

CITY COUNCIL WORKSHOP

**March 20, 2012
5:30 p.m.**

AGENDA

City of



“Where Dreams Can Soar”

The City of Bonney Lake’s Mission is to protect the community’s livable identity and scenic beauty through responsible growth planning and by providing accountable, accessible and efficient local government services.

Website: www.ci.bonney-lake.wa.us

*The City Council may act on items listed on this agenda, or by consensus give direction for future action.
The Council may also add and take action on other items not listed on this agenda.*

Location: Bonney Lake Justice Center, 9002 Main Street East, Bonney Lake, Washington.

I. Call to Order: Mayor Neil Johnson

II. Roll Call:

Elected Officials: Mayor Neil Johnson, Jr., Deputy Mayor Dan Swatman, Councilmember Mark Hamilton, Councilmember Donn Lewis, Councilmember Randy McKibbin, Councilmember Katrina Minton-Davis, Councilmember James Rackley, and Councilmember Tom Watson.

III. Agenda Items:

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A. Review of Draft Minutes: March 6, 2012 Workshop and March 13, 2012 Meeting.

B. Discussion: Fee Reduction Ordinances.

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▪ AB12-34 – Ordinance D12-34 – Extension of the Temporary Traffic Impact Fee Rebate Program, BLMC Chapter 19.04.150.

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▪ AB12-35 – Ordinance D12-35 – Reduction of Summer School District Impact Fee.

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▪ AB12-43 – Ordinance D12-43 – Temporary Water SDC Reduction.

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▪ AB12-44 – Ordinance D12-44 – Temporary Sewer SDC Reduction.

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▪ AB12-45 – Ordinance D12-45 – Temporary TIF Reduction.

C. Council Open Discussion.

IV. Executive Session: Pursuant to RCW 42.30.110(b), the City Council may hold an executive session. The topic(s) and the session duration will be announced prior to the executive session.

V. Adjournment

For citizens with disabilities requesting translators or adaptive equipment for listening or other communication purposes, the City requests notification as soon as possible of the type of service or equipment needed.

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CITY COUNCIL WORKSHOP

**March 6, 2012
5:30 P.M.**

DRAFT MINUTES



“Where Dreams Can Soar”

The City of Bonney Lake’s Mission is to protect the community’s livable identity and scenic beauty through responsible growth planning and by providing accountable, accessible and efficient local government services.

Website: www.ci.bonney-lake.wa.us

Location: Bonney Lake Justice Center, 9002 Main Street East, Bonney Lake, Washington.

I. CALL TO ORDER – Mayor Neil Johnson, Jr. called the workshop to order at 5:30 p.m.

II. ROLL CALL:

Administrative Services Director/City Clerk Harwood Edvalson called the roll. In addition to Mayor Johnson, elected officials attending were Deputy Mayor Dan Swatman, Councilmember Mark Hamilton, Councilmember Donn Lewis, Councilmember Randy McKibbin, Councilmember Katrina Minton-Davis, Councilmember Jim Rackley, and Councilmember Tom Watson.

Staff members in attendance were City Administrator Don Morrison, Public Works Engineer John Woodcock, Community Development Director John Vodopich, Interim Police Chief Dana Powers, Administrative Services Director/City Clerk Harwood Edvalson, City Attorney Jim Dionne, and Administrative Specialist II Shawn Campbell.

III. AGENDA ITEMS:

A. Public Hearing: AB12-22 – Proposed Transportation District Boundaries (Pierce Transit).

Mayor Johnson opened the public hearing at 5:32 p.m. Seeing no one coming forward to speak, the public hearing was closed at 5:33 p.m.

Councilmember Rackley moved to amend the Council rules and allow Resolution 2193 to be added to the agenda as an action item. Councilmember Lewis seconded the motion.

Motion approved 7-0.

Resolution 2193 - A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Declaring the City of Bonney Lake Will Remain Out Of The New Boundaries Proposed By Pierce Transit.

Councilmember Hamilton stated it is disappointing for the City to come to the point of having no transit for the citizens. Councilmember Rackley said he would like the City to explore restoring the tax to fund bus service for the citizens of Bonney Lake. Mayor Johnson said the citizens would have to vote to create a new transit district that would allow the new district to collect taxes.

Resolution 2193 approved 7-0.

B. Review of Draft Council Minutes: February 7, 2012 Workshop, February 14, 2012 Meeting, February 25, 2012 Council Retreat and February 28, 2012 Council Meeting.

The corrected minutes were forwarded to the March 13, 2012 Meeting for action.

C. **Discussion:** Follow-Up Discussion on Council Retreat.

Development Costs: Deputy Mayor Swatman said he would like to create a targeted reduction in fees to encourage commercial development in Bonney Lake. He said he is bringing for council consideration a few expired ordinances that reduced fees for developers. He questioned the need for Stormwater Development Charges (SDC). If a developer is required to install the stormwater systems. City Engineer Woodcock said the City added the SDC fees in 2005 to maintain the current system and to develop new systems. Councilmember Rackley said the SDC's are the only method of paying for the maintenance of the current stormwater system. City Administrator Morrison said the SDC fees are \$365 per service unit and the funds are used to expand or replace the storm water system. He said if a property owner has a system onsite they will receive a rebate from the City. He added City staff is working on several draft ordinances to bring forward for Council consideration. Councilmember Rackley suggested the Community Development Committee look into putting a hold on these fees for a couple of years to help encourage development. He said if the City sees the fees are necessary then they can be reinstated when the economy recovers.

Finance Committee: Councilmember Lewis asked for the full Council to consider not having the full Finance Committee meeting during the upcoming workshop. He said the committee process is not broken and he does not think it is necessary for the full council to be involved in the Finance Committee meeting. He said often times small groups are more efficient. He believes the Council and City as a whole would be hurt by changing the process. He suggested electing new chairs to the committees more often to involve more members in the process. Councilmember Rackley said he does not feel adding additional members would be detrimental to the process. He suggested the Council could change representatives to the Finance Committee every four months. Councilmember Watson said he would like to be a part of the ongoing discussion on finance issues. He said if the meetings take too long then Council can reevaluate the process. Councilmember Minton-Davis said she is not interested in attending the finance committee meetings, nor is she interested in extremely long workshops. Mayor Johnson said from his perspective the Finance Committee is no different from the Community Development Committee or the Public Safety Committee and if the Council wants to do away with one committee they should do away with them all. He said no final action is taken at the committee level. He said perhaps the full Council should elect the chairs of the CDC and Public Safety Committee. Deputy Mayor Swatman said if the committee meetings are held during full Council there will not be the same level of discussion between Council and staff as there is currently. Councilmember Hamilton said he does not see a problem with the current process. He said if a councilmember wants additional information on any item the chair of each committee is always willing to share the information. He said he trusts all the committee members to vet each item properly. City Administrator Morrison said the committee setting is more informal and staff and council can be more candid during an informal meeting. He said it would be very difficult to bring sensitive issues to a full open council meeting. Mayor Johnson suggested having an ad hoc committee of Councilmembers Watson, Rackley and Lewis to review the council bylaws and come back with their suggestion before the next biannual budget is adopted.

Park District Funding: City Administrator Morrison said staff is working with Rebecca Giles at the Sumner School District to put together a list of people to create a park summit to see if there is interest in developing a park district.

Reed Property: City Administrator Morrison said the City is working on a draft lease for pasture grazing that will be coming forward to Council.

IV. EXECUTIVE SESSION:

- A. Pursuant to RCW 42.30.110(1)(iii), the Council adjourned to an executive session with the City Attorney at 6:30 p.m. for one hour to discuss current litigation. At 7:30 p.m. the executive session was extended an additional 40 minutes. The Council returned to chambers at 8:07 p.m. No action was taken.

V. ADJOURNMENT:

At 8:07 p.m., Councilmember Lewis moved to adjourn the Council Meeting. Councilmember Watson seconded the motion.

Motion to adjourn approved 7-0.

Harwood Edvalson, CMC
City Clerk

Neil Johnson, Jr.
Mayor

Items presented to Council at the March 6, 2012 Workshop: None

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CITY COUNCIL MEETING

March 13, 2012
7:00 P.M.

DRAFT MINUTES

City of



“Where Dreams Can Soar”

The City of Bonney Lake’s Mission is to protect the community’s livable identity and scenic beauty through responsible growth planning and by providing accountable, accessible and efficient local government services.

Website: www.ci.bonney-lake.wa.us

Location: Bonney Lake Justice Center, 9002 Main Street East, Bonney Lake, Washington.

I. CALL TO ORDER – Mayor Neil Johnson, Jr. called the meeting to order at 7:00 p.m.

- A. Flag Salute: Mayor Johnson led the audience in the Pledge of Allegiance.
- B. Roll Call: Administrative Services Director/City Clerk Harwood Edvalson called the roll. In addition to Mayor Johnson, elected officials attending were Deputy Mayor Dan Swatman, Councilmember Mark Hamilton, Councilmember Donn Lewis, Councilmember Randy McKibbin, Councilmember Katrina Minton-Davis, Councilmember Jim Rackley, and Councilmember Tom Watson.

Staff members in attendance were City Administrator Don Morrison, Public Works Director Dan Grigsby, Community Development Director John Vodopich, Chief Financial Officer Al Juarez, Interim Police Chief Dana Powers, Administrative Services Director/City Clerk Harwood Edvalson, City Attorney Jim Dionne, and Records & Information Specialist Susan Duis.

C. Announcements, Appointments and Presentations:

- 1. Announcements: None.
- 2. Appointments: None.
- 3. Presentations: None.

D. Agenda Modifications: None.

II. PUBLIC HEARINGS, CITIZEN COMMENTS & CORRESPONDENCE:

- A. Public Hearings: None.
- B. Citizen Comments:

Joel Clark, 9712 233rd Ave E, Buckley, said he owns property at the eastern edge of the City in Easttown, next to the Hiway Grocery. He said he sent an email to the Councilmembers previously, and is asking that the City cease or waive storm fees on his property. He said he is not connected to any stormwater system but has paid stormwater fees since the area was annexed. He said his stormwater rates recently went up from \$41 to \$700 per month for one parcel. He said the septic and drain field on his property was designed to handle more than it currently handles, and although half of his building is vacant, he cannot make any change in use without connecting to the sewer system. He asked that he be allowed to rent out the other half of his building and connect it to the existing septic system. He noted that he does not want to build a new septic system, but

simply use what he has to get revenue from his property. He said annexation put development on hold for his property.

Deputy Mayor Swatman asked about the size of Mr. Clark's parcel, and whether he is working with the Eastown property owner's group. Mr. Clark said he is working with the Eastown group and has already signed an easement across his property and has also purchased an additional easement from the property in the county that is between his property and the planned sewer line. Deputy Mayor Swatman thanked Mr. Clark for addressing the Council and said he wants to provide options for property owners but the Council process can be slow.

Community Development Director Vodopich confirmed that the municipal code states that when there is a change of use, connection to the sewer system is required.

Councilmember Rackley asked about the status for the Eastown Utility Latecomers Agreement. Public Works Director Grigsby said he sent a final draft of the ULA to the City Administrator for review earlier in the day. He said he has also updated the list of parcels that will benefit from the system, and the estimated costs for planning, design, and construction. He anticipates the ULA will be ready by the end of the month.

