

ORDINANCE NO. 1457

**AN ORDINANCE OF THE CITY OF DES MOINES, WASHINGTON** 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.

**WHEREAS**, the State Legislature amended chapter 84.14 RCW to provide incentives for cities with a population of 15,000 or more to promote construction of multiple-unit dwellings to provide housing, and

**WHEREAS**, the goal of chapter 84.14 RCW is to stimulate new multifamily housing in targeted "residentially deficient" areas in order to meet the goals established by the Growth Management Act, and

**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 there is insufficient housing opportunities, and

**WHEREAS**, the City seeks to accomplish the planning goals required under the Growth Management Act, chapter 36.70A RCW, as implemented by the City's Comprehensive Plan, and

**WHEREAS**, the City has identified the Pacific Ridge Neighborhood, as established in the Des Moines Comprehensive Plan, as the area to provide the majority of the new housing necessary 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**, Strategy 2-04-08 of Land Use Element of the Des Moines Comprehensive Plan 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**, Policy 7-03-06 of the Housing Element of the Des Moines Comprehensive Plan 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 Goal 11-01-01 of the Pacific Ridge Element of the Des Moines Comprehensive Plan 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. Pacific Ridge will contain buildings and open spaces designed for pedestrians as well as the motorist. Pacific Ridge will be an area of businesses and residences. New buildings may be five to eight stories in height along Pacific Highway emphasizing retail and office uses. Between the development along Pacific Highway and Interstate 5, buildings may be eight (8) or more stories in height emphasizing residential high-rise home ownership with green open spaces and view corridors. This new community will exhibit superior design features that make Pacific Ridge inviting to residents and businesses, complement other areas of Des Moines, and foster community pride," and

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

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

**WHEREAS**, Strategy 11-04-04 of the Pacific Ridge Element of the Des Moines Comprehensive Plan states that the City should "Encourage 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 to reduce the social problems caused by the existing structures and land uses such as high crime rates (especially major felony crimes), declining property values, unsafe and undesirable housing conditions, insufficient building and property maintenance, absentee property ownership/management, violation of zoning, construction, and health codes, transient residency, and marginal businesses, 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 1298 as required by WAC 197-11-168, and

**WHEREAS**, Pacific Highway South (SR-99) is considered a regional transit corridor by King County METRO and Sound Transit, and

**WHEREAS**, both agencies have plans to expand service into and through the Pacific Ridge Neighborhood, i.e., King County

Executive's 'Rapid Ride' program will bring high speed bus transit through the Pacific Ridge along Pacific Highway South and Phase II Sound Transit would extend light rail from SeaTac Airport through the Pacific Ridge Neighborhood, and

**WHEREAS,** the City supports the development of high density multifamily housing that will complement and support high intensity mass transit, 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. Findings of fact.** This chapter shall be known as the Multi Family Tax Exemption Ordinance (hereinafter MFTE). The findings of fact set forth in Exhibit 1, attached hereto 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 Exhibit 2 to this ordinance as a residential target area as required by chapter 84.14 RCW.

**Sec. 2. Purpose.** The purpose of this chapter is to establish the criteria for allowing an MFTE and to achieve the following purposes:

(1) To achieve the purposes and goals established by RCW 84.14.007;

(2) To accomplish the planning goals required under the Growth Management Act, chapter 36.70A RCW, as implemented by Des Moines' Comprehensive Plan;

(3) To encourage additional housing in certain areas to support investment in public transit projects.

**Sec. 3. Definitions.** In construing the provisions of this chapter, the definitions set forth in RCW 84.14.010, now or hereafter amended, shall apply, unless modified by this section. The following definitions shall also apply:

(1) "Assessor" means the King County Assessor.

(2) The Multi Family Tax Exemption (hereinafter "MFTE") shall refer to the tax exemption allowed pursuant to this chapter.

(3) Project is the development that will occur on property where the MFTE is sought.

(4) Residential Target Area (hereinafter "RTA") means the area within the identified urban center that has been designated by the City Council as a targeted area in accordance with chapter 84.14 RCW

**Sec. 4. 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 the area within the Pacific Ridge Neighborhood South of South 216<sup>th</sup> Street and North of South 221<sup>st</sup> Street as extended westerly to Pacific Highway South, east of Pacific Highway and west of Interstate 5. The RTA is illustrated on Exhibit 2 to Ordinance No. 1457:

(a) The RTA consists of two subareas identified as Zone 1 and Zone 2 on Exhibit 2.

