

MONROE CITY COUNCIL

Regular Business Meeting
March 1, 2016, 7:00 P.M.

Council Chambers, City Hall
806 W Main Street, Monroe, WA 98272

AGENDA

Call To Order

Roll Call

Pledge Of Allegiance

1. Councilmember Scarboro

Comments From Citizens

[This time is set aside for members of the audience to speak to the City Council on any issue related to the City of Monroe; except any quasi-judicial matter subject to a public hearing. **Please sign in prior to the meeting; testimony is limited to 5 minutes per speaker.**]

Consent Agenda

1. Approval of the Minutes; February 23, 2016, Regular Business Meeting

Documents: [20160301 CA1 MCC Minutes 20160223.pdf](#)

2. Approval of AP Checks and ACH Payments

Documents: [20160301 CA2 AP Checks - ACH Payments.pdf](#)

Unfinished Business

1. AB16-026: Discussion: Impact Fee Deferral System

Documents: [AAB16-026_Discussion_ImpactFeeDeferralProgram.pdf](#)

Councilmember Reports

1. City Council Finance & Human Resources Committee
2. Snohomish County Tomorrow Steering Committee (Councilmember Kamp)

Staff/ Department Reports

1. Staff Report on Land Sales Update

Mayor/ Administrative Reports

1. Monroe This Week (February 26, 2016, Edition No. 8)

Documents: [20160301 MR1 Monroe This Week Edition 8.pdf](#)

2. Lobbyist Report (Green Light Strategies)

Documents: [20160301 MR2 Lobbyist Report_GLS.pdf](#)

3. Draft Agenda for March 8, 2016, Regular Business Meeting

Executive Session

If needed.

1. Potential Litigation [RCW 42.30.110(1)(i)] (15 minutes)

Adjournment

Majority vote to extend past 10:00 p.m.

THE CITY COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS
AGENDA

Accommodations for people with disabilities will be provided upon request. Please call City Hall at
360-794-7400. Please allow 48 hours advance notice.

CALL TO ORDER, ROLL CALL AND PLEDGE

The February 23, 2016, Regular Business Meeting of the Monroe City Council was called to order by Mayor Thomas at 7:00 p.m.; Council Chambers, City Hall.

Councilmembers present: Cudaback, Davis, Gamble¹, Hanford, Kamp, Rasmussen, and Scarboro.

Staff members present: Feilberg, Nelson, Osaki, Quenzer, Smoot, and Warthan.

The Pledge of Allegiance was led by Mr. Jack Van Eaton, grandfather of Officer Shaun Van Eaton, who was recently honored by the Consulate General of France as a Chevalier of the Legion of Honor, for fighting to liberate Europe from Nazi occupation during World War I.

ANNOUNCEMENTS/PRESENTATIONS

1. Swearing-In Ceremony: Police Officers Van Eaton and Robertson

Police Chief Tim Quenzer provided background information on Police Officers Shaun Van Eaton and Craig Robertson. Judge Steven Clough administered the Oath of Office for Officers Van Eaton and Robertson. The Officers introduced and recognized family and friends in attendance.

COMMENTS FROM CITIZENS

The following person spoke to the City Council regarding Downtown Parking and ADA access, and trash: Ms. Ashley Sellers.

CONSENT AGENDA

1. Approval of the Minutes; February 16, 2016, Regular Business Meeting
2. AB16-022: Authorize Mayor to Sign Customer Service Contract with Snohomish County PUD No. 1 for Tjerne Place SE Extension Project
3. AB16-023: Resolution No. 002/2016: Certifying Emergency Conditions and Authorizing the Emergency Procurement of Materials, Supplies, Equipment and Services
4. AB16-024: Resolution No. 003/2016: Declaring an Emergency Relating to the Disposal of Biosolids and Waiving the Formal Request for Proposal Requirements

Councilmember Rasmussen moved to approve the Consent Agenda; the motion was seconded by Councilmember Davis. On vote,
Motion carried (6-0).

¹ CLERK'S NOTE: Councilmember Gamble arrived at approximately 8:06 p.m. during discussion on New Business #1.

NEW BUSINESS

1. AB16-025: Discussion: Municipal Campus Planning

Mr. Brad Feilberg, Public Works Director, presented background information on AB16-025, including an assessment of space needed for a municipal campus, campus master plans previously created, and site options for a new municipal campus.

General discussion ensued regarding: site options; a preference to stay on the current site or move to the Monroe School District site in downtown Monroe; co-location with the Monroe School District; potential leasing space for other entities (Everett Community College, Monroe Chamber of Commerce, etc.); and additional information requested (CUP requirements/restrictions for the downtown site, advantages/disadvantages of each site, and research of additional features, such as: a parking structure, plaza/festival area, public bathrooms, and leasable space).

COUNCILMEMBER REPORTS

Councilmember Gamble commented on attendance at the free showing of the movie *Paper Tigers* and a Park Place Middle School field trip to attend University of Washington basketball games.

Councilmember Kamp commented on attendance at *Paper Tigers*.

Councilmember Rasmussen commented on the showing of *Paper Tigers*, attendance at the TriMonroe planning meeting, and upcoming Snohomish County Board of Health Meeting.

Councilmember Cudaback commented on *Paper Tigers*.

Councilmember Hanford commented on attendance at *Paper Tigers*.

STAFF/DEPARTMENT REPORTS

Mr. Dave Osaki, Community Development Director, reported on the Commute Trip Reduction Program and honor received.

