

ORDINANCE NO. 1540

AN ORDINANCE OF THE CITY OF DES MOINES, WASHINGTON, expanding the boundaries of the current Multi-Family Tax Exemption and amending DMMC 3.96.040.

WHEREAS, the purpose of the Multifamily Tax Exemption as established by RCW 84.14.007 is to encourage and stimulate the construction of new multifamily housing opportunities in cities that are required to plan under the Growth Management Act where the governing authority of the affected city has found that there are insufficient housing opportunities, and

WHEREAS, the City of Des Moines adopted Ordinance No. 1457 in 2009, creating a new chapter in Title 3 of the DMMC providing a tax exemption as an incentive to facilitate the development of market rate multiple-unit dwellings in the City of Des Moines, and

WHEREAS, the Council Finance and Economic Development Committee recommends that the boundaries created by Ordinance No. 1457 be expanded, and

WHEREAS, the City has identified the Pacific Ridge Neighborhood as the area to provide the majority of the new housing necessary and to achieve the City's mandated 2020 growth targets, and

WHEREAS, the City seeks to encourage and promote new multifamily developments, and

WHEREAS, the City seeks to stimulate the construction of new multifamily housing, and

WHEREAS, the City seeks to increase the supply of multifamily housing opportunities within the City, and

WHEREAS, The *Des Moines Comprehensive Plan Strategy 2-04-08* of Land Use Element states that the City should "[E]ncourage improvement of the ... Pacific Ridge Neighborhood by working with the business community and other representative organizations to achieve the goals of the City of Des Moines Comprehensive Plan", and

WHEREAS, The *Des Moines Comprehensive Plan* Policy 7-03-06 of the Housing Element states that the City should, "[P]romote compatible residential development that is affordable to all economic segments of the Des Moines community", and

WHEREAS, the intent of the Pacific Ridge Neighborhood as established by the *Des Moines Comprehensive Plan* Goal 11-01-01 of the Pacific Ridge Element is "...to transform Pacific Ridge into a new urban community that takes advantage of its geographic location, local and regional transportation linkages, stable soils, and view potential. The transformation of Pacific Ridge will include replacement of lower-scale, existing buildings with new structures that will dramatically enhance the appearance, character, economics, and safety of the area", and

WHEREAS, The *Des Moines Comprehensive Plan* Policy 11-03-07 of the Pacific Ridge Element provides that the City should "[P]romote redevelopment of Pacific Ridge properties to attract new or expanded businesses and commercial development to Pacific Ridge", and

WHEREAS, The *Des Moines Comprehensive Plan* Strategy 11-04-02 of the Pacific Ridge Element provides that the City should "[E]ncourage land assemblage so that larger-scale development proposals can be considered...", and

WHEREAS, The *Des Moines Comprehensive Plan* Strategy 11-04-04 of the Pacific Ridge Element states that the City should "[E]ncourage new residential development to offer owner-occupied dwellings", and

WHEREAS, DMMC 18.31.010, et seq., was enacted by the City to implement the *Des Moines Comprehensive Plan*, Pacific Ridge Neighborhood Improvement Plan, and other adopted policies for the commercial and residential areas of Pacific Ridge, and

WHEREAS, other objectives and purposes of DMMC 18.31.010, et. seq., are to, *inter alia*, provide development regulations to promote redevelopment of properties within Pacific Ridge to create attractive, safe, and desirable areas to work and reside; to establish higher density development to

meet or exceed the City's population and employment growth targets specified by the countywide planning policies for King County, and

WHEREAS, the SEPA Planned Action evaluated a build out scenario for Pacific Ridge which assumed the development of 5,541 residential units and was adopted by Des Moines Ordinance No. 1298 as required by WAC 197-11-168, and

WHEREAS, the area identified as the Pacific Ridge Neighborhood meets the standard of a blighted area as defined in RCW 35.81.015, and

WHEREAS, the City Council finds that this Ordinance is appropriate and necessary; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES ORDAINS AS FOLLOWS:

Sec. 1. DMMC 3.96.010 and section 1 of Ordinance No. 1457 are each amended to read as follows:

Findings of fact. This chapter shall be known as the multifamily tax exemption ordinance (hereinafter MFTE). The findings of fact set forth in Exhibit 1, attached to the ordinance codified in this chapter and incorporated by this reference, are adopted in full by the city council in support of its decision to designate areas of the Pacific Ridge neighborhood as illustrated in DMMC 3.96.040 Figure 1 as a residential target area as required by chapter 84.14 RCW.