(b) If there is a conflict between the above narrative description of the boundaries and Exhibit 2, Exhibit 2 controls.

(c) If a part of any legal lot is within the RTA as shown on Exhibit 2 then the entire lot shall be deemed to lie within the RTA.

(d) 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 fifty (50) feet in height as calculated by DMMC 18.31.090(7)(b).

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

(iii) A minimum of fifty (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 one hundred (100) feet in height as calculated by DMMC 18.31.090(7)(a).

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

(iii) A minimum of fifty (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 twenty-four (24) hour a day/seven (7) days a week onsite property management by a professional management company with a minimum of five (5) years of experience in providing property management for large scale residential projects. The property owner(s) shall also be required to provide twenty-four (24) hour a day/seven (7) days a week private security onsite to include onsite 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 over-all 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 of the Des Moines Municipal Code.

(8) Construction of any project approved with a MFTE shall be completed within three years from the date of approval of the MFTE by City Council as provided in section 6 of this ordinance.

#### **Sec. 5. Application procedure.**

(1) The owner(s) of property seeking a MFTE under this chapter shall submit an application to the City, on a form provided by the City Manager. The property owner(s) shall verify the information contained in the application by oath or affirmation. The application shall contain such information as the City Manager may deem necessary or useful, and shall include:

(a) A brief written description of the project and preliminary schematic site and floor plans of the multifamily units and the structure(s) in which they are proposed to be located.

(b) A statement from the property owner(s) acknowledging the potential tax liability for the property when the MFTE ends.

(c) The property owner(s) shall also provide the City with a declaration as to the owners interest in the property and identify any other parties with an ownership interest. If someone other than the property owner(s) is developing the property then the owner shall declare that the developer has authority to speak on behalf of the property owner(s) and to bind the property owner(s) by any representations made by that developer.

(2) At the time of application, the property owner(s) shall pay to the City an initial application fee as established by the City Manager to cover the cost of the City's review of the application and the cost to hire an independent consultant to complete a financial analysis of the economic impacts if the application is approved by the City Council. In addition, at the time of application, the property owner(s) shall pay to the City the fee required to cover the County Assessor's administrative costs. If the City Council approves the application pursuant to section 9, the City shall forward the fee for the County Assessor's administrative costs to the County Assessor. If the City Council denies the application pursuant to section 9, the City shall refund the fee for the Assessor's administrative costs to the property owner(s).

(3) The City Manager or designee shall notify the property owner(s) within twenty-eight days of the application being filed if the application is not complete and shall identify what additional information is required before the application will be deemed complete. Within fourteen days of receiving additional information, the City Manager or designee shall notify the property owner(s) in writing if the application is incomplete, and what additional information is necessary. An application shall be deemed to be complete if the City Manager or designee does not notify the property owner(s) in writing by the deadlines in this section that the application is incomplete; however, a determination of completeness does not preclude the City Manager or designee from requiring additional information during the review process if more information is needed to evaluate the application according to the criteria in this chapter. Failure to complete the application will be deemed to be an abandonment of the application.

(4) The application shall be approved before, but no later than, the date the building or other construction permit is issued under Title 14 DMMC.

**Sec. 6. Application review - Issuance of Conditional Certificate - Denial - Appeal.**

(1) The City Council shall approve or deny an application under this chapter. If the application is approved, the applicant shall enter into a MFTE Agreement with the City, subject to approval by resolution of the City Council, regarding the terms and conditions of the project and eligibility for the MFTE. The City Council's resolution to approve the applicant's contract with the City shall take place within ninety days of the City Manager's or designee's receipt of the completed application. Upon City Council approval of the contract, the City Manager or designee shall execute the contract as approved

by the City Council, and shall issue a conditional certificate of acceptance of tax exemption. The conditional certificate shall expire three years from the date of approval unless an extension is granted as provided in section 8.

(2) If the application is denied, the City Council shall state in writing the reasons for the denial and send notice of denial to the applicant's last known address within ten days of the denial.

