

CITY COUNCIL WORKSHOP

**April 5, 2016
5:30 p.m.**

AGENDA



“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.
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 & Municipal Center, 9002 Main Street East, Bonney Lake, Washington.

I. CALL TO ORDER: Mayor Neil Johnson, Jr.

II. ROLL CALL:

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

III. AGENDA ITEMS:

- p. 3 A. **Presentation/Discussion (Continued from 3/15 Workshop):** Tarragon Development Agreement Proposal
- p. 33 B. **Discussion:** AB16-22 – Ordinance D16-22 – Creation of a Transportation Benefit District [Pursuant to Public Hearing held March 22, 2016]
- C. **Council Open Discussion**
- p. 51 D. **Review of Draft Minutes:** March 15, 2016 Workshop and March 22, 2016 Meeting
- p. 63 E. **Discussion:** AB16-14 – Ordinance No. D16-14 – RC-5 Code

IV. EXECUTIVE/CLOSED SESSION:

Pursuant to RCW 42.30.110 and/or RCW 42.30.140, the City Council may hold an executive or closed session. The topic(s) and duration will be announced prior to the session.

V. ADJOURNMENT

For citizens with disabilities requesting translators or adaptive equipment for communication purposes, the City requests notification as early as possible prior to the meeting regarding the type of service or equipment needed.

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WSU RESIDENTIAL SITE | MULTI-FAMILY PROJECT

PROJECT OVERVIEW AND PROPOSAL TO CITY OF BONNEY LAKE



TARRAGON

February 29, 2016

Neil Johnson, Mayor
Don Morrison, City Administrator
John Vodopich, Development Director
City Council Members
City of Bonney Lake
9002 Main Street East
Bonney Lake, WA 98391

RE: Washington State University Property

Dear Officials,

As you may be aware, Tarragon is currently performing project feasibility for a new multi-phased project at the current WSU Forest Site. Attached for your review is a project overview and a summary of the challenging fee structure and infrastructure requirements associated with the development.

In 2012, the City of Bonney Lake showed initiative when City Council voted to reduce impact fees in order to stimulate new development. The city wide fee reduction from \$20,955 per unit to \$15,666 per unit was a significant contributor to the viability of the recently completed **Renwood Apartments**.

Current fees associated with the WSU property are published at \$20,955 per unit. In addition to these base fees, the city has requested Tarragon invest an additional \$7,278 per unit to help solve a larger regional sewer system problem. This combined burden of **\$28,233** per unit, or an **80% increase** from the Renwood Project, makes the development of the WSU property unfeasible.

Tarragon is requesting the City Council once again take the following bold steps necessary to make high density residential projects viable in the community:

1. Temporarily reduce city fees to the 2012 mitigated levels
2. Allow sewer SDC fees within the basin to be applied to basin improvements.

We are encouraged by the potential of this project and would welcome the opportunity to meet and discuss how we can collaborate on solving the above barriers to economic development within the City of Bonney Lake.

Sincerely,

Dave Henline,
Director of Construction



COST PER UNIT BREAKDOWN

CITY BENEFIT PER UNIT:



The current City requirement includes unmitigated fees and an additional sewer burden of \$7,278 per unit. Even with fees mitigated to the Renwood apartments level (the 2012 City-wide fee mitigation), the additional sewer burden still leaves a total cost per unit of \$22,944.

Tarragon is asking to use basin SDC fees (assuming the WSU project will fund all or most) to help fund the sewer improvements and replacements, which still leaves a cost of \$17,751 per unit. This is \$2,084 over what Renwood paid at \$15,666 per unit.



THE PROPOSAL

In Spring of 2015, the Planning Department at the City of Bonney Lake made Tarragon aware of the potential development opportunity at the WSU Site. In response to Tarragon's ensuing interest in building a multi-family project at the site, the city has asked that Tarragon take on a significant public sanitary sewer system capacity upgrade for the entire basin.

Tarragon is willing to collaborate with the City on this project and proposes to complete the desired upgrades as long as the city will agree to lower fees to the 2012 reduction level and allow Tarragon (as well as other builders and developers in the basin) to apply their SDC fees against the specific sanitary system upgrades required by the City. This proposal is seen as a win-win for the following reasons:

- 1** The City will get two bottlenecks eliminated and a new lift station to replace the existing lift station, tripling the capacity in the basin and allowing for the future Easttown Development at no risk or additional cost to the City of Bonney Lake.
- 2** The City will receive (at least) \$6,283,800 in cash from fees and receive a sewer basin upgrade at an approximate value of \$4,366,800, for a total revenue value at \$10,650,600. This amounts to \$17,751 per unit. Due to all the new residents the project will attract, the city receives an additional (approximately) \$811,800 annually in revenue from added residents, or \$1,353 per unit. The thousands of new residents will also have a positive impact on local retail.
- 3** Without negotiating relief with the City, Tarragon will not be able to purchase the land or develop the project. The seller will have to begin again looking for a buyer and the City of Bonney Lake will likely be without the sewer upgrades or income from fees for the foreseeable future.
- 4** Tarragon is asking for the SDC fees from projects in the Lift Station #18 Sewer basin only to contribute the equivalent of \$3,115,800 (\$5,193 per unit) toward the city requested Sanitary Sewer System fixes, upgrades, and replacements. Once this number is met by the WSU Project's SDC Fees, another basin project's SDC Fees, or a combination, then the fee payment system reverts to normal.

WSU RESIDENTIAL SITE | MULTI-FAMILY PROJECT



PROJECT OVERVIEW AND PROPOSAL TO CITY OF BONNEY LAKE

PROJECTED IMPROVEMENT PHASING AND REVENUE

Reduce fees to 2012 fee mitigation and apply the WSU Project's SDC Fees toward costs of city-required sewer development in Basin 18.

	CITY OF BONNEY LAKE REQUEST	TARRAGON PROPOSAL	
PHASE 1 (200 Units Estimated)			
Total Fees	\$4,190,998	\$3,133,226	<i>*Mitigated Fee Amount</i>
LESS Sewer SDC Charges Applied to Sewer Upgrade	\$0	-\$1,038,600	<i>*Sewer Fee used against Sewer Costs</i>
SUBTOTAL PHASE 1 Fee Revenue	\$4,190,998	\$2,094,626	
SEWER COSTS (Bottlenecks eliminated & Lower Line)	\$1,784,543	\$1,784,543	2017
TOTAL PHASE 1 BENEFIT to City of Bonney Lake	\$5,975,541	\$3,879,169	<i>In 2017, City of Bonney Lake is projected to receive \$3,897,169 from the WSU project in Fee and Sewer Upgrades.</i>
PHASE 2 (200 Units Estimated)			
Total Fees	\$4,190,998	\$3,133,226	
LESS Sewer SDC Charges Applied to Sewer Upgrade	\$0	-\$1,038,600	
SUBTOTAL PHASE 2 Fee Revenue	\$4,190,998	\$2,094,626	
SEWER COSTS (Lift Station replaced)	\$2,582,216	\$2,582,216	2019
TOTAL PHASE 2 BENEFIT to City of Bonney Lake	\$6,773,214	\$4,676,842	<i>In 2019, City of Bonney Lake is projected to receive \$4,676,842 from the WSU project in Fee and Sewer Upgrades.</i>
PHASE 3 (200 Units Estimated)			
Total Fees	\$4,190,998	\$3,133,226	
LESS Sewer SDC Charges Applied to Sewer Upgrade	\$0	-\$1,038,600	
SUBTOTAL PHASE 1 Fee Revenue	\$4,190,998	\$2,094,626	
SUBTOTAL Sewer Costs	\$0	\$0	2021
TOTAL PHASE 3 BENEFIT to City of Bonney Lake	\$4,190,998	\$2,094,626	<i>In 2021, City of Bonney Lake is projected to receive \$2,094,626 from the WSU project in Fee and Sewer Upgrades.</i>
TOTAL	\$16,939,753	\$10,650,637	<i>Unplanned future phases on site could bring in more revenue.</i>

Tarragon total costs for Sewer Development: \$1,250,959 (\$2,084 per unit above fees)
This brings total cost for project to \$17,286 per unit, in the buildable range.

In Future Phases, Tarragon will pay fees per each phase as normal. Each unit in the project is expected to contribute \$1,353 annually to the City of Bonney Lake.

WSU RESIDENTIAL SITE | MULTI-FAMILY PROJECT



PROJECT OVERVIEW AND PROPOSAL TO CITY OF BONNEY LAKE

PROJECTED COST DETAIL

SEWER DETAIL:

The requested sewer fixes, upgrades, and replacements total \$4,366,759 on top of the already high fees in Bonney Lake. This comes to \$7,278 per unit in city costs in addition to fees.

Sewer Costs (Estimated)	Total (600 Units)	Per Unit
Bottleneck #1 (Walmart)	\$372,895	\$621
Bottleneck #2 (SPR/SR410)	\$411,648	\$686
Lift Station Replaced to Triple Capacity	\$2,582,216	\$4,304
Lowering line to Site	\$1,000,000	\$1,667
SUBTOTAL	\$4,366,759	\$7,278

**All costs listed are early estimates from Barghausen Engineers*

FEE DETAIL:

Fees in Bonney Lake are similar in cost to those in Bellevue and Kirkland, although rents in Bonney Lake don't substantiate such high costs. For example, Edgewood charges \$10,121 per unit.

Fee Overview- Current vs. Mitigated	Total (600 Units)	Per Unit
Total Current Fees	\$12,572,994	\$20,955
Total Mitigated Fees	\$9,399,678	\$15,666
Difference (25% overall)	\$3,173,317	\$5,289

PROJECT CHALLENGE:

TOTAL CITY COSTS PER UNIT: \$28,233

- Fees Per Unit: \$20,955
- Cost Per unit of Sewer System Upgrades: \$7,278

Target of \$17,000 per unit needed to make project pencil.

At this point, the city is asking for more than \$10,000 PER UNIT over what the project can support. (Renwood was \$15,666 per unit with no additional sewer costs, which allowed project to go forward.)

WSU RESIDENTIAL SITE | MULTI-FAMILY PROJECT

PROJECT OVERVIEW AND PROPOSAL TO CITY OF BONNEY LAKE



THE PROJECT

EARLY SITE PLAN CONCEPT:
Community oriented with paths, trails, parks, recreation areas.

The project will be family friendly, with amenities for all ages, encouraging an active lifestyle.

The city will receive approximately 6 acres of parks and recreational areas from this site, in addition to the fees and the sewer upgrades.



WSU RESIDENTIAL SITE | MULTI-FAMILY PROJECT

PROJECT OVERVIEW AND PROPOSAL TO CITY OF BONNEY LAKE



- APPENDIX -

DETAL OF FEES

*The 'Total Cost' indicates a hypothetical phase of 200 apartment units.

Fee Costs (Per Unit)

BONNEY LAKE FEES	Un- Mitigated Fees		Mitigated Fees	
	Per Unit	Total Cost	Per Unit	Total Cost
Planning Department Fees / Bldg	\$265	\$53,058	\$265	\$53,058
Planning Department Fees / Misc	\$59	\$11,762	\$59	\$11,762
Traffic/Road Mitigation Fee / bldg	\$2,477	\$495,400	\$1,858	\$371,600
Traffic/Road Mitigation Fee / misc	\$59	\$11,768	\$59	\$11,768
Traffic/Road Mitigation Fee / V TIF	\$1,075	\$215,000	\$1,075	\$215,000
Building Permit / bldg	\$637	\$127,330	\$637	\$127,330
Building Permit / misc	\$90	\$17,982	\$90	\$17,982
Storm Permit / bldg	\$162	\$32,340	\$162	\$32,340
Storm Permit / misc	\$18	\$3,594	\$18	\$3,594
Sewer SDC/GFC / bldg	\$7,419	\$1,483,772	\$5,193	\$1,038,600
Sewer SDC/GFC / misc	\$27	\$5,345	\$27	\$5,345
Public Works review	\$764	\$152,841	\$764	\$152,841
Water SDC/GFC / bldg	\$7,003	\$1,400,600	\$4,559	\$911,800
Water SDC/GFC / misc	\$401	\$80,206	\$401	\$80,206
Gas Fees	\$50	\$10,000	\$50	\$10,000
Electric Fees	\$400	\$80,000	\$400	\$80,000
Other Permits & Fees	\$50	\$10,000	\$50	\$10,000
SUBTOTAL	\$20,955	\$4,190,998	\$15,666	\$3,133,226
Difference			\$5,289	\$1,057,772

