

FINANCE & ECONOMIC DEVELOPMENT COMMITTEE AGENDA

May 12TH, 2016 - South Conference Room

21630 11th Avenue South – Des Moines 98198

5:45P – 6:50P

1. Approval of minutes of 4/14/2016 meeting

2. School Impact Fees (Discussion Item – 60 min)

Representatives from Highline School District will provide the Committee a summary of the District's planning efforts and discussion about the potential for School Impact Fees.

3. Development Updates (Informational Item – 10 min)

Staff will provide an update of development projects throughout the City.

DRAFT MINUTES

**Finance and Economic Development Committee Meeting
Thursday April 14, 2016
5:00 p.m. – 6:20 p.m.
South Conference Room**

<u>Council Members</u>	<u>City Staff</u>
Chair Jeremy Nutting	Tony Piasecki – City Manager
Vic Pennington	Michael Matthias – Assistant City Manager/Economic Development Director (ACM/FED)
Matt Pina	Dan Brewer – PBPW Director
	Denise Lathrop – Community Development Manager
	George Delgado – Police Chief
	Joe Dusenbury - Harbormaster
	Patrice Thorell – Parks and Recreation Director
	Tim George – Assistant City Attorney
	Jodi Grager – Community Development Assistant

1. Call to Order

Chair Jeremy Nutting called the meeting to order at 5:00 p.m.

2. Approval of the March 10th, 2016 meeting minutes

Minutes approved as submitted.

3. Siting of Essential Public Facilities (EPFs)

Community Development Manager Denise Lathrop presented the Draft Ordinance No. 15-206 and received committee feedback regarding suggested changes to the ordinance.

- Buffer requirements may be addressed by subsection (n) of Permit Conditions “Imposing special conditions on the proposed conditional use to reasonably ensure its conformance with the surrounding neighborhood and the intent and purpose of the underlying zoning district;”
- Make changes from the Hearing Examiner to City Council under Section 5 of Permit Conditions regarding the Unclassified Use Permit
- Add Type A / Type B to the titles of 18.080 and 18.090 for clarification
- Consider both types of EPFs (Type A / Type B) City Council reviews, with the option of sending projects as needed to the Hearing Examiner
- Changes to this ordinance will be included in the council packet
- SEPA issued today, 4-14-16. Public Hearing date 5-12-16. Public comments due 4-28-16.

4. DMMC Code Maintenance Part 2

PBPW Director Dan Brewer explained that Consultant Grant Fredericks will be continuing the work on the DMMC Code Maintenance over the next 6 weeks. Council members requested more time to review the zoning changes being suggested.

Council members also requested additional information on two topics that have been of concern:

- Non-conforming buildings
- Corner lot setbacks

5. Disposition of the Wasson House

ACM/FED Director Michael Matthias introduced the City owned Wasson property located between Beach Park and the Marina. The property has become vacant due to the recent passing of Mr. Wasson. This item will also be reviewed at the next Municipal Facilities Committee Meeting. As the discussion moves forward the following should be considered:

- Funding sources may impact the possible uses of this property
 - A combination of state, county, city funds
 - Acquisition of property is held in perpetuity
- Status of the building/building inspection
 - Cost of renovation to current building codes
 - Demolition
- Process requirements
 - Zoning (parking, permitted uses)
 - Shoreline Master Program (footprint and renovation options)
 - Urban conservancy (potential change of designation to High Intensity)
- Uses
 - Connectivity between Marina and Beach Park
 - Economic Development opportunity – generate retail revenue
 - Recreation amenities (water feature)
 - Short-term and interim options (rental)
 - Long-term options

6. Draft Ordinance – Blocking Mailboxes

Consideration of an ordinance regarding the blocking of mail boxes requested by Mr. Richard Kennedy.

- Chief Delgado is contacting USPS to investigate the Federal laws that may already address this issue and consider how the Police Department and USPS can work together.
- Motion made to bring this item back to committee. Motion seconded.

The next meeting is scheduled for May 12th, 5:30-6:50 pm in the South Conference room.

Meeting adjourned at 6:20

Respectfully submitted by,

Jodi Grager, Community Development Assistant



Capital Planning and Construction Department

G. Scott Hodgins, Executive Director
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 Office: 206-631-7500

April 22, 2016

Denise Lathrop
 Community Development Manager
 City of Des Moines
 21630 11th Ave. S., Suite D
 Des Moines, WA 98198

RE: Highline School District - 2016 Capital Facilities Plan

Dear Denise,

Pursuant to our last meeting, please find example language for the school impact fee ordinance, as requested. The example language is consistent with the fee program established under the King County school impact fee ordinance. See attachment A.

As we discussed, the Highline School District ("District") will complete its 2016 Capital Facilities Plan ("CFP") update in June 2015. At that time, new rates for single family and multifamily units will be established based upon the formula adopted in the King County ordinance and the District's updated Long-Range Facilities Plan ("LRFP"). The Highline School District's Board of Directors ("Board") plans to take action on the CFP at its June 22, regular Board meeting, to meet the King County deadlines. Also, the Board's approval of the 2016 CFP update coincides with the Capital Facilities Advisory Committee (CFAC) work session on the District's LRFP and future capital bond recommendation.

It is important that the District meet the King County deadline of July 1, 2016. Concurrently, the District hopes to work with each respective city's planning staff to develop mutually acceptable school impact fee ordinance language and impact fee rates for the respective city council consideration in early Fall 2016.

We look forward to the opportunity to meet again soon to establish mutually acceptable language for a school impact fee ordinance and appropriate impact fee rates.

Sincerely,

G. Scott Hodgins
 Executive Director

THE CITY OF _____, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF _____, WASHINGTON RELATING TO SCHOOL IMPACT FEES; ESTABLISHING A FRAMEWORK FOR THE ADOPTION OF A SCHOOL IMPACT FEE PROGRAM BY THE CITY; REQUIRING THE EXECUTION OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY AND A PARTICIPATING SCHOOL DISTRICT; PROVIDING FOR THE ADOPTION OF THE PARTICIPATING DISTRICT'S CAPITAL FACILITIES PLAN AS AN ELEMENT OF THE CITY'S COMPREHENSIVE PLAN; AUTHORIZING THE IMPOSITION AND COLLECTION OF IMPACT FEES BY THE CITY ON BEHALF OF A PARTICIPATING SCHOOL DISTRICT ON NEW DEVELOPMENT IMPACTING SCHOOL FACILITIES; PROVIDING THE FORMULA FOR CALCULATION OF THE FEE AND FEE SCHEDULE; DESCRIBING THE PROCEDURES FOR CREDIT, APPEAL AND REFUNDS; ALL AS AUTHORIZED BY THE GROWTH MANAGEMENT ACT, RCW 82.02.050 THROUGH 82.02.100; AMENDING TITLE ____ OF THE _____ MUNICIPAL CODE BY ADDING A NEW CHAPTER ____; AND SETTING A DATE WHEN THE SAME SHALL BE EFFECTIVE.

WHEREAS, the City has authority to adopt impact fees to address the impact on school facilities caused by new development, pursuant to RCW 82.02.050 through 82.02.100; and

WHEREAS, the City's SEPA Responsible Official issued a determination of non-significance on _____, 20____, with a _____ 20__ comment deadline and _____ 20__ appeal period; and

WHEREAS, no comments or appeals have been submitted; and

WHEREAS, the City Council _____ Committee held a public hearing and recommended adoption of this Ordinance; and

WHEREAS, the City Council held a public hearing and considered this Ordinance during its regular City Council meeting of _____ 20__.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF _____, WASHINGTON, ORDAINS AS FOLLOWS:

“City” means the city of _____, Washington, county of King.

“Code” shall mean the municipal code of the city of _____.

“County” means King County.

“Development activity” means any construction or expansion of a residential building or structure or use, any change in use of a residential building or structure, or any change in the use of residential land that creates additional demand for school facilities.

“Development approval” means any written authorization from the city, which authorizes the commencement of the “development activity.”

“District” means a participating school district.

“Dwelling Unit” means a dwelling unit as defined in Section _____ of the Code.

“Dwelling Unit, Multi-Family” means a multi-family dwelling unit as defined in Section _____ of the Code.

“Dwelling Unit, Single Family” means a single family dwelling unit as defined in Section _____ of the Code.

“Encumbered” means impact fees identified by the District as being committed as part of the funding for a school facility for which the publicly funded share has been assured or building permits sought or construction contracts let or other contractual obligations incurred.

“Impact Fee” means a payment of money imposed upon development as a condition of development approval to pay for school facilities needed to serve new growth and development, 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 that reasonably benefit the new development. “Impact Fee” does not include a reasonable permit or application fee.

“Interlocal Agreement” means the agreement between the District and the City, governing the operation of the school impact fee program and describing the relationship, duties and liabilities of the parties.

Section 4. Interlocal Agreement Between the City and District. As a condition of the City's authorization and adoption of a school impact fee ordinance, the City and District shall enter into an interlocal agreement governing the operation, including collection, expenditure, and reporting of impact fees, of the school impact fee program, and describing the relationship and liabilities of the parties thereunder.

Section 5. Impact Fee Program Elements.

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

D. For building permits for mixed use developments, impact fees shall be imposed on the residential component of the development found on the schedule in section 11.

E. For building permits within new subdivisions approved under Title ____ (Subdivisions), a credit shall be applied for any dwelling unit that exists on the land within the subdivision prior to the subdivision if the dwelling unit is demolished. The credit shall apply to the first complete building permit application submitted to the city subsequent to demolition of the existing dwelling unit, unless otherwise allocated by the applicant of the subdivision as part of approval of the subdivision.

F. Unless payment has been scheduled under subsection (C) of this section, the City shall not issue any building permit unless and until the impact fee has been paid.

G. In addition to any fee charged under subsection (C) of this section, the City will impose an application fee, as provided for in the City's adopted fee schedule, per dwelling unit which is subject to and not otherwise exempt from this chapter to cover the reasonable cost of administration of the impact fee program. The fee is not refundable and is collected from the applicant of the development activity permit at the time of permit issuance.

Section 7. Exemptions. The following development activities do not create any additional school impacts and are exempt from the requirements of this ordinance:

A. Construction, reconstruction, or remodeling of the following facilities, subject to the recording of a covenant or recorded declaration of restrictions precluding use of the property for other than the exempt purpose. Provided, that if the property is used for a non-exempt purpose, then the school impact fees then in effect shall be paid.

1. Shelters or dwelling units for temporary placement, which provide housing to persons on a temporary basis for not more than four weeks;

2. Construction or remodeling of transitional housing facilities or dwelling units that provide housing to persons on a temporary basis for not more than twenty-four (24) months, in connection with job training, self-sufficiency training and human services counseling, the purpose of which is to help persons make the transition from homelessness to placement in permanent housing; and

3. Any form of housing exclusively for Adults, which have recorded covenants or recorded declaration of restrictions precluding school-aged children as residents in those units.

B. Rebuilding of legally established dwelling unit(s) destroyed or damaged by fire, flood, explosion, act of God or other accident or catastrophe, or remodeling of existing legally established dwelling unit(s), provided that such rebuilding takes place within a period of one (1) year after destruction, and so long as no additional dwelling units are created.

C. Miscellaneous improvements to an existing dwelling unit, including but not limited to fences, walls, and mechanical units, so long as no additional dwelling units are created.

D. Any development activity that is exempt from the payment of an impact fee pursuant to RCW 82.02.100, due to mitigation of the same system improvement under the State Environmental Policy Act.

E. Any development activity for which school impacts have been mitigated pursuant to a condition of plat approval to pay fees, dedicate land or construct or improve school facilities,

Section 9. Impact Fee Accounts and Refunds/.

A. Impact fee receipts shall be earmarked specifically and retained in a special interest-bearing account established by the District solely for the District's school impact fees. All interest shall be retained in the account and expended for the purpose or purposes for which impact fees were imposed. Annually, the District shall prepare a report on the impact fee account showing the source and amount of all moneys collected, earned or received, and capital or system improvements that were financed in whole or in part by impact fees. The District shall submit a copy of this report to the City.

B. Impact fees for the District's system improvements shall be expended by the District only in conformance with the capital facilities plan element of the City's comprehensive plan.

C. Impact fees shall be expended or encumbered by the District for a permissible use within ten (10) years of receipt by the District, unless there exists an extraordinary or compelling reason for fees to be held longer than ten (10) years. Such extraordinary or compelling reasons shall be identified to the City by the District in a written report. The City Council shall identify the District's extraordinary and compelling reasons for the fees to be held longer than ten (10) years in the Council's own written findings.

D. The current owner of property on which an impact fee has been paid may receive a refund of such fees if the impact fees have not been expended or encumbered within ten (10) years of receipt of the funds by the District on school facilities intended to benefit the development activity for which the impact fees were paid. In determining whether impact fees have been encumbered, impact fees shall be considered encumbered on a first in, first out basis. The District shall notify potential claimants by first-class mail deposited with the United States postal service addressed to the owner of the property as shown in the County tax records.

E. An owner's request for a refund must be submitted to the District in writing within one (1) year of the date the right to claim the refund arises or the date that notice is given, whichever date is later. Any impact fees that are not expended or encumbered by the District in conformance with the capital facilities plan within these time limitations, and for which no application for a refund has been made within this one (1) year period, shall be retained and expended consistent with the provisions of this section. Refunds of impact fees shall include any interest earned on the impact fees.

F. Should the City seek to terminate any or all school impact fee requirements, all unexpended or unencumbered funds, including interest earned, shall be refunded to the current owner of the property for which a school impact fee was paid. Upon the finding that any or all fee requirements are to be terminated, the City shall place notice of such termination and the availability of the refunds in a newspaper of general circulation at least two times and shall notify all potential claimants by first-class mail addressed to the owner of the property as shown in the County tax records. All funds available for refund shall be retained for a period of one (1) year. At the end of one (1) year, any remaining funds shall be retained by the District, but must be expended by the District, consistent with the provisions of this section. The notice requirement set forth above shall not apply if there are no unexpended or unencumbered balances within the account or accounts being terminated.

G. An Applicant may request and shall receive a refund, including interest earned on the impact fees, when:

B. The City shall collect an administrative fee of \$____ per residential permit in order to cover the administrative cost of collecting, processing, and handling impact fees described in this chapter.

Section 12. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 13. Effective Date. This ordinance, being an exercise of a power specifically delegated to the City legislative body, is not subject to referendum, shall be effective five (5) days after passage and publication of the ordinance or a summary thereof consisting of the title.

Passed by the Council and approved by the Mayor of the City of _____, the
____ day of _____, 20__.

APPROVED:

MAYOR