(3) An applicant may ask for reconsideration if the City Council denies the application by filing a request for reconsideration with the City Clerk along with the fee as established by City Manager within thirty calendar days of the date of the denial. The reconsideration before the City Council shall be based upon the existing record developed during the consideration of the application; provided that the person requesting reconsideration may enter previously unavailable information that is more likely than not to effect the outcome of the decision. Except as provided in this chapter, the request for reconsideration shall otherwise be processed in conformance with chapter 4.12 DMMC. The City Council's decision on the reconsideration is final.

**Sec. 7. Amendment of the MFTE Agreement.**

(1) Any property owner(s) seeking amendment(s) to the MFTE Agreement approved by the City Council may do so by submitting a request in writing to the City Manager at any time within three years of the date of the City Council's approval of the MFTE Agreement.

(2) Amendments to the approved MFTE Agreement shall be submitted to the City Council for approval by resolution.

(3) Any property owner(s) seeking amendments to the approved MFTE Agreement shall pay to the City an amendment application fee as established by the City Manager.

(4) The date for expiration of the Conditional Certificate shall not be extended unless all the conditions for extension set forth in section 8(1) and (2) are met and the City Council specifically approves the extension.

**Sec. 8. Extension of conditional certificate.** The conditional certificate may be extended for a period not to exceed twenty-four consecutive months. The applicant shall submit a written request stating the grounds for the extension together with a fee as established by the City Manager. The City may grant an extension if the City Council determines that:

(1) The anticipated failure to complete construction within the required time period is due to circumstances beyond the control of the applicant;

(2) The applicant has been acting and could reasonably be expected to continue to act in good faith and with due diligence;

(3) All the conditions of the MFTE Agreement between the applicant and the City will be satisfied upon completion of the project; and

(4) Construction of the building(s) that received the exemption is significantly underway.

**Sec. 9. Final Certificate - Application - Issuance - Denial - Appeal.**

(1) Upon completion of the construction as provided in the contract between the applicant and the City, and upon issuance of a Certificate of Occupancy, the applicant may request a Final Certificate of Tax Exemption. The applicant shall file with the City Manager or designee such information as the City Manager or designee may deem necessary or useful to evaluate eligibility for the Final Certificate, and shall include:

(a) A statement of expenditures made with respect to each multifamily housing unit and the total expenditures made with respect to the entire property.

(b) A description of the completed work and a statement of qualification for the MFTE.

(c) A statement that the work was completed within the required three-year period or any approved extension.

(2) Within thirty days of receipt of all materials required for the Final Certificate, the City Manager or designee shall determine whether the work completed is consistent with the application and MFTE Agreement approved by the City Council and is qualified for the MFTE pursuant to chapter 84.14 RCW, and which specific improvements completed meet the requirements of this chapter and the required findings of RCW 84.14.060.

(3) If the City Manager determines that the project has been completed in accordance with subsection (1) of this section, the City shall file a Final Certificate of Tax Exemption with the King County Assessor within ten days of the expiration of the thirty-day period provided under subsection (2) of this section.

(4) The City Manager or designee is authorized to cause to be recorded, or to require the property owner(s) or owner to record, in the real property records of the King County Department of Records and Elections, the MFTE Agreement which the City required under section 6(1), and such other document(s) as will identify such terms and conditions of eligibility for the MFTE as the City Manager or designee deems appropriate.

(5) The City Manager or designee shall notify the property owner(s) in writing that the City will not file a Final Certificate if the City Manager determines that the project was not completed within the required time limitations as set forth in this chapter; or if the City Manager determines that the owner's property is not otherwise qualified under this chapter or if the owner and the City Manager cannot agree on the allocation of the value of the improvements allocated to the

exempt portion of the new construction in mixed use new construction.

(6) Within thirty days of the date of notice of denial of Final Certificate, the property owner(s) may file a notice of appeal with the City Clerk along with the appeal fee as established by the City Manager specifying the factual and legal basis for the appeal. The appeal shall be heard by the City's Hearing Examiner pursuant to section 12.

**Sec. 10. Exemption - Duration - Limitations.**

(1) The value of new housing construction qualifying under this chapter shall be exempt from ad valorem property taxation for eight successive years as provided in RCW 84.14.020(1)(a)(ii)(A).

(2) The exemption established in subsection 1 of this section does not apply to:

(a) The value of land and non-housing related improvements constructed as part of a mixed use structure.

(b) To increases in assessed valuation of land and non-qualifying improvements.

