shall not create or establish a special duty to do so.

B. Exemption Criteria. To be eligible for the traffic impact fee exemption, the applicant shall meet each of the following criteria:

1. The applicant must be a new commercial retail business within the Snohomish city limits that applies for a building permit or must be an existing commercial business that applies for a building permit for a major expansion of an existing building. For the purposes of this Section, “commercial retail business” shall mean any business, which sells retail goods and services that are subject to the retail sales tax provisions of Chapter 3.27 SMC and which is subject to payment of traffic impact fees pursuant to this Chapter.
2. Based on similar retail business sales or other reliable data, as determined by the City, the applicant must demonstrate that it is likely to generate to the City of Snohomish the City’s portion of sales and use tax revenue in the average annual amount of at least \$100,000, based upon the three year period commencing from the date of the applicant’s certificate of occupancy. In the case of a major expansion of an existing business, the applicant must demonstrate that the expansion is likely to generate an increase of at least \$100,000 more in average annual sales and use tax to the City than is generated by the applicant’s existing business.
3. The applicant must be a new retail business located within one of the following land use designations: Commercial, Historic Business District, Business Park, Industry, Airport Industry, and Mixed Use.
4. For the purposes of this Section, the applicant shall not be allowed to aggregate sales and use tax revenue from more than one business that the applicant owns or operates within the City.
5. At the time of application for the traffic impact fee exemption, the applicant shall not have paid, or have been obligated to have paid, the traffic impact fee required under this Chapter.

C. Administration of Traffic Impact Fee Exemption.

1. Upon the City’s acceptance of an application for exemption from traffic impact fees pursuant to Subsection A above, the applicant shall pay to the City the full amount of the traffic impact fees required pursuant to SMC 14.295.090. Following receipt of the traffic impact fees, the City shall deposit the fees in the Traffic Impact Fee Fund (124) and shall manage the traffic impact fees as set forth in this Chapter.
2. At the expiration of a three year period commencing from the date of the applicant’s certificate of occupancy, the City Treasurer shall determine if the average annual amount of

DISCUSSION ITEM 7c

the City's portion of sales and use tax revenue received from the applicant's business by the City meets the minimum amount stated in Subsection B2 above. The determination shall be based upon the administration and collection requirements of Chapter 3.27 SMC as now or hereafter amended.

3. In the event that the three year average annual amount of the City's portion of sales and use tax revenue from the applicant's business is at least \$100,000, or in the case of a major expansion of an existing business the three year annual average is at least \$100,000 more than the prior year, there shall be an exemption of 25% from the traffic impact fees otherwise due pursuant to SMC 14.295.090. In such case, 25% of the amount paid to the City pursuant to Subsection C1 above shall be refunded to the applicant, plus any accrued interest. The remainder of the funds deposited pursuant to Subsection C1 above shall belong to the City.
4. In the event that the applicant's three year annual average sales and use tax revenue to the City is at least \$200,000, or in the case of a major expansion of an existing business the three year annual average is at least \$200,000 more than the prior year, the applicant shall receive an exemption, which shall result in a refund of 50% of the amount paid to the City pursuant to Section C1 above, plus any accrued interest. The remainder of the funds deposited pursuant to Section C1 above shall belong to the City.
5. In the event that the applicant's three year annual average sales and use tax revenue to the City is at least \$300,000, or in the case of a major expansion of an existing business the three year annual average is at least \$300,000 more than the prior year, the applicant shall receive an exemption, which shall result in a refund of 75% of the amount paid to the City pursuant to Section C1 above, plus any accrued interest. The remainder of the funds deposited pursuant to Section C1 above shall belong to the City.
6. In the event that the applicant does not generate at least a three year average annual sales and use tax revenue of \$100,000, or in the case of a major expansion of an existing business at least a three year annual average of \$100,000, the entire traffic impact fee required under SMC 14.295.090 shall belong to the City.
7. Determinations of the amounts set forth in this Section shall be made by the City Treasurer, which determinations shall be appealable as set forth in Subsection E.

D. Deposits and Refunds of Sales and Use Tax Revenue.

1. Sales and use tax revenues in the amount annually required to meet the traffic impact fee exemption level for which the applicant qualifies under this Section shall be deposited in the Reserve for Traffic Impact Fee Fund (125), which is hereby created. All sales and use tax revenues in excess of the amount annually required to meet the traffic impact fee exemption level for which the applicant qualifies under this Section shall remain in the City's General Fund (001) and may be expended for any lawful purpose as directed by the City Council.
2. At the end of an applicant's three year period, or in the case of a major expansion of an existing business at the end of an applicant's three year period, the City Treasurer shall

DISCUSSION ITEM 7c

determine the amount of refund to be paid the applicant. Refunds shall be paid from the Reserve for Traffic Impact Fee Fund (125).

- E. Appeals. Any applicant aggrieved by the determination of the City as to whether the exemption criteria of Subsection B have been met or as to the amount of a refund to which an applicant is entitled pursuant to Subsections C and D, may file a written appeal to the City's Land Use Hearing Examiner, in the same manner as appeals of City Planner determinations as set forth in Chapters 14.75 and 14.95 SMC. The City Examiner is hereby specifically authorized to hear and decide such appeals, and the decision of the Hearing Examiner shall be final action of the City and shall be subject to appeal pursuant to Chapter 14.75 SMC. (Ord. 2085, 2005)

14.295.100 Level-of-Service Requirements and Concurrency Determinations.

- A. The Department shall make a concurrency determination for each development application to ensure that the development will not impact an arterial unit where the level-of-service is below the adopted level-of-service standard or will not cause the level-of-service on an arterial unit to fall below the adopted level-of-service standard, unless improvements are programmed and funding identified which would remedy the deficiency within six years. The approval authority shall not approve any development that is not deemed concurrent under this section.
1. The Department shall make a concurrency determination upon receipt of a development's pre-application submittal. The determination may change based upon revisions in the application. Any change in the development after approval will be resubmitted to the Director, and the development will be reevaluated for concurrency purposes.
 2. The concurrency determination shall expire if the development for which the concurrency is reserved is not applied for within one hundred twenty (120) days of the concurrency determination. This determination is a prerequisite for a complete development application. The expiration date of the concurrency determination for a filed development application shall be six years after the date of the determination, except where the application is later withdrawn or approval is allowed to lapse.
 3. Building permits for a development must be issued prior to expiration of the concurrency determination for the development, except when the development is a residential subdivision or short subdivision in which case the subdivision or short subdivision must be recorded prior to expiration of the concurrency determination for the development, and except where no building permit will be associated with a conditional use permit, in which case the conditional use permit must be issued prior to expiration of the concurrency determination. No additional concurrency determination shall apply to residential dwellings within a subdivision or short subdivisions recorded in compliance with this section.
 4. If the concurrency determination expires prior to building permit issuance, except when the development is a residential subdivision or short subdivision, then prior to the recording of the subdivision or short subdivision, and except where no building permit will be associated with a conditional use permit, then prior to issuance of the conditional use permit, the Director shall at the request of the developer consider evidence that conditions have not significantly changed and make a new concurrency determination in accordance with this section.

DISCUSSION ITEM 7c

5. Building permit applications for development within a recorded development plan, non-residential subdivision or short subdivision, for which a concurrency determination has been made in accordance with this section shall be deemed concurrent, provided that the concurrency determination has not expired, the building permit will not cause the approved traffic generation of the prior approval to be exceeded, there is no change in points of access, and mitigation required pursuant to the recorded development plan, non-residential subdivision or short subdivision approval is performed as a condition of building permit issuance.
- B. In determining whether or not to deem a proposed development as concurrent, the Department shall analyze likely street system impacts on arterial units based on the size and location of the development.
1. A development shall be deemed concurrent for the period prior to the expiration date of the concurrency determination for the development.
 2. A development's forecasted trip generation at full occupancy shall be the basis for determining the impacts of the development on the street system. The City will accept valid data from a traffic study prepared under this Chapter.
- C. A concurrency determination made for a proposed development under this section will evaluate the development's impacts on any intersections or arterial units in arrears. If a development which generates seven or more p.m. peak-hour trips, or a nonresidential development which generates five or more p.m. peak-hour trips, is proposed to affect an intersection or arterial unit in arrears, then the development may only be deemed concurrent based on a trip distribution analysis to determine the impacts of the development. Impacts shall be determined based on each of the following:
1. If the trip distribution analysis indicates that the development will not place three or more p.m. peak-hour trips on any intersection or arterial units in arrears, then the development shall be deemed concurrent.
 2. If the trip distribution analysis indicates that the development will place three or more p.m. peak-hour trips on any intersection or arterial unit in arrears, then the development shall not be deemed concurrent except where the development is deemed concurrent in accordance with the options under SMC 14.295.100E.
- D. Any residential development that generates less than seven p.m. peak- hour trips or any nonresidential development that generates less than five p.m. peak-hour trips shall be considered to have only minor impact on City arterials for purposes of a concurrency determination on impacts to level-of- service on intersections and arterial units and shall accordingly be deemed concurrent.
- E. Any development not deemed concurrent shall have options available to enable the development to be deemed concurrent as follows:

DISCUSSION ITEM 7c

1. A development which meets the Department's criteria for transit compatibility, in accordance with the Director's policy and procedure for transit compatibility, shall be deemed concurrent if the impacted intersection or arterial unit in arrears meets the criteria for transit supportive design in accordance with the Director's policy and procedure for transit compatibility, and if the level-of-service on the impacted intersection or arterial unit in arrears meets the City's adopted LOS standards, and provided that the development can be deemed concurrent in accordance with all other provisions of this section.
2. A development may modify its proposal to lessen its impacts on the street system in such a way as to allow the City to deem the development concurrent under this section.
3. The City may deem such development concurrent based upon a written proposal signed by the proponent of the development and attached to the Director's recommendation under SMC 14.295.050B, and referenced in the concurrency determination, as a condition of approval.
 - a. Such proposal may include conditions which would defer construction of all or identified subsequent phases of a development until such time as the City has made or programmed capacity improvements which would remedy any intersection or arterial units in arrears.
 - b. Such proposals may include conditions which would defer construction of all or identified subsequent phases of a development until such time as the developer constructs capacity improvements which would remedy any intersection or arterial units in arrears.
 - i. If a developer chooses to mitigate the development's impact by constructing offsite street improvements, the developer must investigate the impact, identify improvements, and offer a construction plan to the Director for construction of the offsite improvements. Construction of improvements shall be in accordance with the City's engineering design and development standards.
 - ii. In cases where two or more developers have agreed to fully fund a certain improvement, the proportionate sharing of the cost shall be on any basis that the developers agree among themselves would be equitable. Under such an arrangement, the terms of the agreement shall be binding on each development as conditions of approval.
 - iii. Any developer who chooses to mitigate a development's impact by constructing offsite improvements may propose to the City that a joint public/private partnership be established to jointly fund and/or construct the proposed improvements. The Director will determine whether or not such a partnership is to be established.
 - iv. Construction of capacity improvements under this section must be complete or under contract prior to the issuance of any building permits and must be complete prior to approval for occupancy or final inspection; provided that where no building permit will be associated with a change in occupancy, then construction of improvements is required as a precondition to approval.