Mr. Feilberg reported on the following items: TriMonroe, the Tjerne Place SE Extension project, and use the Highway 2 Bypass Right-of-Way for trails and road extension.

MAYOR/ADMINISTRATIVE REPORTS

1. Monroe This Week (*February 19, 2016, Edition No. 7*)

Mayor Thomas reported on meetings held and events attended the previous week and other forthcoming items; including: the Snohomish County Cities Dinner/Meeting, tours of Monroe businesses with Economic Alliance, Monroe Chamber of Commerce Board Meeting, *Paper Tigers*, SCCIT Meeting, and updates on SR522 and Wayfinding signage.

2. Lobbyist Report (*Green Light Strategies*)

Mayor Thomas noted information in the agenda packet provided by Green Light Strategies, the City's Lobbying Firm, regarding proposed bills of interest to the City, and a listing of the bills currently being monitored.

3. Draft Agenda for March 1, 2016, Regular Business Meeting

Mayor Thomas reviewed the draft agenda for the March 1, 2016, Monroe City Council Regular Business Meeting, the extended agenda, and additions/edits thereto. Councilmember Davis stated he would be absent from the March 1, 2016, meeting; and Councilmember Rasmussen noted he would be late for the March 15, 2016, meeting.

ADJOURNMENT

There being no further business, the motion was made by Councilmember Hanford and seconded by Councilmember Gamble to adjourn the meeting. On vote,
Motion carried (7-0).

MEETING ADJOURNED: 8:56 p.m.

Geoffrey Thomas, Mayor

Elizabeth M. Smoot, MMC, City Clerk

Minutes approved at the Regular Business Meeting of March 1, 2016.

COUNCIL AP CHECKS AND ACH PAYMENTS 2/17/16 - 3/1/16

ABC Forms	
court forms	\$144.39
Total Paid to ABC Forms	\$144.39
Accela Inc #774375	
transactions	\$2,322.84
Total Paid to Accela Inc #774375	\$2,322.84
AFTS	
Lockbox Charges	\$444.79
Total Paid to AFTS	\$444.79
BHC Consultants LLC	
WWTP AA line replacement	\$1,218.43
Total Paid to BHC Consultants LLC	\$1,218.43
Brazel Gene	
G Brazel - Evergreen Rural Water - Yakima per diem	\$95.63
Total Paid to Brazel Gene	\$95.63
Comcate Software Inc	
monthly maint-Monroe connection	\$409.77
Total Paid to Comcate Software Inc	\$409.77
Contracts & Careers Inc	
Woods Creek Road Phase I	\$358.75
Total Paid to Contracts & Careers Inc	\$358.75
Department of Transportation	
signal maintenance	\$116.86
Total Paid to Department of Transportation	\$116.86
Dopps Maria	
Interpreting services	\$109.18
Total Paid to Dopps Maria	\$109.18
Economic Alliance of Snohomish	
2016 membership	\$2,500.00
Total Paid to Economic Alliance of Snohomish County	\$2,500.00
Everett Utilities City of Everett-	
water purchased for resale	\$87,770.20
Total Paid to Everett Utilities City of Everett-	\$87,770.20
Flowpoint Environmental System	
2016 annual software update agreement	\$795.00
Total Paid to Flowpoint Environmental Systems	\$795.00
Garcia Cesar Garcia -	
Interpreting Services	\$110.26

Total Paid to Garcia Cesar Garcia -	\$110.26
Grainger Inc	
core drill	\$2,928.32
Total Paid to Grainger Inc	\$2,928.32
Green To Go Bradley Henderson	
refund business license	\$50.00
Total Paid to Green To Go Bradley Henderson Sourbeer	\$50.00
GreenLight Strategies Inc	
GREEN LIGHT - Lobbying fees	\$3,800.00
Total Paid to GreenLight Strategies Inc	\$3,800.00
H.W. Lochner Inc	
Main St Gateway	\$375.21
Total Paid to H.W. Lochner Inc	\$375.21
Inland Environmental Resources	
mag hydroxide	\$20,798.60
Total Paid to Inland Environmental Resources Inc	\$20,798.60
Lexipol LLC	
Lexipol subscription	\$2,850.00
Total Paid to Lexipol LLC	\$2,850.00
MailFinance Inc	
2nd qtr 2016 postage machine lease	\$389.14
Total Paid to MailFinance Inc	\$389.14
Mayes Testing Engrs Inc.	
Tjerne PI Ext	\$156.00
Total Paid to Mayes Testing Engrs Inc.	\$156.00
Monroe Auto Body Inc	
P55 vehicle repairs	\$1,000.00
Total Paid to Monroe Auto Body Inc	\$1,000.00
Nilfisk-Advance Technologies Inc	
Sweeper SW-04 FA#5226	\$161,804.10
Total Paid to Nilfisk-Advance Technologies Inc	\$161,804.10
Odell Vance Patrick	
A Axtman - legal services	\$300.00
A Petrushka - legal services	\$300.00
Total Paid to Odell Vance Patrick	\$600.00
Ogden Murphy Wallace PLLC	
professional services through 1/31/16	\$45,209.88
Total Paid to Ogden Murphy Wallace PLLC	\$45,209.88
Paxman Darrell	
payment of reimbursement agreement fees - 5% Administrative fee	\$23,976.44
Total Paid to Paxman Darrell	\$23,976.44