(c) To increases made by lawful order of the King County Board of Equalization, the Washington State Department of Revenue, the State Board of Tax Appeals, or King County, to a class of property throughout King County or a specific area of King County to achieve uniformity of assessment or appraisal as required by law.

**Sec. 11. Annual certification - Cancellation of exemption.**

(1) A property that receives the MFTE under this chapter is obligated to continue to comply with the MFTE Agreement and the requirements of this chapter in order to retain its MFTE.

(2) Within thirty days after the first anniversary of the date the City filed the Final Certificate of Tax Exemption and each year thereafter, for a period of eight years, the property owner(s) shall file a certification with the City Manager, verified upon oath or affirmation, which shall contain such information as the City Manager may deem necessary or useful, and shall include the following information:

(a) A statement of occupancy and vacancy of the multifamily units during the previous year.

(b) A certification that the property has not changed use and that the property has been in compliance with the requirements set forth in chapter 84.14 RCW since the date of filing of the final certificate of tax exemption, and continues to be in compliance with the contract with the city and the requirements of this chapter.

(c) A description of any improvements or changes to the property made after the filing of the Final Certificate or last declaration, as applicable.

(d) Any additional information requested by the City Manager or designee in regards to the units receiving the MFTE.

(3) Failure to submit the annual declaration may result in cancellation of the MFTE.

(4) For the duration of the MFTE, the property shall have no violation of applicable DM Zoning Codes, land use regulations, and other requirements contained in Titles 14 and 18 DMMC for which the designated City Department shall have issued a notice of violation or notice of civil infraction that is not resolved by a certificate of compliance, certificate of release, or withdrawal within the time period for compliance provided in such notice of violation or notice of civil infraction and any extension of the time period for compliance granted by the City Manager or designee.

(5) If the owner intends to convert the multifamily housing to another use, the owner shall notify the City Manager or designee and the County Assessor within sixty days of the change in use or noncompliance with this chapter. Upon such change in use, the MFTE shall be canceled and additional taxes, interest and penalty imposed pursuant to state law.

(6) The City Manager shall cancel the MFTE for any property that no longer complies with the terms of the MFTE Agreement or with the requirements of this chapter. Upon cancellation, additional taxes, interest and penalties may be imposed pursuant to State Law. Upon determining that a MFTE shall be canceled, the City Manager shall notify the property owner(s) by certified mail, return receipt requested. The property owner(s) may appeal the determination by filing a notice of appeal with the City Clerk along with the appeal fee established by the City Manager within thirty days of the date of notice of cancellation, specifying the factual and legal basis for the appeal. The appeal shall be heard by the City's Hearing Examiner pursuant to section 12.

**Sec. 12. Appeals to the Hearing Examiner.**

(1) The City's Hearing Examiner is provided jurisdiction to hear appeals of the decisions of the City Manager on the Final Certificate of tax exemption and cancellation thereof.

(2) The Hearing Examiner procedures established by chapter 18.94 DMMC shall apply to hearings under this chapter to the extent they are consistent with the requirement of this chapter and chapter 84.14 RCW. The Hearing Examiner shall give substantial weight to the City Manager's decision, and the burden of proof shall be on the appellant to demonstrate that the City Manager abused his/her discretion in denying the Final Certificate. The decision of the Hearing Examiner shall constitute the final decision of the City. An aggrieved party may appeal the decision to King County Superior Court under RCW 34.05.510 through 34.05.598 if the appeal is properly filed

within thirty days of the date of the notification by the City to the appellant of that decision.

**Sec. 13. Annual reporting.**

(1) Annually by December 31st of each year the City shall report to the Department of Community, Trade, and Economic Development information required pursuant to RCW 84.14.100(2)

(2) The City Manager or designee shall review the program established by this chapter and provide a report to the City Council outlining development activity, types and numbers of units produced and their locations, rent and sales prices, and other appropriate factors. These reports may include recommendations on whether any neighborhoods should be added or removed and will analyze any issues related to the use of the program for homeownership units. The annual report shall be submitted to the City Council no later than March 30th of each year the program is in effect, starting in 2010; each report shall include information for the previous year

**Sec. 14. Codification.** Sections 2 through 13 of this ordinance shall constitute a new chapter 3.98<sup>su</sup> DMMC entitled "Multifamily Tax Exemption."