*Mitigated fees at a rate equivalent to Renwood Apartments

WSU RESIDENTIAL SITE | MULTI-FAMILY PROJECT

PROJECT OVERVIEW AND PROPOSAL TO CITY OF BONNEY LAKE



- APPENDIX -

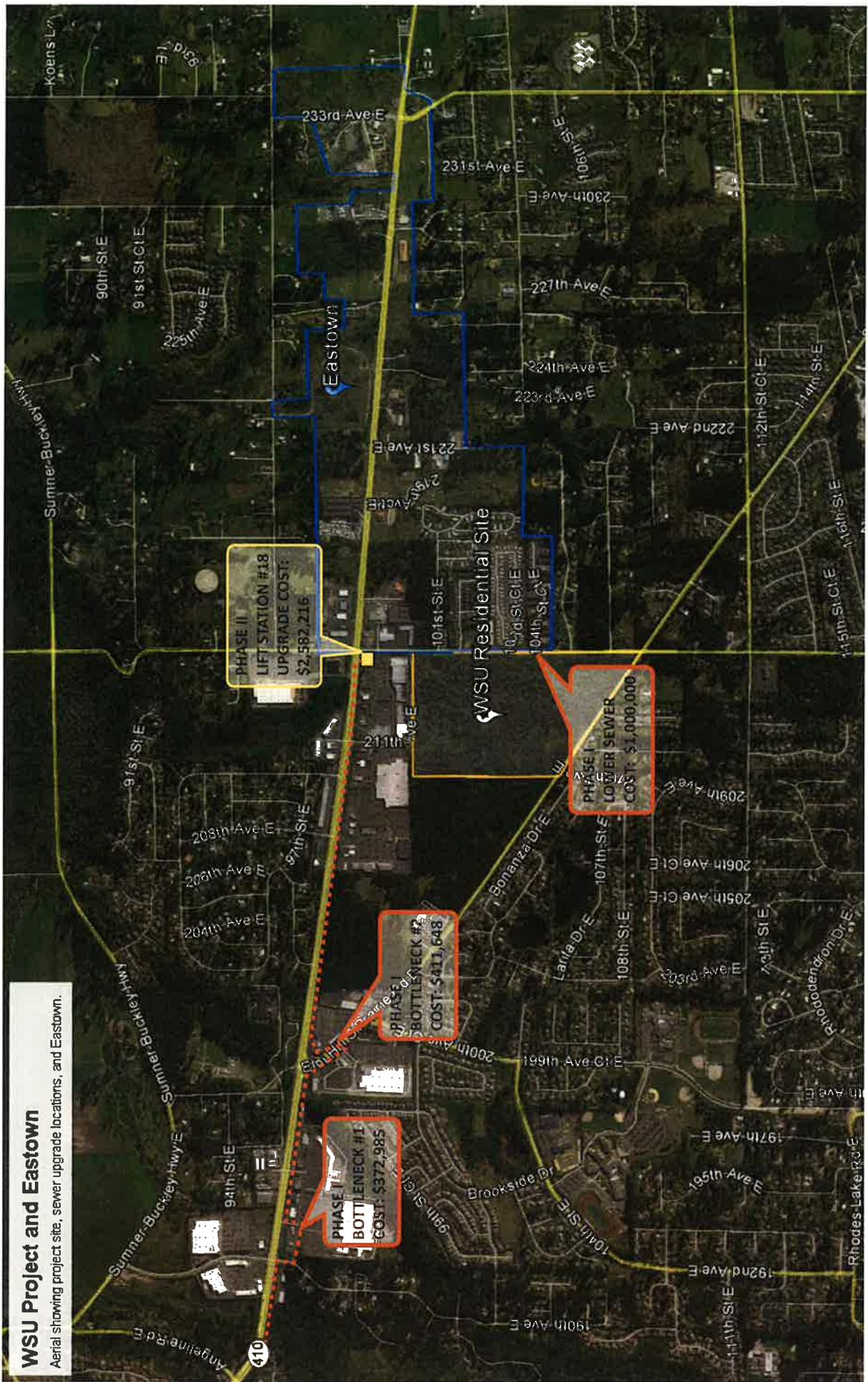
FEE REDUCTION DETAIL

Below is a Detail of the 2012 Fee Reduction, which Tarragon is asking for once again.

FEE REDUCTION REQUESTS	Requested			
	Current Amount	Amount	Difference	% Different
Water System Development Charges (per unit)	\$ 7,003	\$ 4,559	\$ 2,444	35%
Irrigation SDC for 5/8th" meter	\$ 7,454	\$ 4,852	\$ 2,602	35%
Irrigation SDC for 3/4th" meter	\$ 11,187	\$ 7,281	\$ 3,906	35%
Irrigation SDC for 1" meter	\$ 18,652	\$ 12,141	\$ 6,511	35%
Storm Fee (per ESU)	\$ 435	\$ 395	\$ 40	9%
Traffic Impact Fee (per unit)	\$ 2,477	\$ 1,858	\$ 619	25%

OVERVIEW OF ANNUAL CITY REVENUE

ANNUAL RECURRING REVENUES (BASED ON 2012 NUMBERS- CURRENT PRICES COULD BE UP TO 20% HIGHER)	PER UNIT ANNUAL REVENUE est / unit	TOTAL ANNUAL REVENUE 600
Property Tax	\$215	\$129,166.67
Per capita state shared revenues	\$97	\$58,333
Sales Tax	\$447	\$268,333
Gas Taxes	\$50	\$30,208
Criminal Justice distribution	\$121	\$72,500
Utility Taxes	\$267	\$160,000
Fines and Forfeitures	\$102	\$61,042
Miscellaneous	\$54	\$32,292
TOTAL	\$1,353	\$811,875



WSU Project and Eastown

Aerial showing project site, sewer upgrade locations, and Eastown.

City Council
Workshop

July 7, 2009



Sewer Utility System Development Charge Analysis

Discussion Outline

- Overview of System Development Charges (SDCs)
- Methodology
- Cost Basis
- Policy Decisions/Direction

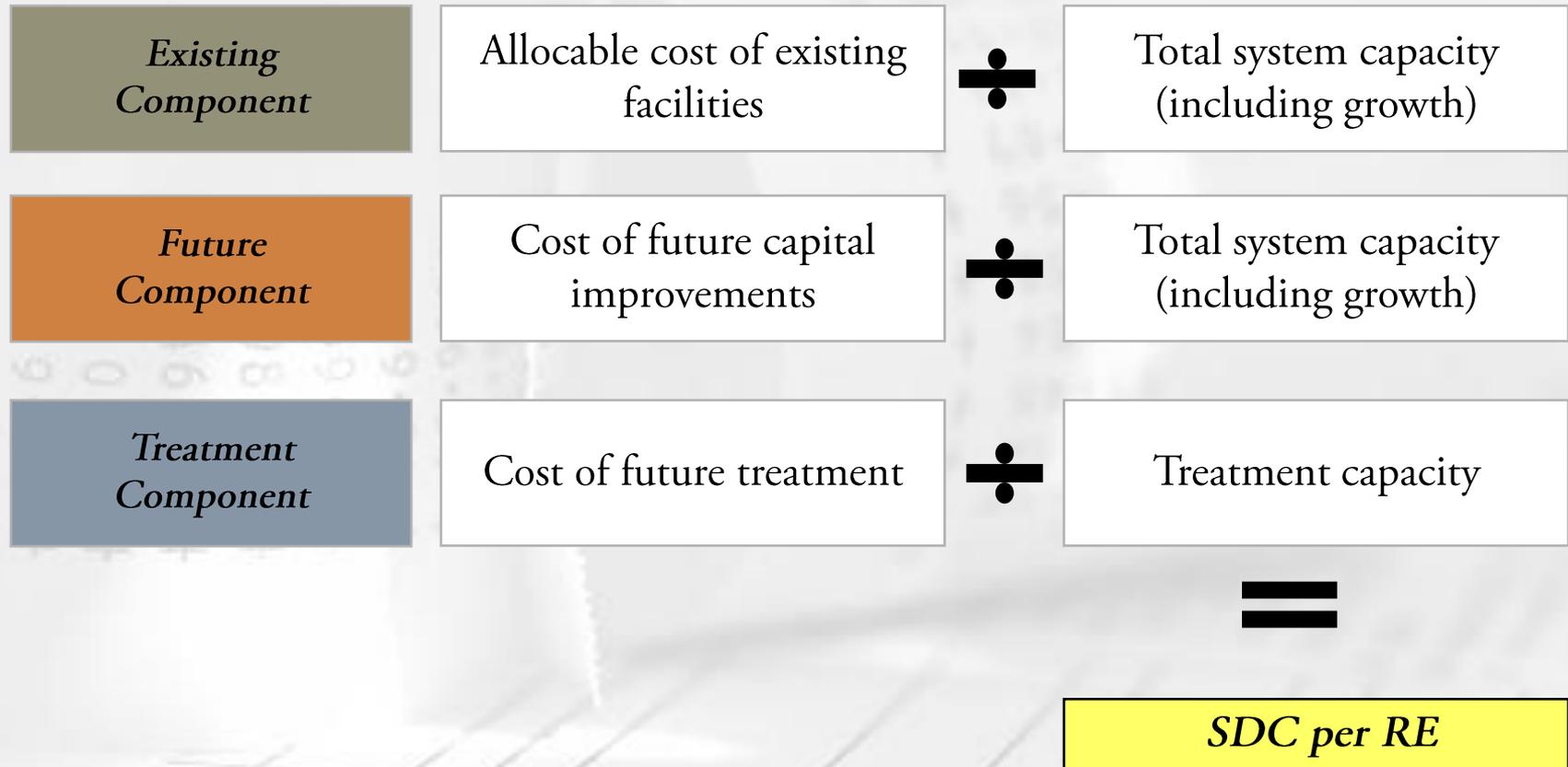
SDC Overview

- Revised Code of Washington 35.92.025 gives authority to make charges for connecting to sewerage system.
 - ✓ Based on intent and structure of RCW
 - ✓ Based on cost of system
- Charge imposed on new development as a condition of service
- Charge represents a proportionate share of the cost of providing system capacity

SDC Methodology: Key Issues

- Charge consistent with Water Utility SDC Methodology
- Six year future capital improvement projects (CIP) evaluated
- Three components in analysis – 1) existing cost basis, 2) future cost basis and 3) treatment cost basis
- Used updated existing system asset values as of December 2007
- Sewer treatment costs calculated separately
- RE = Residential Equivalent represents 275 gallons per day wastewater contribution from one single-family residence.
- Multi-family housing set at 70% of RE charge for each unit
 - ✓ no difference between first and subsequent units

SDC Calculation



Existing Asset Valuation

- Existing sewer system assets of general benefit to all customers
- Inventory of all sewer assets as of year end 2007
- Original cost determined by bill of sales, city records or estimation
 - ✓ When estimation was used - identified year asset brought into service, compared to cost of similar project, adjusted for Engineering News Record (ENR) CCI

Existing Cost Basis – Part 1 of 3

- Existing asset original cost value used as basis
 - ✓ Includes grants and developer donations
 - ✓ excludes side sewers
- Existing assets not depreciated to fully recover future capacity already borne by existing customers
- Treatment assets deducted; calculated independently
- Retirement provision used to deduct for any future asset that will replace existing assets
- Applied up to 10 years of interest on original cost of asset (Bond Buyers index for municipal revenue bonds)
- Deduction for outstanding debt service to recognize that some existing assets were paid for via debt proceeds and the related debt service will be recovered through rate revenue

Charge Calculation: Existing Component

Existing Cost Basis	6 Year CIP
PLANT-IN-SERVICE	
Utility Capital Assets	\$ 49,504,114
less: Existing Wastewater Treatment Plant	\$ (15,324,616)
plus: Interest on Non-Contributed Plant	\$ 13,586,347
less: Net Debt Principal Outstanding	(2,449,023)
TOTAL EXISTING COST BASIS	\$45,316,823
Customer Base	
Existing Residential Equivalent (RE) - Year End 2007	6,089
Future Residential Equivalents (RE) Incremental	1,384
TOTAL CUSTOMER BASE	7,473
Resulting Charge	
Existing Cost Basis (\$ / ERU)	\$6,064

Future Cost Basis – Part 2 of 3

- Includes capital projects listed in comprehensive plan update
 - ✓ 6 year CIP (2008-2013)
- Many future projects that replace aging infrastructure also accompanied by capacity and service enhancements
- Only those projects that purely (100%) replace infrastructure have been deducted
 - ✓ Examples include grinder pump planning, lift station improvements, equipment upgrades, manhole rehabilitation, sewer main videoing, etc.
- Deduct future treatment costs – calculated independently

Charge Calculation: Future Component

Future Cost Basis	6 Year CIP
PLANT-IN-SERVICE	
Total Future Projects	\$20,588,400
less: Future Treatment Projects	(4,566,000)
less: Identified Repair & Replacement Projects	(1,512,000)
TOTAL FUTURE COST BASIS	\$14,510,400

Customer Base	6 Year 2008 - 2013
Existing Residential Equivalent (RE) - Year End 2007	6,089
Future Residential Equivalents (RE) Incremental	1,384
TOTAL CUSTOMER BASE	7,473

Resulting Charge	6 Year CIP
Future Cost Basis (\$ / RE)	\$1,942

Treatment Cost Basis – Part 3 of 3

- Future costs allocated to growth based on RE value of new treatment capacity
- Treatment costs include Sumner Wastewater Treatment Plant expansion = \$4.566 million (\$2008)
- Charge calculated by identifying cost per each unit of treatment capacity
 - ✓ Total future treatment plan expansion capacity is 1.51 million gallons/day (mgd)
 - ✓ Bonney Lake's share of expansion is 50% or 755,000 mgd
 - ✓ One RE = 275 gallons per day
 - ✓ Total Bonney Lake future treatment plant capacity = 2,745 REs

Charge Calculation: Treatment Component

Treatment Cost Basis	
Existing Treatment Facilities	\$ -
Future Treatment Facilities	4,566,000
TOTAL TREATMENT COST BASIS	\$ 4,566,000