Councilmember Rackley said once the ULA agreement moves forward, he believes the Council will be more likely to consider exceptions to the regulations, but until then he has not been as willing to consider an exception like what Mr. Clark is requesting.

Councilmember Hamilton asked why Mr. Clark's stormwater fee would have increased so sharply. Director Grigsby said he is not familiar with the specific property, but when the City recalculated stormwater rates recently, all impervious surfaces, not just paved ground, were included in the calculations. He said this correction impacted some property owners' fees. Councilmember Hamilton asked if there is something the City can do to help property owners after correcting its own mistake like this.

Mr. Clark said he contacted the City Engineer about the fee change, but he was not helpful. The City Engineer told him that even if he installed a stormwater detention pond to handle his run-off, it would only reduce his fees by 30%. Director Vodopich said the municipal code provides a process for appeal, which he would send to Mr. Clark. Mayor Johnson said staff will look into the issue and someone would follow up with Mr. Clark.

John Patrick, Owner, Jersey Mike's Sub Shop - Bonney Lake, spoke about his experience as a business owner in Bonney Lake. He said the sandwich shop was his first business, and he opened it up 5 years ago. He said while getting his business set up he was blindsided several times by City fees for things like water service and a required grease trap tank. He described how other franchise stores are doing in the region, and that he has seen many businesses open and close in the City. He asked the Council to think about what can be done in the future for the City and other small businesses like his survive.

Mayor Johnson said the Council is looking at ways to reduce fees to see what can be done to encourage businesses in Bonney Lake. He asked Mr. Patrick to let him know when he runs up against unexpected costs, so he can learn more about what local business owners experience in Bonney Lake.

Councilmember Hamilton asked about the City's grease interceptor requirements. Director Grigsby said restaurants that only heat food up need an in-line grease trap, not a full tank system. He said the costs of a grease interceptor system varies depending on the size of the business and the type of food preparation.

Jennifer Farrell, American Family Insurance, Bonney Lake, asked the City to consider local businesses. She described her experience in Bonney Lake. She pays over \$5,000 in rent for her space, which is in the area near Jersey Mike's. Since most of her customers are in the City and she lives here, she said she wants to stay in the City, but she has found that Bonney Lake is very expensive. She suggested the Council look at the change of use fees and impact fees. She said she knows other business owners who would like to move to Bonney Lake, but have not done so due to the high costs.

Councilmember Hamilton asked about up-front impact fee costs. Ms. Farrell said she talked with City Administrator Morrison about available buildings, and the impact fees were too expensive for her to consider building a new building. She said monthly costs are much lower in cities like Buckley and Sumner, but she does not want to move there. She said she is not sure what makes it more expensive to operate in Bonney Lake but is interested in finding out what can be done. She said the cost for commercial rent in the City is \$20 to \$28 per square foot, not including utilities.

Lora Butterfield, Bonney Lake Chamber of Commerce, thanked the Council for their time. She said the Chamber wants to create a business-friendly environment in Bonney Lake. She said in the future she will continue to encourage business owners who have issues to come and speak to the Council. Mayor Johnson said he encourages them to do so and noted that they can also contact the Council by email.

- C. Correspondence: None.

III. COUNCIL COMMITTEE REPORTS:

- A. Finance Committee: Deputy Mayor Swatman said the committee met at 5:30 p.m. earlier in the evening and discussed personnel updates and current recruitments, reviewed their meeting notes, and forwarded a resolution with FCS Group for cost allocations to a future agenda. The committee also reviewed utility e-billing options offered by Eden and BDS and red flag issues. In addition, they discussed upcoming first quarter financial reports and heard general updates about the Eastown ULA.
- B. Community Development Committee: Councilmember McKibbin said the committee met on March 6th and forwarded motion AB12-29 and Resolutions 2191 and 2192 to the current agenda for action.
- C. Public Safety Committee: Councilmember Hamilton said the committee met on March 5th and discussed a 'bucket' ordinance to update the municipal code, the use of the Reed property for Police training, and updates to the city's towing company policy to contract with a local business. They also discussed administrative fees for impounding vehicles, Police Department statistics, options for a domestic violence advocate to work with the City Prosecutor, and a suggestion that the crosswalks at Allan Yorke Park be repainted once the sidewalk project is complete.
- D. Other Reports:

Communities for Families: Councilmember Lewis attended the Communities For Families meeting on March 1st. The group discussed health topics and immunizations, and their upcoming Community Summit on March 15th. He reminded all of the Bonney Lake Lions Club's 6th Annual 'Death by Chocolate' fundraising event on March 31st.

Public Transportation Improvement Conference: Mayor Johnson attended the Public Transportation Improvement Conference (PTIC) on March 8, 2012. The new boundaries were passed unanimously. He said he made sure to point out that the agency cut Bonney Lake out of their service area before Bonney Lake requested removal by resolution. He said the proposed revised service area removes Sumner and Dupont as well as other cities. He said the Pierce County Council now has 30 days to reject the new transit areas. If it is not rejected, the Pierce Transit Board will commission a new board based on the new boundaries, and sales tax in Bonney Lake will be reduced from 9.3% to 8.7% once the change goes into effect.

Sumner School District: Mayor Johnson attended the leadership breakfast on March 7th. Discussions included enrollment increases, a preview of the 'State of the School' address, and updates on projects. Councilmember Watson noted that the district has now refurbished all but one school, and one is fairly new.

Pierce Transit: Mayor Johnson said he attended the Pierce Transit board meeting on Monday, March 12th. He said van pools would be eliminated if the proposed transit boundaries go into effect. He said Bonney Lake has 15 van pools, while Sumner has 5, and the Transit agency is looking for ways to keep them up and running. Mayor Johnson said Route 496 is slated for elimination as of June 2012. He said this is a popular route that currently runs six times per day. He noted that the transit agency collects far less in fares than it costs to run these services. Mayor Johnson said he has learned that Route 496 originally started as a Sound Transit shuttle (route 582), and he thinks it can be saved since the City will still pay RTA taxes. He said he has asked the agency to look into options to continue operations for the Sounder Station connector by Sound Transit.

State of the Cities: Mayor Johnson said he attended the Puyallup/Sumner Chamber of Commerce State of the Cities luncheon on March 9th. The mayors of Puyallup and Sumner spoke about issues for their cities, including transportation and budget issues. Mayor Johnson said a lot of cities are working to partner on things to keep costs down.

Councilmember Hamilton asked about ownership of the Bonney Lake Park & Ride property. Mayor Johnson said he believes there was a joint agreement between Sound Transit and Pierce Transit to acquire and manage the property. Councilmember Lewis said he understands that Auburn will remain in the revised transit area. Mayor Johnson confirmed that Auburn will still have bus service, with a bus running up Sumner-Tapps Hwy without making any stops in Sumner, which would no longer be in Pierce Transit's service area.

IV. **CONSENT AGENDA:**

- A. **Approval of Corrected Minutes:** February 7, 2012 Workshop, February 14, 2012 Meeting, February 25, 2012 Council Retreat, and February 28, 2012 Council Meeting.
- B. **Approval of Accounts Payable and Utility Refund Checks/Vouchers:** Accounts Payable checks/vouchers #63099 – 63136 (including wire transfer #3012012, 20120203) in the amount of \$260,481.16; Accounts Payable checks/vouchers #63137-63176 (including wire transfer #8908067,20120215,20120223,20120305) in the amount of \$151,207.14; Accounts Payable checks/vouchers #63177 in the amount of \$484.00 for an Accounts Receivable deposit refund for a grand total of \$412,172.30.

VOIDED CHECKS: 63122 - 63124 – Multi page remittance; 62956 – Vendor Correction; 59270 – Stale dated.

- C. **Approval of Payroll:** Payroll for February 16-29th 2012 for checks 30326-30350 including Direct Deposits and Electronic Transfers in the amount of \$599,944.74.
- D. **AB12-29** – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, To Accept As Complete The SR 410 Sidewalks – 198th To 208th Project With Titan Earthwork, LLC.

Mayor Johnson noted that Bryan McCammant had signed up to speak on the consent agenda, but he was no longer in attendance at the Meeting.

Councilmember Rackley moved to approve the Consent Agenda. Councilmember Lewis seconded the motion.

Consent Agenda approved 7 – 0.

V. **FINANCE COMMITTEE ISSUES:** None.

VI. **COMMUNITY DEVELOPMENT ISSUES:**

- A. **AB12-32 – Resolution 2191** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing A Professional Service Agreement With RH2 Engineering For The Design Portion Of The Leaky Mains (PWTF 2): Phase 2F – Evergreen Point Project.

Councilmember Lewis moved to approve Resolution 2191. Councilmember Watson seconded the motion.

Deputy Mayor Swatman asked why the Community Development Committee recommended to move this project forward, and whether any financial analysis was done. He said in light of comments that the City's development fees are too expensive, he wants to be sure the project is needed. Councilmember Rackley said the capital improvement project list shows the projects that are most desirable for the City to complete. He said the City loses up to 2 million gallons of water per month, and old steel pipes are failing and need expensive repairs. He said this project is well within the Water budget. Councilmember McKibbin said that, in short, the pipes have leaks and should be fixed. Councilmember Watson said the Council wants to find ways to reduce fees and reductions have to start somewhere. Councilmember Lewis said he supports the leaky main repair projects, but suggested that the City continue these projects but scale them back for a time. He said when development picks up the rate of maintenance projects can also increase.

Director Grigsby said this project will be paid for by a Public Works Trust Fund Loan, which is a 'use it or lose it' program that will end after this year. He said the City is also trying to reduce lost water in the system and ensure future water availability to customers. He said the City has agreements to purchase water from other sources and these are large costs that happen over a period of time.

Councilmember Rackley said the time to address whether or not to do these projects is during budgeting, not midstream once they have already been developed by staff.

Councilmember Hamilton said as the administration looks for ways to reduce fees, revenue streams must be cut. He said the Council will need to consider every project to figure out where and how to make cuts.

Deputy Mayor Swatman said he supports the project but wants to challenge the economic issues. Councilmember Lewis said he wanted to point out that the Council is not blindly moving a plan forward, and that the Council knows why the project is being done, what is important, and where the funds are coming from. He said he no longer has reservations about this project. Councilmember Minton-Davis called for the question.

Motion to call for the question approved 7 – 0.

Resolution 2191 approved 7 – 0.

- B. **AB12-33 – Resolution 2192** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing A Professional Service Agreement With Parametrix Inc For The Survey Portion Of The Leaky Mains (PWTF 2): Phase 2F – Evergreen Point Project.

Councilmember Rackley moved to approve Resolution 2192. Councilmember Lewis seconded the motion.

Resolution 2192 approved 7 – 0.

VII. PUBLIC SAFETY COMMITTEE ISSUES: None.

VIII. FULL COUNCIL ISSUES: None.

IX. EXECUTIVE SESSION:

Pursuant to RCW (.110(1)(i)) the Council adjourned to an executive session with the City Attorney at 8:21 p.m. for 30 minutes to discuss current litigation, with action anticipated after the session. The Council returned to Chambers at 8:40 p.m.

City Attorney Dionne asked the Council to consider adding two items to the agenda for action at the current meeting: a motion to approve the Wastewater Treatment Facility upgrade agreement with Sumner, and a motion authorizing the City Attorney to dismiss the City of Bonney Lake's appeal of the Orton Junction UGA Expansion.