Plitman Vladislav	
Interpreting Services	\$126.22
Total Paid to Plitman Vladislav	\$126.22
PNCWA-Northwest Section	
PNCWA dues	\$60.00
Total Paid to PNCWA-Northwest Section	\$60.00
PUD	
install 9 1L902 street light standards & small lighting peds	\$28,800.00
PUD - 16410 177th Ave SE	\$213.17
PUD - 512 S Sams St	\$21,764.40
PUD - 806 W Main St A	\$1,899.04
Total Paid to PUD	\$52,676.61
Puget Sound Energy Inc	
Park Place PS - 17866 W Main	\$61.19
PSE - 769 Village Way - PW Bui	\$287.82
PSE - 806 Main St Bldg C - Veh	\$411.81
PSE - 806 W Main St Bldg I - P	\$654.91
PSE - Police Department	\$738.11
PSE- 806 W Main St Bldg A -Mai	\$1,229.76
Total Paid to Puget Sound Energy Inc	\$3,383.60
Quality Controls Corporation	
SCADA maintenance - Lord Hill PLC	\$2,067.54
SCADA troubleshooting	\$838.53
Total Paid to Quality Controls Corporation	\$2,906.07
Republic Services Inc	
ALLIED/REPUBLIC - Recycle - Tr	\$939.51
ALLIED/REPUBLIC - Recycle - WW	\$56.71
ALLIED/REPUBLIC -Recycle - PW	\$64.40
ALLIED/REPUBLIC -Recycle CH	\$129.52
ALLIED/REPUBLIC -Recycle -PW/P	\$38.52
Total Paid to Republic Services Inc	\$1,228.66
SCCIT	
membership	\$450.00
Total Paid to SCCIT	\$450.00
Sentinel Offender Services LLC	
electronic home monitoring	\$181.99
Total Paid to Sentinel Offender Services LLC	\$181.99
Snohomish County Clerks & Fina	
C Hurst/R Howard/D Nelson/E Smoot 2/25/16 SCCFOA meeting	\$72.00
Total Paid to Snohomish County Clerks & Finance Office	\$72.00
Snohomish County Finance Dept	
800 MHZ annual maintenance	\$62,262.00

Total Paid to Snohomish County Finance Dept	\$62,262.00
Snohomish County Human Serv	
liquor profits & excise tax	\$1,146.87
Total Paid to Snohomish County Human Services Dept	\$1,146.87
Staples Business Advantage	
supplies	\$10.36
Total Paid to Staples Business Advantage	\$10.36
State Auditor's Office	
2014 Audit	\$3,273.36
Total Paid to State Auditor's Office	\$3,273.36
Tenelco Inc.	
biosolids managment	\$11,857.50
Total Paid to Tenelco Inc.	\$11,857.50
Tongg Rory P	
refund overcharge	\$8.75
Total Paid to Tongg Rory P	\$8.75
Torell Todd	
refund license	\$40.75
Total Paid to Torell Todd	\$40.75
Utilities Underground Location C	
locates	\$103.20
Total Paid to Utilities Underground Location Center	\$103.20
WA State Dept of Agriculture	
B Olson - WSDA Public Operator license & testing fees	\$58.00
M Thomas - WSDA Public Operator license & testing fees	\$58.00
T Reeves - WSDA Public Operator license & testing fees	\$58.00
Total Paid to WA State Dept of Agriculture	\$174.00
Washington State Patrol	
fingerprinting	\$517.25
Total Paid to Washington State Patrol	\$517.25
WSAPT	
C Lavelle WSAPT dues	\$35.00
Total Paid to WSAPT	\$35.00
Grand Total	\$500,847.98



MONROE CITY COUNCIL

Agenda Bill No. 16-026

SUBJECT:	<i>Discussion: Impact Fee Deferral System [ESB 5923]</i>
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DATE:	DEPT:	CONTACT:	PRESENTER:	ITEM:
03/01/2016	Community Development	Dave Osaki Rick Karns	Dave Osaki	Unfinished Business #1

Discussion – Council: 09/15/2015; 10/20/2015; 01/12/2016; 03/01/16

Discussion – Committee: 02/16/2016

- Attachments:**
1. RCW 82.02.050 – “Impact fees - Intent- Limitations”
 2. Letter from Monroe School District
 3. Summary of Stakeholder Input

REQUESTED ACTION: Council direction on the following key policy issues in order to draft an ordinance for the Planning Commission hearing process:

1. **Deferral time period:**
Law allows deferral to occur until:
 - A. Final inspection;
 - B. Issuance of the certificate of occupancy or equivalent certification; and/or
 - C. The closing of the first sale of the property.
2. **Limits on annual deferrals per applicant.**
State law allows a local government to cap annual deferral for an applicant to twenty (20) per year.

DESCRIPTION/BACKGROUND

At its February 2, 2016, meeting, the City Council was briefed on the 2015 Legislature's enactment of ESB 5923. This was preceded by prior briefings in 2015 and early 2016.

ESB 5923 (*see Attachment 1 for codified version [RCW 82.02.050]*) requires counties, cities, and towns to adopt an impact fee deferral system for the collection of impact fees for new single-family detached and attached residential construction. The Monroe Municipal Code currently authorizes the City to collect impact fees for traffic, parks, and schools (although the impact fee amount for schools at this time is \$0.00). The deadline to implement a single family fee deferral program is September 1, 2016.

At the February 2, 2016, City Council meeting, staff indicated that it would do additional stakeholder outreach, have discussion with the P4 Committee, and then bring the matter back for City Council discussion and direction at the City Council's March 1, 2016, meeting.

Under the new law, counties, cities, and towns must adopt a deferral system for the collection of impact fees that, upon developer request, delays payment until the time of either:

1. Final inspection;
2. Issuance of the certificate of occupancy or equivalent certification; and/or
3. The closing of the first sale of the property.

(NOTE: An applicant could, if he/she wishes, pay impact fees at the time of building permit issuance. Payment at the time of building permit issuance is the City's current requirement.)

In the City of Monroe, Item 1 (final inspection) and Item 2 (issuance of the certificate of occupancy) above occur at the same time for single family dwellings. This means that the two options available to the City essentially are:

1. Time of final inspection (this is when the City does an inspection of the single family dwelling and approves the dwelling for occupancy); and/or
2. Time of closing of the first sale of the property.

An applicant seeking an impact fee deferral must grant and record a lien against the property, in the amount of the deferred impact fees, in favor of the municipality. Deferrals may not, however, exceed 18 months from the date of building permit issuance.

Another primary issue to be decided as part of the impact fee deferral code amendment process is that the State law limits the number of annual deferrals for an applicant to 20; although the local government has the option of allowing a higher amount. The City Council will need to consider whether to allow for applicant to obtain annual deferrals in excess of 20.

With regards to the number of deferrals, the legislation states that a local government must consult with school districts about additional deferrals, if there is a desire to go over 20. "Substantial weight" must be given to the recommendation of school districts regarding the number of additional deferrals." Further, if the county, city, or town disagrees with the recommendations of one or more school districts, the county, city, or town must provide the district or districts with a written rationale for its decision (*see Attachment 2 for July 2015 letter from the Monroe School District; the letter does not specifically address the deferral issue*).

Other provisions of the new law include:

- The term of deferral may not exceed 18 months from the date of issuance of the building permit.
- The amount of impact fees that may be deferred is determined by the fees in effect at the time the applicant applies for a deferral.
- Deferral of impact fees can be limited to the first 20 single-family residential building permits, annually, per applicant.
- An applicant seeking a deferral must grant and record a lien against the property in favor of the municipality in the amount of the deferred impact fee.
- Municipalities may collect reasonable administrative fees from applicants seeking a deferral.
- To limit the "spin-off LLC" issue, "applicant" is defined to include "an entity that controls the applicant, is controlled by the applicant, or is under common control with the applicant."
- Municipalities and school districts are authorized to institute foreclosure proceedings if impact fees are not paid.
- The City must provide data to the Department of Commerce for an annual report, beginning December 1, 2018, on the payment and collection of impact fees.

STAKEHOLDER OUTREACH

Staff has conducted stakeholder outreach since the last time this matter was before the City Council. This information is summarized in Attachment 3 and includes information provided to date from the Monroe and Snohomish School Districts, the Master Builders Association of King and Snohomish Counties, and various builders who have or will be building single family dwellings in Monroe.

(NOTE: Outreach is still taking place at the time of this Agenda Bill's preparation; any new information will be presented verbally at the March 1, 2016, City Council meeting.)

OTHER INFORMATION

Other information related to the Impact fee deferral issue includes:

- Staff reached out to adjacent communities. The City of Marysville has implemented a deferral program since at least 2012. Marysville ties its fee deferral program to final inspection (for single family dwellings). Snohomish County did implement a deferral program during the great recession; however, it sunset in 2012. That program deferred fee payment to closing. Only four homes utilized the program during the 3-4 years the deferral program was in effect.
- The legislation provides that local governments may collect reasonable administrative fees to cover costs of implementing the impact fee deferral program. This would be set in the City's fee resolution when the impact fee deferral ordinance is passed. To-date, administrative fees imposed elsewhere are in the \$200-\$250 range per deferral.
- Once City Council direction on an impact fee deferral ordinance is received, the proposed ordinance will be scheduled before the Planning Commission for a public hearing and recommendation to the City Council.

IMPACT – BUDGET

Again, the legislation provides that local governments may collect reasonable administrative fees to cover costs of implementing the program. Staff will recommend an administrative fee amount as an ordinance gets closer to adoption. The amount may vary depending on the deferral option selected. Staff time to implement a deferral program at the time of final inspection would be less than a deferral program at the time of closing of first sale.

TIME CONSTRAINTS

The impact fee deferral system must be in place by September 1, 2016.

Tentative Schedule:

03/01/2016	City Council Direction
03/28/2016	Planning Commission Workshop
04/11/2016	Planning Commission Workshop
05/09/2016	Planning Commission Public Hearing
05/23/2016	Planning Commission Recommendation
06/07/2016	First Reading
06/14/2016	Ordinance Adopted
06/21/2016	Ordinance Published
06/26/2016	Ordinance Effective (<i>although ordinance could set an effective date a later time, no later than September 1, 2016</i>).

RCW 82.02.050**Impact fees—Intent—Limitations. (Effective until September 1, 2016.)**

(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.

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

- (a) Shall only be imposed for system improvements that are reasonably related to the new development;
- (b) Shall not exceed a proportionate share of the costs of system improvements that are reasonably related to the new development; and
- (c) Shall be used for system improvements that will reasonably benefit the new development.

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

- (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.

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

[1994 c 257 § 24; 1993 sp.s. c 6 § 6; 1990 1st ex.s. c 17 § 43.]

NOTES:

Severability—1994 c 257: See note following RCW **36.70A.270**.

Effective date—1993 sp.s. c 6: See note following RCW **36.70A.040**.

Severability—Part, section headings not law—1990 1st ex.s. c 17: See RCW **36.70A.900** and **36.70A.901**.

SEPA: RCW **43.21C.065**.

RCW 82.02.050

Impact fees—Intent—Limitations. (*Effective September 1, 2016.*)

(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.

(2) Counties, cities, and towns that are required or choose to plan under RCW **36.70A.040** are authorized to impose impact fees on development activity as part of the financing for 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)(a)(i) Counties, cities, and towns collecting impact fees must, by September 1, 2016, adopt and maintain a system for the deferred collection of impact fees for single-family detached and attached residential construction. The deferral system must include a process by which an applicant for a building permit for a single-family detached or attached residence may request a deferral of the full impact fee payment. The deferral system offered by a county, city, or town under this subsection (3) must include one or more of the following options:

- (A) Deferring collection of the impact fee payment until final inspection;
- (B) Deferring collection of the impact fee payment until certificate of occupancy or equivalent certification; or
- (C) Deferring collection of the impact fee payment until the time of closing of the first sale of the property occurring after the issuance of the applicable building permit.

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

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

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

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

(c) Except as may otherwise be authorized in accordance with (f) of this subsection (3), an applicant seeking a deferral under this subsection (3) must grant and record a deferred impact fee lien against the property in favor of the county, city, or town in the amount of the deferred impact fee. The deferred impact fee lien, which must include the legal description, tax account number, and address of the property, must also be:

- (i) In a form approved by the county, city, or town;
- (ii) Signed by all owners of the property, with all signatures acknowledged as required for a deed, and recorded in the county where the property is located;
- (iii) Binding on all successors in title after the recordation; and
- (iv) 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.

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

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

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

(ii) 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, certificate of occupancy, or equivalent certification, or at the time of closing of the first sale.

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

(g)(i) Each applicant for a single-family 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 subsection (3) for the first twenty single-family residential construction building permits per county, city, or town. A county, city, or town, however, may elect, by ordinance, to defer more than twenty single-family residential construction building permits for an applicant. If the county, city, or town collects impact fees on behalf of one or more school districts for which the collection of impact fees could be delayed, the county, city, or town must consult with the district or districts about the additional deferrals. A county, city, or town considering additional deferrals must give substantial weight to recommendations of each applicable school district regarding the number of additional deferrals. If the county, city, or town disagrees with the recommendations of one or more school districts, the county, city, or town must provide the district or districts with a written rationale for its decision.

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

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

(i) In accordance with RCW **44.28.812** and **43.31.980**, counties, cities, and towns must cooperate with and provide requested data, materials, and assistance to the department of commerce and the joint legislative audit and review committee.

(4) The impact fees:

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

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

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

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

plan identifying:

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

(ii) Additional demands placed on existing public facilities by new development; and

(iii) Additional public facility improvements required to serve new development.

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

[2015 c 241 § 1; 1994 c 257 § 24; 1993 sp.s. c 6 § 6; 1990 1st ex.s. c 17 § 43.]

NOTES:

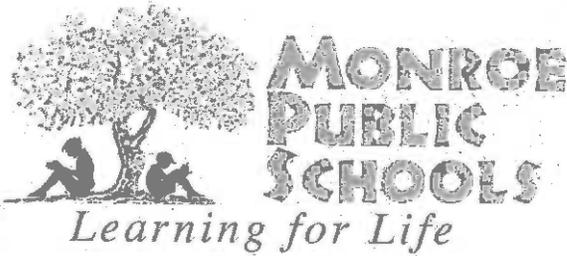
Effective date—2015 c 241: See note following RCW [44.28.812](#).

Severability—1994 c 257: See note following RCW [36.70A.270](#).

Effective date—1993 sp.s. c 6: See note following RCW [36.70A.040](#).

Severability—Part, section headings not law—1990 1st ex.s. c 17: See RCW [36.70A.900](#) and [36.70A.901](#).

SEPA: RCW [43.21C.065](#).



Dr. Fredrika Smith
Superintendent
360.804.2501
200 East Fremont Street
Monroe, WA 98272-2336
FAX 360.804.2508

July 20, 2015

Mayor Geoffrey Thomas
City of Monroe
806 W. Main St.
Monroe, WA 98272

Dear Mayor Thomas:

As you may know, the Legislature enacted a bill in the 2015 Session that provides developers with the limited option of deferring impact fee payments (ESB 5923). In the upcoming months, we would like to work with the City on implementation issues. The new law outlines a specific role for school districts as the City develops the deferral process.

The new law limits the number of deferrals that each applicant can receive for single-family detached or attached dwelling units. By July 1, 2016, cities and counties must have in place a program that allows the collection of impact fees at one of three possible points in time: 1) final inspection; 2) issuance of the certificate of occupancy; or 3) closing. Deferrals may not exceed 18 months from the date of building permit issuance. In order to receive a deferral, an applicant must record a lien on the property.

As the City reviews the deferral process and works on amendments to the City Code, we would like to encourage the City to set the date of collection either at the time of final inspection or when the certificate of occupancy is issued. These points of collection are still within the City's control and will ensure the payment of impact fees. Because our District serves several/the City/cities and the County, we are encouraging all of our jurisdictions to adopt the same process. This will promote consistency and predictability among the programs.

In addition to the date of collection, we look forward to working with you regarding the question of whether more than 20 deferrals per applicant should be authorized. We welcome the opportunity to meet with you to discuss these issues. Thank you.

Sincerely,

Dr. Fredrika Smith
Superintendent

cc: Grace T. Yuan, K&L Gates

STAKEHOLDER COMMENTS

Stakeholder	Preferred Time of Deferral	Should the Number of Annual Deferrals per Applicant be Capped at 20?	Comments
Monroe School District	Final Inspection or certificate of occupancy <i>(in Monroe these times are the same)</i>	Staff and the School District have been attempting to schedule a meeting to discuss the number of deferrals. Staff is waiting on the school district for a meeting date/time.	See letter dated July 20, 2015. Monroe School District requested final inspection/certificate of occupancy as the preferred time of deferral. The letter also expresses a desire to work with the City to discuss whether more than 20 annual deferrals per applicant should be authorized.
Snohomish School District	Final Inspection	Yes	In responding to growth, the Snohomish School District verbally explained that it can take 3 months or more to acquire portables and secure necessary permits. Impact fees are needed as early as possible to address growth, before the dwelling unit is occupied (with potential students). Final Inspection is the preferred time of deferral as that is typically the earliest point in time (as provided for in the deferral legislation). Receiving impact fees when the dwelling unit closes for sale means the dwelling unit will be occupied imminently, leaving less time to address the growth impact (e.g. occupancy of the single family dwelling with potential students). Staff has requested a written comment letter from the School District.
Master Builders Association of King and Snohomish counties	Closing of First Sale	Was going to contact membership for feedback.	The MBAKS prefers that impact fees be paid as late in the process as possible. Banks do not lend money for impact fees, so this money is coming directly out of the builders pocket or is being privately financed, making it difficult to get some projects off the ground. The MBAKS indicates that the 18 month limit would ensure the City will receive payment even if the house is never sold.
Developer/Builder #1 <i>(had over 20 single family permits issued in 2015)</i>	Final inspection is acceptable	Acceptable	Also commented that they would likely continue to pay impact fees at time of building permit issuance as not to encumber the title with lien language.
Developer/Builder #2 <i>(had over 20 single family permits issued in 2015)</i>	See Comments Column	See Comments Column	Indicated that they would likely continue to pay at the time of building permit. Views impact fee deferrals as a nice tool to have available if needed, but felt that the paperwork needed to apply for deferrals (e.g. recording and removing liens) outweighed the benefit of using it. Thought that impact fee deferral program is a much more important tool for smaller builders.
Developer/Builder #3 <i>(previously built homes in Monroe w/ additional development in progress)</i>	See Comments Column	See Comments Column	Indicated that they would likely continue to pay at time of building permit. Felt the paperwork and company staff time needed to process impact fee deferrals outweighed their benefit. They also indicated that the time difference between paying at the time of building permit and the time the home was completed or sold wasn't significant enough to take advantage of the deferral program and extra administrative work it required.
Developer/Builder #4 <i>(pending subdivision)</i>	See Comments Column	See Comments Column	Indicated that they will likely just pay impact fees at time of building permit rather than use deferrals.



MONROE THIS WEEK

Edition 8 February 26, 2016



Mayor

Geoffrey Thomas
gthomas@monroewa.gov

Councilmembers

Patsy Cudaback
Kevin Hanford
Ed Davis
Jason Gamble
Jim Kamp
Jeff Rasmussen
Kirk Scarboro
councilmembers@monroewa.gov

City Hall

806 West Main Street
Monroe, WA 98272
Phone: 360.794.7400
Open 8AM – 5PM, M-F

Appointment Openings

No Openings At This Time

Job Openings

Construction Inspector
Public Works O&M Seasonal Laborer
Seasonal Parks

Events this Week

- 03/01** City Council Finance & Human Resources Committee Meeting, Permit Center, City Hall, 6PM
City Council Meeting, Council Chambers, City Hall, 7PM
- 03/08** City Council Legislative Affairs Committee Meeting, Permit Center, City Hall, 6PM
City Council Meeting, Council Chambers, City Hall, 7PM
- 03/12** MHS Mustache Dash 5K Lake Tye Park 9-11AM
Thrivers 5K Fun Run Lake Tye Park 12-2PM

From the Office of Mayor Thomas

To highlight some of the things going on in our community, I am writing this weekly city update, "Monroe This Week. If you have any suggestions or questions regarding "Monroe This Week" or the stories below, please contact me at GThomas@MonroeWa.gov.

Yours in Service,

Mayor Geoffrey Thomas

Be In The Know!

Paper Tigers

On Monday, February 22, 2016, I attended a screening of the documentary *Paper Tigers*, organized by the Monroe Community Coalition. The documentary covers Lincoln High School's approach to educating traumatized youth in Walla Walla, Washington; which has significantly increased graduation rates and made other positive impacts on the lives of at-risk youth. I truly appreciate the work the Monroe Community Coalition, the Monroe School District, and other partners are doing to support youth in our community. Thank you!

For more information about the Monroe Community Coalition, check out: www.monroecommunitycoalition.com.

Proposed Fire District Nos. 3 and 7 Merger

On Thursday, February 18, 2016, I met with Monroe Fire District No. 3 Chief Jamie Silva, and Snohomish County Fire District No. 7 Chief Gary Meek, to learn more about the proposed merger of Fire District Nos. 3 and 7. The Chiefs shared the merger would improve public safety, while making fire service delivery more efficient; and they will be presenting more information to the Monroe City Council at their regular business meeting on Tuesday, April 5, 2016. It is expected that the merger will be before the voters for consideration in early August.