Treatment Plant Capacity	
Existing Treatment Plant Capacity	-
Treatment Plant Expansion Capacity	2,745
TOTAL RE TREATMENT CAPACITY AVAILABLE	2,745

Resulting Charge	
RE Treatment Cost	\$1,663

Total Sewer Utility System Development Charge

		6 Year CIP
Existing Cost Basis		\$6,064
Future Cost Basis		1,942
Treatment Cost Basis		1,663
TOTAL SYSTEM DEVELOPMENT CHARGE 2007		\$9,669
2008 Adjustment CPI [1]	3.65%	\$10,022
2009 Adjustment CPI [1]	3.43%	\$10,366
Current Charge		\$9,099
Difference (2009 adjusted charge to current)		\$1,267

[1] Based on Bonney Lake Municipal Code 13.12.100 A5

Proposed System Development Charges

2009 Sewer Connection Fee or System Development Charge		
Single Family Residence (new Construction)	\$10,366	Per Residence
Single Family Residence (On-Site Septic)	\$10,366	Per Residence
Multi Family Residence and Duplex	\$7,256	Per Dwelling Unit set to 70% of Single Family Residence
Commercial/Industrial	per Unit of "Base Flow" or	Base flow = 275 gallons per day

Notes:

Multifamily residence and duplex set to 70% of single family residence SDC

No difference between first and subsequent units

System Development Charge Comparison

SDC CHARGE COMPARISON 2009	Sewer SDC Charge
Pierce Co.	\$1,250
Sumner	\$2,800
Yelm	\$3,093
Fife	\$4,015
Puyallup	\$4,520
Centralia[2]	\$4,932
Stanwood	\$5,200
Enumclaw	\$5,716
Lacey	\$5,932
Buckley	\$6,414
Monroe	\$6,777
Shoreline	\$8,629
Bonney Lake Current	\$9,099
Auburn [1]	\$9,395
Renton [1]	\$10,166
Bonney Lake Proposed	\$10,366
Sammamish [1]	\$10,890
Sultan	\$11,282

[1] includes King County Metro capacity charge of \$47.64/mo for 15 years

[2] Centralia phased in to full cost by 2013 - \$6,741

Summary

- FCS GROUP updated the SDC under the methodology outlined in the presentation and supports:
 - ✓ \$10,366 per RE charge using a 6 year CIP
- Policy decisions are required from Council in order to finalize analysis
 - ✓ Set rate as proposed using the methodology presented
 - ✓ Set multi-family housing at 70% of single family residence SDC
 - Other?

Tarragon WSU Residential Comparison

Background

System Development Charges (SDCs) are one-time capital charges the city utilities assess to new customers when connecting to the system. The purpose of an SDC is to ensure new customers pay their proportionate share of capital costs associated with utility infrastructure. This includes the wastewater treatment plant. For example, under current codes Tarragon could use the remaining capacity in Lift Station 18 without charge, and then they would be required to expand the capacity of the lift station to serve their future needs. They could do this using a late comer agreement so that others (e.g. Eastown) would eventually pay them back for their (Eastown) share. The City could also contribute some funds to the replacement/expansion (around 37%) because the lift station is an existing aging one and needs to be replaced before long. In addition, Tarragon would pay the full SDC rates now on the books, which is shown on the column marked "2016 Fee". Tarragon would also pay the full cost to replace the 2 bottlenecks on SR410, and to lower the sewer line on 214th. There would be no ULA for these projects as they would not qualify, and no SDC credit granted. This is because the existing rate payers do not need these improvements to their system, it is only to benefit future new customers. TIF rates would be as specified in the code plus that contained in the existing development agreement (TIF surcharge & 35% of the Pierce County TIF).

Lift Station 18

Lift Station 18 (Safeway) is an aging facility with limited remaining capacity. In June 2015 it was estimated that between 256 - 307 residential equivalents (RE's) of capacity remained. Use of remaining capacity is on a 'first come' basis. All of Eastown flows through LS 18, replacing the LS will be needed in the near future as development occurs. Staff has roughly estimated the cost of the improvement to be \$1.5 million.

The City Administrator and Community Development Director meet with representatives of Tarragon on January 25, 2016 and presented what the Administration could support - the City taking on the LS 18 project, Tarragon's estimated share of the cost of the improvement would be \$550,000.

Tarragon's February 29, 2016 proposal is that they would construct the LS 18 replacement provided that the City credit Tarragon the cost of that improvement against any sewer SDC's due for their project as well as any future sewer SDC's from others in the sewer service basin to the full cost of the improvement. They've estimated the cost of the lift station improvement to be \$2,582,216.

Sewer Line 'Bottlenecks'

There are two 'bottlenecks' downstream of LS 18 that are at or near capacity - South Prairie/SR 410 & 192nd/SR 410 (Walmart parking lot). Staff has roughly estimated the cost to correct these deficiencies at \$785,000.

Staff proposed (January 25th) that the City would take on the project to correct these deficiencies. Tarragon's estimated share of the cost of these improvements would be \$235,000.

Tarragon proposed (February 29th) that they would take on correcting these deficiencies provided that the City credit the cost of the improvement against any sewer SDC's due for their project as well as any future sewer SDC's from others in the sewer service basin to the full cost of the improvement. They've estimated the cost of these improvement to be \$784,543.

Lowering the Sewer line on 214th to LS 18

There is an existing sewer line in 214th that will need to be lowered in order to serve the project.

Staff (January 25th) pointed out that this improvement only benefits the project and as such would need to be completed at the developers sole expense.

Tarragon proposed (February 29th) that they would take on lowering this sewer line provided that the City credited the cost of the improvement against any sewer SDC's due for their project as well as any future sewer SDC's from others in the sewer service basin to the full cost of the improvement. They've estimated the cost of these improvement to be \$1,000,000 in their February 29th letter and \$1,712,852 in a December 3, 2015 engineer's estimate from Barghausen.

Fee's	2016 Fee	Staff Proposal	Tarragon Request
Water SDC	\$7,003	\$5,252 - Temporary two (2) year 25% reduction for permits vested at the end of a three year period.	\$4,559 - A 35% reduction for the life of the project, 600 units built in three phases 2017 - 2021.
Sewer SDC	\$7,353	\$5,515 - Temporary two (2) year 25% reduction for permits vested at the end of a three year period.	Sewer SDC Credits for LS #18, downstream 'bottlenecks, and lowering the sewer line on 214th - between \$4,366,759 - \$5,079,611 in credits based on their cost estimates.
TIF	\$2,477	\$1,858 - Temporary two (2) year 25% reduction.	\$1,858 - A 25% reduction for the life of the project, 600 units built in three phases 2017 - 2021.
Storm ESU	\$436	No reduction	\$395 - A 9% reduction for the life of the project, 600 units built in three phases 2017 - 2021.
5/8" Irrigation SDC	\$7,454	No reduction	\$4,852 - A 35% reduction for the life of the project, 600 units built in three phases 2017 - 2021.
3/4" Irrigation SDC	\$11,187	No reduction	\$7,281 - A 35% reduction for the life of the project, 600 units built in three phases 2017 - 2021.
1" Irrigation SDC	\$18,652	No reduction	\$12,141 - A 35% reduction for the life of the project, 600 units built in three phases 2017 - 2021.

Staff Proposed Elements of City-Tarragon Development Agreement

Tarragon would build LS 18 to City specs, transfer it to the City, and receive a \$700,000 credit off sewer SDC charges.

OR

The City would create a sewer assessment reimbursement area for the replacement and expansion of Lift Station 18. The City would take the lead on designing and constructing the lift station. Since LS 18 is an aging lift station with limited remaining life, existing rate payers (City) would pay a reasonable portion of the cost of replacing / upgrading the lift station. Based on the estimated RE's expected to contribute to the system over time, developers would pay the majority of the estimated cost of the project attributed to the rebuild/expansion. Tarragon's share of that is estimated to be \$550,000.

The City would take the lead in removing the 2 existing downstream deficiencies (bottlenecks) in the SR410 sewer trunk line (So Prairie Rd. and 192nd), at an estimated cost of \$785,000. While the bottleneck does not prevent current flows, additional upstream development will cause flow issues. Accordingly, the City would absorb 70% of the cost of these projects. Tarragon would pay the balance, or 30%, estimated at \$235,000.

The developer would lower the gravity line at 214th Street West of SR410 at its sole expense, as this project benefits only the project and is not needed for any other project.

The City would adopt a temporary two (2) year 25% reduction in water and sewer system development charges for all permit applications vested by the end of the three year period. There would be no "locking" of said rates for any period of time beyond the 2 years. This would need to be accomplished by a separate Council amendment to both BLMC 13.04 and BLMC 13.12. There would be no reduction to the stormwater SDC rates (\$435.00 per ESU).

Traffic mitigation fees would be as outlined in the existing WSU-City development agreement, i.e. Pay the TIF in effect at time of permit issuance, pay 35% of the County TIF prior to building permit issuance, and pay the TIF surcharge as outlined in the DA to pay for, in part needed improvements at 214th/SR 410. However, staff would recommend to Council a temporary two (2) year 25% reduction in the TIF rate. This would need to be accomplished by a separate Council amendment to BLMC 19.04.

EXHIBIT A: ESTIMATED COSTS OF SANITARY SYSTEM UPGRADES



**ENGINEER'S ESTIMATE WSU
SEWER EVALUATION**

Project Name: WSU - Tarragon Date of Estimate: 12-03-15
 Street Location: 214 Ave E & South Prairie Road, Bonney Lake BCE Job No.: 17660
 Municipality: City of Bonney Lake No. of Lots: _____
 Developer: Tarragon Sales Tax Rate: 8.8%

Description	Quantity	Unit	\$/Unit	Total
Bottle Neck #1, (Walmart)				\$ 372,895
8" Sanitary	530	LF	230 \$	121,900
Man Holes /Structures	3	EA	14,000 \$	42,000
Traffic Control	14	DAYS	2,600 \$	36,400
Paving Restoration	1,000	SY	34 \$	34,000
Sales Tax			8.8% \$	20,618
Contingency			20% \$	50,884
Permitting			1% \$	3,059
Design			5% \$	15,295
Overhead & Profit			15% \$	48,838

Bottle Neck #2 (SPR/SR410)				\$ 411,648
8" Sanitary	435	LF	290 \$	126,150
Man Holes /Structures	2	EA	14,000 \$	28,000
Traffic Control	25	DAYS	3,300 \$	82,500
Paving Restoration	1,100	SY	20 \$	22,000
Sales Tax			8.8% \$	22,761
Contingency			20% \$	56,282
Permitting			1% \$	3,377
Design			5% \$	16,885
Overhead & Profit			15% \$	53,683

Lower Sewer from Site to LS #18				\$ 1,712,852
8" Sanitary	1,140	LF	369 \$	420,660
Man Holes /Structures	6	EA	19,500 \$	117,000
Import Trench Backfill	22,000	tn	16 \$	352,000
Side Sewer Reconnections	-	EA	20,000 \$	-
Traffic Control	25	DAYS	3,600 \$	90,000
Paving Restoration	5,300	SY	18 \$	95,400
Abandon Existing system	1	LS	30,000 \$	30,000
Sales Tax			8.8% \$	97,245
Contingency			20% \$	240,461
Permitting			1% \$	14,428
Design			5% \$	72,138
Overhead & Profit			12% \$	183,520

Upgrade LS #18				\$ 2,582,216
Upgrade LS #18	1	EA	1,500,000 \$	1,500,000
Abandon Existing	1	LS	50,000 \$	50,000
Sales Tax			8.8% \$	136,400
Contingency			20% \$	337,280
Permitting			1.0% \$	20,237
Design			15.0% \$	303,552
Overhead & Profit			10.0% \$	234,747

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

Department/Staff Contact: Executive / Don Morrison	Meeting/Workshop Date: 22 March 2016	Agenda Bill Number: AB16-22-	
Agenda Item Type: Public Hearing	Ordinance/Resolution Number: AB16-22	Councilmember Sponsor:	
Agenda Subject: Public Hearing - Creation of a Transportation Benefit District			
Full Title/Motion: n/a - A Public Hearing On The Potential Creation Of The Bonney Lake Transportation Benefit District, Specifying The Boundaries For The Transportation Benefit District, Specifying The Maintenance And Preservation Of Existing Transportation Improvements, Authorizing The Transportation Benefit District Board To Establish An Annual Vehicle License Fee; Establishing An Effective Date; And, Providing For Severability.			
Administrative Recommendation: Approve			
Background Summary: The City of Bonney Lake has the responsibility under the Constitution of the State of Washington for the improvement, maintenance, and protection of public ways within the corporate limits of the City. However, declining gas taxes and traffic impact fees are the only dedicated sources of revenues for maintaining street. The sources are woefully inadequate to fund the transportation improvement program of the City and otherwise meet our statutory obligations. A Transportation Benefit District would provide an additional funding mechanism to fund local street. It is estimated that a \$20 tab fee would raise an esitimated \$260,000 annually for the street system. This public hearing is to get citizen input on the question of forming a Transportation Benefit District in accordance with RCW 36.73.050, prior to adopting an ordinance so doing. Any decision to impose a tab fee or other funding mechanisms would be made after the district is formed.			
Attachments: Ordinance D16-22; TBD Revenue Estimates (2012); TBD District List; TBD Background Ino			
BUDGET INFORMATION			
Budget Amount	Current Balance	Required Expenditure	Budget Balance
Budget Explanation: NA			
COMMITTEE, BOARD & COMMISSION REVIEW			
Council Committee Review:	<i>Approvals:</i>	Yes	No
Date:	Chair/Councilmember	<input 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):	March 1, 2016	Public Hearing Date(s):	
Meeting Date(s):		Tabled to Date:	
APPROVALS			
Director:	Mayor:	Date Reviewed by City Attorney: (if applicable):	

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

Department/Staff Contact: Executive / Don Morrison	Meeting/Workshop Date: 1 March 2016	Agenda Bill Number: AB16-22
Agenda Item Type: Motion	Ordinance/Resolution Number: AB16-22	Councilmember Sponsor: TBD

Agenda Subject: Creation of a Transportation Benefit District

Full Title/Motion: An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Establishing The Bonney Lake Transportation Benefit District, Specifying The Boundaries For The Transportation Benefit District, Specifying The Maintenance And Preservation Of Existing Transportation Improvements, Authorizing The Transportation Benefit District Board To Establish An Annual Vehicle License Fee; Establishing An Effective Date; And, Providing For Severability. .