Councilmember Lewis moved to amend the agenda to consider the two motions as described by the City Attorney for action at the current meeting. Councilmember Watson seconded the motion.

**Motion approved 6 – 1.
Deputy Mayor Swatman voted no.**

AB12-42 – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Approving The Intergovernmental Agreement For Phase II Improvements, Expansion, And Operation Of The Sumner Wastewater Treatment Facility (WWTF) With The City Of Sumner.

The City Attorney described the elements of the interlocal agreement, which is required to deal with plans to expand the treatment facility capacity from 4.6 million gallons per day (MGD) to 6.9 MGD. Under the agreement, the City of Sumner will take 0.7 MGD of the new capacity, and the City of Bonney Lake will take about 1.6 MGD. Bonney Lake would end up owning about 60-70% of the capacity in the plant after the expansion. The agreement also explains how the cities will finance the expansion project, and who pays for which portion. He said some costs are shared evenly by the two cities and others are proportionate.

Mr. Dionne said the agreement also deals with the operation and maintenance of the plant after the expansion. The City of Sumner will do a study dealing with overhead charged to Bonney Lake for indirect costs. He said Sumner plans to use FCS Group, a consultant that Bonney Lake has used in the past. He said he does not expect there to be a dispute over the results of this study, but if so, the agreement includes a provision for a dispute resolution process.

The agreement also includes language about a pilot tax, which now sunsets in 10 years instead of in 2037. There is also a provision that a portion of the sales tax generated by new construction during the expansion project will be rebated to Bonney Lake, which can go into the City's general fund. Another provision in the agreement allows for future expansion of the treatment plant, allowing Bonney Lake to coordinate with Sumner on future expansions up until 2062.

The agreement also states that Bonney Lake will dismiss its appeal of Sumner's Orton Junction UGA expansion as part of the terms of consideration. The City Attorney said this is an important agreement that will take care of the sewer needs for both Bonney Lake and Sumner through the year 2062.

Councilmember Lewis moved to approve motion AB12-42. Councilmember Rackley seconded the motion.

Councilmember Hamilton thanked staff for their hard work on this agreement. He said it is a wonderful agreement between the two cities, and ties them together in a good partnership. Deputy Mayor Swatman said he agrees that it is a fantastic agreement and that he appreciates all the staff work that went into the process. He objected to the dismissal of the pending litigation related to Orton Junction. He said he thinks the Orton Junction development is in the wrong place at the wrong time and he supported the City's decision to litigate. He said he feels the proposed WWTF agreement provides the City of Sumner with an income stream for many years, and he feels Sumner should see the value in separating the issues and should not include the dismissal of litigation as part of the agreement. He said he does not think it is the right way to do business and that these issues should be considered separately. He said he supports moving the proposed agreement forward with the removal of language about dismissing the pending litigation.

Councilmember Rackley requested a roll call vote for this item.

Councilmember Lewis said he supports the proposed agreement from a business standpoint. He said it takes care of the community's future needs. Mayor Johnson thanked the City Attorney, City Administrator, and the Public Works Director for the time spent on this agreement. He said it is a very good agreement and is a big improvement over the original agreement from 2004. He noted that he and Deputy Mayor Swatman both voted against the original agreement in 2004. He said the proposed new agreement is more beneficial to both cities and he thinks it is important for the cities to be partners.

Motion AB12-42 approved 5 – 2.

**Councilmember Hamilton voted yes.
Councilmember Lewis voted yes.
Councilmember Mckibbin voted yes.
Councilmember Minton-Davis voted yes.
Councilmember Rackley voted yes.
Deputy Mayor Swatman voted no.
Councilmember Watson voted no.**

The City Attorney asked the Council to consider the second proposed motion.

AB12-47 – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing The City Attorney To Dismiss The City Of Bonney Lake’s Appeal Of The City Of Sumner’s Urban Growth Area Expansion Into The Orton Junction Area; The Motion Is Subject To Approval Of The Intergovernmental Agreement For Phase II Improvements, Expansion, And Operation Of The Sumner Wastewater Treatment Facility (WWTF) By The City Of Sumner On Or Before March 20, 2012.

Councilmember Rackley moved to approve motion AB12-47. Councilmember Watson seconded the motion.

Councilmember Lewis requested a roll call vote.

Motion AB12-47 approved 5 – 2.

**Councilmember Hamilton voted yes.
Councilmember Lewis voted yes.
Councilmember Mckibbin voted yes.
Councilmember Minton-Davis voted yes.
Councilmember Rackley voted yes.
Deputy Mayor Swatman voted no.
Councilmember Watson voted no.**

Mayor Johnson thanked staff for their hard work in bringing the agreements forward.

X. ADJOURNMENT:

At 8:55 p.m., Councilmember Lewis moved to adjourn the Council Meeting. Councilmember Watson seconded the motion.

Motion to adjourn approved 7 – 0.

Harwood Edvalson, CMC
City Clerk

Neil Johnson, Jr.
Mayor

Items presented to Council at the March 13, 2012 Meeting:

- City of Bonney Lake – *Intergovernmental Agreement For Phase II Improvements, Expansion, And Operation Of The Sumner Wastewater Treatment Facility (WWTF)* – City Attorney.

City of Bonney Lake, Washington
City Council Agenda Bill (AB)

Department/Staff Contact: Community Development / John P. Vodopich, AICPI	Meeting/Workshop Date: March 20, 2012	Agenda Bill Number: AB12-34
Agenda Item Type: Ordinance	Ordinance/Resolution Number: D12-34	Councilmember Sponsor: Deputy Mayor Swatman

Agenda Subject: Two year extension of the the Temporary Traffic Impact Fee Rebate Program

Full Title/Motion: An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Extending The Temporary Traffic Impact Fee Rebate Program, Chapter 19.04.150 Of The Bonney Lake Municipal Code.

Administrative Recommendation: Approve

Background Summary: On April 14, 2009, the Bonney Lake City Council passed Ordinance No. 1316 which created a temporary traffic impact fee rebate program which would expire and sunset on December 31, 2011 unless extended by a subsequent ordinance of the City Council. Given the current economic climate it is appropriate to extend the provisions of Ordinance No. 1316 for an additional two year period.
Attachments: Draft Ordinance D12-34, Ordinance No. 1316

BUDGET INFORMATION			
Budget Amount	Current Balance	Required Expenditure	Budget Balance
Budget Explanation:			

COMMITTEE, BOARD & COMMISSION REVIEW			
Council Committee Review:	<i>Approvals:</i>		Yes No
Date:	Chair/Councilmember		<input checked="" type="checkbox"/> <input type="checkbox"/>
	Councilmember		<input type="checkbox"/> <input type="checkbox"/>
	Councilmember		<input type="checkbox"/> <input type="checkbox"/>
Forward to:	Consent	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Commission/Board Review:			
Hearing Examiner Review:			

COUNCIL ACTION	
Workshop Date(s):	Public Hearing Date(s):
Meeting Date(s):	Tabled to Date:

APPROVALS		
Director: <i>John P. Vodopich, AICP</i>	Mayor: <i>March 1, 2012</i>	Date Reviewed by City Attorney: (if applicable):

ORDINANCE NO. D12-34

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
BONNEY LAKE, PIERCE COUNTY, WASHINGTON,
EXTENDING THE TEMPORARY TRAFFIC IMPACT FEE
REBATE PROGRAM, CHAPTER 19.04.150 OF THE BONNEY
LAKE MUNICIPAL CODE**

WHEREAS, the City desires to be able to more favorably compete with other cities in the region for businesses that are looking to locate in the area; and

WHEREAS, on April 14, 2009, the Bonney Lake City Council passed Ordinance No. 1316 which created a temporary traffic impact fee rebate program which would expire and sunset on December 31, 2011 unless extended by a subsequent ordinance of the City Council; and

WHEREAS, current economic conditions warrant the continuation of greater incentives for businesses to invest in Bonney Lake;

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

Section 1. The provisions of Ordinance No. 1316 are hereby extended and shall expire and sunset December 31, 2013 unless extended by a subsequent ordinance of the City Council.

PASSED by the City Council and approved by the Mayor this day of
, 2012.

Neil Johnson, Jr.
Mayor

ATTEST:

Harwood T. Edvalson
City Clerk, CMC

APPROVED AS TO FORM:

James Dionne

City Attorney

Passed:

Valid:

Published:

Effective Date:

ORDINANCE NO. 1316

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, AMENDING CHAPTER 19.04.015 OF THE BONNEY LAKE MUNICIPAL CODE RELATING TO A TEMPORARY TRAFFIC IMPACT FEE REBATE PROGRAM.

WHEREAS, the City desires to be able to more favorably compete with other cities in the region for businesses that are looking to locate in the area; and

WHEREAS, current economic conditions warrant greater incentives for businesses to invest in Bonney Lake;

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

Section 1. BLMC Section 19.04.015 is hereby amended to read as follows:

19.04.150 Traffic Impact Fee (TIF) Funding Source Adjustments.

A. Traffic Impact Fee Funding Source Adjustment Established - Purpose. The purpose of this policy is to encourage and facilitate certain businesses to locate in designated areas of the City where development is desired, and to recruit into the City those types of businesses deemed beneficial to the City and the community and/or which the City currently lacks in sufficient number or volume. Pursuant to RCW 82.02.060(2) and (4) there is hereby established a funding source adjustment from the traffic impact fee set forth in this Chapter for development activity which meets the criteria of subsection (C) of this section.

B. Application for Traffic Impact Fee Adjustment. Any developer applying for or receiving a building permit which meets the criteria set forth in subsection (C) of this section may apply to the Mayor or designee for an adjustment from the traffic impact fee established pursuant to this Chapter. Said application shall be on forms provided by the city and shall be accompanied by all information and data the city deems necessary to process the application. A full and complete application must be filed on or before the date of certificate of occupancy in order to be eligible for a potential adjustment to the TIF.

C. Funding Source Adjustment Criteria. To be eligible for the traffic impact fee adjustment established by this section, the applicant shall be a commercial retail business which locates ~~in either the Downtown Core or Downtown Mixed Use zones,~~ or establishes a commercial retail business that is not considered to be ineligible pursuant to BLMC § 19.04.150(C)(3). ~~in the Eastown Combined Retail-Commercial, Warehousing and Light Manufacturing Zone.~~ Qualified applicants must meet each of the following criteria as applicable:

1. Downtown. The applicant must be a retail business, either new or existing, located within the Downtown Core (DC) or Downtown Mixed Use (DM) zoning district. Any permitted commercial uses in the DC or DM district are eligible to apply for the TIF Adjustment. In order to qualify for a TIF Adjustment in the Downtown, the retail applicant or underlying developer must redevelop a portion of the Downtown Core or Downtown Mixed Use zone. Said redevelopment shall include, at a minimum, the demolition of an existing structure on the site of

the proposed new construction, and the subsequent construction of a new structure of not less than ten thousand square feet (10,000 sf) in conformance with the downtown plan and accompanying design guidelines.