City of Monroe
Year-to-Date Comparisons

The following are year-to-date comparisons

Sales Tax Revenues

'15 to 1/31/15: \$278,286

'16 to 1/31/16: \$308,703

UP \$30,417 or 10.93%

Real Estate Excise Tax

'15 to 1/31/15: \$23,286

'16 to 1/31/16: \$74,152

UP \$50,865 or 218.44%

Lodging Tax Revenues

'15 to 1/31/15: \$3,945

'16 to 1/31/16: \$5,407

UP \$1,462 or 37.05%

Business License Fees

'15 to 1/31/15: \$4,318

'16 to 1/31/16: \$5,229

UP \$912 or 21.12%

Building Permit Revenues

'15 to 1/31/15: \$23,749

'16 to 1/31/16: \$16,374

DOWN \$7,375 or -31.05%

Planning Fee Revenues

'15 to 1/31/15: \$1,950

'16 to 1/31/16: \$1,700

DOWN \$250 or -12.82%

New House Permits

'15 to 1/31/15: 5

'16 to 1/31/16: 2*

DOWN 3 units or 60%

**9 new single family permits were submitted in Jan. '16*

Multi-Family Permits (# units)

'15 to 1/31/15: 0

'16 to 1/31/16: 2 units

UP 2 units

Building Division Inspections

'15 to 1/31/15: 91

'16 to 1/31/16: 131

UP 40 or 43.96%

Congratulations Officer's Van Eaton and Robertson!

On Tuesday, February 23, 2016, new Monroe Police Officers Craig Robertson and Shaun Van Eaton were administered their Oath of Office before the City Council, family, and friends. Officers Robertson and Van Eaton have successfully completed their training and are now released to solo patrol. Congratulations to these officers as they join our Police Department And serve the citizens of Monroe.

SCCIT Meeting

On Tuesday, February 23, 2016, I attended the Snohomish County Committee for Improved Transportation (SCCIT) meeting, where I received updates on SR-522, US2 (trestle), and future transportation projects. While there has been a great deal of work on SR-522 and US2, we will be able to better report out on the status of these two projects in the next two to three weeks.

US-2 Right-of-Way

A future Trail in US-2 Right-of-way? For several decades, the US-2 right-of-way has been under the State's ownership without having the intended US-2 bypass built. The US-2 bypass remains an idea without funding for design or construction. Last year, the City's Comprehensive Plan included plans to develop a trail on the property. Council and I are happy to report the City is submitting an application to use the right-of-way for a trail. We are hopeful the State will approve the application. Stay tuned for updates!

We're Hiring!

The City of Monroe is hiring! Openings for Seasonal Parks and Public Work laborer are available! For more information and to fill out an application, visit: www.monroewa.gov/jobs.

Request of Proposal

The City of Monroe is accepting Requests For Proposals for concessionaire services to provide quality food and beverage service at Sky River and Lake Tye Park. This is a great opportunity to become involved in your community! Detailed proposal packets may be picked up at the Monroe City Hall, M-F 8am-5pm at 806 W. Main Street, Monroe WA 98272. Pick up a packet today!

Projects!

Monroe Propulsion Cable Park Update

Earlier this month, we had announced that a groundbreaking ceremony for the Monroe Propulsion Cable Park was tentatively scheduled for March 3, 2016. City staff has been in weekly contact with H3O, LLC, the company who is developing and will be operating the park. Earlier this week, we learned the groundbreaking is being postponed until the end of March or beginning of April 2016. Stay tuned for updates!

Tjerne PI SE Extension Update

Tjerne Place SE Extension is definitely taking shape! Roadway curbing was recently installed, giving more definition to the project. In the coming days the driving surface will see its first layer of asphalt pavement. Other components in the very near future include standing up the new signal poles (they won't be turned on until the roadway is ready for use).





City of Monroe

Legislative Update (2/26/16)

Requested Action: Throughout the legislative session, Green Light Strategies will provide the City with regular reports of legislative activity affecting the City. At the end of each update, we provide a list of bills we are tracking during the Legislative Session. Please note legislation no longer considered alive has been removed from the tracking list.

CITY OF MONROE 2016 LEGISLATIVE PRIORITIES

SR 522: The City's highest legislative priority, to allow funds allocated in the Connecting WA account for the interchange to also be used for widening SR-522, is well-positioned for success! Both of the proposed Senate and House transportation budgets released add widening SR-522 to the project description. Because both chambers agree and included language in their respective budget proposals, it will most likely be included in the final budget adopted by the Legislature. In addition, the House proposal goes even further to making SR-522 a statewide priority by directing money for an analysis that will set the stage for widening SR-522 between Paradise Lake Road and the Snohomish River. Recognizing the importance of this project, Rep. Clibborn (House Transportation Committee Chair) stated, *"the goal is to widen that area from two lanes to four lanes."* The House has passed their proposed budget. We are working with Senate Transportation leaders to support prioritizing SR-522 in the final budget adopted by the Legislature.

Lake Tye Park Athletic Fields: Unfortunately, neither of the proposed Senate and House Capital Budgets released includes funding for the Lake Tye Athletic Fields. Recognizing that limited resources are available in the Supplemental Capital Budgets and very few local projects obtain funding (the Senate proposal provides funding for just one local project), we are nevertheless following up with Capital Budget leadership to see if there is any potential to obtain funding for the project in this year's budget.

2016 LEGISLATIVE SESSION UPDATE

Legislation passed by its originating chamber is now be considered by the opposite chamber. The cutoff for passing bills out of policy committees from the opposite house was Friday, and the deadline for passing bills out of fiscal committees is Monday. Then, each chamber will be on the floor to take action on bills that have moved through the committee process and must pass bills from the opposite house by Friday, March 4. Both chambers must agree on the same version of legislation before it goes to the Governor. If there are differences in the legislation passed by each chamber, the Legislature has until the end of session (March 10) to agree on the final version and pass it through both chambers.