Administrative Recommendation: Approve

Background Summary: The City of Bonney Lake has the responsibility under the Constitution of the State of Washington for the improvement, maintenance, and protection of public ways within the corporate limits of the City. However, declining gas taxes and traffic impact fees are the only dedicated sources of revenues for maintaining street. The sources are woefully inadequate to fund the transportation improvement program of the City and otherwise meet our statutory obligations. A transportation Benefit District would provide an additional funding mechanism to fund local street. It is estimated that a \$20 tab fee would raise an esitmated \$260,000 annually for the street system. If the Council determined to move forward, the next step would be to hold a public hearing on the question of forming a Transportation Benefit District in accordance with RCW 36.73.050, prior to adopting the ordinance. Any decision to impose a tab fee would be made after the district is formed.

Attachments: Ordinance D16-22; TBD Revenue Estimates (2012); TBD District List

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

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 1, 2016	Public Hearing Date(s):
Meeting Date(s):	Tabled to Date:

APPROVALS

ORDINANCE NO. D16-22

AN ORDINANCE OF THE CITY OF BONNEY LAKE, WASHINGTON ESTABLISHING THE BONNEY LAKE TRANSPORTATION BENEFIT DISTRICT, SPECIFYING THE BOUNDARIES FOR THE TRANSPORTATION BENEFIT DISTRICT, SPECIFYING THE MAINTENANCE AND PRESERVATION OF EXISTING TRANSPORTATION IMPROVEMENTS, AUTHORIZING THE TRANSPORTATION BENEFIT DISTRICT BOARD TO ESTABLISH AN ANNUAL VEHICLE LICENSE FEE; ESTABLISHING AN EFFECTIVE DATE; AND, PROVIDING FOR SEVERABILITY.

WHEREAS, the City Council of the City of Bonney Lake has the responsibility under the Constitution of the State of Washington for the improvement, maintenance, and protection of public ways within the corporate limits of the City pursuant to RCW 35A.11.020 and Chapter 35A.47 RCW; and

WHEREAS, the improvement, maintenance, and protection of public ways requires maintaining and preserving existing transportation improvements to avoid catastrophic failure of the improvements which would require significant additional funds to reconstruct; and

WHEREAS, the Washington State Transportation Commission (the "Commission") is mandated pursuant to RCW 47.01.071(4) to adopt the Washington Transportation Plan (WTP 2030) which is a comprehensive and balanced statewide transportation plan that establishes a 20-year vision for the development of the statewide transportation system, from state highways and ferries to sidewalks and bike paths, county roads, city streets, public transit, air and rail; and

WHEREAS, the WTP 2030 identifies the total unfunded statewide need over 20 years, identifies significant statewide transportation issues, and recommends statewide transportation policies and strategies reflecting the priorities of government based on five transportation policy goals established by the Legislature and set forth at RCW 47.04.280; and

WHEREAS, the number one priority in WTP 2030 is to maintain the capacity of the existing transportation system by providing for ongoing maintenance, upgrades, and replacement of aging infrastructure to ensure continued safety, improve mobility and preserve and extend prior investments in existing transportation facilities and the services they provide to people and commerce; and

WHEREAS, on average, cities invest approximately \$1 billion in transportation annually which amounts is estimated to be at least \$28.7 billion in year 2030; and

WHEREAS existing city street systems will continue to be the backbone of cities' transportation system; however, pavement ratings show the statewide average declined from an average score of 72 out of 100 in 2006 to 69 out of 100 in 2010; and

WHEREAS, the investment principles from the Puget Sound Regional Council "Destination 2030 Metropolitan Transportation Plan for the Central Puget Sound Region" states that the first priority should be to maintain, preserve, make safe, and optimize existing transportation infrastructure and services; and

WHEREAS, the City has extremely limited transportation funding to pay for necessary transportation preservation and maintenance and current revenues will not sustain the current City transportation system; and

WHEREAS, establishing a stable funding mechanism for partial funding for transportation infrastructure maintenance and preservation is essential to continued mobility and the economic health and quality of life that come from an integrated and connected transportation network; and

WHEREAS, the funding dedicated for the preservation and maintenance of the City's transportation infrastructure has been dramatically reduced due to the ongoing annual decrease in Gas Tax revenues; and

WHEREAS, while dedicated revenues have decreased, the ongoing annual costs to preserve and maintain the City's transportation infrastructure continue to rise leaving the City unable to continue to adequately preserve and maintain the City's transportation infrastructure; and

WHEREAS, Chapter 36.73 RCW provides for the establishment of transportation benefit districts and for the levying of additional revenue sources for transportation improvements within the district that are consistent with existing state, regional, and local transportation plans and necessitated by existing or reasonably foreseeable congestion levels; and

WHEREAS, RCW 35.21.225 authorizes the City Council to establish a Transportation Benefit District subject to the provisions of Chapter 36.73 RCW; and

WHEREAS, the City desires to form a Transportation Benefit District which includes the entire City of Bonney Lake as the boundaries currently exist; and

WHEREAS, prior to establishing a Transportation Benefit District, the City Council shall conduct a public hearing upon proper notice, which shall describe the functions and purposes of the proposed Transportation Benefit District; and

WHEREAS, the City provided notice of and conducted the public hearing on the proposed establishment of a Transportation Benefit District in accordance with RCW 36.73.050; and

WHEREAS, the City Council of the City of Bonney Lake finds it to be in the best interests of the City to establish a citywide Transportation Benefit District for the preservation and maintenance of the City's transportation infrastructure consistent with Chapter 36.73 RCW, to protect the City's long-term investments in that infrastructure, to reduce the risk of transportation facility failures and improve safety, to continue optimal performance of the infrastructure over time, and to avoid more expensive infrastructure replacements in the future; and

WHEREAS, the City Council of the City of Bonney Lake shall establish a governing body for the Transportation Benefit District comprised of the City Council acting in an *ex officio* and independent capacity;

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

Section 1. Purpose. The purpose of this Ordinance is to establish a Transportation Benefit District pursuant to RCW 35.21.225 and Chapter 36.73 RCW, as the City Council finds it is in the public interest to provide adequate levels of funding for the purposes of ongoing transportation improvements that preserve and maintain the transportation infrastructure of the City of Bonney Lake, consistent with Chapter 36.73 RCW.

Section 2. Creation of New City Code Chapter Providing for Formation of a Transportation Benefit District. The City of Bonney Lake adopts a new Chapter to Title 12 of the Bonney Lake Municipal Code, Ch. 12.36 entitled "Transportation Benefit District", which is set forth as follows:

(1) **Establishing Transportation Benefit District.** There is created a Transportation Benefit District to be known and referred to as the Bonney Lake Transportation Benefit District (the "District") with geographical boundaries comprised of the corporate limits of the City as they currently exist or as they may exist following future annexations.

(2) **Governing Board.**

(a) The governing board (the "Board") of the District shall be the Bonney Lake City Council acting in an *ex officio* and independent capacity, which shall have the authority to exercise the statutory powers set forth in Chapter 36.73 RCW.

(b) The treasurer of the District shall be the Chief Financial Officer of the City.

(c) The Board shall develop a "material change policy" to address major plan changes that affect project delivery or the ability to finance the plan, pursuant to the requirements set forth in RCW 36.73.160(1).

(d) The Board shall issue an annual report, pursuant to the requirements of RCW 36.73.160(2).

(3) **Transportation Improvements Funded.** The funds generated by the District shall be used for transportation improvements that preserve and maintain the transportation infrastructure of the City, consistent with the requirements of Chapter 36.73 RCW, and shall be used primarily for improvements to preserve and maintain the City's previous investments in the transportation infrastructure, reduce the risk of transportation facility failure, improve safety, continue the cost-effectiveness of the City's infrastructure investments, continue the optimal performance of the transportation system, to cure deficiencies in the transportation network, and to expand the transportation system generally as outlined in the adopted transportation plan of the City.

(4) **Establishment of Vehicle License Fee Revenue Source.** The Board shall have the authority to establish an initial annual vehicle license fee in the amount of twenty dollars (\$20), consistent with RCW 36.73.065, to be collected by the Washington Department of Licensing on qualifying vehicles, set forth in RCW 82.80.140 and Chapters 36.73 and 46.16 RCW.

(5) **Dissolution of District.** The Bonney Lake Transportation Benefit District shall be dissolved when all indebtedness of the district has been retired and when all of the district's anticipated responsibilities have been satisfied.

Section 3. Severability - Construction.

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

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

Section 4. Effective Date. This ordinance shall take effect and be in full force five (5) days after approval, and publication in accordance with law.

PASSED by the City Council and approved by the Mayor this 23rd day of February, 2016.

Neil Johnson, Jr., Mayor

AUTHENTICATED:

Harwood Edvalson, City Clerk, MMC

APPROVED AS TO FORM:

Kathleen Haggard, City Attorney

TRANSPORTATION BENEFIT DISTRICT (TBD) REVENUE

May 1, 2012

Location	Count of Vehicles	Revenue generated by TBD \$20 Vehicle Fee
Auburn/King	43,039	\$ 860,780
Auburn/Pierce	4,289	\$ 85,780
Bonney Lake	12,554	\$ 251,080
Buckley	3,597	\$ 71,940
Carbonado	522	\$ 10,440
DuPont	5,259	\$ 105,180
Eatonville	2,349	\$ 46,980
Edgewood	7,035	\$ 140,700
Fife	6,812	\$ 136,240
Fircrest	5,039	\$ 100,780
Gig Harbor	5,407	\$ 108,140
Lakewood	34,363	\$ 687,260
Milton/Pierce	4,577	\$ 91,540
Milton/King	690	\$ 13,800
Orting	5,600	\$ 112,000
Pacific/King	4,272	\$ 85,440
Pacific/Pierce	379	\$ 7,580
Puyallup	25,723	\$ 514,460
Roy	778	\$ 15,560
Ruston	637	\$ 12,740
South Prairie	250	\$ 5,000
Steilacoom	4,545	\$ 90,900
Sumner	6,859	\$ 137,180
Tacoma	128,648	\$ 2,572,960
University Place	18,174	\$ 363,480
Wilkeson	352	\$ 7,040
Unincorporated Pierce County	241,182	\$ 4,823,640
Total (Includes King Co portions of cities)	572,931	\$11,458,620
Not including King Co portion of cities	524,930	\$10,498,600

List of Known Transportation Benefit Districts in Washington State

Jurisdiction	County	Year Established	Funding Mechanism
Aberdeen	Grays Harbor	2013	Sales Tax, 0.13%
<u>Airway Heights</u>	Spokane	2013	Sales Tax, 0.2%
<u>Anacortes</u>	Skagit	2014	Vehicle License Fee, \$20
<u>Arlington</u>	Snohomish	2013	Sales Tax, 0.2%
Auburn	King/Pierce	2011	Unfunded
<u>Bainbridge Island</u>	Kitsap	2012	Vehicle License Fee, \$20
<u>Battle Ground</u>	Clark	2014	Vehicle License Fee, \$20
<u>Bellingham</u>	Whatcom	2010	Sales Tax, 0.2%
Bothell	King/Snohomish	2015	Unfunded
<u>Bremerton</u>	Kitsap	2009	Vehicle License Fee, \$20
<u>Buckley</u>	Pierce	2012	Vehicle License Fee, \$20
Burien	King	2009	Vehicle License Fee, \$10
Carbonado	Pierce	2012	Vehicle License Fee, \$20
<u>Castle Rock</u>	Cowlitz	2012	Sales Tax, 0.2%
<u>Clarkston</u>	Asotin	2014	Vehicle License Fee, \$20
<u>Covington</u>	King	2013	Unfunded
Dayton	Columbia	2014	Sales Tax, 0.2%
<u>Des Moines</u>	King	2008	Vehicle License Fee, \$20
<u>DuPont</u>	Pierce	2013	Vehicle License Fee, \$20
<u>East Wenatchee</u>	Douglas	2012	Vehicle License Fee, \$20
<u>Eatonville</u>	Pierce	2012	Vehicle License Fee, \$20
<u>Edgewood</u>	Pierce	2013	Vehicle License Fee, \$20
<u>Edmonds</u>	Snohomish	2008	Vehicle License Fee, \$20
Electric City	Grant	2012	Vehicle License Fee, \$20
<u>Enumclaw</u>	King	2013	Vehicle License Fee, \$20
Everett	Snohomish	2014	Vehicle License Fee, \$20
<u>Ferndale</u>	Whatcom	2011	Sales Tax, 0.2%
Friday Harbor	San Juan	2014	Sales Tax, 0.2%
<u>Grandview</u>	Yakima	2011	Vehicle License Fee, \$20
Kalama	Cowlitz	2012	Vehicle License Fee, \$20
<u>Kelso</u>	Cowlitz	2012	Vehicle License Fee, \$20
<u>Kenmore</u>	King	2012	Vehicle License Fee, \$20
King County	King	2014	Unfunded
Kirkland	King	2014	Unfunded
Kittitas	Kittitas	2012	Vehicle License Fee, \$20
<u>Lake Forest Park</u>	King	2008	Vehicle License Fee, \$20
Lakewood	Pierce	2012	Vehicle License Fee, \$20
<u>Leavenworth</u>	Chelan	2010	Sales Tax, 0.2%
Liberty Lake	Spokane	2002	Unknown
<u>Lynden</u>	Whatcom	2012	Sales Tax, 0.2%
<u>Lynnwood</u>	Snohomish	2010	Vehicle License Fee, \$20
Mabton	Yakima	2011	Vehicle License Fee, \$20
<u>Maple Valley</u>	King	2012	Vehicle License Fee, \$20
<u>Marysville</u>	Snohomish	2013	Sales Tax, 0.2%
<u>Mercer Island</u>	King	2014	Vehicle License Fee, \$20

<u>Monroe</u>	Snohomish	2012	Sales Tax, 0.2%
<u>Mountlake Terrace</u>	Snohomish	2011	Vehicle License Fee, \$20
<u>North Bend</u>	King	2011	Sales Tax, 0.2%
<u>Olympia</u>	Thurston	2008	Vehicle License Fee, \$20
<u>Orting</u>	Pierce	2011	Vehicle License Fee, \$20
<u>Othello</u>	Adams	2012	Unfunded
<u>Point Roberts</u>	Whatcom	1992	Border Area Fuel Tax
<u>Prosser</u>	Benton	2009	Vehicle License Fee, \$20
<u>Ridgefield</u>	Clark	2008	Unfunded
<u>Roy</u>	Pierce	2014	Vehicle License Fee, \$20
<u>Royal City</u>	Grant	2012	Vehicle License Fee, \$20
<u>Seattle</u>	King	2010	Vehicle License Fee, \$80
<u>Sedro-Woolley</u>	Skagit	2014	Vehicle License Fee, \$20
<u>Sequim</u>	Clallam	2008	Sales Tax, 0.2%
<u>Shoreline</u>	King	2009	Vehicle License Fee, \$20
<u>Snohomish</u>	Snohomish	2010	Sales Tax, 0.2%
<u>Snohomish County (unincorporated)</u>	Snohomish	2011	Unfunded
<u>Snoqualmie</u>	King	2010	Vehicle License Fee, \$20
<u>Soap Lake</u>	Grant	2013	Vehicle License Fee, \$20
<u>Spokane</u>	Spokane	2011	Vehicle License Fee, \$20
<u>Stanwood</u>	Snohomish	2012	Sales Tax, 0.2%
<u>Tacoma</u>	Pierce	2012	Vehicle License Fee, \$20
<u>Toppenish</u>	Yakima	2012	Vehicle License Fee, \$20
<u>Tumwater</u>	Thurston	2014	Sales Tax, 0.2%
<u>University Place</u>	Pierce	2009	Vehicle License Fee, \$20
<u>Waitsburg</u>	Walla Walla	2012	Sales Tax, 0.1%
<u>Walla Walla</u>	Walla Walla	2011	Sales Tax, 0.2%
<u>Wapato</u>	Yakima	2012	Vehicle License Fee, \$20
<u>Wenatchee</u>	Chelan	2011	Vehicle License Fee, \$20
<u>Wilkeson</u>	Pierce	2014	Vehicle License Fee, \$20
<u>Zillah</u>	Yakima	2011	Vehicle License Fee, \$20

Transportation Benefit Districts

This report provides a general overview of transportation benefit districts (TBDs) in Washington State, including formation procedures, assumption of powers, revenue sources, reporting requirements, and sample documents.

Overview

Chapter 36.73 RCW authorizes cities (see also RCW 35.21.225) and counties to form transportation benefit districts (TBDs), quasi-municipal corporations and independent taxing districts that can raise revenue for specific transportation projects, usually through vehicle license fees or sales taxes.

RCW 36.73.015(6) allows TBD revenue to be used for transportation improvements included in a local, regional, or state transportation plan. Improvements can range from roads and transit service to sidewalks and transportation demand management. Construction, maintenance, and operation costs are eligible.

Formation

RCW 36.73.050 allows any city or county to form a TBD by ordinance, following a public hearing, if it finds that the action is in the public interest. The establishing ordinance must specify the boundaries of the district - which may include all or part of the city or county establishing the TBD - and the transportation improvements that will be funded. The boundaries and functions of the TBD may not be changed without further public hearings.

RCW 36.73.020(2) allows TBDs to include all or part of the territory in another jurisdiction (city, county, port district, county transportation authority, or public transportation benefit area) through interlocal agreement.

Governance

Almost all TBDs share the same boundaries as their establishing jurisdiction, in which case they must be governed by the members of that jurisdiction's legislative body, acting as a separate legal entity, unless the jurisdiction assumes the TBD's powers (see below). Even though they comprise the same members, the legislative body and the governing board are separate and distinct bodies and must hold separate and distinct meetings.

Note that in mayor-council cities, the mayor is not part of the legislative body and is not eligible for membership on the TBD board.

If a TBD includes territory in multiple jurisdictions, it must be governed under an interlocal agreement pursuant to chapter 39.34 RCW. Under RCW 36.73.020(3), the governing board must consist of at least five members, including at least one elected official from each participating jurisdiction, or - if the TBD has the same boundaries as the metropolitan planning organization (MPO) - it may be governed by the MPO governing body.

Assumption of Powers

New legislation in 2015 (2ESSB 5987) allows a city or county that forms a TBD with the same boundaries as the city or county to absorb the TBD and assume all of its “rights, powers, functions, and obligations,” with the result that the TBD would cease to exist as a separate entity. As of March 2016, MRSC is aware of almost 30 cities and towns that have assumed these powers.

Note: A section has been added to the BARS Manual discussing the requirements for jurisdictions that assume the powers of their TBDs. In particular, a jurisdiction assuming a TBD must (1) still file an annual financial report for the year in which the TBD was assumed and (2) submit a New Entity Creation or Dissolution Notification form. For more details, see the BARS Manual, Section 3.11.1.120.

Vehicle License Fees

The most common TBD funding source is a vehicle license fee in accordance with RCW 82.80.140, as authorized by RCW 36.73.040(3)(b). TBDs may impose vehicle license fees up to \$50 without a public vote, subject to the conditions below, or may impose fees up to \$100 with voter approval.

Until 2015, vehicle license fees of \$20 or less could be imposed without voter approval, but 2ESSB 5987 increased the allowable nonvoted vehicle license fee up to a \$50 maximum. However, a TBD may only impose a nonvoted vehicle license fee above \$20 as follows:

- Up to \$40, but only if a \$20 fee has been in effect for at least 24 months.
- Up to \$50, but only if a \$40 fee has been in effect for at least 24 months. Any nonvoted fee higher than \$40 is subject to potential referendum, as provided in RCW 36.73.065(6), as amended by Section 309 of 2ESSB 5987.

Any license fees over these amounts, up to \$100, must be approved by a simple majority of voters. However, voters have rejected these measures almost every time. The only TBD to successfully pass a voted vehicle license fee is the Seattle TBD, whose voters approved a \$60 fee increase in 2014 after rejecting a similar increase in 2011.

If two or more TBDs with the authority to impose a nonvoted fee overlap, credits must be issued so that the combined nonvoted fees do not exceed \$50 total.

If a countywide TBD wishes to impose a vehicle license fee, RCW 82.80.140(2)(a) requires it to distribute the revenues to each city in the county by interlocal agreement, which must be approved by 60% of the cities representing 75% of the city population. If this threshold cannot be met, RCW 36.73.065(5) allows a district that includes the unincorporated areas only to impose the nonvoted license fees discussed above.

Sales and Use Taxes

Another common TBD funding source is a sales and use tax of up to 0.2% in accordance with RCW 82.14.0455, as authorized by RCW 36.73.040(3)(a). This tax may not be imposed for longer than 10 years at a time, except to repay debt, and must be approved by a simple majority of voters.

In recent years, voters have approved the vast majority of all proposed TBD sales and use taxes. At least three jurisdictions - Seattle, Tacoma, and Enumclaw - have imposed a sales tax on top of an existing vehicle license fee. For individual results, see MRSC's Local Ballot Measure Database.

Other Funding Sources

Other potential funding sources include:

- **General obligation bonds** (RCW 36.73.070) - MRSC is only aware of one TBD that has attempted to pass a bond measure, and it failed with 50% of the vote (Auburn TBD, 2012).
- **Border area fuel tax**, only available to TBDs that include a Canadian border crossing (RCW 82.47.020). MRSC is aware of one TBD - Point Roberts - that uses this funding mechanism.
- **Impact fees** on commercial and industrial development in accordance with chapter 39.92 RCW (RCW 36.73.040(3)(c) and RCW 36.73.120).
- **Vehicle tolls** (RCW 36.73.040(3)(d)).
- **Excess property taxes** (RCW 36.73.060).
- **Local improvement districts** (RCW 36.73.080).

Material Change Policies

RCW 36.73.160(1) requires TBDs to adopt a material change policy that addresses significant changes to the transportation improvement finance plan that affect project delivery or the ability to finance the plan. The policy must at least address material changes to cost, scope, and schedule, the level of change that will require governing body involvement, and how the governing body will address those changes. At a minimum, the policy must require the governing body to hold a public hearing if the revised cost exceeds the original estimate by more than 20%.

Budgeting

State law does not clearly require TBDs to adopt an appropriations budget. However, adopting a budget would be considered a best practice, and a number of TBDs have done so, setting up the budget process to coincide with the annual/biennial process used by the establishing jurisdiction. It is up to the TBD governing board to develop and adopt a budget policy.

Under RCW 36.73.020(4), the treasurer of the establishing city or county must serve, in an independent and ex officio capacity, as the TBD treasurer.

Accounting and Financial Reporting

RCW 43.09.230 requires TBDs to submit annual financial reports to the State Auditor's Office using the BARS reporting templates.

For information on the specific TBD accounting requirements, see the BARS Manual, Section 3.11.1. For assistance developing financial reports, see MRSC's Annual Financial Reporting Checklists page.

Annual Transportation Improvement Report

In addition to the annual financial report, RCW 36.73.160(2) requires TBDs to issue a separate annual transportation improvement report detailing the district revenues, expenditures and the status of all projects, including cost and construction schedules. The report must be distributed to the public and newspapers of record in the district.

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Assuming the Powers of Your Transportation Benefit District? Here Are Some Items to Be Aware Of

March 1, 2016 by [Toni Nelson \(/Home/Stay-Informed/MRSC-Insight.aspx?aid=121\)](#)
Category: [Finance \(/Home/Stay-Informed/MRSC-Insight.aspx?catID=158&cat=Finance\)](#)



Last year the 2015 legislative session produced some significant changes for transportation benefit districts (TBDs). [2ESSB 5987](#)

<http://lawfilesexternal.wa.gov/biennium/2015-16/Pdf/Bills/Session%20Laws/Senate/5987-S.SL.pdf#page=51>) added a new chapter to Title 36 (<http://app.leg.wa.gov/RCW/default.aspx?cite=36>), [Ch. 36.74 RCW](http://app.leg.wa.gov/RCW/default.aspx?cite=36.74) (<http://app.leg.wa.gov/RCW/default.aspx?cite=36.74>) regarding the assumption of TBDs by cities and counties. In August of last year, Bob Meinig, legal consultant for MRSC, wrote about this [new legislation affecting transportation benefit districts](http://mrsc.org/Home/Stay-Informed/MRSC-Insight/August-2015/New-Legislation-Affecting-Transportation-Benefit-D.aspx) (<http://mrsc.org/Home/Stay-Informed/MRSC-Insight/August-2015/New-Legislation-Affecting-Transportation-Benefit-D.aspx>).

The focus of this blog will be an overview of accounting and reporting requirements as a result of the new legislation. It will address the requirements of the State Auditor's office (SAO) in the event that your jurisdiction assumes those "rights, powers, functions and obligations," of the TBD.

Each year the SAO provides BARS manual updates and guidance on the accounting and reporting requirements for local government in Washington State. Through its [BARS manuals](http://www.sao.wa.gov/local/Pages/BarsManual.aspx) (<http://www.sao.wa.gov/local/Pages/BarsManual.aspx>), the updates and changes to BARS are summarized in the [Overview of Significant Changes](http://www.sao.wa.gov/local/BarsManual/Pages/BARSManual_Cash_Appendices.aspx) (http://www.sao.wa.gov/local/BarsManual/Pages/BARSManual_Cash_Appendices.aspx) and this year, (2015 reporting year ([http://www.sao.wa.gov/local/BarsManual/Documents/Cash_p5_Changes\(2015\).pdf](http://www.sao.wa.gov/local/BarsManual/Documents/Cash_p5_Changes(2015).pdf))) in addition to several other changes, there are [accounting and reporting changes that are specific to TBDs](http://www.sao.wa.gov/local/BarsManual/Documents/GAAP_p3_TBD.pdf) (http://www.sao.wa.gov/local/BarsManual/Documents/GAAP_p3_TBD.pdf), and more importantly to TBDs that are assumed by cities, towns, and counties.