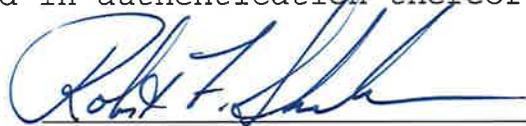
**Sec. 15. Severability - Construction.**

(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. 16. Effective Date.** This ordinance shall be in full force and effect thirty (30) days after its passage and approval in accordance with law.

**PASSED BY** the City Council of the City of Des Moines this 26<sup>th</sup> day of March, 2009 and signed in authentication thereof this 26th day of March, 2009.

  
M A Y O R

APPROVED AS TO FORM:

  
City Attorney

ATTEST:  
  
City Clerk

Effective Date: April 25, 2009

Published: April 2, 2009

LEGAL NOTICE  
SUMMARY OF ADOPTED ORDINANCE  
CITY OF DES MOINES

ORDINANCE NO. 1457, Adopted March 26, 2009.

DESCRIPTION OF MAIN POINTS OF THE ORDINANCE:

This ordinance creates 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.

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

Denis Staab  
City Clerk

Published: April 2, 2009

# EXHIBIT 1

## ORDINANCE NO. 1457

### FINDINGS OF FACT

MARCH 26, 2009

The Des Moines City Council, in support of its decision to designate areas of the Pacific Ridge Neighborhood as geographically illustrated in Exhibit 2 of this Ordinance as a residential target area as required by Chapter 84.14 RCW and in consideration of information communicated during a public hearing hereby finds:

1. Strategy 2-04-08 of Land Use Element of the Des Moines Comprehensive Plan 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
2. Policy 7-03-06 of Housing Element of the Des Moines Comprehensive Plan states that the City should, "[P]romote compatible residential development that is affordable to all economic segments of the Des Moines community"
3. The intent of the Pacific Ridge Neighborhood as established by Goal 11-01-01 of Pacific Ridge Element, of the Des Moines Comprehensive Plan 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. Pacific Ridge will contain buildings and open spaces designed for pedestrians as well as the motorist. Pacific Ridge will be an area of businesses and residences. New buildings may be five to eight stories in height along Pacific Highway emphasizing retail and office uses. Between the development along Pacific Highway and Interstate 5, buildings may be eight (8) or more stories in height emphasizing residential high-rise home ownership with green open spaces and view corridors. This new community will exhibit superior design features that make Pacific Ridge inviting to residents and businesses, complement other areas of Des Moines, and foster community pride."
4. Policy 11-03-07 of the Pacific Ridge Element of the Des Moines Comprehensive Plan provides that the City should "promote redevelopment of Pacific Ridge properties to attract new or expanded businesses and commercial development to Pacific Ridge."
5. Strategy 11-04-02 of the Pacific Ridge Element of the Des Moines Comprehensive Plan provides that the City should "[E]ncourage land assemblage ... so that larger-scale development proposals can be considered ...".
6. Strategy 11-04-04 of the Pacific Ridge Element of the Des Moines Comprehensive Plan states that the City should "Encourage new residential development to offer owner-occupied dwellings."

7. 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, including, *inter alia*, the transformation of Pacific Ridge into a new urban community that takes advantage of its geographic location, local and regional transportation linkages, and view potential; the replacement of lower-scale, existing buildings with new larger scale and higher structures that will dramatically enhance the appearance, character, economics, and safety of the area; and exhibit superior design features that makes Pacific Ridge inviting to residents and businesses, complements other areas of Des Moines, and fosters community pride.
8. 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 to reduce the social problems caused by the existing structures and land uses such as high crime rates (especially major felony crimes), declining property values, unsafe and undesirable housing conditions, insufficient building and property maintenance, absentee property ownership/management, violation of zoning, construction, and health codes, transient residency, and marginal businesses; and
9. The Pacific Ridge Neighborhoods is within an urban center as defined by RCW 84.14.010(16).
10. RCW 84.14.010(16) defines "Urban center" as a compact identifiable district where urban residents may obtain a variety of products and services. An urban center must contain: (a) Several existing or previous, or both, business establishments that may include but are not limited to shops, offices, banks, restaurants, governmental agencies (b) Adequate public facilities including streets, sidewalks, lighting, transit, domestic water, and sanitary sewer systems; and (c) A mixture of uses and activities that may include housing, recreation, and cultural activities in association with either commercial or office, or both, use.
11. The City has identified the Pacific Ridge Neighborhood as established in the Des Moines Comprehensive Plan as the area to provide the majority of the new housing necessary to achieve the City's mandated 2020 growth targets
12. The Pacific Ridge Neighborhood lacks sufficient available, desirable and convenient residential housing to meet the needs of the public who would be likely to live in the area if, desirable, attractive and livable residences were available.
13. Providing additional housing opportunity in the Pacific Ridge Neighborhood will assist in achieving the following purposes:

- a. Encourage increased residential opportunities within the city.
  - b. Stimulate the construction of new multifamily housing.
14. Additional housing in the Pacific Ridge Neighborhood will attract and maintain an increase in the number of permanent residents.
  15. Increasing permanent residential population in the Pacific Ridge Neighborhood is critical to achieving the planning goals mandated by the Growth Management Act under Chapter 36.70A RCW, as implemented through the City's Comprehensive Plan.
  16. Encouraging additional housing in the Pacific Ridge Neighborhood supports plans for significant public investment provided for in Sound Transit's ST2 plan and Metro Transit's Bus Rapid Transit (BRT) program.
  17. Encouraging additional housing in the Pacific Ridge Neighborhood supports the City's goal of achieving a better jobs and housing balance.
  18. The area identified as the Pacific Ridge Neighborhood meets the standard of a blighted area as defined RCW 35.81.015(2).
  19. RCW 35.81.015(2) defines "Blighted area" as an area which, by reason of the substantial physical dilapidation, deterioration, defective construction, material, and arrangement and/or age or obsolescence of buildings or improvements, whether residential or nonresidential, inadequate provision for ventilation, light, proper sanitary facilities, or open spaces as determined by competent appraisers on the basis of an examination of the building standards of the municipality; inappropriate uses of land or buildings; existence of overcrowding of buildings or structures; defective or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility or usefulness; excessive land coverage; insanitary or unsafe conditions; deterioration of site; existence of hazardous soils, substances, or materials; diversity of ownership; tax or special assessment delinquency exceeding the fair value of the land; defective or unusual conditions of title; improper subdivision or obsolete platting; existence of persistent and high levels of unemployment or poverty within the area; or the existence of conditions that endanger life or property by fire or other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime; substantially impairs or arrests the sound growth of the municipality or its environs, or retards the provision of housing accommodations; constitutes an economic or social liability; and/or is detrimental, or constitutes a menace, to the public health, safety, welfare, or morals in its present condition and use.

20. The tax exemption is necessary to facilitate and encourage re-development within a blighted area.
21. The tax exemption is necessary to facilitate the transforming the Pacific Ridge Neighborhood into a new urban community taking advantage of its geographic location, local and regional transportation linkages, and view potential.
22. The tax exemption is necessary to replace lower-scale, existing buildings with new larger scale and higher structures that will dramatically enhance the appearance, character, economics, and safety of the area; and exhibit superior design features making Pacific Ridge inviting to residents and businesses.
23. The existing pattern of land use and building size represents low-scale, suburban, automobile-oriented activities that do not contribute to realization of the City Council's vision for Pacific Ridge.
24. Many of the properties and buildings within Pacific Ridge, by reason of substantial physical dilapidation, age, obsolescence of buildings or improvements, unsanitary or unsafe conditions, absentee ownership, high rates of transience, or the existence of conditions which endanger life or property by fire or other causes, or any combination of such factors, is conducive to ill health, juvenile delinquency, and criminal activity including gang violence, drug possession and distribution, domestic violence, prostitution, assault, battery, and theft
25. The conditions within Pacific Ridge substantially impair the sound growth of the City, retard the provision of safe and desirable housing conditions, decrease property values, discourage financial investment, and are detrimental to the public health, safety, welfare, and morals, and

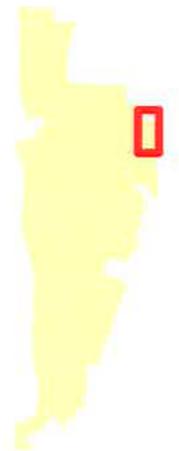


## Exhibit 2 Ord. 1457

Multifamily Tax  
Exemption Boundaries  
Pacific Ridge Neighborhood

### Legend

-  Exemption Boundaries
-  Zone 1
-  Zone 2



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