GreenLightStrategies.com

Bryan Wahl (bryan@greenlightstrategies.com) • Chad Minnick (chad@greenlightstrategies.com)



STATE SUPPLEMENTAL BUDGETS

Supplemental budget proposals were released this past week. Leaders of the two chambers have less than two weeks left to work out the differences between their spending plans and produce budgets making adjustments to the biennial budgets adopted last year.

Capital Budget: Both the House and Senate supplemental capital budget proposals provide additional funding for classrooms, mental health facilities and environmental cleanup projects.

Transportation Budget: Both the House and Senate supplemental transportation budget proposals primarily provide additional spending on improving travel on I-405 (due to added congestion from the express toll lanes), highway and bridge maintenance, and removal of fish passage barriers. Most of the anticipated new money is re-appropriated funds from the previous biennium and additional federal funding available this year.

Operating Budget: The House operating budget proposal makes appropriations for forest fire related costs, K-12 levy assistance, and homeless services and programs. The House budget relies on eliminating or limiting some tax exemptions and tapping the state's emergency reserves to provide the revenues necessary to fund their plan. The Senate proposal would spend less on schools, mental health and homeless programs, in order to maintain current tax exemptions and the state's emergency reserves.

AWC/CITY LEGISLATIVE PRIORITIES/ISSUES

Operating Budget: Importantly, existing state-shared revenue distributions are kept intact in both the House and Senate proposed operating budgets. In addition, one of AWC's priorities this year has been to support strategies to help address the increase in homelessness and the demands on our mental health system. Both the House and Senate proposals take steps to invest in mental health and Consolidated Homeless Grants. However, AWC is very concerned about several items in the Senate's budget proposal that would negatively impact cities. Specifically, the Senate's proposal:

- **Substantially raises the direct cost to many cities for sending officers to the Basic Law Enforcement Academy.**
- **Merges the LEOFF 1 retirement system with the Washington Teachers' Retirement System Plan 1 (TRS 1), which could result in unfunded liability for cities.**
- **Eliminates funding for the Municipal Research & Services Center beginning July 1, 2016.**
- **Eliminates the Fire Insurance Premium Tax.**



2016 BILL TRACKING

Bill	Title	Status	Sponsor	Position
SHB 1130	Water power license fees	S Energy, Environ	Fey	Monitor
E2HB 1605	Fire protection/benefit chrg	S GovtOp&Sec	Peterson	Monitor
E2HB 1745	Voting rights	S Rules 2	Moscoso	Monitor
E2HB 1763	Music licensing agencies	S Commerce and La	Van De Wege	Monitor
HB 2321	Fire authority formation	S Rules 2	Stokesbary	Monitor
EHB 2362	Recordings/law enf., etc.	S Law & Justice	Hansen	Monitor
ESHB 2376	Operating sup budget 2016	H Passed 3rd	Dunshee	Concern
HB 2380	Supplemental capital budget	H Cap Budget	Tharinger	Monitor
SHB 2427	Local gov. modernization	S GovtOp&Sec	Springer	Monitor
SHB 2519	Nuisance abatement costs	S Rules 2	McCaslin	Monitor
ESHB 2524	Trans sup budget 2015-2017	H Passed 3rd	Clibborn	Monitor
HB 2565	Local sales & use tax changes	S Ways & Means	Vick	Monitor
SHB 2583	Local creative districts	S Ways & Means	McBride	Monitor
ESHB 2647	Tax foreclosed prop./housing	S HumSer/MenHlth	Jinkins	Monitor
ESHB 2708	Fire district formation	S GovtOp&Sec	Appleton	Monitor
HB 2741	State & local fiscal agents	S Ways & Means	Kuderer	Monitor
HB 2764	Public defense fund distrib	S Ways & Means	Jinkins	Monitor
HB 2918	City traffic schools	S Rules 2	Gregerson	Monitor
EHB 2959	Business tax & licenses	S Trade & Economi	Lytton	Monitor
EHB 2971	Real estate/local govt	S Ways & Means	McBride	Monitor
E2SB 5109	Infrastructure/local govt	H Finance	Brown	Monitor
ESSB 5343	Transit construction/parking	H Trans	Hasegawa	Monitor
2ESB 5624	Essential infrastructure	H Cap Budget	Keiser	Monitor
ESSB 5694	Nuisance abatement	H Local Govt	Padden	Monitor
SSB 5767	Local govt treasuries	H Rules R	Cleveland	Monitor
ESB 6100	Economic gardening pilot pr.	H Tech & Econ De	Chase	Monitor
SB 6147	Water-sewer districts	H Rules R	Roach	Monitor
SB 6150	Water pollution loans/term	H Cap Budget	Honeyford	Monitor

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SB 6171	OPMA civil penalties	H Rules R	Roach	Monitor
SSB 6201	Supplemental capital budget	S 2nd Reading	Honeyford	Monitor
SSB 6211	Nonprofit homeownership	H Rules R	Dammeier	Monitor
SSB 6227	Wildlife and recreation prg.	H Cap Budget	Honeyford	Monitor
2SSB 6239	Affordable housing options	H CDHTDPA	Fain	Monitor
SSB 6307	Trans sup budget 2015-2017	S Rules 2	King	Monitor
SSB 6337	Tax foreclosed prop./housing	H Rules R	Darneille	Monitor
ESSB 6426	School siting	H Local Govt	Conway	Monitor