The SAO has updated the TBD guidance to include three very specific points:

1. **An annual finance report is required for the final year of the existence of the TBD.** Whether the city, town, or county assumes the rights, powers, functions, and obligations of the TBD in the first month of the year (January) or the last month, there is a requirement to prepare and submit a final annual report for the TBD. While not specifically addressed within the reporting requirements of BARS, it would be appropriate to include a note disclosure in the notes to financials that indicates the date of the dissolution of the TBD in this final financial report document.
2. **A notification form must be filled out for TBD creations and dissolutions.** The SAO has developed a [report form](http://www.sao.wa.gov/local/BarsManual/Documents/GAAP_p3_EntityCreateDissolve.pdf) (http://www.sao.wa.gov/local/BarsManual/Documents/GAAP_p3_EntityCreateDissolve.pdf) for notifying your local audit team of the creation and/or dissolution of governmental entities such as TBDs. The creation of a TBD, and if applicable the dissolution, requires timely completion and electronic submission of this form to the local audit team responsible for performing the audit at your jurisdiction.
3. **Accounting entries (BARS codes) have been prescribed by the SAO for the final entries.** Both GAAP and cash basis reporting cities, towns, and counties are to code to “special Items – account code 36950”. (See BARS Manual, Special Topics, [Transportation Benefit Districts, Item 3.11.1.120](http://www.sao.wa.gov/local/BarsManual/Documents/GAAP_p3_TBD.pdf) (http://www.sao.wa.gov/local/BarsManual/Documents/GAAP_p3_TBD.pdf)). The BARS manual has prescribed that this account code be used for both the TBD that is disposing of the funds and the city/town/county fund that is receiving the money.

Over the past few years our office has worked closely with many cities, towns, and counties on the issues of creating and accounting for TBDs. Local government is now looking at assuming the very TBDs that were created, in some cases only a few months ago. Understanding the reporting requirements associated with the assumption of your TBD will assure a successful audit in the future.

While this blog has been all about the assumption of TBD's it's important to note that for those cities, towns, and counties that have not created a TBD you would still need to do so in order to access the revenue opportunities provided by [Ch. 36.73 RCW](http://app.leg.wa.gov/RCW/default.aspx?cite=36.73) (<http://app.leg.wa.gov/RCW/default.aspx?cite=36.73>). After you have created the TBD then you can assume it. For more information on TBDs, see our [transportation benefit districts webpage](http://mrsc.org/Home/Explore-Topics/Transportation/Transportation-Funding/Transportation-Benefit-Districts.aspx) (<http://mrsc.org/Home/Explore-Topics/Transportation/Transportation-Funding/Transportation-Benefit-Districts.aspx>).

Have questions or comments about TBDs? Write your question in the comments below or email me directly at tnelson@mrsc.org (<mailto:tnelson@mrsc.org>).



About Toni Nelson

Toni has over 24 years of experience with Local Government finance and budgeting. Toni's area of expertise include "Cash Basis accounting and reporting, budgeting, audit prep and the financial issues impacting small

local government.

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Comments

0 comments on Assuming the Powers of Your Transportation Benefit District? Here Are Some Items to Be Aware Of

Blog post currently doesn't have any comments.

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**CITY COUNCIL
WORKSHOP**

**March 15, 2016
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.

www.ci.bonney-lake.wa.us

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

- I. Call to Order** –Mayor Neil Johnson, Jr. called the meeting 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 Councilmember Dan Swatman, Councilmember Justin Evans, Councilmember Katrina Minton-Davis, Councilmember Donn Lewis, and Councilmember Tom Watson. Deputy Mayor Randy McKibbin and Councilmember James Rackley were absent.

Councilmember Lewis moved to excuse Deputy Mayor McKibbin and Councilmember Rackley. Councilmember Watson seconded the motion.

Motion approved 5 - 0.

Staff members in attendance were City Administrator Don Morrison, Public Works Director Dan Grigsby, Community Development Director John Vodopich, Senior Planner Jason Sullivan, Chief Financial Officer Cherie Gibson, Chief of Police Dana Powers, City Attorney Kathleen Haggard, City Attorney Jeff Ganson, Administrative Services Director/City Clerk Harwood Edvalson, and Administrative Specialist II Renee Cameron.

III. Agenda Items:

A. Council Open Discussion

Death by Chocolate. Councilmember Watson said the March 12th Death by Chocolate was a huge success and he thanked Council for their support and attendance.

Communities for Families Meeting. Councilmember Watson said he and Councilmember Evans attended the Communities for Families meeting at the YMCA in Sumner, and that he did a presentation regarding the Lions Club, and the Death by Chocolate fundraising event.

62nd Pothole Flooding Update. Councilmember Watson asked for an update regarding the flooding on 62nd Avenue. City Administrator Morrison said the City Engineer is recommending that the water level get down to a foot below the top surface of the subbase before they quit pumping, which could take another week. Mayor Johnson said this issue needs to be further reviewed and discussed to confirm who owns the pothole, as well as other risk and liabilities so the facts are known about what the City can and cannot do to assist these properties.

Irrigation Leak Adjustments. Councilmember Swatman addressed the issue and Council's input regarding irrigation leak adjustments and wants Council to address what the issues are that are allowing customers to incur large water irrigation bills. Councilmember Lewis asked if the upcoming legislation addresses Councilmember Swatman's concerns, and Councilmember Swatman said that legislation is a separate issue. Councilmember Lewis said

he knows the City notifies customers when the customers have a larger volume of water usage. Councilmember Minton-Davis stated her concerns regarding hardships for large water/irrigation bills and options that may be available for payment. Mayor Johnson said he would like to find a way to monitor usage and options to consider.

Councilmember Contact. Councilmember Swatman addressed concerns regarding developers contacting individual councilmembers, and not communicating with all councilmembers. City Attorney Haggard addressed Councilmember Swatman's concern and reminded the Council of the Open Public Meetings Act and Appearance of Fairness Act. She advised councilmembers to keep both of these acts in mind, but at this point no application has been written/submitted by Tarragon, so she advised that all council be aware of the acts. Councilmember Watson expressed concern that a developer may have been attempting to stack the deck by communicating with only 4 of the 7 councilmembers. Mayor Johnson expressed his expectations regarding information provided to council. Councilmember Minton-Davis did not agree with Councilmember Swatman's concerns and called his concerns premature. Councilmember Swatman said he is concerned. City Attorney Haggard reiterated that she did not have a concern at this this point with discussions between Council and Tarragon.

Mayor Johnson's absence. Mayor Johnson advised that he will need to leave the Workshop in approximately five (5) minutes. In both Mayor Johnson and Deputy Mayor McKibbin's absence, Councilmember Minton-Davis nominated Councilmember Swatman as acting Deputy Mayor, and Councilmember Watson seconded the nomination.

Kiwanis Prayer Breakfast. Councilmember Minton-Davis distributed a flyer regarding the Kiwanis Club of Bonney Lake Prayer Breakfast to be held on March 22, 2016 at Cedar Ridge Retirement & Assisted Living Community.

These items were for discussion purposes only, no action was taken.

B. Review of Council Minutes: March 1, 2016 Workshop, and March 8, 2016 Meeting.

Councilmembers Lewis had minor corrections to the minutes, and the minutes were forwarded to the March 22, 2016 Meeting for action.

C. Action: AB16-38 – Ordinance D16-38 – An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Granting A Non-Exclusive Telecommunications Franchise And Authorizing The Mayor To Execute A Franchise Agreement With Astound Broadband, LLC.

Councilmember Swatman advised that Christopher Mantel, Fiber Construction Lead III with Astound/wave was available for questions from the Council. Council had no questions.

**Councilmember Watson moved to approve Ordinance D16-38 (1540).
Councilmember Lewis seconded the motion.**

Ordinance 1540 approved 5 – 0.

D. Discussion: AB16-40 – Resolution 2517 – Acknowledgement of Puget Sound Regional Council's Conditional Certification of the City's Comprehensive Plan.

Senior Planner Jason Sullivan summarized the agenda bill and the briefing memorandum which acknowledges Puget Sound Regional Council's (PSRC) conditional certification of *Bonney Lake 2035* and stating the City's intent to update *Bonney Lake 2035* in order to meet the compliance requirements of the Puget Sound Regional Council. He advised that many cities are affected by this requirement, and it is region wide. He said one of PSRC's conditions is that the City adopt a resolution acknowledging the conditional certification and agreeing to amend *Bonney Lake 2035* to address the conditions by December 30, 2017. Councilmember Evans asked what level the City is at for activity units and Mr. Sullivan advised that the City is at the upper end of the small cities category. This item was forwarded to the March 22, 2016 Meeting Consent Agenda for action.

E. Discussion: Tarragon Development Agreement Proposal

Community Development Director Vodopich spoke regarding the legislative development agreement previously entered between the City of Bonney Lake and WSU. He summarized conditions of the development agreement and the number of acres developable, parks to be allocated, etc. He said the City has been contacted by Tarragon regarding a new proposed development on the WSU property, fees associated with it, lift station requirements. He said particular to this site is Lift Station 18 which would need to be reconstructed, and to build a new lift station, which would then decommission the old lift station. He said this would be a large cost that would impact any future development in that area, and particular to this site there is a shallow sewer line which will need to be lowered to accommodate any future development of the WSU property. He summarized the proposal submitted by Tarragon, which is included in the Workshop agenda packet for the proposed development. He said there are representatives from the Tarragon in attendance at the Workshop if Council has questions.

Councilmember Watson asked why the City cannot do the two bottleneck projects and the lift station on their own and have Tarragon pay their required fees. City Administrator Morrison advised what the costs would be and the amount of work that would be required.

Councilmember Lewis talked about options that could be available. Director Vodopich addressed the gravity/lift station options that could be available, or what options the City would not consider.

Councilmember Evans said he would like Tarragon to provide more information regarding low impact development plans that are projected to take place. Director Vodopich said low impact development techniques were contemplated in the initial development agreement, so there is a section dedicated to stormwater treatment specifically to incorporating low impact development techniques and reducing stormwater runoff.

Councilmember Watson expressed concern with a proposal that would cause the city to adversely affect any future development in the near future of other areas of the City. He said the City bent over backwards on the Renwood development to get Tarragon the lowered fees. He thinks a 30% reduction of sewer development charges would make sense, so the City can work with other developers, and so they are not handicapped by these larger developers.

Councilmember Swatman said it is important to remember that development of the Eastown area is affected by Lift Station 18, and the current property owners in that area are first come first serve. He also expressed former Councilmember Hamilton's concern about zoning of

this property and whether this is the best use of this property. He asked if commercial development or a 55+ living development would be a better fit. He doesn't want to assume this particular proposal is the only option. He said this is a big public investment for the community. Councilmember Watson spoke regarding future growth, whether this project, another multi-family project, or commercial purposes. City Administrator said the big question is whether this project would work for both the city and the developer, and what the charges could/should be to cover SDC charges for future improvements. He said all future developments would likely request the same rate reductions, so it could cost the City money, as there would be less revenue as the systems age.

Councilmember Minton-Davis said this proposal is complicated, and she would like to see the City's proposal to Tarragon separately. She was concerned with the proposed reduction of fees, as well as the slowdown in the building.

Councilmember Evans asked what aspects to a development agreement can amend our code which would allow the City to reduce fees. Mr. Sullivan provided an example of reduced or waived fees. He advised that the Washington Administrative Code allows cities to make amendments if they are within their municipal code.

Councilmember Swatman spoke stating lowering impact fees could shortcut the future. Director Grigsby summarized the costs for sewer development charges and the three part charge. He stated the affects when fees are reduced, especially regarding projects that don't get built, or get deferred because of reduced fees. He spoke regarding the rates of growth, traffic impact fees, and sewer development charges. Councilmember Swatman said though cities want to see projects like this being built, they don't want them to cost the city money by reducing rates. Director Grigsby talked about fairness between residential and commercial, and everyone paying their fair share of the fees.

Councilmember Watson asked about road improvements for 214th and SR410 needing to be upgraded due to the growth and the additional traffic in the near future. Director Grigsby said yes, and responded regarding the traffic impact analysis that would need to be done and the impacts fees and improvements that would need to be made. Director Vodopich spoke regarding requirements of traffic impact fees and surcharges that would need to be calculated, and that they would need clarification of traffic impact fees for Pierce County, which were part of the mitigation agreement with the Development Agreement with WSU. Vodopich summarized what would be required of Tarragon per the first WSU Development Agreement.

Councilmember Swatman asked City Administrator Morrison what direction Administration is looking for from Council and Mr. Morrison said they are still awaiting the requested information from Tarragon. He said they have an option that expires the end of April. Council consensus was to have Tarragon provide a presentation with their current proposal at the April 5th Workshop. Councilmember Lewis said he is pleased with the Renwood property, and he is encouraged that this proposed development would be a good fit.