DISCUSSION ITEM 7c

F. Adopted Level-of-Service.

1. The level of service for minor and collector arterials at signalized intersections shall be LOS D or better, using the operational method as a standard of review.
2. The Transportation Facilities Plan may designate intersections that are exempt from the level-of-service standard set forth in this subsection.

14.295.110 Inadequate Street Condition Requirements.

- A. Regardless of the existing level-of-service, development which adds three or more p.m. peak-hour trips to an inadequate street condition existing on the street system, at the time of determination under this Chapter, or development whose traffic will cause an inadequate street condition at the time of full occupancy of the development, will only be approved for occupancy or final inspection when provisions are made in accordance with this Chapter for elimination of the inadequate street condition. The improvements removing the inadequate street condition must be complete or under contract before a building permit on the development will be issued and the street improvement must be complete before any certificate of occupancy or final inspection will be issued; provided that where no building permit will be associated with a conditional use permit, then the improvements removing the inadequate street condition must be complete as a precondition to approval.
- B. The Director shall determine whether or not a location constitutes an inadequate street condition. Any known inadequate street condition to which the development adds three or more p.m. peak-hour trips shall be identified as part of the Director's recommendation under SMC 14.295.050B.
- C. A development's access onto a City street shall be designed so as not to create an inadequate street condition. Developments shall be designed so that inadequate street conditions are not created.
- D. Construction option – requirements.
 1. If a developer chooses to eliminate an inadequate street condition by constructing offsite street improvements, the developer must investigate the impact, identify improvements, and offer a construction plan to the Director for construction of the offsite improvements.
 2. When two or more developers have agreed to fully fund a certain improvement, the proportionate sharing of the costs shall be on any basis that the developers agree among themselves would be equitable. Under such an arrangement, the terms of the agreement shall be binding on each development as conditions of approval.

14.295.120 Special Circumstances. Where the only remedy to an arterial unit in arrears is the installation of a traffic signal, but signalization warrants contained in the current edition of the Manual on Uniform Traffic Control Devices (MUTCD) are not met at present, developments impacting the arterial unit may be allowed to proceed without the installation of the traffic signal; provided that all other warranted level-of-service and transit related improvements are made on the arterial unit within the deficient level-of-service. Developments impacting such arterial units will not be issued building permits or occupancies (whichever comes first) until the improvements (not

DISCUSSION ITEM 7c

including the traffic signal) to the level-of-service deficient arterial unit are under contract or being performed. Such developments will be subject to all other obligations as specified in this Chapter.

14.295.130 Administration of Traffic Impact Fee Payments.

A. Any traffic impact fee payment made pursuant to this Chapter shall be subject to the following provisions:

1. The payment is required prior to building permit issuance unless the project proponent elects to defer payment utilizing the process outlined in 14.295.135. Payment for ~~the development~~ is a subdivision or short subdivision, ~~in which case the payment~~ shall be made prior to the recording of the final plat, provided that if no building permit will be associated with a change in occupancy or conditional use permit, then payment is required prior to approval of occupancy.
2. The payment shall be held in a reserve account and shall be expended to fund improvements on the street system.
3. An appropriate and reasonable portion of payments collected may be used for administration of this Chapter.
4. The fee payer may receive a refund of such fees, if the City fails to expend or encumber the impact fees within six (6) years of when the fees were paid or other such period of time established pursuant to RCW 82.02.070(3), for transportation facilities intended to benefit the development for which the transportation impact fees were paid, unless the City Council finds that there exists an extraordinary and compelling reason for fees to be held longer than six (6) years. Such findings shall be set forth in writing and approved by the City Council. In determining whether traffic impact fees have been encumbered, impact fees shall be considered encumbered on a first in/first out basis. The City shall notify potential claimants by first class mail deposited with the United States Postal Service at the last known address of claimants.
5. A request for a refund must be submitted by the applicant to the City in writing within ninety (90) days of the date the right to claim the refund arises, or the date that notice is given, whichever is later. Any traffic impact fees that are not expended within these time limitations, and for which no application for a refund has been made within this ninety (90) day period, shall be retained and expended on projects identified in the Transportation Facilities Plan. Refunds of traffic impact fee payments under this subsection shall include interest earned on the impact fees.

B. Credit for offsite improvements.

1. Offsite improvements include construction of improvements to mitigate an arterial unit in arrears and/or specific inadequate street condition locations.
2. If a developer chooses to construct improvements to mitigate an arterial unit in arrears or inadequate street condition problem, and the improvements constructed are part of the cost basis of any traffic impact fee imposed under this Chapter to mitigate the development's

DISCUSSION ITEM 7c

impact on the future capacity of City streets, the cost of these improvements will be credited against the traffic impact fee amount.

14.295.135 Single-Family Residential Deferral Program. An applicant for a building permit for a single-family detached or attached residence may request a deferral of the full impact fee payment until final inspection or 18 months from the date of original building permit issuance, whichever occurs first. Deferral of impact fees are considered under the following conditions:

1. Submit a deferred impact fee application and acknowledgment form for each single-family attached or detached residence for which the applicant wishes to defer payment of the impact fees on a form to be provided by the city;
2. Pay the applicable administrative fee as established by resolution or ordinance of the city;
3. Grant and record at the applicant's expense a deferred impact fee lien in a form approved by the city against the property in favor of the city in the amount of the deferred impact fee that:
 - a. Includes the legal description, tax account number, and address of the property;
 - b. Requires payment of the impact fees to the city prior to final inspection or 18 months from the date of original building permit issuance, whichever occurs first;
 - c. Is signed by all owners of the property, with all signatures acknowledged as required for a deed recorded in Snohomish County;
 - d. Binds all successors in title after the recordation; and
 - e. Is junior and subordinate to one mortgage for the purpose of construction upon the same real property granted by the person who applied for the deferral of impact fees.
4. The amount of impact fees deferred shall be determined by the fees in effect at the time the applicant applies for a deferral.
5. The City shall withhold final inspection until the impact fees have been paid in full. Upon receipt of final payment of impact fees deferred under this subsection, the City shall execute a release of deferred impact fee lien for each single-family attached or detached residence for which the impact fees have been received. The applicant, or property owner at the time of release, shall be responsible for recording the lien release at his or her expense.
6. The extinguishment of a deferred impact fee lien by the foreclosure of a lien having priority does not affect the obligation to pay the impact fees as a condition of final inspection.
7. If impact fees are not paid in accordance with the provisions of this chapter and in accordance with the term provisions established herein, the city may institute foreclosure proceedings in accordance with RCW 61.12.
8. Each applicant for a single-family attached or detached residential construction permit, in

DISCUSSION ITEM 7c

accordance with his or her contractor registration number or other unique identification number, is entitled to annually receive deferrals under this section for the first 20 single-family residential construction building permits.

14.295.140 Administrative Appeals. Administrative interpretations and administrative approvals made pursuant to this Chapter may be appealed to the Hearing Examiner pursuant to Title 14 SMC.

14.295.150 Severability. If any section, subsection, sentence, clause, phrase or word of this Chapter should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality thereof shall not affect the validity or constitutionality of any other section, subsection, sentence, clause, phrase or word of this Chapter.

14.295.160 No Special Duty. It is the purpose of this Chapter to provide for the health, welfare and safety 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 Chapter. No provision or term used in this Chapter is intended to impose any duty whatsoever upon the City or any of its officers, agents or employees for whom the implementation or enforcement of this Chapter shall be discretionary and not mandatory.

Nothing contained in this Chapter is intended to be, nor shall be construed to create or form the basis for, any liability on the part of the City or its officers, agents and employees for any injury or damage resulting from the failure to comply with the provisions of this Chapter or be a reason or a consequence of any inspection, notice or order, in connection with the implementation or enforcement of this Chapter, or by reason of any action of the City related in any manner to enforcement of this Chapter by its officer, agents or employees. (Ord. 2067, 2005)

DISCUSSION ITEM 7c

ATTACHMENT E

PARK IMPACT FEES

Sections:

- 14.300.010 Purpose
- 14.300.020 Establishment of Impact Fees and Fund
- 14.300.030 Incorporation of Parks Capital Facilities Plan
- 14.300.040 Applicability
- 14.300.050 Impact Fee Schedule Exemptions
- 14.300.060 Impact Fee Collection and Assessment
- 14.300.065 Single-Family Residential Deferral Program
- 14.300.070 Schedule of Park Impact Fees
- 14.300.080 In-Kind Mitigation Option
- 14.300.090 Credit for Payment or Obligation Previously Incurred
- 14.300.100 Administrative Adjustment of Fee Amount – Payment under Protest
- 14.300.110 Appeals
- 14.300.120 Service Area Established
- 14.300.130 Use of Funds
- 14.300.140 Refunds
- 14.300.150 Use and Disposition of Land
- 14.300.160 Annual Report
- 14.300.170 Definitions
- 14.300.180 Severability
- 14.300.190 No Special Duty

14.300.010 Purpose. The purposes of this chapter are to: (1) Ensure that parks, recreation, and trail facilities necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing service levels below established minimum standards for the City; and (2) Establish standards and procedures so that new development pays a proportionate share of costs for facilities and services necessary to serve growth and does not pay arbitrary or duplicative fees for the same impact.

14.300.020 Establishment of Impact Fees and Fund. As a condition of approval of all residential development or development activity, as defined herein, the City will require mitigation of adverse impacts on the park system pursuant to the State Growth Management Act, RCW 36.70A, RCW 82.02, and this chapter. Park impact fees collected by the City shall be deposited in a fund entitled “Park Impact Fee Fund.” The fund shall include deposits from payments made pursuant to this chapter and shall permit tracking and segregation of all mitigation payments.

14.300.030 Incorporation of Parks Capital Facilities Plan. By separate ordinance, Ordinance 2135, the City Council has adopted the Parks Element of the Comprehensive Plan and the Parks, Recreation, and Open Space Long Range Plan (Parks Plan). The Parks Plan includes the 20-Year Parks and Recreation Capital Facilities Plan (Capital Facilities Plan) which identifies park facilities necessary to provide for growth, and the methodology used to calculate park impact fees. The Parks Plan as adopted and amended is hereby incorporated into this chapter by reference as if set forth in full.

DISCUSSION ITEM 7c

14.300.040 Applicability.

- A. Except as exempted by 14.300.050 SMC and subsection B below, the terms of this chapter shall apply to all residential development, including:
1. The issuance of any building permit that increases the number of dwellings.
 2. The approval of a change in use or occupancy that increases the number of dwellings.
 3. Final plat approval for plats and short plats.
- B. The terms of this chapter shall not apply to:
1. Residential lots and dwellings for which the park impact or mitigation fee has been paid pursuant to a previous permit or approval.
 2. Complete applications for building permits or changes in use or occupancy received prior to the effective date of this chapter.
 3. Final plat approval and building permits related to a preliminary plat approved prior to the effective date of this chapter.