2. Eastown zone. The applicant must be a new retail business located within the Eastown Combined Retail-Commercial, Warehousing and Light Manufacturing Zone, and not considered to be an ineligible business under subsection (C)(35) of this Section. Based on similar store sales or other reliable data, as determined by the city, the applicant must demonstrate that it is likely to generate to the City of Bonney Lake average annual City of Bonney Lake portion sales and use tax revenue of at least fifteen thousand dollars (\$15,000) per year over the three-year period commencing from date of certificate of occupancy.

3. Midtown and other Areas Outside Downtown or Eastown. The applicant must be a new retail business located within a C1, C2, or C3 zoning district, and not considered an ineligible business under subsection (C)(5) of this Section. Based on similar store sales or other reliable data, as determined by the city, the applicant must demonstrate that it is likely to generate to the City of Bonney Lake average annual City of Bonney Lake portion sales and use tax revenue of at least fifteen thousand dollars (\$15,000) per year over the three-year period commencing from date of certificate of occupancy.

4. Special Criteria for Sitdown Restaurants. The applicant must be a new otherwise eligible sitdown restaurant in which patrons are typically served by wait-staff and orders are not normally placed at a counter or drive through window, and which employs eighteen (18) or more full-time equivalent (FTE) employees, or which generates to the City of Bonney Lake average annual City of Bonney Lake portion sales and use tax revenue of at least twenty-five thousand dollars (\$25,000) per year over the three-year period commencing from date of certificate of occupancy.

35. Ineligible Businesses. The Council finds that there are several types of businesses which are either currently well represented in the City, or otherwise do not have a broad public purpose, and thus no TIF incentive is appropriate. The following business types are hereby expressly excluded from application for the TIF adjustment program in Eastown all areas outside of the Downtown: fast food restaurants, sandwich, teriyaki and other related eating establishments in which orders are normally placed at a counter or drive through window, with or without drive through windows; coffee stands; beauty, nail, or hair salons; adult entertainment establishments; kennels; salvage yards; antique shops; convenience stores; gas stations; bars and taverns; thrift shops; self storage units; second hand or antique stores.

D. Funding Source Adjustment Amount. 1. Eastown. Sitdown Restaurants and all Areas Outside Downtown. For any commercial retail business, including a qualified sitdown restaurant, which is deemed to qualify under the provisions of subsection (C)(2) or (C)(3) of this Section, there shall be an adjustment to the TIF equal to ~~50~~ 75 percent of the three-year City of Bonney Lake portion of sales and use tax revenue, but not to exceed ~~50~~ 75 percent of the traffic impact fees otherwise due pursuant to this Chapter. The amount of the TIF adjustment shall be refunded, without interest. The remainder of the funds deposited pursuant to subsection (F) of this section shall remain with the City. In those cases in which the applicant is not the business which had paid the traffic impact fee, the City will refund the TIF to the developer or building owner who paid the TIF, absent an assignment to the applicant.

2. Downtown. For any commercial retail business which is deemed to qualify under the provisions of subsection (C)(1) of this Section, there shall be an adjustment to the TIF equal to

100 percent of the three-year City of Bonney Lake portion of sales and use tax revenue, but not to exceed 100 percent of the traffic impact fees otherwise due pursuant to this Chapter. The amount of the TIF adjustment shall be refunded, without interest. The remainder of the funds deposited pursuant to subsection (E) of this section shall remain with the City. In those cases in which the applicant is not the business which had paid the traffic impact fee, the City will refund the TIF to the developer or building owner who paid the TIF, absent an assignment to the applicant.

E. Administration of Traffic Impact Fee Adjustment. 1. Upon acceptance of an application for adjustment from traffic impact fees pursuant to subsection (B) of this section, the applicant shall pay to the city the full amount of the traffic impact fees required pursuant to this Chapter. Following receipt of the traffic impact fees the city shall deposit and manage the fees as set forth in subsection (E) of this section. At the expiration of a three-year period commencing from the date of issuance of a certificate of occupancy, the Mayor's designee, with the assistance of the chief financial officer, shall determine the City of Bonney Lake portion of sales and use tax revenue received by the city during the three-year period commencing from the date of issuance of a certificate of occupancy.

2. For any commercial retail business which is deemed to qualify under the provisions of subsection (C) of this section, there shall be an adjustment to the TIF as provided in subsection (D).

F. Deposit and Management of Traffic Impact Fees. Traffic impact fees paid by an applicant pursuant to this section and the provisions of this Chapter shall be deposited by the city into Fund 136 (Transportation Impact). The city may at its option utilize said funds at any time for eligible and budgeted transportation purposes.

G. Appeals. Any applicant aggrieved by the determination of the Mayor or designee as to whether the criteria of subsection (C) of this section have been met, or regarding eligibility for an adjustment from this Chapter, or the amount of refund to which an applicant is entitled pursuant to subsection (D) of this section, may file a written appeal to the City's hearing examiner as established by Chapter 2.18 BLMC. The City hearing examiner is hereby specifically authorized to hear and decide such appeals and the decision of the hearing examiner shall be the final action of the City and subject to further appeal pursuant to BLMC § 2.18.180.

H. Application of Sales and Use Tax Revenue from Businesses Which Apply for and/or Receive an Adjustment or Partial Adjustment. An estimated amount of sales and use tax received by the city from applicants who apply for an adjustment or partial adjustment from the requirements of this title shall be placed in an appropriate account within the General Fund. Said account shall be established to pay traffic impact fees that otherwise would have been paid had an adjustment or partial adjustment not been granted. Said amounts shall be expended for purposes authorized by and in accordance with the provisions of this title and the provisions of the city's capital improvement plan for streets. All sales and use tax revenues in excess of the amount paid as traffic impact fees received by the city from the applicant shall be deposited in the city's general fund and may be expended for any lawful purpose as directed by the city council.

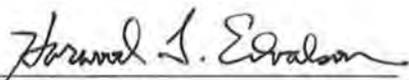
Section 2. This Ordinance shall take effect thirty (30) days after its passage, subject to prior approval by the Mayor and prior publication for five days as required by law, and shall expire and sunset December 31, 2011 unless extended by a subsequent ordinance of the City Council.

PASSED by the City Council and approved by the Mayor this 14th day of April, 2009.



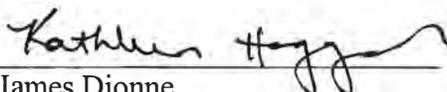
Neil Johnson, Jr.
Mayor

ATTEST:



Harwood T. Edvalson
City Clerk, CMC

APPROVED AS TO FORM:



James Dionne
City Attorney

Passed: 4/14/09
Valid: 4/14/09
Published: 4/22/09
Effective Date: 5/14/09

City of Bonney Lake, Washington
City Council Agenda Bill (AB)

Department/Staff Contact: Executive / Don Morrison	Meeting/Workshop Date: 20 March 2012	Agenda Bill Number: AB12-35
Agenda Item Type: Ordinance	Ordinance/Resolution Number: D12-35	Councilmember Sponsor:

Agenda Subject: Reduction of Sumner School District Impact Fee

Full Title/Motion: A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Adopting Ordinance No. D12-35, Relating To School Impact Fees.

Administrative Recommendation: Approve

Background Summary: The Sumner School District has recently lowered their impact fee to reflect their future construction needs in the capital facility plan of the District. The fee will from \$2,780 per SF unit to \$1,300.
Attachments: Ordinance D12-35

BUDGET INFORMATION			
Budget Amount	Current Balance	Required Expenditure	Budget Balance
Budget Explanation:			

COMMITTEE, BOARD & COMMISSION REVIEW			
Council Committee Review:	<i>Approvals:</i>		Yes No
Date:	Chair/Councilmember NAME		<input type="checkbox"/> <input type="checkbox"/>
	Councilmember NAME		<input type="checkbox"/> <input type="checkbox"/>
	Councilmember NAME		<input type="checkbox"/> <input type="checkbox"/>
Forward to:	Consent		
	Agenda: <input type="checkbox"/> Yes <input type="checkbox"/> No		
Commission/Board Review:			
Hearing Examiner Review:			

COUNCIL ACTION	
Workshop Date(s): March 15, 2012	Public Hearing Date(s):
Meeting Date(s):	Tabled to Date:

APPROVALS		
Director:	Mayor:	Date Reviewed by City Attorney: (if applicable):

ORDINANCE NO. D12-35

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, AMENDING CHAPTER 19.08 OF THE BONNEY LAKE AND ORDINANCE NO. 1334 RELATING TO SCHOOL IMPACT FEES

WHEREAS, the City Council has adopted school impact fees based upon study and recommendation of the various school districts within the City limits; and

WHEREAS, the Sumner School District has recently lowered their impact fee to reflect their future construction needs in the capital facility plan of the District; and

WHEREAS, the City Council desires to amend the impact fee to fit the School District’s current recommended fee amount;

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

Section 1. BLMC Section 19.08.120 and Section 1 of Ordinance No. 1334 is hereby amended to read as follows:

19.08.120 School impact fees.

The school impact fee schedules set forth in this section are generated from the formula for calculating impact fees set forth in the district’s capital facilities plan. Except as otherwise provided in BLMC 19.08.040, 19.08.050 and 19.08.140, all new residential developments in the city will be charged the school impact fees in accordance with the appropriate schedule below. The fee payer shall pay the school impact fee based on the schedule for the school district in which the development is located.

School Impact Fee Schedules (applies to residential development only)

Sumner School District No. 320:

Single-family – detached (including manufactured homes and mobile homes on individual lots)	\$2,780 <u>\$1,300</u>
Multifamily per dwelling unit (including townhouses)	\$0

White River School District No. 416:

Single-family – detached (including manufactured homes and mobile homes on individual lots)	\$0
Multifamily per dwelling unit (including townhouses)	\$0

Section 2. This Ordinance shall take effect and be in force five (5) days from and after its passage, approval and publication, as required by law.

PASSED by the City Council and approved by the Mayor this ____th day of , 2012.

Neil Johnson, Jr.
Mayor

ATTEST:

Harwood T. Edvalson
City Clerk, CMC

APPROVED AS TO FORM:

James Dionne
City Attorney

Passed:
Valid:
Published:
Effective Date:

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City of Bonney Lake, Washington
City Council Agenda Bill (AB)

Department/Staff Contact: Executive / Don Morrison	Meeting/Workshop Date: 20 March 2012	Agenda Bill Number: AB12-43
Agenda Item Type: Ordinance	Ordinance/Resolution Number: D12-43	Councilmember Sponsor:

Agenda Subject: Temporary Reduction of Water SDC Charges

Full Title/Motion: A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Adopting Ordinance No. D12-43, Relating To Water System Development Charges.