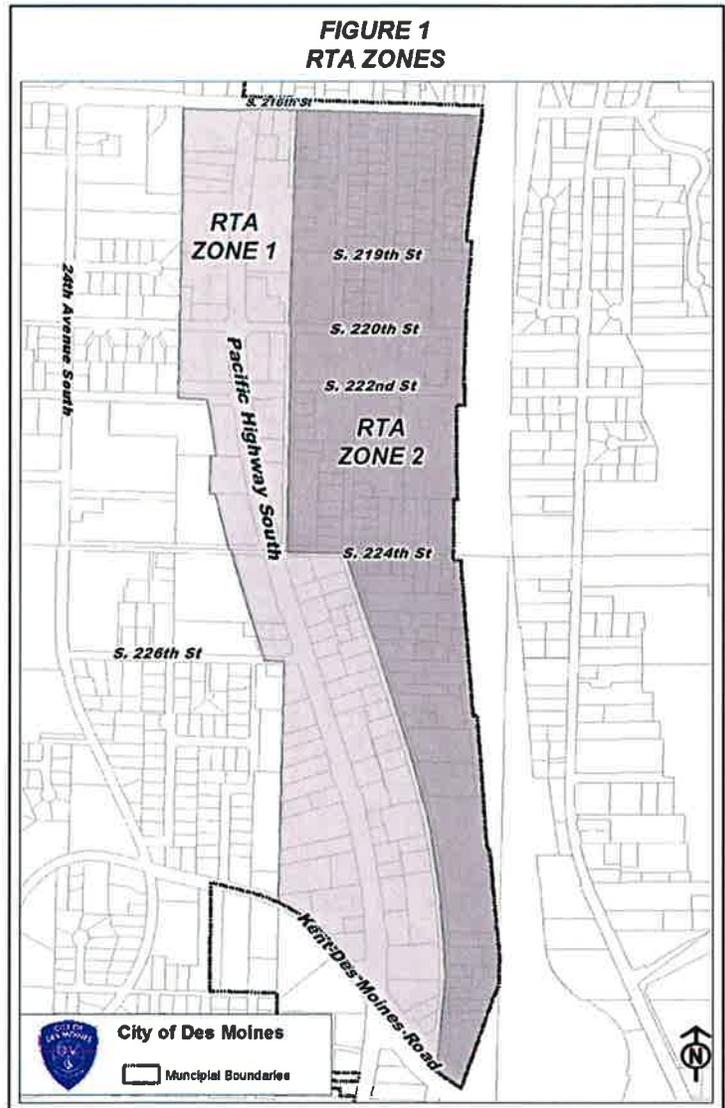
Sec. 2. DMMC 3.96.040 and section 4 of Ordinance No. 1457 are each amended to read as follows:

Project eligibility. To be eligible for the MFTE the property sought to be exempted shall satisfy all of the following requirements:

- (1) The property shall be located within the RTA area, which is that portion of the Pacific Ridge Neighborhood as established by the Des

Moines Comprehensive Plan (2012), south of South 216th Street

(a) The RTA consists of two subareas identified as Zone 1 and Zone 2 as illustrated on Figure 1 below:



(b) The MFTE shall only be available for a maximum of 3,000 residential units or 10 years after the approval date of Ordinance No.1457, whichever occurs first.

(2) The property sought to be exempted shall be developed in a manner that furthers the city's goals and objectives for the Pacific Ridge neighborhood in the Des Moines comprehensive plan, the Pacific Ridge neighborhood improvement plan and integrated draft environmental impact statement, and DMMC 18.31.010 as adopted or subsequently amended.

(3) The project sought to be exempted must be multifamily housing within a residential structure or as part of a mixed use development consistent with the following requirements:

(a) Zone 1 Standards.

(i) Building(s) shall be a minimum of 50 feet in height as calculated by DMMC 18.31.090(7)(b).

(ii) Building(s) shall contain a minimum of 80 residential units.

(iii) A minimum of 50 percent of the space within such residential structure or mixed use building shall be for permanent residential occupancy.

(b) Zone 2 Standards.

(i) Building(s) shall be a minimum of 100 feet in height as calculated by DMMC 18.31.090(7)(a).

(ii) Building(s) shall contain a minimum of 160 residential units.

(iii) A minimum of 50 percent of the space within such residential structure or mixed use building shall be for permanent residential occupancy.

(iv) Building(s) shall be constructed as condominiums for individual ownership.

(4) The property owner(s) shall be required to have 24-hours-a-day/seven-days-a-week on-site property management by a professional management company with a minimum of five years of experience in providing property management for large-scale residential projects. The property owner(s) shall also be required to provide 24-hours-a-day/seven-days-a-week private security on site, to include on-site security offices, office space for public safety use, and video camera monitoring.

(5) The property sought to be exempted shall be developed in a manner that increases or preserves property valuation, and the development of the property must represent an increased investment in the property that results in an increase in the overall property values in the area.

(6) The taxes collected during the MFTE period shall be sufficient to cover the city's costs required to provide necessary services to the residents of the property sought to be exempted. If taxes collected do not cover the City's costs required to provide necessary services to the residents of the property sought

to be exempted, the property owner(s) shall make an annual payment in lieu of taxes to cover the estimated difference.

(7) The project shall comply with all applicable Des Moines Zoning Code, land use regulations, and other requirements, including those contained in Titles 12, 14, 16, 17, and 18 DMMC.

(8) Construction of any project approved with an MFTE shall be completed within three years from the date of approval of the MFTE by City Council as provided in DMMC 3.96.060.

Sec. 3. Severability - Construction.

(1) If a section, subsection, paragraph, sentence, clause, or phrase of this Ordinance is declared unconstitutional or invalid for any reason by any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

(2) If the provisions of this ordinance are found to be inconsistent with other provisions of the Des Moines Municipal Code, this Ordinance is deemed to control.

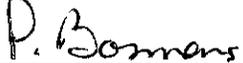
Sec. 4. Effective date. This ordinance shall take effect and be in full force thirty (30) days after its passage, approval, and publication in accordance with law.

PASSED BY the City Council of the City of Des Moines this 24th day of May, 2012 and signed in authentication thereof this 24th day of May, 2012.


MAYOR

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APPROVED AS TO FORM:



City Attorney

ATTEST:



City Clerk

Effective Date: June 23, 2012

Published: June 4, 2012

LEGAL NOTICE

SUMMARY OF ADOPTED ORDINANCE

CITY OF DES MOINES

ORDINANCE NO. 1540, Adopted May 24, 2012.

DESCRIPTION OF MAIN POINTS OF THE ORDINANCE:

This ordinance expands the boundaries of the current Multi-Family Tax Exemption and amends DMMC 3.96.040.

The full text of the ordinance will be mailed without cost upon request.

Sandy Paul, CMC
City Clerk

Published: June 4, 2012