14.300.050 Impact Fee Schedule Exemptions.

- A. A person required to pay a fee pursuant to RCW 43.21C.060 (SEPA) for system improvements shall not be required to pay an impact fee under RCW 82.02.050 through 82.02.090 (GMA) for those same system improvements.
- B. The following development activities are exempt from paying park impact fees because they do not have a measurable impact on the City's park facilities, or because the City has chosen to exempt them pursuant to RCW 82.02.060(2).
1. Existing Dwelling Unit. Any alteration, expansion, reconstruction, remodeling, or replacement of existing single-family or multifamily dwelling units that does not result in the creation of one or more additional dwelling unit(s).
 2. Facilities for Long-Term Care. Any housing facility or long-term care facility exclusively providing any or all of the following services as defined in RCW 74.39A.009: "assisted living services," "enhanced adult residential care," or "nursing home;" provided that this exemption ceases if the housing facility is later converted to permanent use as a single-family or multifamily residence not providing such services, in which case park impact fees shall be imposed at that point; and provided further that where a housing facility provides a mixture of independent senior housing in combination with any of the above mentioned services, the exemption shall be limited to that portion of the facility providing such services and the impact fee shall be appropriately calculated on a per dwelling unit basis for that portion of the facility not providing such services.

DISCUSSION ITEM 7c

3. Temporary Accommodation. Any dwelling unit licensed and operated as transient accommodations under Chapter 70.62 RCW and WAC 248-144-026(26), such as hotels, motels, and resorts; provided that this exclusion ceases if the housing is later converted to permanent use as a single-family or multifamily residence not subject to such restrictions. (Ord. 279 § 1, 2001)
 4. Any accessory dwelling unit as that term is defined in SMC 14.100.
- C. The City Council may, on a case-by-case basis, grant exemptions to the application of the fee schedule for low-income or senior housing that achieves broad public purposes as defined in Chapter 14.05.020 SMC, and authorized by and in accordance with the conditions specified under RCW 82.02.060(2), provided that the impact fees for such development activity shall be paid from public funds other than impact fee accounts. To qualify for the exemption, the developer of such housing shall submit a petition to the City Planner for consideration by the Council prior to application for building permit. Conditions for such approvals shall be established by the Council at the time of approval that, at a minimum, meet the requirements of RCW 82.02.060(2), and that include a requirement for a covenant to assure the project's continued use for low-income or senior housing. The covenant entered into by and between the developer and the City shall be an obligation that runs with the land for no less than 25 years, and shall be recorded against the title of the real property upon which such housing is located in the real property records of the Snohomish County Auditor. The covenant shall be reviewed and approved as to form by the City Attorney

14.300.060 Impact Fee Collection and Assessment.

- A. Impact fee collection shall occur prior to building permit issuance unless the project proponent elects to defer payment utilizing the process outlined in 14.300.065. Payment for the development is a subdivision or short subdivision, in which case the payment shall be made prior to approval of the final plat. If the scope of work does not require a building permit, then payment is required prior to approval of occupancy.
- B. Assessment. City permit staff shall determine the total impact fee owed based on the fee schedule in effect at the time of permit issuance or, in the case of subdivisions, the fee schedule in effect at the time of final plat approval.

14.300.065 Single-Family Residential Deferral Program. An applicant for a building permit for a single-family detached or attached residence may request a deferral of the full impact fee payment until final inspection or 18 months from the date of original building permit issuance, whichever occurs first. Deferral of impact fees are considered under the following conditions:

- A. An applicant for deferral must request the deferral no later than the time of application for a building permit.
- B. To receive a deferral, an applicant must:
 1. Submit a deferred impact fee application and acknowledgment form for each single-family attached or detached residence for which the applicant wishes to defer payment of the impact

DISCUSSION ITEM 7c

fees on a form to be provided by the City;

2. Pay the applicable administrative fee as established by resolution or ordinance of the City;
3. Grant and record at the applicant's expense a deferred impact fee lien in a form approved by the City against the property in favor of the city in the amount of the deferred impact fee that:
 - a. Includes the legal description, tax account number, and address of the property;
 - b. Requires payment of the impact fees to the City prior to final inspection or 18 months from the date of original building permit issuance, whichever occurs first;
 - c. Is signed by all owners of the property, with all signatures acknowledged as required for a deed recorded in Snohomish County;
 - d. Binds all successors in title after the recordation; and
 - e. Is junior and subordinate to one mortgage for the purpose of construction upon the same real property granted by the person who applied for the deferral of impact fees.
4. The amount of impact fees deferred shall be determined by the fees in effect at the time the applicant applies for a deferral.
5. The City shall withhold final inspection until the impact fees have been paid in full. Upon receipt of final payment of impact fees deferred under this subsection, the City shall execute a release of deferred impact fee lien for each single-family attached or detached residence for which the impact fees have been received. The applicant, or property owner at the time of release, shall be responsible for recording the lien release at his or her expense.
6. The extinguishment of a deferred impact fee lien by the foreclosure of a lien having priority does not affect the obligation to pay the impact fees as a condition of final inspection.
7. If impact fees are not paid in accordance with the provisions of this chapter and in accordance with the term provisions established herein, the City may institute foreclosure proceedings in accordance with RCW 61.12.
8. Each applicant for a single-family attached or detached residential construction permit, in accordance with his or her contractor registration number or other unique identification number, is entitled to annually receive deferrals under this section for the first 20 single-family residential construction building permits.

14.300.070 Schedule of Park Impact Fees. The impact fee shall be set by resolution of the City Council. (Ord. 2299, 2016)

14.300.080 In-Kind Mitigation Option.

DISCUSSION ITEM 7c

- A. The Public Works Director (Director) and the developer may consider in-kind options to satisfy all or part of the mitigation obligation. Land dedication, site preparation, and related public parks and trails system development, as well as other in-kind mitigation options, may be utilized if acceptable to the Director and the Parks and Recreation Board (Parks Board), and conforms to the 20-Year Parks and Recreation Capital Facilities Plan.
- B. In approving or permitting a development, the approval authority shall consider the Director's recommendations and act in conformity with this chapter.
- C. Dedication of land and/or provision of improvements for public parks, recreation facilities, and open spaces may be accepted in lieu of payment of the park impact fees under this chapter. Credit shall be allowed only to the extent agreed between the applicant and the Director. If agreement cannot be reached, or is not appropriate, the park impact fees imposed by this chapter shall be paid.
- D. The Director shall request Parks Board review of proposed dedication of land and improvements for parks, recreation facilities, and open spaces. The Parks Board recommendation shall be considered in determining the acceptability of the proposed dedication.
- E. Some or all of a developer's mitigation obligation may be satisfied by dedication or conveyance of land to the City for park and recreation facilities if, after review of an analysis of supply/demand data, the Parks Plan, and a recommendation by the Parks Board, the Director determines that the proposed land dedication or conveyance better meets the community's need for park and recreation facilities than payment of park impact fees.
- F. The following criteria shall be considered in determining the extent to which the proposed dedication or conveyance meets the requirements of this chapter:
 - 1. The land and its development shall result in an integral element of the Parks Capital Facilities Plan identified as serving growth;
 - 2. The land should be suitable for future active park and recreation facilities;
 - 3. The land should be of a size and horizontal and vertical configuration necessary to accommodate identified recreational uses;
 - 4. The land should have public access via a public street or an easement of an appropriate width and accessibility;
 - 5. The land should be located in or near areas designated by City park, trail, or land use plans for parks and recreation purposes;
 - 6. The land should provide linkage between City and/or other publicly owned recreation properties;
 - 7. The land shall be surveyed or adequately marked with survey monuments, or otherwise readily distinguishable from adjacent privately owned property;

DISCUSSION ITEM 7c

8. The land should have no known physical problems associated with it, such as problems with drainage, erosion, or the presence of hazardous waste, which the Director determines would cause inordinate demands on public resources for maintenance and operation;
 9. The land should be reasonably unencumbered with easements, utilities, and critical areas to be suitable for identified recreational uses and improvements.
- G. Some or all of a developer's mitigation obligation may be satisfied by the purchase, installation, and/or improvement of park and recreation facilities located on land owned by the City if:
1. The City is responsible for permanent, continuing maintenance and operation of the facilities;
 2. The Director determines that the facilities correspond to the type(s) of park and recreation facilities designated as serving growth in the Parks Capital Facilities Plan; and
 3. A final plat may be approved or a building permit for an individual lot may be issued following the City's determination that the specified in-kind mitigation has been completed in a satisfactory manner. The City may approve a final plat or a building permit for an individual lot with in-kind mitigation incomplete only when the provisions of SMC 14.215.060 are satisfied.

14.300.090 Credit for Payment or Obligation Previously Incurred.

- A. The City may provide a credit for the value of any dedication of land for, improvement to, or new construction of any system improvements provided by the developer that are identified in the Capital Facilities Plan and that are required by the City as a condition of approving the development activity.
- B. A developer may be entitled to a credit against the park impact fees collected under this chapter in any of the following situations:
 1. Where the applicant is required to provide park system improvements identified in the Capital Facilities Plan; or
 2. Where the applicant has agreed, pursuant to the terms of a voluntary agreement with the City, to provide land for system improvements identified in the Capital Facilities Plan; or
 3. Where the applicant has agreed, pursuant to the terms of a voluntary agreement with the City, to make system improvements to existing park facilities.
- C. If applicable, improvements for which credit is requested must be identified prior to approval of a preliminary plat, conditional use permit, development plan, or other development permit.
- D. For the purposes of calculating the credit, the land value or costs of construction shall be determined as follows:

DISCUSSION ITEM 7c

1. The amount of credit for land dedicated shall be the higher of either the most recent land valuation by the Snohomish County Assessor, or by an appraisal conducted by an independent professional appraiser chosen by the applicant and acceptable to the City. Either the fee payer or the City may request an appraisal, in which event the cost of the appraisal shall be borne by the requesting party. For the purposes of this section, the value shall be established as of the date the land is dedicated to the City.
 2. Credit for facilities constructed shall be based upon the actual cost of construction at the time of construction and shall apply only to approved park system improvements.
- E. Applicants for credit for construction of park improvements shall submit acceptable engineering drawings and specifications, legal description, and construction cost estimates to the Director. The estimated value of credits for in-kind improvements shall be based on either the submitted cost estimates or upon alternative engineering criteria and construction cost estimates, at the Director's discretion. The Director shall provide the applicant with a letter setting forth the estimated dollar amount of the credit, the reason for the credit, and the legal description of the project or development to which the credit may be applied. The applicant must sign and date a duplicate copy of such letter or certificate indicating their agreement to the terms of the letter or certificate and return such signed document to the Director before credit will be given. The failure of the applicant to sign, date, and return such document within 60 days shall nullify the credit. Final credit will be established at acceptance of improvements.
- F. In cases where a developer would be entitled to a credit under this section, but the amount of the credit has yet to be determined on a per dwelling unit basis, the City shall take the total credit amount available to the entire plat or project, calculated by applying Subsections (A) through (F) of this section, and divide that amount by the number of dwelling units planned for that plat or project. The impact fee and credit may then be calculated and collected on a per dwelling unit basis as application is made for building permits. Where building permits for some, but not all, of the dwelling units within a plat or project have already been obtained at the time the ordinance codified in this chapter becomes effective, the credit for remaining dwelling units will be calculated to arrive at a per dwelling unit amount in the same manner. For example, if a plat is planned for 20 dwelling units, and building permits have only been issued for 10 of those units, the per dwelling unit credit for the remaining 10 units will equal the total credit amount divided by 20.
- G. To utilize an approved credit to reduce impact fees assessed at the time of building permit issuance, the credit must be requested prior to building permit issuance or it is deemed waived.
- H. No refund will be allowed in the event that the impact fee credit exceeds the amount of the impact fee itself.

14.300.100 Administrative Adjustment of Fee Amount – Payment under Protest.

- A. Within 14 days of issuance by the City of a building permit, an applicant may appeal to the Planning Director for an adjustment to the fees imposed by this title. The Planning Director may adjust the amount of the fee, in consideration of studies and data submitted by the developer and any affected district, if one of the following circumstances exists:

DISCUSSION ITEM 7c

1. It can be demonstrated that the impact fee assessment was incorrectly calculated;
 2. Unusual circumstances of the development demonstrate that application of the impact fee to the development would be unfair or unjust;
 3. A credit specified in RCW 82.02.060(1)(b) may be warranted.
- B. To avoid delay pending resolution of the appeal, impact fees may be paid under protest in order to obtain development approval.
- C. Failure to exhaust this administrative remedy shall preclude appeals of the impact fee pursuant to SMC 14.300.110 below.

14.300.110 Appeals. Appeals of mitigation requirements imposed pursuant to this title shall be as provided in Chapter 14.75 SMC.

14.300.120 Service Area Established. The service area established in this section assures a proportional benefit of public facilities to development applicants and establishes a nexus between those paying for the fees and those benefiting from the capital facilities. Because the City's size allows its park and recreation facilities to provide a reasonable benefit to its entire population regardless of their location within the City, the service area for the park impact fee shall be the entire City of Snohomish. The boundary within which impact fees will be charged shall include all unincorporated areas annexed to the City on and after the effective date of the ordinance codified in this chapter.

14.300.130 Use of Funds.

- A. Park impact fees shall be used for development of parks, linear trail parks, and recreation facilities to serve new growth and development in Snohomish; provided that such impact fees may only be spent on system improvements. Sidewalks located parallel to public streets are not eligible for the use of park impact fee funds except as identified in the parks and recreation Capital Facilities Plan. The park Capital Facilities Plan distinguishes between facilities and funds needed to serve new development and those facilities and funds needed to correct existing deficiencies.
- B. Impact fees may be spent on the following items to the extent that they relate to a particular system improvement: facility planning; land acquisition costs including survey, appraisal, recording fees, and other related expenses; site improvements, necessary off-site improvements; facility construction, engineering, design work, and permitting fees; facility financing, grant matching funds, applicable mitigation costs, capital equipment pertaining to public facilities, and any other expenses which can be capitalized and are consistent with the Capital Facilities Plan.
- C. In the event that bonds or similar debt instruments are or have been issued for the construction of public facility or system improvements for which impact fees may be expended, impact fees may be used to pay debt service on such bonds or similar debt instruments to the extent that the facilities or improvements provided are consistent with the requirements of this chapter and are used to serve new development.

DISCUSSION ITEM 7c

14.300.140 Refunds.

- A. The current owner of property on which an impact fee has been paid may receive a refund of such fees if the City fails to expend or encumber the impact fees within six years of when the fees were paid on public facilities intended to benefit the development activity for which the impact fees were paid. This 6-year period may be extended by City Council, based on extraordinary and compelling reasons, which shall be identified in written findings approved by City Council. In determining whether impact fees have been encumbered, impact fees shall be considered encumbered on a first in, first out basis. The amount to be refunded shall include the interest earned by this portion of the account from the date that it was deposited into the impact fee fund.
- B. An owner may request and shall receive a refund, including interest earned on the impact fees, when:
1. The owner does not proceed to finalize the development activity as required by statute or City code or the Uniform Building Code; and
 2. The City has not expended or encumbered the impact fees prior to the application for a refund. In the event that the City has expended or encumbered the fees in good faith, no refund shall be forthcoming. However, if within a period of three years, the same or subsequent owner of the property proceeds with the same or substantially similar development activity, the owner shall be eligible for a credit against any then-existing park impact fee requirement. The owner must petition the City in writing and provide receipts of impact fees paid by the owner for a development of the same or substantially similar nature on the same property or some portion thereof. The City shall determine whether to grant a credit and such determinations may be appealed by following the procedures set forth in this chapter.
- C. The City shall provide for the refund of fees according to the requirements of this section and RCW 82.02.080.
1. The City shall notify potential claimants of the refund availability by first-class mail deposited with the United States Postal Service addressed to the owner of the property as shown in the Snohomish County Assessor's property records.
 2. An owner's request for a refund must be submitted to the City Finance Director in writing within one year of the date the right to claim the refund arises or the date that notice is given, whichever date is later. Notice is considered given on the date of mailing by the City.
- D. Any impact fees that are not expended or encumbered within six years of their receipt by the City, and for which no application for a refund has been made within this one-year period, shall be retained by the City and expended consistent with the provisions of this chapter.
- E. If the City seeks to terminate park impact fee requirements, all unexpended or unencumbered funds, including interest earned, shall be refunded pursuant to this section. Upon the finding that any or all fee requirements are to be terminated, the City shall place notice of such termination

DISCUSSION ITEM 7c

and the availability of refunds in a newspaper of general circulation at least two times and shall notify all potential claimants by first-class mail to the last known address of claimants. All funds available for refund shall be retained for a period of one year. At the end of one year, any remaining funds shall be retained by the City, but must be expended for the indicated public facilities. This notice requirement shall not apply if there are no unexpended or unencumbered balances within the account being terminated.

14.300.150 Use and Disposition of Land. All land dedicated or conveyed pursuant to this chapter shall be set aside for development of park and recreation facilities. The City shall make every effort to use, develop and maintain land dedicated or conveyed for park and recreation facilities. In the event that the use of any such dedicated land is determined by the City Council to be infeasible for development of park and recreation facilities, the dedicated land may be sold or traded for another parcel of land, subject to the requirements of state law and City code. The proceeds from such a sale shall be used to acquire land or develop park and recreation facilities in the City. Prior to any proposed sale of land which has been dedicated to the City, the City shall notify each current taxpayer of record or resident of known address in the plat in which the dedicated land is proposed for sale and each taxpayer of record and resident of known address within five hundred feet of the park site.

14.300.160 Annual Report. The City Finance Department shall prepare an annual report in accordance with the requirements of RCW 82.02.070 showing the system improvements that were financed in whole or in part by impact fees and the amount of funds collected, expended and held for future improvements. The annual report shall be complete on or before April 1 of each year for the preceding calendar year.

14.300.170 Definitions. Unless the context clearly requires otherwise, the following definitions shall apply.

Department means the City of Snohomish Public Works Department.

Development approval means any written authorization from the City which authorizes the commencement of development activity.

Director means Public Works Director or his/her authorized designee.

Dwelling Unit is defined in SMC 14.100.

Encumber means to transfer funds from the general park impact fee fund to an account created to fund, in whole or in part, a particular system improvement. Once funds have been encumbered they cannot be used to fund any other system improvement. Funds may only be encumbered by an action of the City Council.

Impact fee means a payment of money imposed upon development as a condition of development approval to pay for public facilities needed to serve new growth and development, and that is reasonably related to the new development that creates additional demand and need for public facilities, that is a proportionate share of the cost of the public facilities, and that is used for facilities

DISCUSSION ITEM 7c

that reasonably benefit the new development. "Impact fee" does not include a reasonable permit or application fee.

Owner means the owner of record of real property, although when real property is being purchased under a real estate contract, the purchaser shall be considered the owner of the real property if the contract is recorded.

Proportionate share means that portion of the cost of public facility improvements that is reasonably related to the service demands and needs of a new development.

Project improvements mean site improvements and facilities that are planned and designed to provide service for a particular development project and that are necessary for the use and convenience of the occupants or users of the project, and are not system improvements. No improvement or facility included in a capital facilities plan approved by the governing body of the City shall be considered a project improvement.

Public facilities means the following capital facilities owned or operated by government entities: (a) Public streets and roads; (b) publicly owned parks, open space, trails and recreation facilities; (c) school facilities; and (d) fire protection facilities in jurisdictions that are not part of a fire district.

Service area is defined in SMC 14.300.120.

System improvements mean public facilities that are designed to provide service to the community at large, in contrast to project improvements. System improvements are facilities included in any of the following documents: Capital Facilities Element of the Comprehensive Plan; Parks Element of the Comprehensive Plan; or Parks, Recreation, and Open Space Long Range Plan.

14.300.180 Severability. If any section, subsection, sentence, clause, phrase, or word of this Chapter should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality thereof shall not affect the validity or constitutionality of any other section, subsection, sentence, clause, phrase, or word of this Chapter.

14.300.190 No Special Duty. It is the purpose of this Chapter to provide for the health, welfare, and safety 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 Chapter. No provision or term used in this Chapter is intended to impose any duty whatsoever upon the City or any of its officers, agents, or employees for whom the implementation or enforcement of this Chapter shall be discretionary and not mandatory.

Nothing contained in this Chapter is intended to be, nor shall be construed to create or form the basis for, any liability on the part of the City or its officers, agents, and employees for any injury or damage resulting from the failure to comply with the provisions of this Chapter or be a reason or a consequence of any inspection, notice or order, in connection with the implementation or enforcement of this Chapter, or by reason of any action of the City related in any manner to enforcement of this Chapter by its officer, agents, or employees.

(Ord. 2141, 2008)

DISCUSSION ITEM 7c

CONSENT ITEM 8a***Schedule of Checks******for the Checks Issued Since the June 7, 2016 Meeting***

<i>Name</i>	<i>Check #</i>	<i>Invoice #</i>	<i>Check Date</i>	<i>Description</i>	<i>Amount</i>
Babic					
	58849		6/10/16	Refund check	\$57.29
	58849		6/10/16	Refund check	\$252.22
				Check Total	\$309.51
Grant					
	58850		6/10/16	Refund check	\$6.78
	58850		6/10/16	Refund check	\$4.94
	58850		6/10/16	Refund check	\$223.35
				Check Total	\$235.07
Select Homes, Inc.					
	58851		6/10/16	Refund check	\$116.31
				Check Total	\$116.31
Schwarzmilller					
	58852		6/10/16	Refund check	\$32.67
				Check Total	\$32.67
Villanueva					
	58853		6/10/16	Refund check	\$78.49
				Check Total	\$78.49
				Batch Total	\$772.05
D&G Backhoe Inc					
	58854	05132016	6/15/16	Lots 36 & 37 Pmt of Water Instal Permits	\$3,305.90
				Check Total	\$3,305.90
Monroe Homebrewing Supplies, LLC					
	58855	05172016	6/15/16	Business License Overpayment	\$100.00
				Check Total	\$100.00
Nordstrom Heating & Air Inc					
	58856	05052016	6/15/16	Business License Overpayment	\$30.00
				Check Total	\$30.00
Rick Weiss					
	58857	06152016	6/15/16	Facility Rental Overpayment	\$15.00
				Check Total	\$15.00
Safeway Inc					
	58858	05252016	6/15/16	Business License Overpayment	\$250.00
				Check Total	\$250.00
Snohomish County Treasurer					
	58859	CrimevictimsEDC	6/15/16	State Pass Thru May 2016	\$58.36
				Check Total	\$58.36
Washington State Department of Licensing					
	58860	SNP000094	6/15/16	Renewal CPL Davis	\$18.00
	58860	SNP000095	6/15/16	Original CPL M Smith	\$18.00
	58860	SNP000096	6/15/16	Original CPL D Smith	\$18.00
	58860	SNP000097	6/15/16	Original CPL Martin	\$18.00
	58860	SNP000098	6/15/16	Renewal CPL Kihm	\$21.00
	58860	SNP000099	6/15/16	Renewal CPL Goforth	\$21.00
	58860	SNP000100	6/15/16	Renewal CPL Carter	\$18.00

CONSENT ITEM 8a***Schedule of Checks******for the Checks Issued Since the June 7, 2016 Meeting***

<i>Name</i>	<i>Check #</i>	<i>Invoice #</i>	<i>Check Date</i>	<i>Description</i>	<i>Amount</i>
	58860	SNP000101	6/15/16	Renewal CPL Jachec	\$21.00
	58860	SNP000102	6/15/16	Renewal CPL Hughes	\$18.00
	58860	SNP000103	6/15/16	Original CPL Macpherson	\$18.00
	58860	SNP000104	6/15/16	Renewal CPL Russell	\$21.00
				Check Total	\$210.00
Washington State Treasurer					
	58861	EDCSTGEN40	6/15/16	State Pass Thru May 2016	\$1,155.89
	58861	EDCSTGEN50	6/15/16	State Pass Thru May 2016	\$582.68
	58861	EDCSTGEN54	6/15/16	State Pass Thru May 2016	\$78.55
	58861	EDCHWYSAFETY	6/15/16	State Pass Thru May 2016	\$37.05
	58861	EDCBREATHLAB	6/15/16	State Pass Thru May 2016	\$1.81
	58861	EDCDEATHINV	6/15/16	State Pass Thru May 2016	\$23.35
	58861	EDCJISACCT	6/15/16	State Pass Thru May 2016	\$82.57
	58861	EDCTRAUMACARE	6/15/16	State Pass Thru May 2016	\$18.66
	58861	EDCAUTOTHEFT	6/15/16	State Pass Thru May 2016	\$36.58
	58861	EDCTRAUMABRAIN	6/15/16	State Pass Thru May 2016	\$7.24
	58861	WSPHIWAYS SAFE	6/15/16	State Pass Thru May 2016	\$132.41
	58861	BLDG SVC CHG	6/15/16	State Pass Thru May 2016	\$108.00
				Check Total	\$2,264.79
				Batch Total	\$6,234.05
Automatic Funds Transfer Services, Inc					
	58862	88195	6/16/16	Water Quality Report Postcard Mailing	\$1,396.92
				Check Total	\$1,396.92
All Battery Sales & Service					
	58863	10008126	6/16/16	tie cables	\$56.58
	58863	10007053	6/16/16	core returns	\$-24.00
				Check Total	\$32.58
Allied Waste of Lynnwood					
	58864	May 2016	6/16/16	Recycling Services May 2016	\$47,990.18
	58864	May 2016	6/16/16	Solid Waste Services May 2016	\$104,050.60
	58864	May 2016	6/16/16	Solid Waste Tax May 2016	\$-610.80
				Check Total	\$151,429.98
Alpha Courier Service					
	58865	15881	6/16/16	Courier	\$53.40
				Check Total	\$53.40
Bickford Motors					
	58866	1095421	6/16/16	EP02 Floor Mats	\$87.94
	58866	1095586	6/16/16	socket assy ep126	\$52.93
	58866	1095748	6/16/16	wire assy ep126	\$85.01
				Check Total	\$225.88
Bills Blueprint Inc.					
	58867	532058	6/16/16	Maple Ave Sewer Plans & Specs	\$111.96
				Check Total	\$111.96
CDW G					
	58868	DGC4630	6/16/16	Backup software renewal	\$1,454.73
	58868	DDX4956	6/16/16	CSO TV	\$81.80
	58868	DDX4956	6/16/16	CSO TV	\$81.80

CONSENT ITEM 8a***Schedule of Checks******for the Checks Issued Since the June 7, 2016 Meeting***

<i>Name</i>	<i>Check #</i>	<i>Invoice #</i>	<i>Check Date</i>	<i>Description</i>	<i>Amount</i>
	58868	DDX4956	6/16/16	CSO TV	\$81.80
	58868	DDX4956	6/16/16	CSO TV	\$81.80
	58868	DDX4956	6/16/16	CSO TV	\$81.80
				Check Total	\$1,863.73
Central Welding Supply Inc.					
	58869	RN05161038	6/16/16	acetylene	\$13.92
	58869	EV224974	6/16/16	welding jacket and gloves	\$125.32
				Check Total	\$139.24
Chemsearch					
	58870	2322681	6/16/16	rainbow bugs	\$141.84
				Check Total	\$141.84
Clair Olivers & Associates					
	58871	316	6/16/16	Water Supply Study	\$392.00
				Check Total	\$392.00
City of Everett Environmental Lab					
	58872	I16001117	6/16/16	Labs	\$108.00
				Check Total	\$108.00
City of Everett Finance					
	58873	I16001115	6/16/16	Routine Coliform Samples	\$367.20
	58873	I16001116	6/16/16	Stormwater Samples	\$189.00
				Check Total	\$556.20
Comcast					
	58874	475077-6/16	6/16/16	Skate Park Video	\$101.89
	58874	482016-6/16	6/16/16	Manager Share City Hall Internet	\$16.80
	58874	482016-6/16	6/16/16	Human Resources Share City Hall Internet	\$16.80
	58874	482016-6/16	6/16/16	Clerk Share City Hall Internet	\$16.80
	58874	892709-6/16	6/16/16	Water Share Shop Internet	\$18.55
	58874	892709-6/16	6/16/16	Storm Share Shop Internet	\$18.56
	58874	892709-6/16	6/16/16	Wastewater Share Shop Internet	\$18.56
	58874	892709-6/16	6/16/16	Streets Share Shop Internet	\$18.56
	58874	892709-6/16	6/16/16	Parks Share Shop Internet	\$9.27
	58874	892709-6/16	6/16/16	Fleet & Facilities Share Shop Internet	\$27.82
	58874	482016-6/16	6/16/16	Inspection Share City Hall Internet	\$16.80
	58874	482016-6/16	6/16/16	Economic Dev Share City Hall Internet	\$16.80
	58874	482016-6/16	6/16/16	Planning Share City Hall Internet	\$16.80
	58874	482016-6/16	6/16/16	Finance Share City Hall Internet	\$16.80
	58874	482016-6/16	6/16/16	IS Share City Hall Internet	\$16.81
	58874	482016-6/16	6/16/16	Engineering Share City Hall Internet	\$16.80
				Check Total	\$364.42
DataQuest					
	58875	CISNOH-20160531	6/16/16	Preemployment Screening	\$360.50
				Check Total	\$360.50
Economic Alliance Snohomish County					
	58876	2016-312	6/16/16	Annual Investment 2016	\$4,000.00
				Check Total	\$4,000.00

CONSENT ITEM 8a***Schedule of Checks******for the Checks Issued Since the June 7, 2016 Meeting***

<i>Name</i>	<i>Check #</i>	<i>Invoice #</i>	<i>Check Date</i>	<i>Description</i>	<i>Amount</i>
Edge Analytical					
	58877	16-08199	6/16/16	Disinfection By-Product Samples	\$1,370.00
				Check Total	\$1,370.00
Elite Lock And Safe					
	58878	33662	6/16/16	locks	\$142.51
	58878	33662	6/16/16	locks	\$142.50
				Check Total	\$285.01
Everett Steel					
	58879	136645	6/16/16	Conex	\$113.46
				Check Total	\$113.46
Girard Resources & Recycling, LLC					
	58880	34345	6/16/16	Yard Debris	\$180.00
				Check Total	\$180.00
Goldstreet Design					
	58881	2846	6/16/16	Kids Booklet	\$1,614.34
	58881	2678	6/16/16	Water Quality Report Design and Print	\$1,735.42
				Check Total	\$3,349.76
Gray & Osborne, Inc.					
	58882	5	6/16/16	Stormwater Maintenance App	\$1,902.22
				Check Total	\$1,902.22
Granite Construction Supply					
	58883	262_00063276	6/16/16	Emergency Fencing	\$23.48
	58883	262_00063353	6/16/16	Replacement Signs	\$471.74
				Check Total	\$495.22
Grainger Inc.					
	58884	9103009503	6/16/16	stock gloves	\$51.37
	58884	9116832842	6/16/16	Conex	\$627.00
	58884	9104280152	6/16/16	CSO Emergency Supplies	\$29.23
	58884	9104280152	6/16/16	CSO Emergency Supplies	\$29.23
	58884	9104280152	6/16/16	CSO Emergency Supplies	\$29.23
	58884	9104280152	6/16/16	CSO Emergency Supplies	\$29.24
	58884	9102813202	6/16/16	CSO Supplies returned	-\$12.58
	58884	9102813202	6/16/16	CSO Supplies returned	-\$12.58
	58884	9118013169	6/16/16	fans	\$356.56
	58884	9118013169	6/16/16	fans	\$356.56
	58884	9118013169	6/16/16	fans	\$356.56
	58884	9102813202	6/16/16	CSO Supplies returned	-\$12.59
	58884	9102813202	6/16/16	CSO Supplies returned	-\$12.59
	58884	9102813202	6/16/16	CSO Supplies returned	-\$12.59
	58884	9104280152	6/16/16	CSO Emergency Supplies	\$29.23
	58884	9093304518	6/16/16	CSO Emergency Supplies	\$45.24
	58884	9093304518	6/16/16	CSO Emergency Supplies	\$45.24
	58884	9093304518	6/16/16	CSO Emergency Supplies	\$45.25
	58884	9093304518	6/16/16	CSO Emergency Supplies	\$45.24
	58884	9093304518	6/16/16	CSO Emergency Supplies	\$45.24
				Check Total	\$2,057.49

CONSENT ITEM 8a***Schedule of Checks******for the Checks Issued Since the June 7, 2016 Meeting***

<i>Name</i>	<i>Check #</i>	<i>Invoice #</i>	<i>Check Date</i>	<i>Description</i>	<i>Amount</i>
Home Depot - Parks					
	58885	5016282	6/16/16	Hardware for TV at City Hall	\$37.01
				Check Total	\$37.01
Home Depot - Shop					
	58886	7593476	6/16/16	stock batteries, cso emergency storage	\$124.48
	58886	4584155	6/16/16	shop storage	\$15.21
				Check Total	\$139.69
Home Depot - Streets					
	58887	5010352	6/16/16	Container Install	\$43.97
	58887	5080001	6/16/16	Container Work	\$46.86
	58887	8560104	6/16/16	tools for mini ex	\$43.12
				Check Total	\$133.95
Home Depot - Storm					
	58888	5043536	6/16/16	Safety Items	\$65.58
	58888	0011084	6/16/16	Misc Supplies	\$223.91
	58888	9594026	6/16/16	Rat Trap	\$25.99
				Check Total	\$315.48
HD Supply Waterworks LTD					
	58889	F482926	6/16/16	Meter Replacement Program	\$450.39
				Check Total	\$450.39
Home Depot - Water					
	58890	5016254	6/16/16	Conex	\$49.29
				Check Total	\$49.29
Home Depot Waste Water Treatment					
	58891	6010266	6/16/16	Bottled Water	\$6.54
	58891	0011076	6/16/16	Mortar	\$65.36
				Check Total	\$71.90
IER Environmental Services, Inc					
	58892	2016-5105	6/16/16	Polymer	\$1,402.90
				Check Total	\$1,402.90
Integra Telecom					
	58893	13896165	6/16/16	Water Treatment Plant Phones	\$177.43
	58893	13896164	6/16/16	Waste Water Treatment Plant Phone	\$186.50
	58893	13895573	6/16/16	Water Department Share Shop Phones	\$53.00
	58893	13895573	6/16/16	Street Dept. Share Shop Phone	\$53.01
	58893	13895573	6/16/16	Parks Share Shop Phones	\$26.49
	58893	13895573	6/16/16	Fleet & Facilities Share Shop Phone	\$79.47
	58893	13895573	6/16/16	Collections Share Shop Phone	\$53.01
	58893	13895573	6/16/16	Storm Share Shop Phone	\$53.01
	58893	13893881	6/16/16	City Hall Digital Phone	\$67.36
				Check Total	\$749.28
Iron Mountain Quarry					
	58894	0254291	6/16/16	rock	\$516.18
	58894	0254262	6/16/16	rock	\$562.51
	58894	0254262	6/16/16	rock	\$1,312.50
	58894	0254262	6/16/16	rock	\$1,312.50
				Check Total	\$3,703.69

CONSENT ITEM 8a***Schedule of Checks******for the Checks Issued Since the June 7, 2016 Meeting***

<i>Name</i>	<i>Check #</i>	<i>Invoice #</i>	<i>Check Date</i>	<i>Description</i>	<i>Amount</i>
J. Steven Thomas, Attorney at Law					
	58895	May 2016	6/16/16	Dangerous Dog Hearing case 2016-2633	\$220.00
				Check Total	\$220.00
James Mills					
	58896	May 2016	6/16/16	LEOFF I Reimbursement	\$109.85
	58896	May 2016	6/16/16	LEOFF I Reimbursement	\$517.00
				Check Total	\$626.85
Jones Chemicals Inc					
	58897	691029	6/16/16	Chlorine Cylinders, Disinfection	\$1,299.09
	58897	691141	6/16/16	Empty Chlorine Bottle Credit	\$-300.00
				Check Total	\$999.09
Journal of Commerce					
	58898	3313139	6/16/16	S Zone Res PRV Project	\$345.15
	58898	3314017	6/16/16	Maple Ave Sewer Ad	\$588.90
				Check Total	\$934.05
Kaman Industries					
	58899	R774285	6/16/16	Backstop	\$1,421.58
				Check Total	\$1,421.58
Lakeside Industries					
	58900	6013916MB	6/16/16	Utility Patches	\$318.66
				Check Total	\$318.66
McDaniel Do It Center - Parks					
	58901	472946	6/16/16	Conex	\$9.14
	58901	473445	6/16/16	keys	\$10.86
	58901	473495	6/16/16	spray bottle	\$9.81
	58901	473248	6/16/16	keys	\$34.43
	58901	473520	6/16/16	sanding disc, strip pad, wire wheel	\$29.85
	58901	473660	6/16/16	wheel barrow handles	\$32.71
	58901	473540	6/16/16	ratchet tie-down, clamp	\$35.53
				Check Total	\$162.33
McDaniel Do It Center - Storm					
	58902	473885	6/16/16	bolt	\$1.47
	58902	473905	6/16/16	bolt	\$1.77
				Check Total	\$3.24
McDaniel Do It Center-SS					
	58903	472508	6/16/16	Replacement Fasteners for monitors	\$6.21
	58903	472530	6/16/16	water machine repair parts	\$10.41
	58903	472469	6/16/16	fleet clean up supplies	\$26.22
	58903	472177	6/16/16	water machine patch	\$3.26
	58903	472567	6/16/16	EP125 repair supplies	\$23.53
	58903	473265	6/16/16	tapered handle	\$8.72
	58903	473308	6/16/16	shop squeege	\$26.17
	58903	473335	6/16/16	ground switch, tie wrap	\$8.27
	58903	472652	6/16/16	tie downs	\$61.07
	58903	472650	6/16/16	keys cut, ring	\$11.83
	58903	472598	6/16/16	keys copied	\$4.34

CONSENT ITEM 8a***Schedule of Checks******for the Checks Issued Since the June 7, 2016 Meeting***

<i>Name</i>	<i>Check #</i>	<i>Invoice #</i>	<i>Check Date</i>	<i>Description</i>	<i>Amount</i>
	58903	472178	6/16/16	water machine repair parts	\$4.12
	58903	473324	6/16/16	extension cord	\$6.54
	58903	473447	6/16/16	shop tools	\$30.83
	58903	472952	6/16/16	EP2 fasteners	\$1.31
	58903	473213	6/16/16	EP120 fasteners	\$4.21
	58903	473087	6/16/16	keys cut, key heads	\$6.40
	58903	472794	6/16/16	key storage	\$3.26
	58903	472945	6/16/16	fasteners, bolt	\$31.04
	58903	472892	6/16/16	EP100 fasteners	\$1.72
				Check Total	\$279.46
McDaniel Do It Center- Streets					
	58904	473801	6/16/16	small tools	\$7.63
	58904	473911	6/16/16	replacement tool	\$28.36
	58904	473797	6/16/16	small tools	\$27.26
	58904	473820	6/16/16	sealant for container	\$22.88
	58904	473875	6/16/16	screws for container	\$19.62
	58904	473900	6/16/16	small hacksaw	\$18.85
				Check Total	\$124.60
McDaniel Do It Center - Water					
	58905	473756	6/16/16	Moss killer	\$76.33
	58905	473284	6/16/16	Conex	\$37.03
	58905	473224	6/16/16	Reservoir cleaning	\$55.60
	58905	473212	6/16/16	Reservoir cleaning	\$46.89
				Check Total	\$215.85
McDaniel's Do It Center Wastewater					
	58906	473529	6/16/16	Lab	\$18.15
	58906	473532	6/16/16	Distilled Water	\$78.03
				Check Total	\$96.18
Mobile Guard, Inc					
	58907	09642	6/16/16	Account Setup and Activation	\$900.00
				Check Total	\$900.00
Norton Arnold & Company					
	58908	29704	6/16/16	Open Government Facilitation	\$1,755.00
				Check Total	\$1,755.00
P.F. Pettibone & Co					
	58909	70035	6/16/16	City Council Minute Book Bond	\$95.45
				Check Total	\$95.45
Platt Electric Supply					
	58910	J433816	6/16/16	Hill Park Lower Shelter	\$22.63
	58910	J421638	6/16/16	Wiring Supplies	\$421.22
	58910	J500160	6/16/16	Credit for light fixtures	\$-39.73
	58910	J463934	6/16/16	lights	\$477.20
	58910	J463934	6/16/16	lights	\$1,073.71
				Check Total	\$1,955.03
The Greg Prothman Company					
	58911	2016-5405	6/16/16	Planning Director Recruitment	\$5,583.33
	58911	2016-5413	6/16/16	Interim City Planner Services	\$7,065.80
				Check Total	\$12,649.13

CONSENT ITEM 8a***Schedule of Checks******for the Checks Issued Since the June 7, 2016 Meeting***

<i>Name</i>	<i>Check #</i>	<i>Invoice #</i>	<i>Check Date</i>	<i>Description</i>	<i>Amount</i>
River City Land Services					
	58912	1877	6/16/16	CSO Survey	\$225.00
				Check Total	\$225.00
Rubatino Refuse Removal Inc					
	58913	354406012016	6/16/16	Drop Box	\$99.61
				Check Total	\$99.61
Snohomish County Department of Public Works					
	58914	I000408297	6/16/16	Street Sweeping	\$1,531.83
	58914	I000408297	6/16/16	Street Sweeping	\$1,531.83
	58914	I000409196	6/16/16	Street Sweeping	\$2,072.04
	58914	I000409196	6/16/16	Street Sweeping	\$2,072.03
	58914	I000409197	6/16/16	Maple Ave Overlay	\$1,497.08
	58914	I000409195	6/16/16	Traffic Light Maintenance	\$1,215.18
	58914	I000409195	6/16/16	LED St Light Upgrade - TIB Grant	\$1,002.58
				Check Total	\$10,922.57
Snohomish County Public Defender Association					
	58915	1522	6/16/16	Indigent Defense Services	\$9,205.61
				Check Total	\$9,205.61
Snohomish County Pud #1					
	58916	117758855	6/16/16	#1000539970, 1608 Park Ave, Hill Park	\$77.00
	58916	107813911	6/16/16	#1000439204, 40 Maple, Commercial L/S	\$38.37
	58916	104475854	6/16/16	#1000482443, 505 Rainier St, Rainier L/S	\$440.61
	58916	140814838	6/16/16	#1000320746, 2504 Menzel Lk Rd, WTP	\$656.41
	58916	111123179	6/16/16	#1000542988, 50 Lincoln, Lincoln L/S	\$82.12
	58916	111123747	6/16/16	#1000571566, 501 2nd St, 2nd & Lincoln Light	\$70.38
	58916	150717134	6/16/16	Various Locations, Street Lighting	\$984.27
	58916	111126097	6/16/16	#1000531585, 2749 Bickford, N Signal	\$98.38
	58916	153972819	6/16/16	Various Locations, Street Lighting	\$45.16
	58916	157161811	6/16/16	Various Locations, Street Lighting	\$262.54
	58916	160366684	6/16/16	Various Locations, Street Lighting	\$30.10
	58916	153972818	6/16/16	Various Locations, Street Lighting	\$11.96
	58916	114439631	6/16/16	#1000535766, 1610 Park, Hill Park	\$9.33
	58916	131008646	6/16/16	#1000566359, 811 1st, Street Lighting	\$18.54
	58916	144139470	6/16/16	Various Locations, Street Lighting	\$50.90
	58916	137508308	6/16/16	#1000483278, 1001 Ave D, 10th & D Signal	\$46.26
	58916	137509794	6/16/16	#1000545615, 1610 Park, Hill Park	\$18.54
	58916	117758938	6/16/16	#1000395660, 617 18th St, Champ L/S	\$102.22
	58916	140818818	6/16/16	#1000531586, 2621 Bickford, S Signal	\$66.45
	58916	137508814	6/16/16	Various Locations, Street Lighting	\$99.09
	58916	127693722	6/16/16	#1000531660, 9101 56th, 30th St Signal	\$34.29
	58916	107814108	6/16/16	#1000125213, 169 Cypress, Pilchuck Pk	\$221.06
	58916	127694529	6/16/16	#1000380098, 1109 13th, Signal	\$26.24
				Check Total	\$3,490.22
Seattle Pump and Equipment					
	58917	A162618	6/16/16	nozzle repair	\$191.83
				Check Total	\$191.83
Smarsh, Inc					
	58918	160226	6/16/16	Archiving Platform - social media	\$100.00
				Check Total	\$100.00

CONSENT ITEM 8a***Schedule of Checks******for the Checks Issued Since the June 7, 2016 Meeting***

<i>Name</i>	<i>Check #</i>	<i>Invoice #</i>	<i>Check Date</i>	<i>Description</i>	<i>Amount</i>
Snohomish Auto Parts					
	58919	455255	6/16/16	EP100 Oil	\$27.34
	58919	453039	6/16/16	EP100 Bulb, Electrical Tape	\$26.57
	58919	454332	6/16/16	bulbs	\$26.73
	58919	453729	6/16/16	EP2 cover	\$7.63
	58919	454609	6/16/16	impact socket	\$5.11
	58919	455027	6/16/16	shop towels	\$48.76
	58919	453355	6/16/16	fittings for EP100	\$54.32
				Check Total	\$196.46
Snohomish Co-Op					
	58920	263789	6/16/16	Boat Launch Gate Hinge Assembly	\$71.22
	58920	263093	6/16/16	unleaded fuel EP178	\$37.59
	58920	263621	6/16/16	unleaded fuel EP178	\$41.40
	58920	263332	6/16/16	unleaded fuel EP2	\$67.34
	58920	263056	6/16/16	dyed fuel - Backhoe	\$9.50
	58920	262920	6/16/16	unleaded fuel EP57	\$46.58
	58920	263888	6/16/16	unleaded fuel EP2	\$52.74
	58920	262975	6/16/16	diesel fuel EP109	\$25.19
				Check Total	\$351.56
Snopac					
	58921	8295	6/16/16	Dispatch Services	\$11,723.71
				Check Total	\$11,723.71
Snohomish School District					
	58922	5731500150	6/16/16	Council Chambers Microphone Replacement	\$620.46
				Check Total	\$620.46
Snohomish Senior Center					
	58923	16-502	6/16/16	Monthly Fee	\$1,000.00
				Check Total	\$1,000.00
Sound Safety Products Co.					
	58924	65322/1	6/16/16	safety boots	\$169.31
	58924	65324/1	6/16/16	safety boots	\$183.07
				Check Total	\$352.38
Staples Advantage					
	58925	3304052514	6/16/16	paper	\$49.02
	58925	3301371450	6/16/16	CSO Emergency Supplies	\$136.94
	58925	3304052513	6/16/16	printer ink	\$204.36
	58925	3304052515	6/16/16	Clerk's Office Supplies	\$44.11
				Check Total	\$434.43
Steuber Dist. Co.					
	58926	2822184	6/16/16	Weed Killer	\$130.81
				Check Total	\$130.81
Sterling Water Technologies LLC					
	58927	5329	6/16/16	Coagulation Chemicals	\$2,840.00
				Check Total	\$2,840.00
Summit Law Group PLLC					
	58928	78837	6/16/16	Labor Relations	\$155.00
				Check Total	\$155.00

CONSENT ITEM 8a***Schedule of Checks******for the Checks Issued Since the June 7, 2016 Meeting***

<i>Name</i>	<i>Check #</i>	<i>Invoice #</i>	<i>Check Date</i>	<i>Description</i>	<i>Amount</i>
Tetra Tech Inc					
	58929	51054720	6/16/16	Blackman Lake Outlet Control Design	\$5,246.25
				Check Total	\$5,246.25
Sound Publishing					
	58930	EDH701421	6/16/16	Maple Ave Sewer Ad	\$264.88
	58930	EDH701159	6/16/16	Public Hearing Legal Publication	\$25.80
	58930	EDH701161	6/16/16	Legal Publication	\$25.80
	58930	EDH700934	6/16/16	Ordinance Publication	\$32.68
	58930	EDH700913	6/16/16	Public Hearing Publication	\$29.24
				Check Total	\$378.40
TMG Services, Inc.					
	58931	0039481-IN	6/16/16	Analyzer Motor	\$495.88
				Check Total	\$495.88
Tyler Enterprises					
	58932	May 2016	6/16/16	Building Inspection Services 5/9-5/17	\$850.00
				Check Total	\$850.00
Uline					
	58933	77081657	6/16/16	CSO Emergency Supplies	\$28.52
	58933	77081657	6/16/16	CSO Emergency Supplies	\$28.52
	58933	77081657	6/16/16	CSO Emergency Supplies	\$28.53
	58933	77081657	6/16/16	CSO Emergency Supplies	\$28.52
	58933	76811795	6/16/16	safety goggles, glasses, shields	\$21.55
	58933	77081657	6/16/16	CSO Emergency Supplies	\$28.52
	58933	76811795	6/16/16	safety goggles, glasses, shields	\$21.54
	58933	76811795	6/16/16	safety goggles, glasses, shields	\$21.54
	58933	76811795	6/16/16	safety goggles, glasses, shields	\$21.54
	58933	76811795	6/16/16	safety goggles, glasses, shields	\$21.55
	58933	76811795	6/16/16	safety goggles, glasses, shields	\$21.55
				Check Total	\$271.88
UPS Store					
	58934	5888382	6/16/16	postage video return	\$9.24
				Check Total	\$9.24
Usa Bluebook Inc					
	58935	956423	6/16/16	Lab Equipment	\$57.28
	58935	963598	6/16/16	Lab Supplies	\$933.38
	58935	944676	6/16/16	Chlorine Residual Testing	\$399.10
				Check Total	\$1,389.76
US Bank CPS					
	58936	000010	6/16/16	Side Panel for building	\$588.25
	58936	NC2321399	6/16/16	dump fee	\$32.00
	58936	1846	6/16/16	Parking Fee - MRSC Workshop	\$2.00
	58936	8925815	6/16/16	Flashlight for EP1	\$23.99
	58936	24-599	6/16/16	Snohomish County ADA Training Parking	\$10.00
	58936	7417811	6/16/16	wellness supplies	\$4.85
	58936	7775406	6/16/16	danger tape - CSO & Stock	\$79.36
	58936	8214667	6/16/16	Farmer's Market Supply	\$78.42
	58936	8214667	6/16/16	Farmer's Market Supply	\$78.42
	58936	7775406	6/16/16	danger tape - CSO & Stock	\$24.28
	58936	7775406	6/16/16	danger tape - CSO & Stock	\$24.28

CONSENT ITEM 8a**Schedule of Checks****for the Checks Issued Since the June 7, 2016 Meeting**

<i>Name</i>	<i>Check #</i>	<i>Invoice #</i>	<i>Check Date</i>	<i>Description</i>	<i>Amount</i>
	58936	7775406	6/16/16	danger tape - CSO & Stock	\$24.28
	58936	7775406	6/16/16	danger tape - CSO & Stock	\$24.28
	58936	049649	6/16/16	Emergency Preparedness Drill Lunch	\$140.50
	58936	15552016	6/16/16	Snohomish County SCT ICC Mtg Parking	\$6.00
	58936	0712247	6/16/16	safety glasses	\$39.24
	58936	29100013125	6/16/16	brackets for tractor	\$109.00
	58936	05202016	6/16/16	Good2Go Bill	\$30.00
	58936	839619555-001	6/16/16	Office Desk	\$272.74
	58936	076381	6/16/16	City Council Chambers Supplies	\$18.54
	58936	100330979090	6/16/16	EASC's Annual Update	\$40.00
	58936	2092895	6/16/16	Coffee with Mayor meeting	\$32.62
	58936	15845308	6/16/16	CMC PD Institute Fee	\$50.00
	58936	058647	6/16/16	Emergency Preparedness Drill Lunch	\$121.46
	58936	6523919	6/16/16	Gasoline for EP13	\$41.58
	58936	384705	6/16/16	brakes-GEM	\$296.91
	58936	321968	6/16/16	container work	\$94.07
	58936	6304221	6/16/16	Video Card	\$64.44
	58936	05092016	6/16/16	Food for Open Government Committee	\$50.68
	58936	1944418	6/16/16	Coffee with Mayor Ads	\$15.00
	58936	148	6/16/16	Oversized Copying	\$4.36
	58936	7417811	6/16/16	wellness supplies	\$31.27
	58936	7417811	6/16/16	wellness supplies	\$13.39
	58936	4945865	6/16/16	wellness supplies	\$10.75
	58936	1200000249	6/16/16	Replacement Monitor Stands	\$141.42
	58936	2675672P	6/16/16	electrical permit	\$135.30
	58936	26719	6/16/16	crew water-heat	\$14.97
				Check Total	\$2,768.65

U.S. Bank N.A - Custody

	58937	May 2016	6/16/16	Monthly Maintenance Fee	\$26.00
				Check Total	\$26.00

U.S. Postmaster

	58938	052716-060216	6/16/16	Council Postage	\$10.68
	58938	052716-060216	6/16/16	City Manager Postage	\$7.39
	58938	052716-060216	6/16/16	Clerk Postage	\$42.91
	58938	052716-060216	6/16/16	Finance Postage	\$6.47
	58938	052716-060216	6/16/16	Police Postage	\$5.03
	58938	052716-060216	6/16/16	Planning Postage	\$25.57
	58938	060316-060916	6/16/16	Police Postage	\$5.66
	58938	060316-060916	6/16/16	Planning Postage	\$4.10
	58938	060316-060916	6/16/16	Parks Postage	\$0.68
	58938	060316-060916	6/16/16	Engineering Postage	\$0.47
	58938	060316-060916	6/16/16	Water Postage	\$4.19
	58938	060316-060916	6/16/16	Sewer Postage	\$5.12
	58938	052716-060216	6/16/16	Water Postage	\$154.84
	58938	052716-060216	6/16/16	Sewer Postage	\$146.94
	58938	060316-060916	6/16/16	Council Postage	\$9.84
	58938	060316-060916	6/16/16	City Manager Postage	\$0.93
	58938	060316-060916	6/16/16	Clerk Postage	\$17.17
	58938	060316-060916	6/16/16	Finance Postage	\$83.88
				Check Total	\$531.87

Utilities Underground Location

	58939	6040202	6/16/16	locates-April	\$23.10
	58939	6040202	6/16/16	locates-April	\$23.10

CONSENT ITEM 8a

Schedule of Checks

for the Checks Issued Since the June 7, 2016 Meeting

<i>Name</i>	<i>Check #</i>	<i>Invoice #</i>	<i>Check Date</i>	<i>Description</i>	<i>Amount</i>
	58939	6040202	6/16/16	locates-April	\$23.10
	58939	6050202	6/16/16	locates-May	\$24.12
	58939	6050202	6/16/16	locates-May	\$24.13
	58939	6050202	6/16/16	locates-May	\$24.13
				Check Total	\$141.68
Whistle Workwear					
	58940	297691	6/16/16	safety vest - Morse	\$19.65
				Check Total	\$19.65
Washington Municipal Clerks Association					
	58941	2017	6/16/16	WMCA Dues	\$100.00
				Check Total	\$100.00
Washington State Department of Enterprise Services					
	58942	73148671	6/16/16	Envelopes	\$182.41
	58942	73148834	6/16/16	council business cards	\$183.20
				Check Total	\$365.61
Xerox Corporation					
	58943	084847268	6/16/16	#WTM-003709, 042116-052116	\$25.84
	58943	084847265	6/16/16	#GNX-216657, 042216-052016	\$92.58
	58943	084847266	6/16/16	#MX4-332344, 042116-052116	\$539.84
	58943	084847267	6/16/16	#GNX-212028, 042216-052016	\$32.84
	58943	084940278	6/16/16	#NKA-119437, 032516-053016	\$71.36
	58943	084940279	6/16/16	#XL1-395908, 042116-053016	\$43.53
				Check Total	\$805.99
Zumar Industries					
	58944	0182758	6/16/16	Traffic Signs	\$275.71
				Check Total	\$275.71
				Batch Total	\$256,456.11
				Total All Batches	\$263,462.21

I hereby certify that the goods and services charged on the vouchers listed below have been furnished to the best of my knowledge. I further certify that the claims below to be valid and correct.

City Treasurer

WE, the undersigned council members of the City of Snohomish, Washington, do hereby certify that the claim warrants #58849 through #58944 in the total of \$263,462.21 through June 16, 2016 are approved for payment on June 21, 2016.

Mayor

Councilmember

Councilmember

Councilmember

CONSENT ITEM 8b

Date: June 21, 2016
To: City Council
From: Andrew Sics PE, Project Engineer
Subject: **Maple Avenue Sewer Replacement Project**

City Council approval is requested to authorize the City Manager to enter into an agreement with Accord Contractors LLC, the apparent lowest responsive bidder, for the construction of the Maple Avenue Sewer Replacement Project. This project will install approximately 500 feet of sewer main within Maple Avenue from between Fourth and Fifth Street to near the entrance of the Aquatic Center.

The existing sewer main in this vicinity of Maple Avenue is problematic. It is aged, disjointed and poorly constructed in several locations making it very difficult to provide routine maintenance. Performing the Maple Avenue Sewer Replacement Project is necessary to prevent further complications. Since the City received grant funding from the State Transportation Improvement Board (TIB) for an overlay of Maple Avenue, a 2016 Transportation Benefit District project, which is expected to be completed in August of this year, it is necessary to complete this sewer replacement project immediately to avoid unsightly pavement patches.

Bids for this project were received on June 8, 2016. Five bids were submitted as follows:

Accord Contractors LLC	\$238,356.23
Trico Companies LLC	\$280,823.40
Bianchi Construction LLC	\$291,228.27
Kamins Construction, Inc.	\$324,845.47
B&L Utility, Inc.	\$369,603.53

It was determined that Accord Contractors, LLC, located in Bellevue, Washington is the apparent lowest responsive bidder for the project in the amount of \$238,356.23.

This sewer repair project was not a part of the 2016 Budget since the Maple Avenue pavement overlay State TIB grant was not awarded until later in the year and will require Capital Fund reserves from the Sewer Utility Enterprise Fund. The sewer utility’s 5-year Capital Improvement Plan and future sewer infrastructure improvements, also identified and associated with the proposed 10% wastewater rate reduction in 2017 and as discussed at the March 1, 2016, Council workshop, anticipates this annual collection repair project up to \$350,000. A formal budget amendment will be prepared and provided to the City Council later in 2016.

The construction is expected to begin in early July and the duration for the project is anticipated to be about one month, with substantial completion status sometime in early August. Staff will award the project as soon as the needed submittals are received, which is anticipated within the next few weeks.

CONSENT ITEM 8b

STRATEGIC PLAN REFERENCE: Initiative No. 4: Increase multi-modal mobility within and connections to the community.

RECOMMENDATION: That the City Council AUTHORIZE the City Manager to enter into a contract with Accord Contractors LLC not to exceed \$274,110.00 including a 15% contingency for the Maple Avenue Sewer Replacement Project.

ATTACHMENT: Bid Tabulation

CONSENT ITEM 8b

Bid Tabulation
 Project Desc.: Maple Avenue Sewer Replacement Project
 Owner: City of Snohomish
 Date: 08/20/16
 By: Andrew Stics, PE
 Signed: *[Signature]*

ITEM NO.	SPEC. SECTION	ITEM DESCRIPTION	UNITS	APPARENT LOW BIDDER			Accord Contractors			Trico Companies			Blanchi Construction			Kuanias Construction			B & L Utility, Inc.				
				Unit Price	Quantity	Amount	PLAN QUANTITY	UNIT PRICE (Figures)	TOTAL AMOUNT (Figures)	PLAN QUANTITY	UNIT PRICE (Figures)	TOTAL AMOUNT (Figures)	PLAN QUANTITY	UNIT PRICE (Figures)	TOTAL AMOUNT (Figures)	PLAN QUANTITY	UNIT PRICE (Figures)	TOTAL AMOUNT (Figures)	PLAN QUANTITY	UNIT PRICE (Figures)	TOTAL AMOUNT (Figures)		
1	1-09	PREPARATION	LS				1	\$8,000.00	\$8,000.00														
2	1-02	MOBILIZATION	LS				1	\$12,000.00	\$12,000.00														
3	2-02	REMOVAL OF STRUCTURES AND OBSTRUCTION SAWCUTTING	LF				1,850	\$3.30	\$6,175.00	1,850	\$1.20	\$2,220.00	1,850	\$3.30	\$6,175.00	1,850	\$3.00	\$5,550.00	1	\$20,000.00	\$20,000.00		
4	2-03	GRADING	CY				25	\$20.00	\$500.00	25	\$25.00	\$625.00	25	\$25.00	\$625.00	25	\$48.00	\$1,200.00	25	\$1.00	\$25.00		
5	2-03	UNSATURABLE FOUNDATION EXCAVATION INCL. HAUL	CY				25	\$30.00	\$750.00	25	\$40.00	\$1,000.00	25	\$38.50	\$962.50	25	\$48.00	\$1,200.00	25	\$25.00	\$625.00		
6	2-03	FOUNDATION MATERIAL OVER EXCAVATION INCL. HAUL	CY				50	\$20.00	\$1,000.00	50	\$25.00	\$1,250.00	50	\$38.50	\$1,925.00	50	\$48.00	\$2,400.00	50	\$1.00	\$50.00		
7	5-04	SUBFACING	SY				360	\$65.00	\$22,800.00	360	\$95.00	\$34,200.00	360	\$58.50	\$21,060.00	360	\$81.93	\$29,494.80	360	\$56.00	\$20,160.00		
8	5-04	ASPHALT PATCHING (6-INCH)	ST				360	\$50.00	\$18,000.00	360	\$15.00	\$5,400.00	360	\$13.00	\$4,680.00	360	\$19.66	\$7,077.60	360	\$12.00	\$4,320.00		
9	7-05	SEWER MANHOLE 48 IN. DIAM. TYPE I	EA				4	\$4,000.00	\$16,000.00	4	\$4,000.00	\$16,000.00	4	\$4,500.00	\$18,000.00	4	\$5,082.00	\$20,328.00	4	\$6,500.00	\$26,000.00		
10	7-05	SADDLE MANHOLE 48 IN. DIAM.	EA				2	\$6,000.00	\$12,000.00	2	\$6,000.00	\$12,000.00	2	\$7,150.00	\$14,300.00	2	\$4,986.00	\$9,972.00	2	\$8,000.00	\$16,000.00		
11	7-05	ABANDON EXISTING MANHOLE	EA				2	\$1,800.00	\$3,600.00	2	\$1,800.00	\$3,600.00	2	\$1,300.00	\$2,600.00	2	\$600.00	\$1,200.00	2	\$1,500.00	\$3,000.00		
12	7-17	PVC SANITARY SEWER PIPE 8 IN. DIAM.	LF				480	\$110.00	\$52,800.00	480	\$110.00	\$52,800.00	480	\$110.00	\$52,800.00	480	\$110.00	\$52,800.00	480	\$110.00	\$52,800.00		
13	7-17	TESTING SEWER PIPE	LF				480	\$3.00	\$1,440.00	480	\$3.00	\$1,440.00	480	\$3.00	\$1,440.00	480	\$3.00	\$1,440.00	480	\$3.00	\$1,440.00		
14	7-18	SIDE SEWER	EA				13	\$3,500.00	\$45,500.00	13	\$3,500.00	\$45,500.00	13	\$6,250.00	\$81,250.00	13	\$2,211.60	\$28,750.80	13	\$6,000.00	\$78,000.00		
15	7-17	ABANDON EXISTING 8 IN. SEWER	LF				480	\$3.00	\$1,440.00	480	\$7.00	\$3,360.00	480	\$3.90	\$1,872.00	480	\$3.90	\$1,872.00	480	\$12.00	\$5,760.00		
16	107.15	EROSION CONTROL SPEC PLAN	LS				1	\$2,200.00	\$2,200.00	1	\$500.00	\$500.00	1	\$585.00	\$585.00	1	\$1,000.00	\$1,000.00	1	\$1,500.00	\$1,500.00		
17	8-01	INLET PROTECTION	EA				6	\$150.00	\$900.00	6	\$65.00	\$390.00	6	\$75.00	\$450.00	6	\$84.00	\$504.00	6	\$100.00	\$600.00		
18	1-10	TRAFFIC PROJECT TEMPORARY TRAFFIC CONTROL	LS				1	\$3,500.00	\$3,500.00	1	\$32,000.00	\$32,000.00	1	\$23,400.00	\$23,400.00	1	\$32,928.00	\$32,928.00	1	\$30,000.00	\$30,000.00		
19	7-08	OTHER ITEMS STRUCTURAL EXCAVATION CL. B INCL. HAUL	CY				565	\$30.00	\$16,950.00	565	\$15.00	\$8,475.00	565	\$26.00	\$14,665.00	565	\$1.00	\$565.00	565	\$25.00	\$14,125.00		
20	7-08	SHORING OR EXTRA EXCAVATION CLASS B	SF				4,800	\$4.00	\$19,200.00	4,800	\$0.10	\$480.00	4,800	\$2.60	\$12,480.00	4,800	\$1.50	\$7,200.00	4,800	\$1.00	\$4,800.00		
21	1-08	ROADWAY SURVEYING	LS				1	\$2,000.00	\$2,000.00	1	\$2,500.00	\$2,500.00	1	\$6,500.00	\$6,500.00	1	\$3,480.00	\$3,480.00	1	\$3,000.00	\$3,000.00		
22	2-01	ROADSIDE CLEANUP	EST.				1	\$3,000.00	\$3,000.00	1	\$3,000.00	\$3,000.00	1	\$3,000.00	\$3,000.00	1	\$3,000.00	\$3,000.00	1	\$3,000.00	\$3,000.00		
									Subtotal	\$218,475.00	\$257,400.00	9.1% WSST	\$243,433.40	9.1% WSST	\$266,937.00	9.1% WSST	\$297,750.00	9.1% WSST	\$27,995.27	9.1% WSST	\$338,775.00	9.1% WSST	\$30,828.53
									* Total	\$238,356.23	\$280,823.40		\$294,228.27		\$324,845.47		\$369,603.53						

Notes: * Corrected Total