Administrative Recommendation:

Background Summary: Proposes a temporary 50% reduction in Water SDC charges. At the recent Council retreat, "Council members discussed the development fees and whether lowering them would induce residential and/or commercial development. While some Councilmembers supported a reduction of residential fees to try and stimulate development, a clear majority also supported a reduction of commercial development fees to stimulate economic growth. The administration received general direction to develop a program of reduced commercial development fees as a starting point to encourage economic development in Bonney Lake. Temporary Reduction to Water SDC Charges."
Attachments: Ordinance D12-43

BUDGET INFORMATION			
Budget Amount	Current Balance	Required Expenditure	Budget Balance
Budget Explanation:			

COMMITTEE, BOARD & COMMISSION REVIEW			
Council Committee Review:	<i>Approvals:</i>		Yes No
Date:	Chair/Councilmember NAME		<input type="checkbox"/> <input type="checkbox"/>
	Councilmember NAME		<input type="checkbox"/> <input type="checkbox"/>
	Councilmember NAME		<input type="checkbox"/> <input type="checkbox"/>
Forward to:	Consent		
	Agenda: <input type="checkbox"/> Yes <input type="checkbox"/> No		
Commission/Board Review:			
Hearing Examiner Review:			

COUNCIL ACTION	
Workshop Date(s): March 15, 2012	Public Hearing Date(s):
Meeting Date(s):	Tabled to Date:

APPROVALS		
Director:	Mayor:	Date Reviewed by City Attorney: (if applicable):

ORDINANCE NO. D12-43

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, AMENDING CHAPTER 13.04.070 OF THE BONNEY LAKE AND SECTION ONE OF ORDINANCE NO. 1356 RELATING TO WATER SYSTEM DEVELOPMENT CHARGES.

WHEREAS, RCW 35.92.025 authorizes cities to charge a reasonable connection charge as the legislative body of the city or town shall determine proper so that such property owners pay an equitable share of the cost of such system; and

WHEREAS, the City Council finds that the City’s current system development charge is based, in part, on demand for water facility expansion and replacement due to growth projections that are not longer valid as result of the prolonged downturn in the local economy; and

WHEREAS, the City Council desires to reduce the system development charge until such time as previously planned growth rates return;

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

Section 1. BLMC Section 12.04.070 is hereby amended to read as follows:

13.04.070 Water service application.

A. All applications for water service shall be made at the City Hall by the property owner or his authorized agent. The records of the Pierce County auditor shall be prima facie proof of property ownership. The applicant shall furnish the city such information as may be required on the city’s application form. At the time of filing the application the applicant shall pay the fee for such water services as required in this chapter. The applicant shall agree to conform to the rules and regulations for the operation of the city’s water system as set forth in Articles I, II, III and V of this chapter.

B. Water Taps. The city reserves the right to regulate the size of water taps. Taps will be made only by a Bonney Lake water crew or a licensed contractor for an approved water extension.

C. Water Service Connection Charges. Effective September 1, 2010, all connections to the water system of the city and the charges to be paid by the property owner toward the construction thereof shall be as provided in this subsection:

1. Installation Charge. The following installation charges will be paid by the property owner as part of their connection charge at the time application is made for water service.

Meter	Meter Set Only	Meter Set and
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Size		Service Line
5/8"	\$192.00	\$1,292
3/4"	\$228.00	\$1,328
1" with fire sprinkler system	\$228.00	\$1,328
1" without fire sprinkler system	\$283.00	\$1,383
1-1/2" or larger	Actual time and materials plus indirect costs. If installation involves work underneath the roadway surface, the fee shall be according to the actual time and materials plus 20 percent for indirect costs.	

2. Charge for Equitable Share of System – Temporary Rate Reduction. Each new connection to the water system shall pay as part of their connection charges their equitable share of the cost of the system according to the following schedule, provided however, that until such time that new building permit valuations in the City reach \$33 million or more over a running nine (9) month period, *OPTION B: until October 1, 2013 (or other date)*, all System Development Charges (SDC) listed herein shall be reduced by fifty percent (50%).

a. Residential System Development Charge (SDC).

i. Single-Family.

Meter Size	City and County SDC Charge
5/8" or 3/4"	\$7,745
1" with fire sprinkler system	\$7,745
1" without fire sprinkler system	\$17,276

1-1/2" or larger	To be determined on each individual case, based on the projected amount of usage and peaking expected from the customer. These charges shall reflect residential equivalence (RE) values used for individual residential customers.
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ii. Two-Living-Unit Residential Homes. Each duplex and townhouse-style building unit will have a separate water meter and service for each living unit.

iii. Accessory Dwelling Units (ADU). If no additional meter is required, no SDC will be charged. If a second meter is required, an SDC of \$5,965 77 percent of the single-family rate will be charged when that new meter is five-eighths inch or three-quarters inch. An SDC of \$13,303 (77 percent of the single-family rate) will be charged if the new, second meter is a one-inch meter. If the existing meter is replaced with a larger meter, the difference in the current SDC rates for the two meter sizes will be charged.

iv. Multifamily and Mobile Home Parks.

(A) Each unit shall be charged \$5,965 (77 percent of the SDC charged to single-family units).

(B) SDC charges for meters one and one-half inches or larger shall be determined on each individual case, based on the projected amount of usage and peaking expected from the customer. These charges shall reflect residential equivalence (RE) values used for individual residential customers.

(C) There shall be only one water meter installed for each building housing multiple residential units.

b. Nonresidential System Development Charge (SDC).

Meter Size	City and County SDC Charge
5/8"	\$9,848
3/4"	\$13,027
1"	\$19,374
1-1/2" or larger	To be determined on each individual case, based on the projected amount of usage and peaking expected from the customer. These charges shall reflect residential equivalence (RE)

	values used for individual residential customers.
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c. Irrigation Only System Development Charge (SDC).

Meter Size	City and County SDC Charge
5/8"	\$6,347
3/4"	\$9,526
1"	\$15,883
1-1/2" or larger	To be determined on each individual case, based on the projected amount of usage and peaking expected from the customer. These charges shall reflect residential equivalence (RE) values used for individual residential customers.

d. The charges set out in this subsection (C)(2) shall not be applicable to an accessory dwelling unit (ADU) permitted pursuant to BLMC 18.22.090, so long as a second or larger water meter is not required by applicable codes or requested by the owner. Should the property upon which an accessory dwelling unit is located be sold, platted or otherwise segregated from the property upon which the primary residence is located, and, because of the exemption provided for in this subsection, the owner of the accessory dwelling unit did not previously pay a full, separate connection charge including equitable share charge for the accessory dwelling unit, then the following shall apply:

i. If no additional connection charge was paid for the accessory dwelling unit, the owner of the segregated accessory dwelling unit shall be required to pay a connection charge, including single-family equitable share charge, in the amounts provided for in this section at the time of segregation. A new water meter will be provided.

ii. If a reduced connection charge was paid for a second or larger meter and/or connection for the accessory dwelling unit, the owner of the segregated accessory dwelling unit shall be required to pay the difference between that reduced charge and the amount of the connection charge, including single-family equitable share charge, provided for in this section at the time of segregation. A new water meter will be provided if necessary.

e. Annual Adjustment. Beginning January 1, 2009, and for every year thereafter, the installation and connection charges listed in this section shall be updated annually at a rate adjusted in accordance with the Engineering News Record (ENR) Construction Cost Index (CCI) for the Seattle area, using a November through November annual measure to establish revised fee schedules effective January 1st of each year.

f. These charges are to apply in all cases where distance from the water main to the meter location does not exceed 60 feet. In such cases where the distance is over 60 feet there shall be an additional fee, based on cost of labor and materials.

g. Property Owner's Responsibility. Property owners are responsible for all leaks or damage due to leaks from privately installed and owned water lines. The property owner shall install and maintain at his own expense all water service from the water meter to the place of use.

Section 2. The Mayor is hereby authorized to implement such administrative policies and procedures as may be necessary to carry out the intent of this ordinance.

Section 3. This Ordinance shall take effect and be in force thirty (30) days from and after its passage, approval and publication, as required by law.

PASSED by the City Council and approved by the Mayor this ____th day of , 2012.

Neil Johnson, Jr.
Mayor

ATTEST:

Harwood T. Edvalson
City Clerk, CMC

APPROVED AS TO FORM:

James Dionne
City Attorney

Passed:
Valid:
Published:
Effective Date:

City of Bonney Lake, Washington
City Council Agenda Bill (AB)

Department/Staff Contact: Executive / Don Morrison	Meeting/Workshop Date: 20 March 2012	Agenda Bill Number: AB12-44
Agenda Item Type: Ordinance	Ordinance/Resolution Number: D12-44	Councilmember Sponsor:

Agenda Subject: Temporary Reduction of Sewer SDC Charges

Full Title/Motion: A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Adopting Ordinance No. D12-43, Relating To Sewer System Development Charges.

Administrative Recommendation:

Background Summary: Proposes a temporary 40% reduction to Sewer SDC charges. At the recent Council retreat, "Council members discussed the development fees and whether lowering them would induce residential and/or commercial development. While some Councilmembers supported a reduction of residential fees to try and stimulate development, a clear majority also supported a reduction of commercial development fees to stimulate economic growth. The administration received general direction to develop a program of reduced commercial development fees as a starting point to encourage economic development in Bonney Lake. Temporary Reduction to Water SDC Charges."
Attachments: Ordinance D12-44

BUDGET INFORMATION			
Budget Amount	Current Balance	Required Expenditure	Budget Balance
Budget Explanation:			

COMMITTEE, BOARD & COMMISSION REVIEW			
Council Committee Review:	<i>Approvals:</i>		Yes No
Date:	Chair/Councilmember NAME		<input type="checkbox"/> <input type="checkbox"/>
	Councilmember NAME		<input type="checkbox"/> <input type="checkbox"/>
	Councilmember NAME		<input type="checkbox"/> <input type="checkbox"/>
Forward to:	Consent Agenda:	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Commission/Board Review:			
Hearing Examiner Review:			

COUNCIL ACTION	
Workshop Date(s): March 15, 2012	Public Hearing Date(s):
Meeting Date(s):	Tabled to Date:

APPROVALS		
Director:	Mayor:	Date Reviewed by City Attorney: (if applicable):

ORDINANCE NO. D12-44

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, AMENDING CHAPTER 13.12 OF THE BONNEY LAKE MUNICIPAL CODE, SECTION TWO OF ORDINANCE NO. 1333, AND SECTION FIVE OF ORDINANCE NO. 571C, RELATING TO SEWER DEVELOPMENT CHARGES.

WHEREAS, RCW 35.92.025 authorizes cities to charge a reasonable connection charge as the legislative body of the city or town shall determine proper so that such property owners pay an equitable share of the cost of such system; and

WHEREAS, the City Council finds that the City's current system development charge is based, in part, on demand for sewer facility expansion and replacement due to growth projections that are not longer valid as result of the prolonged downturn in the local economy; and

WHEREAS, the City Council desires to reduce the system development charge until such time as previously planned growth rates return;

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

Section 1. BLMC Section 12.12.100 is hereby amended to read as follows:

13.12.100 System development charges.

A. Except as provided in subsection A(5) below, the fees for connection to the city's sewer utility shall be due and payable at the time of building permit issuance, as follows:

1. The fee for a single-family residence (new construction) shall be \$9,099.
2. The fee for an existing single-family residence served by an on-site septic disposal system shall be \$9,099.
3. The fee for duplexes shall be \$9,099 per dwelling unit.
4. The fee for multifamily residential buildings with more than two units shall be as follows:
 - a. Eighty percent of \$9,099 per dwelling unit for three or more bed/bonus room units;
 - b. Seventy percent of \$9,099 per dwelling unit for two bed/bonus room units;
 - c. Sixty percent of \$9,099 per dwelling unit for one bed/bonus room units;
 - d. Fifty percent of \$9,099 per dwelling unit for studio/efficiency units.