F. Discussion: Park Impact Fees for Multi-family Development

Councilmember Minton-Davis said this came out of Economic & Community Development, as was presented by Senior Planner Jason Sullivan. Councilmember Minton-Davis summarized the memorandum, and asked for Council to approve sending this item for review and a recommendation to the Planning Commission. Councilmember Lewis said he thinks it is a great idea to forward this issue to add it to the Planning Commission Work Plan.

Councilmember Minton-Davis added that these proposed fees would have no impact to the Tarragon proposal. This item was summarized was for discussion purposes only.

IV. EXECUTIVE SESSION: None.

V. ADJOURNMENT:

Councilmember Watson moved to adjourn the Workshop at 6:52 p.m. Councilmember Lewis seconded the motion.

Motion to adjourn approved 5 - 0.

Harwood Edvalson, MMC
City Clerk

Neil Johnson, Jr.
Mayor

Items presented to Council for the March 15, 2016 Workshop:

- Councilmember Katrina Minton-Davis – *2016 Kiwanis Club of Bonney Lake Prayer Breakfast Flyer*

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CITY COUNCIL MEETING

March 22, 2016
7:00 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.
www.ci.bonney-lake.wa.us

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

- I. CALL TO ORDER** – Deputy Mayor Randy McKibbin called the Meeting to order at 7:00 p.m.
- A. Flag Salute: Deputy Mayor McKibbin led the audience in the Pledge of Allegiance.
- B. Roll Call: Administrative Services Director/City Clerk Harwood Edvalson called the roll. In addition to Deputy Mayor McKibbin, elected officials attending were Councilmember Justin Evans, Councilmember Donn Lewis, Councilmember Katrina Minton-Davis, Councilmember James Rackley, Councilmember Dan Swatman, and Councilmember Tom Watson. Mayor Neil Johnson, Jr., was not in attendance.
- Staff members in attendance were City Administrator Don Morrison, Administrative Services Director/City Clerk Harwood Edvalson, Chief Financial Officer Cherie Gibson, Public Works Director Dan Grigsby, Police Chief Dana Powers, Community Development Director John Vodopich, City Attorney Jeff Ganson, and Administrative Specialist II Renee Cameron.
- C. Agenda Modifications: None
- D. Announcements, Appointments and Presentations:
1. Announcements: None.
 2. Appointments:
 - a. **AB16-47 – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Ratifying The Mayor's Reappointments Of Arts Commissioners Alison Hudson (Position 1), Beverley Birmele (Position 6), And Carrie Maez (Position 9); Parks Commissioners Scott Anderson (Position 6) And Todd Haueter (Position 7); Design Commissioner Thomas Kennedy (Position 3); And Planning Commissioners Dennis Poulsen (Position 6) And L. Winona Jacobsen (Position 7), All With Terms Expiring April 6, 2019.**

Administrative Services Director/City Clerk Edvalson read the motion ratifying all of the reappointments to the City's Commissions. Councilmember Watson said he appreciated all of the Commissioners efforts that provide to make a difference in the City. He thanked all of the Commissioners for their services and was glad to have them all reappointed.

**Councilmember Watson moved to approve Motion AB16-47.
Councilmember Lewis seconded the motion.**

Motion AB16-47 approved 7 – 0.

3. Presentations:

a. **Presentation:** East Pierce Fire & Rescue Foundation – Teresa McCallion.

Teresa McCallion, President of the East Pierce Fire & Rescue Foundation (Foundation). She advised that the purpose of her presentation was to update Council on the work of the Foundation, and to invite Council to their annual fundraiser. She said the Foundation is a community based non-profit foundation that was launched in order to assist and support the fire department in some of the prevention programs. She said one program raised money to help purchase AEDs that were placed in all of the police vehicles in Bonney Lake. Ms. McCallion said the 12 month pilot project for Sentimental Journey was completed last April, and the program has now been granted the opportunity by Pierce County EMS and the Pierce County EMS Medical Director to expand to all of Pierce County, with assistance from all of the local fire departments, back up medic units, and off-duty/volunteer firefighters. She said this is the only organization like this throughout the entire country, which gives hospice patients one last ride to go somewhere special fulfilling a patient's last dream, which Ms. McCallion said is a privilege to be able to offer these last journeys. She shared a KOMO News clip about a Sentimental Journey made possible by the Foundation. She provided information regarding the Foundation and shared a flyer regarding the fundraising Hearts & Heroes Annual Dinner & Auction that will be held on Saturday, April 23, 2016 from 6-9 p.m. at Station House #726, 427 N. Meridian, Puyallup, Washington. Proceeds from the event support the East Pierce Fire & Rescue Foundation, Healthy Heart/Citizen CPR Training, Smoke Alarm Installation, and Sentimental Journey. She said registration is available at www.heartsheroestickets.eventbrite.com.

II. PUBLIC HEARINGS, CITIZEN COMMENTS & CORRESPONDENCE:

A. Public Hearings:

1. **Public Hearing:** AB16-22 – A Public Hearing Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Establishing The Bonney Lake Transportation Benefit District, Specifying The Boundaries For The Transportation Benefit District, Specifying The Maintenance And Preservation Of Existing Transportation Improvements, Authorizing The Transportation Benefit District Board To Establish An Annual Vehicle License Fee; Establishing An Effective Date; And, Providing For Severability (Proposed Ordinance D16-22).

Deputy Mayor McKibbin opened the public hearing at 7:13 p.m. He advised that one speaker had signed up to speak.

William Zimmerman, 18502 Bonney Lake Blvd E, Bonney Lake. He said on behalf of himself and his family he was speaking to urge the council to vote no on this proposed ordinance. He does not believe the City has considered all possibilities to answer the problem of road maintenance. He said current City budgetary constraints on the City's part should prompt the development of creative solutions against the reuse of failed solutions, to include divestment of residential streets to private development and maintenance, which could reduce the footprint of streets the City maintains. He said other cities further support the need for new innovation for this problem, as their benefit district and the resulting tax burdens have only delayed the inevitable deficit between funding and road maintenance. He encouraged Council look for innovative solutions for road maintenance, and not further burden tax paying families.

Seeing no other speakers, the hearing was closed at 7:16 p.m.

B. Citizen Comments:

Scott Jones of Newland Communities, stated that the SR410 and Veterans Memorial Drive Improvement Project has crossed the 50% complete threshold and therefore Newland Communities' obligation in regarding to the Tehaleh development for \$1,000,000 mitigation costs is due and owing. He was in attendance to present that check to the City, which he did. Council thanked him.

C. Correspondence: None.

III. COUNCIL COMMITTEE REPORTS:

A. Finance Committee: No report. March 22, 2016 Finance Committee Meeting was cancelled.

B. Community Development Committee: Councilmember Lewis said the Committee met on March 15, 2016 and discussed Eastown Southern Sewer Line, Skystone Apartments, 186th Corridor Improvement, signal improvements onto Veterans Memorial Drive, and sent one item, the Developer Extension Agreement with JK Monarch, LLC, to the current agenda for action.

C. Economic Development Committee: Councilmember Minton-Davis said the Committee has not met since their last meeting on March 8, 2016.

D. Public Safety Committee: Councilmember Watson said the Committee met earlier today. He said they approved having all future Public Safety Meetings scheduled on the 4th Tuesday of each month, with the next meeting scheduled for April 26th. He said the Committee discussed issues at the WSU forest, did a homeless sweep of the forest, and discussed property owners' obligations to maintain their properties, and to

help make people feel safer. He said they reviewed the Metro Animal Services report for the 2015 4th Quarter, the panhandling ordinance that will be forthcoming for Council review, and he said Fire Chief Backer discussed East Pierce Fire & Rescue's February report with the Committee, and he advised that the firefighters who were injured in the Tacoma Point fire are recovering. He said at the 23rd Annual Community Summit that the City's Safe Swim Program was recognized for their collaboration efforts and approach to delivering water safety in our community. They were given the Unsung Hero Award.

- E. Councilmember James Rackley. Councilmember Rackley thanked the Council for being understanding of his recent absences from the Council, and he shared some recent personal medical information that he has been confronted with. He assured the Council that he is fine, and was happy to be back in attendance.
- F. Other Reports: None.

IV. **CONSENT AGENDA:**

- A. **Approval of Corrected Minutes:** March 1, 2016 Workshop, and March 8, 2016 Meeting.
- B. **Approval of Accounts Payable and Utility Refund Checks/Vouchers:**
Accounts Payable checks/vouchers #73251-73288 in the amount of \$66,314.94.
Accounts Payable checks/vouchers #73289-73342 (including wire transfer numbers 20160301, 20160302, 20160303, 20160304, 20160305, and 2016031101) in the amount of \$424,620.38.
- C. **AB16-40 – Resolution 2517** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Acknowledgement of Puget Sound Regional Council's Conditional Certification of the City's Comprehensive Plan.
- D. **AB16-46 – Resolution 2519** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing A Developer Extension Agreement with JK Monarch LLC for Church Lake Estates for Extension of the Water and Sewer Systems.

**Councilmember Watson moved to approve the Consent Agenda.
Councilmember Lewis seconded the motion.**

Consent Agenda approved 7 – 0.

V. **FINANCE COMMITTEE ISSUES:**

- A. **AB16-41 – Ordinance D16-41** – An Ordinance Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Amending Chapter 13.04.100(G) of the Bonney Lake Municipal Code Relating to Water Utility Charges and Adjustments.

Councilmember Watson moved to approve AB16-41 – Ordinance D16-41, amending Chapter 13.04.100(G) of the Bonney Lake Municipal Code Relating to Water Utility Charges and Adjustments, Councilmember Lewis seconded the motion.

Councilmember Watson said he appreciates the Finance Committee bringing this matter forward. Councilmember Minton-Davis asked for an update from Administration regarding a specific situation for a current customer who has a large leak and Chief Financial Officer Cherie Gibson advised that the Finance Department has been working with the customer on payment arrangements.

Ordinance 1541 [D16-41] approved 7 – 0.

VI. COMMUNITY DEVELOPMENT COMMITTEE ISSUES: None.

VII. ECONOMIC DEVELOPMENT COMMITTEE ISSUES: None.

VIII. PUBLIC SAFETY COMMITTEE ISSUES: None.

IX. FULL COUNCIL ISSUES: None.

X. EXECUTIVE/CLOSED SESSION: Pursuant to RCW 42.30.110(1)(i) the City Council adjourned to an executive session with the City Administrator and legal counsel at 7:30 p.m. to discuss potential litigation for 15 minutes. The Council returned to chambers and resumed the regular meeting at 7:45 p.m. No action was taken.

XI. ADJOURNMENT

Councilmember Watson moved to adjourn the meeting at 7:45. Councilmember Evans seconded the motion. The Meeting was adjourned by common consent of the City Council.

Harwood Edvalson, MMC
City Clerk

Neil Johnson, Jr.
Mayor

Items presented to Council at the March 22, 2016 Meeting:

- Teresa McCallion, President of East Pierce Fire & Rescue Foundation - *Hearts & Heroes Annual Dinner & Auction Flyer*.
- Councilmember Katrina Minton-Davis, *Kiwanis Club of Bonney Lake Brushes & Booze Flyer*.

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City of Bonney Lake
City Council Agenda Bill (AB)

Department / Staff Member: CD/Jason Sullivan	Meeting/Workshop Date: April 5, 2016	Agenda Bill Number: AB16-14
Agenda Item Type: Discussion	Ordinance/Resolution Number: D16-14	Councilmember Sponsor: Donn Lewis

Agenda Subject: RC-5 Code Amendments

Full Title/Motion: An Ordinance of the city Council of The City of Bonney Lake, Pierce County, Washington, amending portions of Chapter 18.20 of the Bonney Lake Municipal Code related to the purpose statement and minimum setbacks of the Residential – Conservation District

Administrative Recommendation:

Background Summary: Some Councilmembers expressed concerned that the setbacks were too small in the Residential-Conservation District (RCD) zoning classification, commonly referred to as the RC-5 zone. The Planning Commission recommends that the Council adopt new setbacks based on the size of the lot. The Commission is also recommending amendments to the purpose statement to clarify the intent of the RCD. Review of the setbacks is part of the Planning Commission’s work plan.

Attachments: (1) Ordinance D16-14, (2) Planning Commission Recommendation Memo, (3) Determination of Non-Significance, (4) Department of Commerce Confirmation, and (5) Master Builder Association Comment

BUDGET INFORMATION				
Budget Amount	Current Balance	Required Expenditure	Budget Balance	Fund Source
				<input type="checkbox"/> General
				<input type="checkbox"/> Utilities
				<input type="checkbox"/> Other
Budget Explanation:				

COMMITTEE, BOARD & COMMISSION REVIEW				
Council Committee:	<i>Approvals:</i>		Yes	No
	Chair/Councilmember		<input type="checkbox"/>	<input type="checkbox"/>
Committee Date:	Councilmember		<input type="checkbox"/>	<input type="checkbox"/>
	Councilmember		<input type="checkbox"/>	<input type="checkbox"/>
Forwarded to:	Consent Agenda: <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:

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

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ORDINANCE NO. D16-14

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, AMENDING PORTIONS OF CHAPTER 18.20 OF THE BONNEY LAKE MUNICIPAL CODE RELATED TO THE PURPOSE STATEMENT AND MINIMUM SETBACKS OF THE RESIDENTIAL – CONSERVATION DISTRICT.

WHEREAS, the City Council adopted the Residential – Conservation District (RCD) zoning to protect critical areas; and

WHEREAS, the City Council desires to ensure that the minimum setbacks in the in the RCD are appropriately sized to meet the intended development pattern;

NOW THEREFORE, the City Council of Bonney Lake, Washington, do ordain as follows:

Section 1. Findings of Fact and Conclusions. The City Council adopts the following findings of fact in support of its decision to adopt the amendments to the *Bonney Lake Municipal Code* (BLMC) contained in this Ordinance:

1. On March 16, 2016, the City of Bonney Lake Planning Commission held a public hearing to consider the amendments to the City’s development regulations contained in this Ordinance, as required by BLMC 14.140.080.
2. The City complied with all applicable notice, timing and comment provisions in scheduling and carrying out the above-referenced hearing.
3. At the above-referenced hearing, the City of Bonney Lake Planning Commission determined that the amendments to the City’s development code contained in this Ordinance are consistent with other BLMC development regulations and with the laws of the State of Washington.
4. Under the State Environmental Policy Act (SEPA) the adoption of this Ordinance is a non-project action as defined by WAC 197-11-704(2)(b) and the SEPA Official issued a Determination of Non-Significance (DNS) on February 18, 2016. No appeals of the DNS were submitted to the City.
5. Pursuant to RCW 36.70A.106(3)(b) the City requested expedited review of this Ordinance from the Department of Commerce. The Department of Commerce review period concluded on February 9, 2016.

Section 2. Section 18.20.010 “General intent” of the Bonney Lake Municipal Code and the corresponding portion of Ordinance No. 740 § 7 is hereby amended to read as follows:

18.20.010 General intent.

The purpose of the ~~residential/conservation~~ Residential – Conservation District (RCD) zone is to protect lands containing with sensitive environmental critical areas; and agricultural uses. Due to the presences of these critical areas and agricultural uses, properties zoned RCD are not suitable for development at urban densities. or natural resource production, or to act as a buffer between such lands and higher density uses, as well as providing an urban reserve designation for areas without full urban services. This designation is intended to ensure that development occurs at a maximum residential density of one unit per five acres which will not hinder future conversion of developable land to urban level development.

Section 3. Section 18.20.050 “Setback and bulk regulations” of the Bonney Lake Municipal Code and the corresponding portion of Ordinance No. 1505 § 21 is hereby amended to read as follows:

18.20.050 Setback and bulk regulations.

The following bulk regulations shall apply to the uses permitted in this district subject to the provisions for yard projections included in BLMC 18.22.080:

- A. Maximum density: one residential unit per five acres; provided, the lots may be clustered to preserve open space. Where lots designated for residential development are clustered and any lot is smaller than five acres, agricultural or open space tract(s) shall be recorded within the subdivision in acreage(s) sufficient to preserve the maximum overall residential density of ~~five units per~~ one unit per five acres.
- B. Minimum Front Setback.
 - 1. From State Highway 410: fifty-five (55) feet from the right-of-way line;
 - 2. From other streets: thirty (30) feet from right-of-way.
- C. Minimum side yard: ~~a total of 15 feet for both side yards, with a minimum of five feet for one side yard.~~
 - 1. For lots with an area of 22,000 square feet or more: thirty (30) feet.
 - 2. For lots with an area of less than 22,000 square feet: fifteen (15) feet.
- D. Minimum rear setback: ~~20 feet; provided, that a separated garage or accessory building may be built within 10 feet of the rear property line.~~
 - 1. For lots with an area of 22,000 square feet or more: sixty (60) feet.
 - 2. For lots with an area of less than 22,000 square feet: thirty (30) feet.

3. A separated garage or accessory building may be built within ~~ten (10)~~ twenty (20) feet of the rear property line regardless of the size of the lot.
- E. Maximum height: thirty-five (35) feet, except where the director waives this limit (see BLMC 14.30.040(I)) based on:
1. Need of the specific proposed use;
 2. Conformance to the comprehensive plan and the intent of this title.

Section 4. Severability. If any one or more section, subsection, or sentence of this ordinance is held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance and the same shall remain in full force effect.

Section 5. Effective Date. This ordinance shall take effect five (5) days after its passage, approval and publication as required by law.

PASSED BY THE CITY COUNCIL this _____ day of _____, 2016.

Neil Johnson, Jr., Mayor

AUTHENTICATED:

Harwood T. Edvalson, MMC, City Clerk

APPROVED AS TO FORM:

Kathleen Haggard, City Attorney

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Planning
Commission

Memo

Date : March 16, 2016
To : Mayor and City Council
From : Grant Sulham, Planning Commission Chair
Re : **Ordinance D16-14.**

The Planning Commission is recommending the adoption of two different side and rear yard setbacks for lots within the Residential Conservation District (RCD). The setbacks would be based on the square footage of the lot. Lots with 22,000 square feet (approximately ½ acre) or greater would be required to have a thirty-foot setback for both side yards and a sixty-foot rear yard setback. Lots with less than 22,000 square feet would be required to have a fifteen-foot setback for both side yards and a thirty-foot rear yard setback.

The reason for the different setbacks is that as part of a new subdivision in the RCD, lots can be smaller than five acres provided that the overall density remains one unit per acre and the area outside of lots is preserved as open space pursuant to the clustering provision in BLMC 18.20.050.A. In addition to the clustering of lots, there are lots that are smaller than five acres that have been or will be zoned RCD to protect and preserve critical areas.

While clustering and smaller lots are allowed, the RCD was developed for areas in the City that are not conducive to an R-1 zoning. Therefore, even when the lots are clustered or smaller than five acres a greater setback should be provided to prevent development that is out of character with the development of other lots in the RCD. Additionally, the larger setbacks are needed to ensure that these properties can still be used for agricultural uses, (e.g. orchards, gardens, forestry, tree farms, raising of livestock, etc.) as the RCD zone is the only zoning classification that allows for urban agriculture.

The Planning Commission concludes that the amendments to the City's development regulations contained in this Ordinance further the following goals and policies of *Bonney Lake 2035*:

- **Goal ES-8:** *Preserve and protect agricultural resource lands and urban agriculture sites to improve access to healthy foods, build social connections, and provide local sources of food.*

- **Policy CD-4.5:** *Allow community gardening and “urban” agriculture in a residentially zoned areas and open spaces provide that that uses do not impact the function and values of environmentally critical areas.*
- **Policy CD-7.2:** *Use development regulations to direct growth, ensure sufficient opportunities for new development, improve Bonney Lake’s quality of life, preserve existing neighborhoods, reduce nuisances, achieve compatibility between adjacent properties and uses, address land use conflicts, and protect the health and safety of residents, visitors, and workers.*
- **Policy CD-7.4:** *Recognize certain areas as having natural constraints that preclude safe or environmentally sound development. These constraints are discussed in the Environmental Stewardship Element.*
- **Policy ES-8.4:** *Protect property owner’s rights to cultivate gardens to produce fresh fruits and vegetables and to keep a limited number of farm animals through the City’s development regulations.*

The Planning Commission voted 7-0-0 to recommend that the City Council adopt Ordinance D16-14.

As required by BLMC 14.40.100, the Planning Commission adopts the following findings of fact in support of its recommendation:

1. On March 16, 2016, the City of Bonney Lake Planning Commission held a public hearing to consider the amendments to the City’s development regulations contained in this Ordinance, as required by BLMC 14.140.080.
2. The City complied with all applicable notice, timing and comment provisions in scheduling and carrying out the above-referenced hearing.
3. At the above-referenced hearing, the City of Bonney Lake Planning Commission determined that the amendments to the City’s development code contained in this Ordinance are consistent with other BLMC development regulations and with the laws of the State of Washington.
4. Under the State Environmental Policy Act (SEPA) the adoption of this Ordinance is a non-project action as defined by WAC 197-11-704(2)(b) and the SEPA Official issued a Determination of Non-Significance (DNS) on February 18, 2016. No appeals of the DNS were submitted to the City.
5. Pursuant to RCW 36.70A.106(3)(b) the City requested expedited review of this Ordinance from the Department of Commerce. The Department of Commerce review period concluded on February 9, 2016.

**STATE ENVIRONMENTAL POLICY ACT
THRESHOLD DETERMINATION OF NON-SIGNIFICANCE**

Description of proposal: Ordinance D16-14 will amend the City's Residential Conservation District Code. The proposed amendments to the Residential Conservation District Code's, commonly referred to as the RC-5 zone, purpose statement will clarify that properties zoned Residential Conservation District should not be developed at urban densities due to the presence of critical areas and agricultural uses. The amendments will also modified the minimum setbacks for properties zoned Residential Conservation District (RC-5).

Applicant: City of Bonney Lake

Location: City-wide

Lead agency: City of Bonney Lake

The City of Bonney Lake has determined that the above described project does not have probable significant adverse environmental impacts on the environment. An environmental impact statement (EIS) is not required under RCW 43.21C.030 (2)(c). This decision was made after review of a completed environmental checklist and other information on file with the lead agency. This information is available to the public on request.

The City of Bonney Lake as the lead agency has also determine that the requirements for environmental analysis, protection, and mitigation measures have been adequately addressed in the development regulations and comprehensive plan adopted under Chapter 36.70A RCW and in other applicable local, state, or federal laws or rules as provided by RCW 43.21C.240 and WAC 197-11-158. Therefore, the City of Bonney Lake will not require mitigation measures under SEPA.

This DNS is issued under 197-11-340. The City of Bonney Lake will not take final action on this proposal until after March 31, 2016. Comments must be submitted by March 16, 2016.

Responsible official John P. Vodopich, AICP

Position/title Community Development Department Director

Phone 253 447-4345

Address P.O. Box 7380, Bonney Lake, WA 98391-0944

Date

2/18/16

Signature

APPEAL: This SEPA determination may be appealed by filling a written appeal with the City of Bonney Lake Community Development Department. Such appeal must be filled within fifteen days of the end of the comment period and shall be consistent with the requirements of BLMC 14.120.020. The last day to filing such an appeal will be 5:00PM on March 31, 2016.

Please contact Jason Sullivan, Senior Planner, at (253) 447-4355 or email him at sullivanj@ci.bonney-lake.wa.us to read or ask about the procedures for SEPA appeals.

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From: COM GMU Review Team <reviewteam@commerce.wa.gov>
Sent: Tuesday, February 09, 2016 7:32 AM
To: Jason Sullivan
Cc: Andersen, Dave (COM)
Subject: 22036, City of Bonney Lake, Expedited Review Granted, DevRegs

Dear Mr. Sullivan:

The City of Bonney Lake has been granted expedited review for the: Proposed Ordinance D16-14 amending portions of Chapter 18.20 of the Bonney Lake Municipal Code related to the purpose statement and minimum setbacks of the Residential - Conservation District. This proposal was submitted for the required state agency review under RCW 36.70A.106.

As of receipt of this email, the City of Bonney Lake has met the Growth Management Act notice to state agency requirements in RCW 36.70A.106 for this submittal. For the purpose of documentation, please keep this email as confirmation.

If you have any questions, please contact reviewteam@commerce.wa.gov

Thank you.

Review Team, Growth Management Services
Department of Commerce
P.O. Box 42525
Olympia WA 98504-2525

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Jason Sullivan

From: Jason Sullivan
Sent: Tuesday, March 15, 2016 1:45 PM
To: 'Jeremiah Lafranca'
Subject: RE: Ordinance D16-14

Jeremiah,

The setbacks were based on the following:

1. The determination that lots less than a half-acre should have a reduce setback that is approximately half that is required for the larger lots. It was determined that lots over a half acre in size would not have difficult meeting the larger setbacks based on the size of the lots.
2. The City's regulations related to raising and grazing of livestock and poultry identified in BLMC 18.22.060. One of the principle purposes of the Residential Conservation District (RCD), commonly referred to as RC-5, is to provide areas for urban agriculture uses.
3. Discussion of the Planning Commission.
4. The recognition that lots zoned RCD are not meant to be developed like lots zone R-1 or R-2.

Sincerely,

Jason Sullivan | Senior Planner | City of Bonney Lake

9002 Main Street E | Suite 300 | Bonney Lake, WA 98391

Phone: (253) 447-4355 | Fax: (253) 862-1116

<http://www.ci.bonney-lake.wa.us> | SullivanJ@ci.bonney-lake.wa.us

 *Please consider the environment before printing this email.*

From: Jeremiah Lafranca [mailto:jlafranca@mbapierce.com]
Sent: Monday, March 14, 2016 3:21 PM
To: Jason Sullivan <SullivanJ@ci.bonney-lake.wa.us>
Subject: Ordinance D16-14

Hi Jason,

I was just looking over the ordinance set to amend the Residential-Conservation District, specifically the setbacks. How did the setback distances get set in the proposal? Some MBA Members were asking questions about it and the distances seemed a bit random based on lot size.

Thanks

**Jeremiah Lafranca,
 Government Affairs Director**

Master Builders Association of Pierce County
 1120 Pacific Avenue, Suite 301 / Tacoma, Washington 98402
 Direct (253) 254-0085 / Office (253) 272-2112, Ext 105 / Fax (253) 383-1047
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