5. Temporary Rate Reduction. The system development charges listed in Section 13.12.100(A) above shall be reduced by forty percent (40%) until such time that new building permit valuations in the City reach \$33 million or more over a running nine (9) month period, OPTION B: until October 1, 2013 (or other date).

5.6. CCI Adjustment. Beginning January 1, 2010, and for every year thereafter, the SDCs shall be adjusted by the annual change in the most recent Engineering News Record (ENR) Construction Cost (CCI) for the Seattle area, using a November through November annual measure to establish revised fee schedules effective January 1st of each year.

B. SDCs shall be due and payable at the time of building permit issuance, and shall be charged at the rate in effect at the time of application for sewer service. An application for sewer service will only be accepted if a complete building permit application is submitted concurrently or is already on file, or from an applicant with an existing residence served by a septic system and that also has sewer available. If the building permit expires through suspension or abandonment under BLMC 15.04.081, the SDC shall be refunded at the request of the applicant; provided, that if the applicant chooses to leave the SDC on deposit with the city and re-applies for a new building permit pursuant to BLMC 15.04.081, the SDC shall be re-calculated at current rates and the amount of the SDC already paid and not refunded may be credited toward the new SDC.

C. The charges set out in this section shall not be applicable to an accessory dwelling unit permitted pursuant to BLMC 18.22.090, so long as a second connection to the city's sewer system is not required by applicable codes or requested by the owner. Should the property upon which an accessory dwelling unit is located be sold, platted or otherwise segregated from the property upon which the primary residence is located, and, because of the exemption provided for in this subsection, the owner of the accessory dwelling unit did not previously pay a full, separate sewer connection charge for the accessory dwelling unit, then the following shall apply:

1. If no additional connection charge was paid for the accessory dwelling unit, the owner of the segregated accessory dwelling unit shall be required to pay a connection charge in the amount provided for in this section at the time of segregation.

2. If a reduced connection charge was paid for the accessory dwelling unit, the owner of the segregated accessory dwelling unit shall be required to pay the difference between that reduced charge and the amount of the connection charge provided for in this section at the time of segregation.

D. When connection to the sewer system for an existing residence becomes mandatory due to a failed septic system, septic design flaw, or other reason, and the home is not being sold contemporaneously with the mandatory sewer application, a homeowner may apply to the city to pay the connection fee on an installment payment plan. The application shall state that paying the connection fee poses a financial hardship. The city may permit the applicant to pay the fee in monthly or annual installments (not both) for a period of not more than 10 years. A reasonable interest rate, as determined by the city's chief financial officer, will be charged on the balance owing to the city. The entire remaining balance of the connection fee plus interest shall be due and payable at the time of sale of the home. Any past-due installments and any remaining

balance that is not paid at the sale of the home will become a lien on the property pursuant to BLMC 13.12.110.

Section 2. BLMC Section 12.12.108 is hereby amended to read as follows:

13.12.108 Changed conditions – Increased wastewater flows, BOD or S.S.

Except as provided under subsection “C” below, the city shall have the right to charge an owner of a nonresidential parcel of property already connected to the city sewer system an additional connection charge and increase the monthly sewer service charge if:

A. Wastewater flows disposed of into the city sewer system have increased above originally paid for flows; or

B. BOD and/or S.S. are found to be greater than 250 mg/l and 250 mg/l, respectively.

C. Once a connection charge has been paid for the original connection and first tenant improvement, an additional connection charge may be required for the next tenant improvement to the same space if wastewater flows are projected to increase above the previously paid for flows. Thereafter, there shall be no additional connection charges.

Section 3. The Mayor is hereby authorized to implement such administrative policies and procedures as may be necessary to carry out the intent of this ordinance.

Section 4. This Ordinance shall take effect and be in force thirty (30) days from and after its passage, approval and publication, as required by law.

PASSED by the City Council and approved by the Mayor this ___th day of , 2012.

Neil Johnson, Jr.
Mayor

ATTEST:

Harwood T. Edvalson
City Clerk, CMC

APPROVED AS TO FORM:

James Dionne
City Attorney

Passed:

Valid:

Published:

Effective Date:

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City of Bonney Lake, Washington
City Council Agenda Bill (AB)

Department/Staff Contact: Executive / Don Morrison	Meeting/Workshop Date: 20 March 2012	Agenda Bill Number: AB12-45
Agenda Item Type: Ordinance	Ordinance/Resolution Number: D12-45	Councilmember Sponsor:

Agenda Subject: Update of Traffic Impact Fee Ordinance, including Temporary Reduction of TIF Charges

Full Title/Motion: A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Adopting Ordinance No. D12-45, Relating To Traffic Impact Fees. .

Administrative Recommendation: Approve

Background Summary: Proposes a temporary 25% reduction in TIF Rates. Policy P 1.10 of the adopted Economic Development Element of the Comprehensive Plan provides that the City will review and update its zoning, impact fees, and incentives to better encourage prioritized economic development. At the recent Council retreat, "Council members discussed the development fees and whether lowering them would induce residential and/or commercial development. While some Councilmembers supported a reduction of residential fees to try and stimulate development, a clear majority also supported a reduction of commercial development fees to stimulate economic growth. The administration received general direction to develop a program of reduced commercial development fees as a starting point to encourage economic development in Bonney Lake.

Attachments: Ordinance D12-45

BUDGET INFORMATION			
Budget Amount	Current Balance	Required Expenditure	Budget Balance
Budget Explanation:			

COMMITTEE, BOARD & COMMISSION REVIEW			
Council Committee Review:	<i>Approvals:</i>		Yes No
Date:	Chair/Councilmember NAME		<input type="checkbox"/> <input type="checkbox"/>
	Councilmember NAME		<input type="checkbox"/> <input type="checkbox"/>
	Councilmember NAME		<input type="checkbox"/> <input type="checkbox"/>
Forward to:	Consent		
	Agenda: <input type="checkbox"/> Yes <input type="checkbox"/> No		
Commission/Board Review:			
Hearing Examiner Review:			

COUNCIL ACTION	
Workshop Date(s): March 15, 2012	Public Hearing Date(s):
Meeting Date(s):	Tabled to Date:

APPROVALS		
Director:	Mayor:	Date Reviewed

by City Attorney:
(if applicable):

ORDINANCE NO. D12-45

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, AMENDING CHAPTER 19.04 OF THE BONNEY LAKE AND ORDINANCE NOS. 984, 1282, 1316, AND 1318 RELATING TO TRAFFICE IMPACE FEES.

WHEREAS, Policy P 1.10 of the adopted Economic Development Element of the Comprehensive Plan provides that the City will review and update its zoning, impact fees, and incentives to better encourage prioritized economic development consistent with the adopted Economic Development Element; and

WHEREAS, the City Council finds that the City's current transportation impact fee is based, in part, on transportation system improvements estimated to be needed to accommodate growth projections that are not longer valid as result of the prolonged downturn in the local economy and accompanying decrease in building activity; and

WHEREAS, the City Council finds it necessary to encourage development during the current economic downturn by providing alternative payment alternatives and other modifications to traffic impact fee requirements in order to encourage economic development;

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

Section 1. BLMC Section 19.04 and the corresponding sections or ordinance nos. 984, 1282, 1316, and 1318 are hereby amended to read as follows:

19.04.010 Authority and purpose.

A. This title is enacted pursuant to the city's police powers, the Growth Management Act as codified in Chapter 36.70A RCW, the enabling authority in Chapter 82.02 RCW, Chapter 58.17 RCW relating to platting and subdivisions, and the State Environmental Policy Act (SEPA), Chapter 42.21C RCW.

B. The purpose of this title is to:

1. Develop a transportation impact fee program consistent with the Bonney Lake comprehensive plan for joint public and private financing of transportation improvements necessitated in whole or in part by development in the city;
2. Ensure adequate levels of transportation and traffic service within the city consistent with the comprehensive plan;
3. Create a mechanism to charge and collect fees to ensure that all new development bears its proportionate share of the capital costs of off-site transportation facilities directly necessitated by new development, in order to provide an adequate level of transportation service consistent with the comprehensive plan;

4. Ensure that the city pays its fair share of the capital costs of transportation facilities necessitated by public use of the transportation system; and

5. Ensure fair collection and administration of such impact fees.

C. The provisions of this chapter shall be liberally construed to effectively carry out its purpose in the interests of the public health, safety and welfare.

19.04.015 Definitions.

The following are definitions provided for administering the transportation impact fee. The mayor or mayor's designee shall have the authority to resolve questions of interpretation or conflicts between definitions.

A. "Adequate level of transportation service" means a system of transportation facilities which have the capacity to serve development without decreasing levels of service below the city's established minimum (see Chapter 19.02 BLMC).

B. "Capacity" means the maximum sustainable flow rate at which vehicles or persons can be expected to traverse a point or uniform segment of a lane or roadway during a specified time period, usually expressed as vehicles per hour, passengers per hour, or persons per hour.

C. "Development activity" means any construction or expansion of a building, or structure, or use, or any changes in the use of land, that creates additional demand and need for public facilities. For the purposes of this chapter, the remodel of existing buildings where the permit valuation is less than ~~\$15,000~~ \$35,000 shall not be considered development activity.

D. "Director" means the director of the department of ~~public works~~ community development of the city of Bonney Lake or his/her designee.

E. "Chief financial officer" means the chief financial officer of the city of Bonney Lake or his/her designee.

F. "Health care provider" means a licensed physician, chiropractic physician, optometrist, dentist, dental hygienist, or nurse practitioner, or a clinic providing one or more of these services.

G. "Impact fee" or "transportation impact fee" means a payment of money imposed upon development approval to pay for public streets and roads needed to serve new growth and development, and that is reasonably related to the new development that creates additional demand and need for public streets and roads, that is a proportionate share of the cost of the public streets and roads, and that is used for public streets and roads that reasonably benefit the new development. "Impact fee" does not include a reasonable permit or application fee otherwise established by city council resolution.

H. "Jurisdiction" means a municipality or county.

I. "New commercial retail business" means a new retail business which sells retail goods and services which are subject to retail sales tax and which applies for a building permit, and which has not operated nor been licensed to operate in the city of Bonney Lake

within 12 months previous to the date of opening the business in Bonney Lake. For the purposes of this definition, an additional location of an existing business shall qualify as a new business, provided all other business locations are maintained throughout the source adjustment period as defined in BLMC 19.04.150.

J. "Off-site transportation road improvement" means improvement, except a frontage improvement, to an existing or proposed city road or street outside the boundaries of a development, which improvement is required or recommended in accordance with this title.

K. "Project improvements" means on-site improvements and facilities that are planned and designed to provide service for a particular development project that are necessary for the use and convenience of the occupants or users of the project, and are not system improvements. No improvement or facility included in the capital facilities plan approved by the city council shall be considered a project improvement.

L. "Service area" means a geographic area defined by ordinance or intergovernmental agreement in which a defined set of public streets and roads provide service to the development within the area.

M. "Six-year transportation improvement program (TIP)" means a subset of projects contained in the city's capital facilities element of the comprehensive plan. ~~improvement program.~~ The TIP is a set of comprehensive street programs/projects which after a public hearing is annually adopted by the city council for the purpose of qualifying for Federal and/or state transportation funding and advancing plans for not less than six years as a guide for carrying out the coordinated transportation/street construction program. ~~The six-year TIP shall contain a small group of capacity projects which will be considered reasonably funded for determining transportation concurrency and impact fees. The adoption of the six-year TIP will obligate the city to actively pursue funds to implement the capacity component of the transportation improvement program as best possible with the available resources.~~

N. "System improvements" means public facilities that are included in the capital facilities element of the comprehensive plan and are designed to provide service areas within the community at large, in contrast to project improvements.

19.04.020 Applicability.

A. The requirements of this chapter apply to all development activity in the city of Bonney Lake.

B. Mitigation of impacts on transportation facilities located in jurisdictions outside the city ~~will~~ may be required as part of an Environmental Impact Statement (EIS) or mitigated declaration of non-significance (MDNS) pursuant to the Washington State Environmental Policy Act (SEPA) process.

~~1. The other effective jurisdiction has reviewed the development's impact under its adopted impact fee/mitigation regulations and has recommended to the city that the city impose a requirement to mitigate the impacts; and~~

2. ~~There is an interlocal agreement between the city and the effective jurisdiction specifically addressing transportation impact identification and mitigation.~~

19.04.030 Geographic scope.

The boundaries within which impact fees shall be charged and collected are co-extensive with the corporate city limits, and shall include all unincorporated areas annexed to the city on and after the effective date of the ordinance codified in this chapter. ~~Attachment A of the ordinance codified in this section includes a map, on file in the city clerk's office, of the corporate city limits and unincorporated areas likely to be annexed. After the adoption of interlocal agreements with other local and regional governments, geographic boundaries may be expanded consistent therewith.~~

19.04.040 Imposition of transportation impact fees.

A. The director is hereby authorized to impose transportation impact fees on new development according to the provisions of this chapter. ~~Pursuant to BLMC 19.04.070, impact fees are due at the time of building permit issuance.~~ Impact fees shall be due and payable as specified in BLMC Chapter 19.04.070. When a development used to exist on a parcel, and the owner applies for a permit to build a comparable or replacement development within five years of the previous development's demolition, destruction or removal, and the director determines that the new development will not substantially increase the impact upon transportation facilities, no impact fee will be charged.

B. Transportation impact fees:

1. Shall only be imposed for system improvements that are reasonably related to the new development;

2. Shall not exceed a proportionate share of the costs of system improvements that are reasonably related to the new development;

3. Shall be used for system improvements that will reasonably benefit the new development;

4. May be collected and spent only for system improvements which are addressed by the Bonney Lake comprehensive 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 developments; and

c. Additional public facility improvements required to serve new development;

5. Shall not be imposed to mitigate the same off-site transportation facility impacts that are mitigated pursuant to any other law;

6. Shall not be collected for improvements to state transportation facilities outside the city boundaries unless ~~the state requests such improvements and an agreement to collect such fees has been executed between the state/county and the city;~~ said improvements have been required as mitigation actions pursuant to the state environment policy act (SEPA).

7. Shall not be collected for improvements to transportation facilities in other jurisdictions unless ~~the affected jurisdiction requests such improvement and an interlocal agreement has been executed between the city and the affected jurisdiction for the collection of such fees;~~ said improvements have been required as mitigation actions pursuant to the state environment policy act (SEPA).

8. Shall be collected only once for each building permit, unless changes or modifications to the building permit are proposed which result in greater direct impacts on transportation facilities than were considered when the building permit was first approved;

9. Shall not be collected from any new or expanded city facilities, post offices or libraries; and

10. Shall not be collected from any health care provider who supplies to the city documentation proving that at least 51 percent of his or her patients are covered by Medicare; provided, that the impact fees for such development activity shall be paid from public funds other than impact fee accounts.

19.04.050 Fee schedules and establishment of service area – Temporary Reduction.

A. A transportation impact fee (TIF) schedule setting forth the amount of the transportation impact fees to be paid by a development is set out in Attachment B, attached to the ordinance codified in this section, and incorporated herein by this reference.

B. The impact fee schedule of costs, as set out in Attachment B, attached to the ordinance codified in this section, shall be updated annually at a rate adjusted in accordance with the Washington State Department of Transportation Construction Cost Index, using an October to October annual measure to establish revised fee schedules effective January 1st of the subsequent year; provided, however, that said annual rate adjustment shall not go into effect except by an authorizing motion of the city council duly recorded in the minutes of the council meeting.

C. For the purpose of this chapter, the entire city shall be considered one service area.

D. Temporary Rate Reduction. The system development charges set out in Attachment B shall be shall be reduced by whichever of the following results in the greater rate reduction: 1) twenty-five percent (25%) reduction of the Attachment B rate or 2) there shall be no TIF imposed when the average ITE PM Peak Hour Trip Rate is less than 1. These reduced rates shall remain in effect until such time that new building permit valuations in the City reach \$33 million or more over a running nine (9) month period, OPTION: or until October 1, 2013 (or other date).

19.04.060 Calculation of impact fees.

A. The director shall calculate the transportation impact fees as set forth in Attachment B subject to the provisions of this chapter.

B. In determining the proportionate share, the method of calculating impact fees shall incorporate, among other things, the following:

1. The cost of public streets and roads necessitated by new development;
2. An adjustment to the cost of the public streets and roadways for past or future payments made or reasonably anticipated to be made by new development to pay for particular system improvements in the form of user fees, debt service payments, taxes, or other payments earmarked for or proratable to the particular system improvement;
3. The availability of other means of funding public street and roadway improvements;
4. The cost of existing public street and roadway improvements; and
5. The methods by which public street and roadway improvements were financed.

C. A credit, not to exceed the impact fee otherwise payable, shall be provided for the value of any dedication of land for, improvement to, or new construction of any system improvements provided by the developer, to facilities that are identified in the capital facilities plan and that are required by the city as a condition of approving the development activity. The determination of "value" shall be consistent with the assumptions and methodology used by the city in estimating the capital improvement costs.

D. The director may adjust the standard impact fee at the time the fee is imposed to consider unusual circumstances in specific cases to ensure that impact fees are imposed fairly.

E. The amount of fee to be imposed on a particular development may be adjusted by the director giving consideration to studies and other data available to the director or submitted by the developer demonstrating to the satisfaction of the director that an adjustment should be made in order to carry out the purposes of this chapter.

F. The impact fee shall provide for system improvement costs previously incurred by the city to the extent that new growth and development will be served by the previously constructed improvements; provided, that such fees shall not be imposed to make up for any system improvement deficiencies.

G. As applies to residential development activity, the amount of the impact fee calculated pursuant to this section shall be charged for each single-family residential unit (including new accessory dwelling units), and for each dwelling unit included in a multifamily residential development (e.g., duplex, apartment, condominium, mobile home park).

H. As described in this section, the impact fees set forth in the schedule included in Attachment B shall be the presumptive impact fees, subject to revision as required by subsections C through E of this section.

19.04.070 Payment of fees.

A. All developers shall pay an impact fee in accordance with the provisions of this chapter at the time that the applicable building permit is ready for issuance; provided however, that when a commercial or multi-family residential development is subject to a development agreement approved by the City Council, said agreement may contain alternate terms and conditions under which the impact fees shall be paid. The fee paid

shall be the amount calculated pursuant to BLMC 19.04.060. B. All developers shall pay an impact administrative fee at the time of application for a building permit as set forth in the fee schedule adopted by resolution of the city council.

C. If the development is modified or conditioned in such a way as to alter the trip generation rate for the development after building permit issuance, the impact fee will be recalculated accordingly.

D. No building permit shall be issued until the impact fee is paid unless the development is the subject of a development agreement with alternate payment terms as provided in Section 19.04.070(A). If the building permit expires through suspension or abandonment under BLMC 15.04.081, the impact fee shall be refunded at the request of the applicant as provided in BLMC 19.04.100(A); provided, that if the applicant re-applies for a new permit pursuant to BLMC 15.04.081, the impact fee shall be re-calculated at current rates and the amount of the impact fee already paid and not refunded may be credited toward the new impact fee.

E. Impact fees may be paid under protest in order to obtain a permit or other approval of development activity.

19.04.080 Project list.

A. The director shall ~~annually~~ periodically review the city's capital facilities element of the comprehensive plan, including those transportation related plans adopted by reference, comprehensive land use and transportation plan ("comprehensive plan"), capital facilities plan, including the projects in Attachment A and shall:

1. Identify each project in the comprehensive plan that is growth-related and the proportion of each such project that is growth-related;
2. Forecast the total moneys available from taxes and other public sources for road improvements over the next six years;
3. Calculate the amount of impact fees already paid; and
4. Identify those comprehensive plan projects that have been or are being built but whose performance capacity has not been fully utilized.

B. The director may use this information to prepare a transportation system improvement project list, ~~draft amendment to Attachment A~~, which shall comprise:

1. The projects in the comprehensive plan that are growth-related and that should be funded with forecast public moneys and the impact fees already paid;
2. The projects already built or funded pursuant to this chapter whose performance capacity has not been fully utilized; and
3. An update of the estimated costs of the projects listed.

C. The council, at the same time that it adopts the annual budget and appropriates funds for capital improvement projects, ~~shall by separate ordinance establish the annual Attachment A by adopting, with or without modification, the director's draft list.~~ may

include an updated a transportation system improvement project list as part of the adopted budget.

D. Once a project is placed on ~~Attachment A~~, the transportation system improvement project list a fee shall be imposed on every development that impacts the project until the project is removed from the list by one of the following means:

1. The council by ordinance removes the project from ~~Attachment A~~, the transportation system improvement project list in which case the fees already collected will be refunded if necessary to ensure that impact fees remain reasonably related to the traffic impacts of development that have paid an impact fee; provided, that a refund shall not be necessary if the council transfers the fees to the budget of another project that the council determines will mitigate essentially the same traffic impacts; or
2. The impact fee share of the project has been fully funded, in which case the director shall administratively remove the project from the project list.

19.04.090 Funding of projects.

A. Transportation impact fees shall be placed in appropriate deposit accounts within the streets capital improvement fund.

B. The transportation impact fees paid to the city shall be held and disbursed as follows:

1. The transportation impact fees collected shall be deposited in accordance with subsection A of this section;
2. When the council appropriates streets capital improvement fund funds for a project on the project list, impact fees held within such fund may be used in accordance with the project list. The non-impact fee moneys appropriated for the project may comprise both the public share of the project cost and an advancement of that portion of the private share that has not yet been collected in transportation impact fees;
3. The first money spent by the director on a project after a council appropriation shall be deemed to be the fees from the impact fee account;
4. Fees collected after a project has been fully funded by means of one or more council appropriations shall constitute reimbursement to the city of the public moneys advanced for the private share of the project;
5. All interest earned on transportation impact fees paid shall be retained in the account and expended for the purpose or purposes for which the transportation impact fees were imposed.

C. Projects shall be funded by a balance between transportation impact fees and other sources of public funds, and shall not be funded solely by transportation impact fees.

D. Transportation impact fees shall be expended or encumbered for a permissible use within six years of receipt, unless there exists an extraordinary or compelling reason for fees to be held longer than six years. The finance director may recommend to the council that the city hold fees beyond six years in cases where extraordinary or compelling reasons exist. Such reasons shall be identified in written findings by the council.

E. The city shall prepare an annual report on the transportation impact fee account showing the source and amount of all moneys collected, earned or received and projects that were financed in whole or in part by transportation impact fees.

19.04.100 Refunds and Credits.

A. A developer may request and shall receive a refund when the developer does not proceed with the development activity for which transportation impact fees were paid, and the developer shows that no impact has resulted; however, the impact fee administrative fee shall not be refunded.

B. If an owner appears to be entitled to a refund of transportation impact fees, the finance director shall notify the owner by first class mail deposited with the United States Postal Service at their last known address. The owner must submit a request for a refund to the finance director in writing within one year of the date the right to claim the refund arises or the date the notice is given, whichever is later. Any transportation impact fees that are not expended or encumbered within the time limitations established by this chapter and for which no application for a refund has been made within this one-year period, shall be retained and expended on any project.

C. In the event that transportation impact fees must be refunded for any reason, they shall be refunded with interest earned to the owners as they appear of record with the Pierce County assessor at the time of refund.

D. When the city seeks to terminate any or all impact fee requirements, all unexpended or unencumbered funds shall be refunded pursuant to this section. Upon the finding that any or all fee requirements are to be terminated, the city shall place notice of such termination and the availability of refunds in a newspaper of general circulation at least two times and shall notify all potential claimants by first class mail to the last known address of claimants. Claimants shall request refunds as in subsection B of this section. All funds available for refund shall be retained for a period of one year. At the end of one year, any remaining funds shall be retained by the city, but must be expended on any city projects. This notice requirement shall not apply if there are no unexpended or unencumbered balances within an account or accounts being terminated.

E. Credits. Should a business who is the owner occupant of a commercial building construct a new business in another part of the City of Bonney Lake for the purpose of relocating said business, said business owner shall be entitled to a credit towards the new building of up to fifty percent (50%) of any transportation impact fees said business owner had previously paid on the building that is being vacated.

19.04.110 Appeals.

A developer may appeal the amount of an impact fee determined by the director as provided in BLMC 14.120.020. The developer shall bear the burden of proving:

A. That the director committed material and substantial error in calculating the developer's proportionate share, as determined by an individual fee calculation or, if relevant, as set forth in the fee schedule, or in granting credit for the benefit factors; or

B. That the director's decision was based on data that was materially and substantially incorrect and which, therefore, necessarily resulted in an erroneous decision.

19.04.120 Relationship to SEPA.

A. All development shall be subject to environmental review pursuant to SEPA and other applicable city ordinances and regulations. Any off-site in-city transportation mitigation costs required by SEPA shall be credited again traffic impact fees paid to the City.

B. Payment of the impact fee shall constitute satisfactory mitigation of those traffic impacts related to the specific improvements identified on the ~~project list (see Attachment A)~~ the transportation system improvement project list

C. Further mitigation in addition to the impact fee ~~shall~~ may be required for identified on-site adverse impacts appropriate for mitigation pursuant to SEPA that are not mitigated by an impact fee.

D. Nothing in this chapter shall be construed to limit the city's authority to deny building permits when a proposal would result in significant adverse traffic impacts identified in an environmental impact statement and reasonable mitigation measures are insufficient to mitigate the identified impact

19.04.130 Relationship to concurrency.

Neither compliance with this chapter or the payment of any fee hereunder shall constitute a determination of concurrency under Chapter 19.02 BLMC.

19.04.140 Necessity of compliance.

A building permit issued after the effective date of the ordinance codified in this chapter shall be null and void if issued without substantial compliance with this chapter by the department, the approving authority and the director.

19.04.150 Traffic impact fee (TIF) funding source adjustments.

A. Traffic Impact Fee Funding Source Adjustment Established – Purpose. The purpose of this policy is to encourage and facilitate certain businesses to locate in designated areas of the city where development is desired, and to recruit into the city those types of businesses deemed beneficial to the city and the community and/or which the city currently lacks in sufficient number or volume. Pursuant to RCW 82.02.060(2) and (4) there is hereby established a funding source adjustment from the traffic impact fee set forth in this chapter for development activity which meets the criteria of subsection C of this section.

B. Application for Traffic Impact Fee Adjustment. Any developer applying for or receiving a building permit which meets the criteria set forth in subsection C of this section may apply to the mayor or designee for an adjustment from the traffic impact fee established pursuant to this chapter. Said application shall be on forms provided by the city and shall be accompanied by all information and data the city deems necessary to process the application. A full and complete application must be filed on or before the

date of certificate of occupancy in order to be eligible for a potential adjustment to the TIF.

C. Funding Source Adjustment Criteria. To be eligible for the traffic impact fee adjustment established by this section, the applicant shall be a commercial retail business which locates or establishes a commercial retail business that is not considered to be ineligible pursuant to subsection (C)(5) of this section. Qualified applicants must meet each of the following criteria as applicable:

1. Downtown. The applicant must be a retail business, either new or existing, located within the downtown core (DC) or downtown mixed use (DM) zoning district. Any permitted commercial uses in the DC or DM district are eligible to apply for the TIF adjustment. In order to qualify for a TIF adjustment in the downtown, the retail applicant or underlying developer must redevelop a portion of the downtown core or downtown mixed use zone. Said redevelopment shall include, at a minimum, the demolition of an existing structure on the site of the proposed new construction, and the subsequent construction of a new structure of not less than 10,000 square feet in conformance with the downtown plan and accompanying design guidelines.

2. Easttown Zone. The applicant must be a new retail business located within the Easttown combined retail-commercial, warehousing and light manufacturing zone, and not considered to be an ineligible business under subsection (C)(5) of this section. Based on similar store sales or other reliable data, as determined by the city, the applicant must demonstrate that it is likely to generate to the city of Bonney Lake average annual city of Bonney Lake portion sales and use tax revenue of at least \$15,000 per year over the three-year period commencing from date of certificate of occupancy.

3. Midtown and Other Areas Outside Downtown or Easttown. The applicant must be a new retail business located within a C1, C2, or C3 zoning district, and not considered an ineligible business under subsection (C)(5) of this section. Based on similar store sales or other reliable data, as determined by the city, the applicant must demonstrate that it is likely to generate to the city of Bonney Lake average annual city of Bonney Lake portion sales and use tax revenue of at least \$15,000 per year over the three-year period commencing from date of certificate of occupancy.

4. Special Criteria for Sit-Down Restaurants. The applicant must be a new otherwise eligible sit-down restaurant in which patrons are typically served by wait-staff and orders are not normally placed at a counter or drive-through window, and which employs 18 or more full-time equivalent (FTE) employees, or which generates to the city of Bonney Lake average annual city of Bonney Lake portion sales and use tax revenue of at least \$25,000 per year over the three-year period commencing from date of certificate of occupancy.

5. Ineligible Businesses. The council finds that there are several types of businesses which are either currently well represented in the city, or otherwise do not have a broad public purpose, and thus no TIF incentive is appropriate. The following business types are hereby expressly excluded from application for the TIF adjustment program in all areas outside of the downtown: fast food restaurants, sandwich, teriyaki and other related eating establishments in which orders are normally placed at a counter or drive-through window; coffee stands; beauty, nail, or hair salons; adult entertainment establishments;

kennels; salvage yards; antique shops; convenience stores; gas stations; bars and taverns; thrift shops; self storage units; second hand or antique stores.

D. Funding Source Adjustment Amount.

1. Sit-Down Restaurants and All Areas Outside Downtown. For any commercial retail business, including a qualified sit-down restaurant, which is deemed to qualify under the provisions of subsection (C)(2) or (C)(3) of this section, there shall be an adjustment to the TIF equal to 75 percent of the three-year city of Bonney Lake portion of sales and use tax revenue, but not to exceed 75 percent of the traffic impact fees otherwise due pursuant to this chapter. The amount of the TIF adjustment shall be refunded, without interest. The remainder of the funds deposited pursuant to subsection F of this section shall remain with the city. In those cases in which the applicant is not the business which had paid the traffic impact fee, the city will refund the TIF to the developer or building owner who paid the TIF, absent an assignment to the applicant.

2. Downtown. For any commercial retail business which is deemed to qualify under the provisions of subsection (C)(1) of this section, there shall be an adjustment to the TIF equal to 100 percent of the three-year city of Bonney Lake portion of sales and use tax revenue, but not to exceed 100 percent of the traffic impact fees otherwise due pursuant to this chapter. The amount of the TIF adjustment shall be refunded, without interest. The remainder of the funds deposited pursuant to subsection E of this section shall remain with the city. In those cases in which the applicant is not the business which had paid the traffic impact fee, the city will refund the TIF to the developer or building owner who paid the TIF, absent an assignment to the applicant.

E. Administration of Traffic Impact Fee Adjustment.

1. Upon acceptance of an application for adjustment from traffic impact fees pursuant to subsection B of this section, the applicant shall pay to the city the full amount of the traffic impact fees required pursuant to this chapter. Following receipt of the traffic impact fees the city shall deposit and manage the fees as set forth in subsection E of this section. At the expiration of a three-year period commencing from the date of issuance of a certificate of occupancy, the mayor's designee, with the assistance of the chief financial officer, shall determine the city of Bonney Lake portion of sales and use tax revenue received by the city during the three-year period commencing from the date of issuance of a certificate of occupancy.

2. For any commercial retail business which is deemed to qualify under the provisions of subsection C of this section, there shall be an adjustment to the TIF as provided in subsection D of this section.

F. Deposit and Management of Traffic Impact Fees. Traffic impact fees paid by an applicant pursuant to this section and the provisions of this chapter shall be deposited by the city into Fund 136 (Transportation Impact). The city may at its option utilize said funds at any time for eligible and budgeted transportation purposes.

G. Appeals. Any applicant aggrieved by the determination of the mayor or designee as to whether the criteria of subsection C of this section have been met, or regarding eligibility for an adjustment from this chapter, or the amount of refund to which an applicant is entitled pursuant to subsection D of this section, may file a written appeal to the city's

hearing examiner as established by Chapter 2.18 BLMC. The city hearing examiner is hereby specifically authorized to hear and decide such appeals and the decision of the hearing examiner shall be the final action of the city and subject to further appeal pursuant to BLMC 2.18.180.

H. Application of Sales and Use Tax Revenue from Businesses Which Apply for and/or Receive an Adjustment or Partial Adjustment. An estimated amount of sales and use tax received by the city from applicants who apply for an adjustment or partial adjustment from the requirements of this title shall be placed in an appropriate account within the general fund. Said account shall be established to pay traffic impact fees that otherwise would have been paid had an adjustment or partial adjustment not been granted. Said amounts shall be expended for purposes authorized by and in accordance with the provisions of this title and the provisions of the city's capital improvement plan for streets. All sales and use tax revenues in excess of the amount paid as traffic impact fees received by the city from the applicant shall be deposited in the city's general fund and may be expended for any lawful purpose as directed by the city council.

Section 2. 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 3. The Mayor is hereby authorized to implement such administrative procedures as may be necessary to carry out the directions of this legislation.

Section 4. Effective Date. This Ordinance shall take effect thirty (30) days after its passage, approval, and publication as required by law.

PASSED by the City Council and approved by the Mayor this ____th day of , 2012.

Neil Johnson, Jr.
Mayor

ATTEST:

Harwood T. Edvalson
City Clerk, CMC

APPROVED AS TO FORM:

James Dionne
City Attorney

Passed:
Valid:
Published:
Effective Date: