City of Stanwood

City Council Packet

Stanwood City Council Regular Meeting

Thursday, October 26, 2023

AGENDA
CITY COUNCIL REGULAR MEETING
Thursday, October 26, 2023 – 7:00 p.m.

Stanwood-Camano School District, Admin. Building Board Room
26920 Pioneer Highway, Stanwood, WA 98292

Members of the public may attend Stanwood City Council meetings in-person at the address above, or Via Zoom.
Instructions to join the meeting by telephone or online are posted on the City Website **https://www.stanwoodwa.org**

1. **CALL TO ORDER AND PLEDGE OF ALLEGIANCE**
2. **ROLL CALL**
3. **APPROVAL OF THE AGENDA**
4. **PRESENTATIONS**
   a. Lincoln Hill High School – Bee Hartell
5. **PUBLIC COMMENTS**
   Written comments must be provided to the Clerk by 9:00 a.m. the day of the meeting via this link: https://stanwoodwa.org/FormCenter/City-Clerk-5/City-Council-Meeting-Remote-Public-Comme-61; verbal comments may be provided in-person, or online via Zoom, call 360-454-5213 for assistance.
6. **STAFF / DEPARTMENT REPORTS**
   Police CompStat – September 2023
7. **COUNCIL COMMITTEE REPORTS**
   a. Community Development Committee Meeting Minutes – October 5, 2023
   b. Planning Commission Meeting Minutes – September 11, 2023
   c. Parks and Trails Advisory Committee Meeting Minutes – September 18, 2023
8. **CONSENT AGENDA**
   a. Approve Vouchers and Payroll Checks
   b. Approve City Council Regular Meeting Minutes – October 12, 2023
   c. Approve City Council Special Workshop Minutes – October 12, 2023
   d. Approve Second Water Leak Adjustment for Account 1481
9. **UNFINISHED BUSINESS**
   a. Authorize the Mayor to Execute Documents to Purchase PUD Property for the Viking Way Project.
   b. Approve Second Reading and Adoption SMC Title 3 -Revenue & Finance
   c. Approve Second Reading and Adoption SMC Title 5 - Business Licenses
10. **PUBLIC HEARING**
    a. First Reading of Ordinance 1525 2024 Property Tax Levy
       i. Open the Public Hearing
       ii. Approve First Reading of Ordinance 1525 2024 Property Tax Levy
    b. Adopt Resolution 2023-14 Capital Improvement Plan 2024-2029
       i. Open the Public Hearing
       ii. Adopt Resolution 2023-14 Capital Improvement Plan 2024-2029
11. **NEW BUSINESS**
12. **PUBLIC CLOSING COMMENTS**
13. **EXECUTIVE/LEGISLATIVE REPORTS**
    a. Mayor's Report
    b. City Administrator's Report
    c. Councilmember's Reports/Questions
14. **RECESS TO EXECUTIVE SESSION**
15. **ADJOURN**

Upcoming Meetings:
Thursday, November 9, 2023, Regular City Council Meeting 7:00pm
Monday, November 20, 2023, Regular City Council Meeting 7:00pm

CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 6

DATE: October 26, 2023

SUBJECT: Police Compstat

CONTACT PERSON: Reports Chief Jason Toner

ATTACHMENTS: A – September 2023 Compstat Report

SUMMARY STATEMENT

Attached is the September 2023 Compstat Reports for council review.

ATTACHMENT A

Stanwood Police Department

CompStat Report

City of Stanwood Police Chief Jason Toner

Prepared by: Snohomish County Sheriff Office Crime Analysis Unit and Stanwood Police Department

SEPTEMBER 2023

Stanwood Police Department

COMPSTAT REPORT

What is CompStat?

CompStat stands for 'Computer Statistics' dealing specifically with crime. It is found to be an effective way to accurately track crime and use the information to deploy officers to address it in timely manner. It is a performance management system that is used to reduce crime and achieve other police department goals. It emphasizes information-sharing, responsibility and accountability and improving effectiveness.

What is the benefit to the community?

CompStat allows us to track crime problems and allocate resources to the areas that are being affected. By being able to focus our efforts on areas being impacted, we are able to make apprehensions and drive down crime in Stanwood.

How is data collected?

Crime Analysts access a variety of systems to collect and analyze law enforcement data. Data collection begins at the 911 call center (SNO911) and carries over into law enforcement records management systems (LERMS). Much of the information presented in this report is also reported to state and federal agencies annually.

What data will you see in this report?

What occurred within the city limits of Stanwood and calls responded to by the Stanwood Police outside the city.

This is a true representation of all police activity occurring in the City of Stanwood, you will see these calls listed as "In the STW Beat". On occasion, Stanwood Police officers will be called outside the city to assist other agencies. We also have deputies who live outside of the city so on occasion they will make a traffic stop or respond to a nearby call while commuting to work. You will see these call listed as "Answered by STW ORI"

Incident data:

This represents what police were called to and includes self-initiated activity. Multiple 911 calls for the same incident are presented as a single incident.

Case data:

An incident becomes a case when the deputy determines reporting protocol is met. A case is often generated based on a specific crime, traffic collisions, arrest or the need to document specific actions or information.

SEPTEMBER 2023

Stanwood Police Department

POLICE STAFFING

The City of Stanwood contracts for law enforcement services through the Snohomish County Sheriff's Office. The contract is identified as a "stand alone" contract, which allows the City of Stanwood to maintain its own police identity to include policies and procedures that meet unique small city needs. All uniforms and vehicles are identified as Stanwood Police and we provide services to the city population of approximately 8,405.

DIVISIONS:

CHIEF OF POLICE: Has the rank of Lieutenant with the Sheriff's Office. Oversees all aspects of the Police Department daily operations. The Chief works with city staff to ensure community needs are met.

ADMINISTRATIVE SERGEANT: Administers the day-to-day administrative functions of the Police Department and oversees the day shift deputies, School Resource Officer and Detective. Steps in as the Chief of Police when the chief is absent.

NIGHT SERGEANT: Oversees the swing shift and night shift deputies.

PATROL DIVISION: Responds to crimes in progress, traffic collisions, missing persons, and other emergency and non-emergency calls for service.

SCHOOL RESOURCE OFFICER: Utilizes the concept of educator, informal counselor, and law enforcer; working to bridge the gap and build relationships between law enforcement and youth.

DETECTIVE: Works in conjunction with patrol and the resources of the Snohomish County Sheriff's Office to investigate a broad range of felony- and misdemeanor-level crimes that occurred in the City of Stanwood.

	ASSIGNED	VACANCIES	PERCENTAGE
Chief	1	0	100%
Sergeant	2	0	100%
Deputy	5	1	85%
School Resource Officer No longer a PD employee - SCSO contract	1	0	100%
Detective	1	0	100%

SEPTEMBER 2023

Stanwood Police Department

RECORDS UNIT

Records Summary: Job duties include, but are not limited to, the following;

- Provide administrative support for all members of the Stanwood Police Department.
- Assist the Chief of Police with police budget tracking and review.
- Verify and code all incoming invoices for the Police Department.
- Ordering of supplies for the department, and special events.
- Subject matter expert for the Law Enforcement Records Management System (LERMS) used by Stanwood Police Department.
- Manage all Stanwood Police Department documents and records.
- Review all electronic case file entries and information for accuracy.
- Scan paper records into electronic case files.
- Forward criminal arrest referrals to the Prosecuting Attorney's Office.
- Enter trespass notices, gun alerts, and other safety alerts into the agency's electronic records management system.
- Route Child Protective Services & Adult Protective Service referrals.
- Maintain department case file and document archives per Washington State records retention/destruction schedules.
- Responsible for federal reporting of crime statistics to the National Incident Based Reporting System (NIBRS).
- Run monthly case audits and records validations.
- Enter court orders, missing persons, vehicle impounds, lost or stolen property, stolen vehicles, etc. into Washington Crime Information Center and National Crime Information Center (WACIC/NCIC).
- Provide second checks for all entries made into Washington Crime Information Center and National Crime Information Center (WACIC/NCIC).
- Conduct background checks for concealed pistol license and pistol transfers applications.
- Provide fingerprint services for concealed pistol license applicants and citizen fingerprints.
- Review and fulfill public records requests within the guidelines of the Public Records Act.
- Create/update/maintain all process, procedure, and training manuals for the position.
- Serve as Stanwood Police Department's Terminal Agency Coordinator for the Washington State Patrol ACCESS program.
- Assists with walk-in and telephone customers, averaging 8,000 yearly contacts.
- Route calls to 911 and non-emergency dispatch.
- Respond to requests for service and answer general questions.
- Manage key & key fob assignments for City of Stanwood employees.

	2023	2022	2021	2020	Year to Date
Public Records Requests	29	44	23	28	353
Concealed Pistol License Issued	28	41	31	52	328
Pistol Transfer Checks	14	29	26	33	223
Fingerprinting & Approximate Time	24 6.0 hrs	27 6.75 hrs	29 7.25 hrs	0 0 hrs	230 51.5 hrs

SEPTEMBER 2023

Stanwood Police Department

Message from the Chief

Well summer is officially over, and Fall is here in force. I seem to find myself every year trying to fill in the final weeks of September trying get those last few doses of sunshine before it disappears. With that being said, Fall is such a fun time of year with school back in session, football, Halloween, Thanksgiving, and eye toward enjoying some snow in the mountains.

Community Events: I had the pleasure to partner with Youth Dynamics to barbeque hamburgers and hotdogs, as well as hang out for their "Back to School" youth event. It was great to hear about their passion for the youth of our community, offering them positive role models as well as some super cool events.

I also had my first YMCA Advisor board meeting this month, just another great resource for our community's young people. Additionally, I spoke with the Stanwood-Camano Rotary and was able to hear about all the great things they do for our community, the Stanwood Parade being my favorite.

My favorite thing this month was taking a young man, Eric, with muscular dystrophy, on a ride-along throughout the city. I was so impressed with Eric's drive, goals, and accomplishments, one of which is getting his pilot's license which really impressed me. He really is an example of accomplishing what you set your mind to.

Traffic Issues: Over the last decade or so Stanwood has been transforming from a sleepy small town to a fast-growing city, with great schools, businesses, and community values. One of the issues with a growing city is increased traffic on our roads, leading to speeding and collisions. The area around 80th Ave is one of the most discussed areas for speeders.

In police vernacular there are the "Three Es" of traffic: Engineering, Education, and Enforcement. Concerning 80th Ave, a roundabout has been added, new sidewalks built, flashing speed limit signs installed, but still speeding persists. Over the last year Stanwood PD has done emphasis in the area, giving out warnings to speeders, but still the problems persist. We are now in the enforcement phase and in the month of October Stanwood Officers, along with the Snohomish County Traffic Unit, will be in the area doing speeding enforcement. Those drivers that are substantially over the speed limit will be cited for speeding and any other traffic violations. Hopefully enforcement will result in slowing drivers done and making the area safe for other motorists, pedestrians, and residents.

Crime Trends: In September Stanwood PD had two separate instances of individuals using counterfeit $100 bills at local businesses. One of the individuals was arrested the same day. The other individual has been identified and charges have been referred.

Over the last two decades Stanwood PD has dealt with an individual, Dave, suffering from traumatic brain injury. When not in a treatment facility, you will see Dave walking around town, talking to himself, and having angry outbursts. Over the years, as Dave's support/relatives in the area have moved on, Dave has progressively gotten worse. Dave has increased tendencies towards violence and confrontation, along with being without a home. We have worked with county mental health, the courts, and state social workers to find a long-term place for Dave, to receive treatment and housing. Unfortunately, due to recent legislation and court decisions, our state treatment centers are releasing patients not adding patients, even though there is an overwhelming need. We will continue to work with all the stakeholders a hopefully find long term help from Dave.

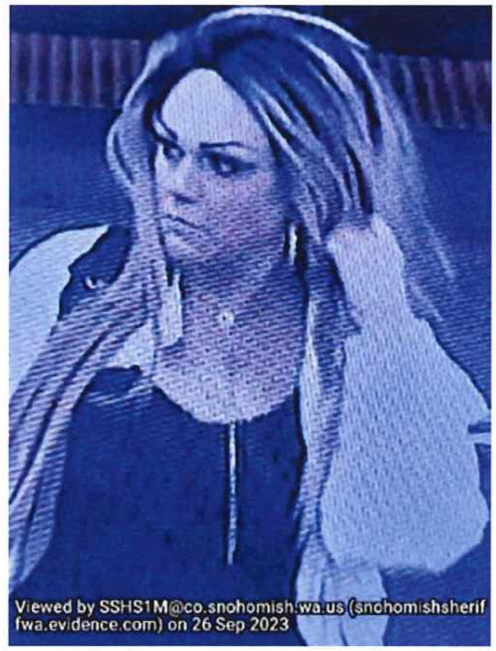
Chief toner

SEPTEMBER 2023

Stanwood Police Department

Detective Report

Stanwood Police Case 2023-6987



On 09-08-2023 the pictured subject attempted to purchase items at a local grocery store using a counterfeit $100.00 bill. When the clerk questioned her about the fake bill, the woman claimed it came from a bank ATM. The woman left the area in a dark-colored Ford Ranger.

The subject's images were shared with area law enforcement, and she has been identified.

Detective Martin will attempt contact with the woman for an interview.

SEPTEMBER 2023

Stanwood Camano School District
SCHOOL RESOURCE OFFICER

SCHOOL STARTS!

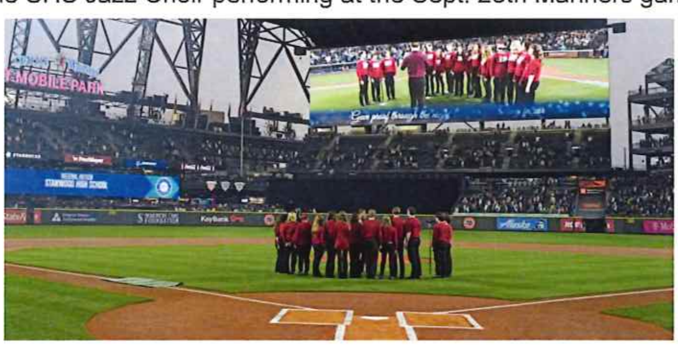
The 2023-2024 Stanwood Camano School District has started off the new school year with some new changes at Stanwood High School. New Principal Michael Washington and new Assistant Principal Corie Gudgeon have begun their first year at Stanwood High with new ideas and fresh enthusiasm. Mr. Washington greets the students daily with smiles and a lot of fist-bumps. Both are learning the "ins & outs" of the school and are adapting well.

RUN/HIDE/FIGHT

Ideas are being drawn up for a Run/Hide/Fight presentation to three groups: Staff, students, and students/parents. This presentation would provide staff and students with valuable information in what to expect, and what to do in an intruder, or active shooter situation. Deputy McCurry is putting together a recorded video so teachers and students can watch it during advisory. We are also considering putting on a presentation in the PAC for parents and students to attend during evening hours.

Jazz Choir Performs!

The SHS Jazz Choir performing at the Sept. 25th Mariners game



ALERRT
Active Shooter Training

Stanwood High School hosted the ALERRT (Advanced Law Enforcement Rapid Response Training) from Texas State University over the summer in July. Several law enforcement agencies and many School Resource Officers were able to attend this amazing training. Officers and Deputies were trained in real life scenarios which included active shooter(s), hostage situations, and explosive devices. Participants wore protective gear and used simunition firearms and ammunition to make the scenarios as real as possible. Simunition is a system of realistic training firearms that shoot wax bullets that cause no damage, and are easy to clean up (but still cause a lot of pain when you get hit). We are looking forward to more training with this group to make our schools safer and to help prepare for the worst.

SEPTEMBER 2023

The following pages cover incidents data. This is also known as calls for service. If 30 people call because there's a wreck in front of Haggen's, it counts here once.

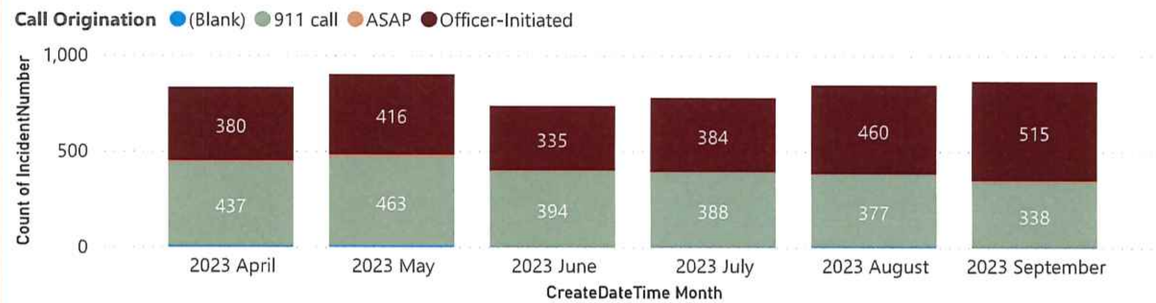
TOTAL INCIDENTS - ALL ORIS inside STW

Previous Month Over Time

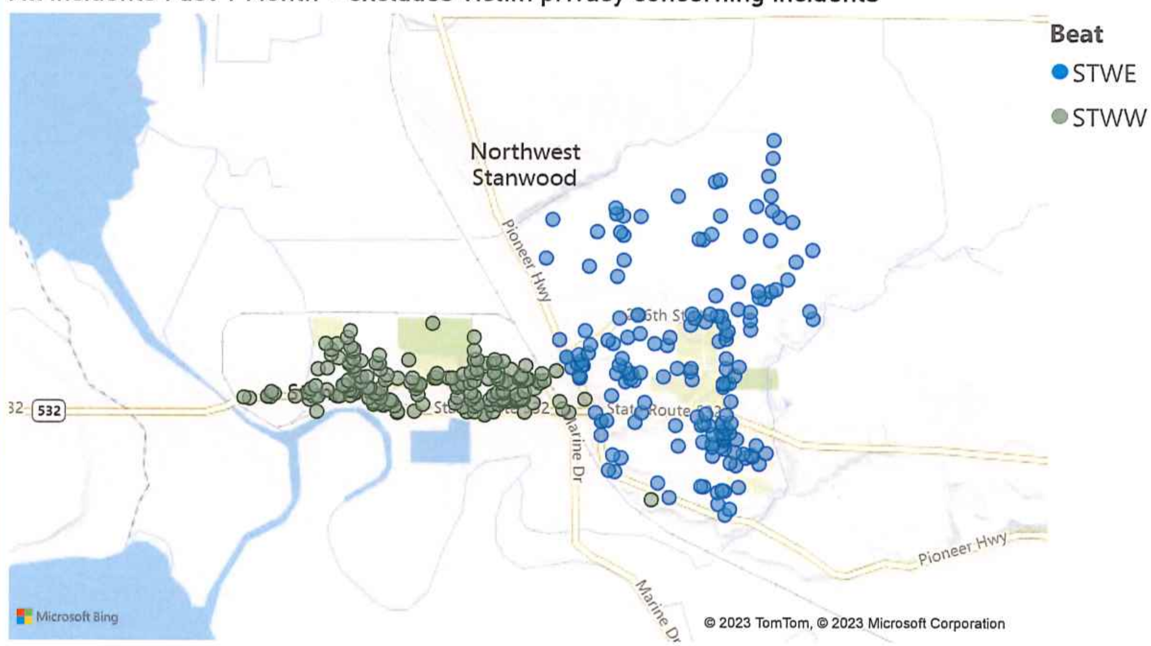
Stanwood West, Incidents by Origination

Stanwood East, Incidents by Origination

Total Incident Counts, Past 6 Full Months by Origination Type



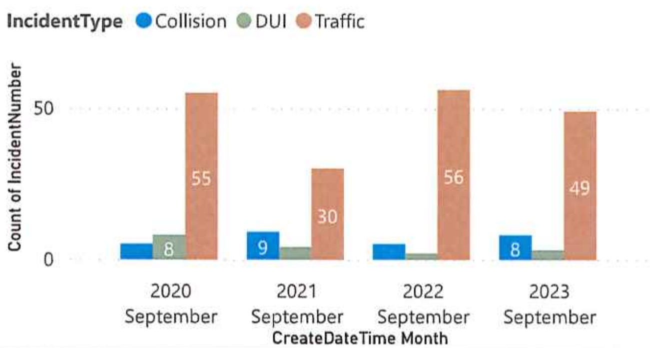
All incidents Past 1 Month - excludes victim privacy concerning incidents



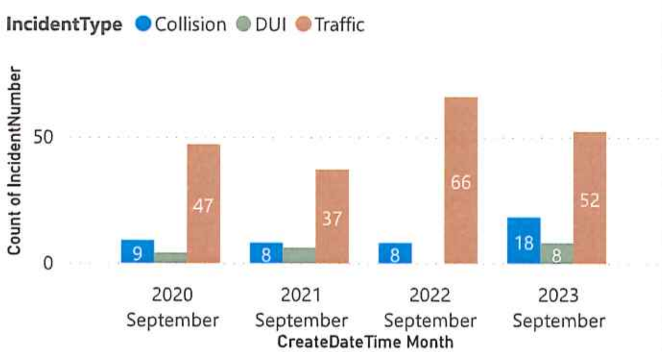
Collision, DUI, and Traffic INCIDENTS

Previous Month Over Time

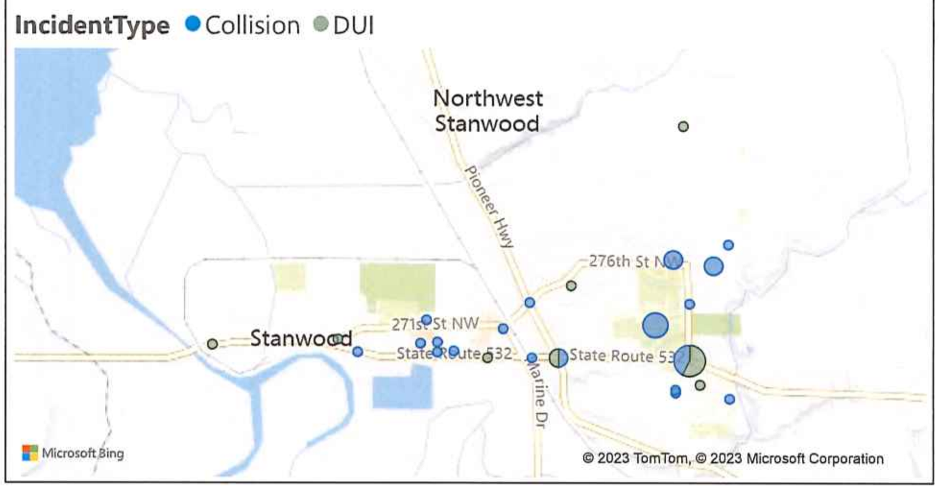
Stanwood West



Stanwood East



Previous Month, Current Year



STWW & STWE

Year	Collision	DUI
⊟ **2023**		
April	25	8
May	17	9
June	18	10
July	20	7
August	13	6
September	26	11

Traffic - Previous Month, Current Year

STWW & STWE

Year	Traffic
⊟ **2023**	
April	106
May	79
June	100
July	74
August	96
September	101

Tickets - To Current Date, Current Year

Data begins in 2021, due to lack of tickets issued in 2020 (due to covid lockdowns).

# of Tickets - This CY

172

# of Citations - This CY

222

Total Tickets

Month	2022	2023
January	6	18
February	8	36
March	8	16
April	3	16
May	9	23
June	23	30
July	22	9
August	25	36
September	25	38
October	10	
November	14	
December	21	

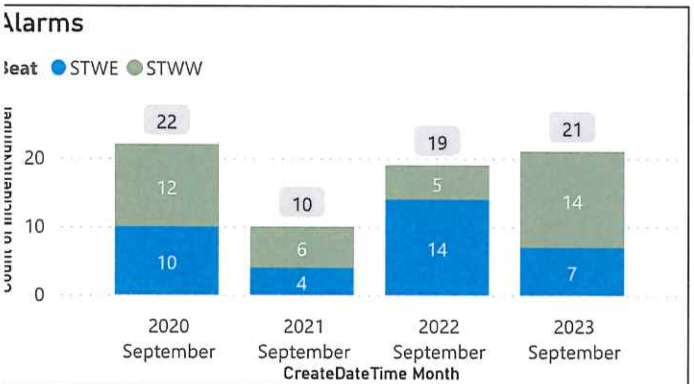
Location of Citations this CY

Beat ● STWE ● STWW

How Many Tickets Had More than One Citation? 2022 to present

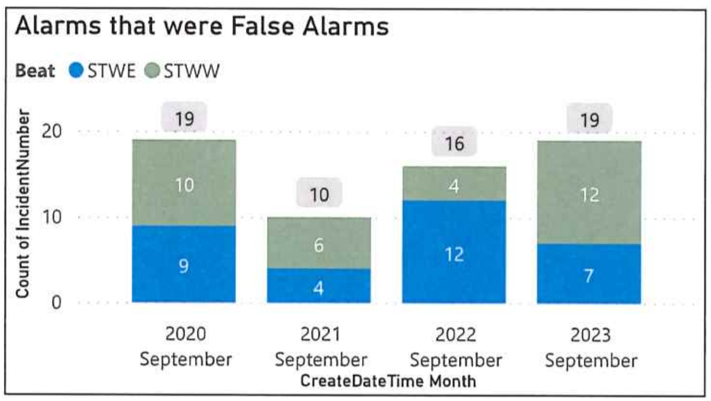
80

Alarms

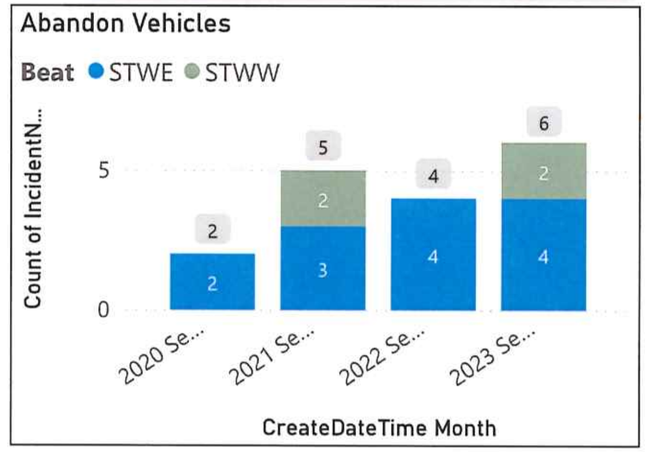


STWW & STWE

Year	Alarm
2023	
April	17
May	18
June	9
July	9
August	9
September	21

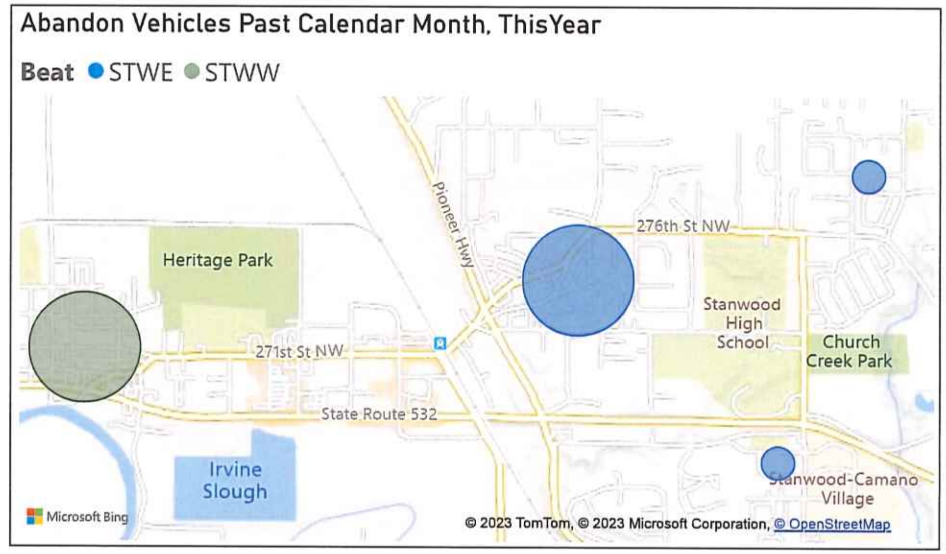


Abandon Vehicles

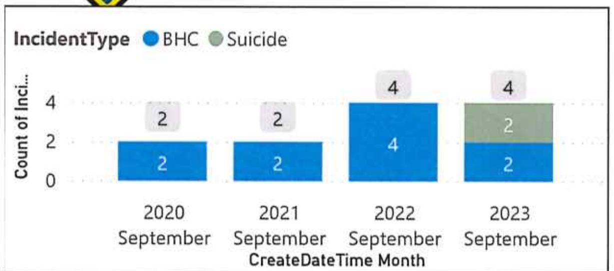


STWW & STWE

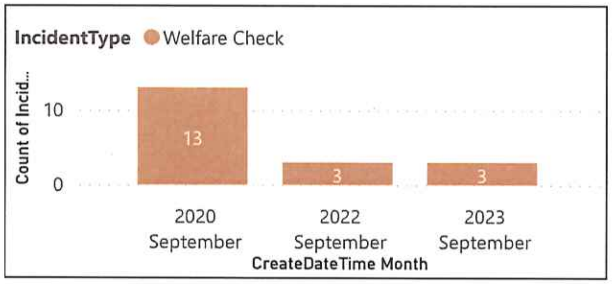
Year	Abandoned Vehicle
2023	
April	3
May	3
June	5
July	1
August	8
September	6



Stanwood West



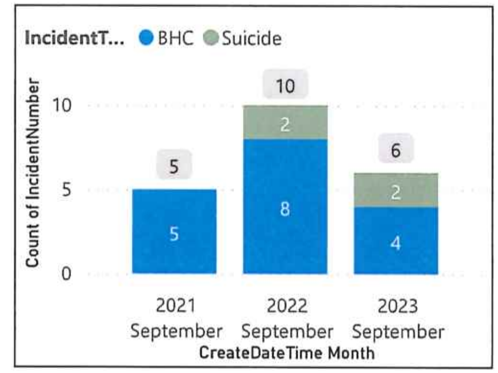
Year	BHC	Suicide
2023		
April	3	3
May	5	
June	4	
July	4	
August	7	
September	2	2



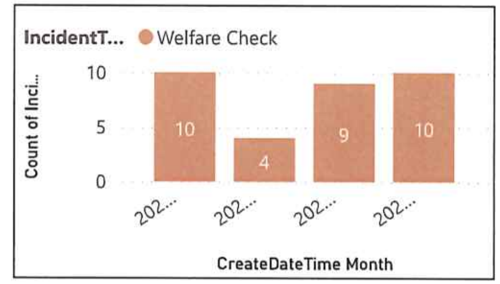
Year	Welfare Check
2023	
April	3
May	1
June	4
July	4
August	8
September	3

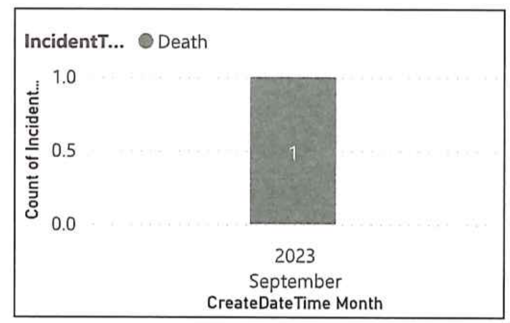
Stanwood East

Year	BHC	Suicide
2023		
April		5
May	13	
June	5	2
August	12	2
September	4	2



Year	Welfare Check
2023	
April	10
May	14
June	8
July	5
August	9
September	10

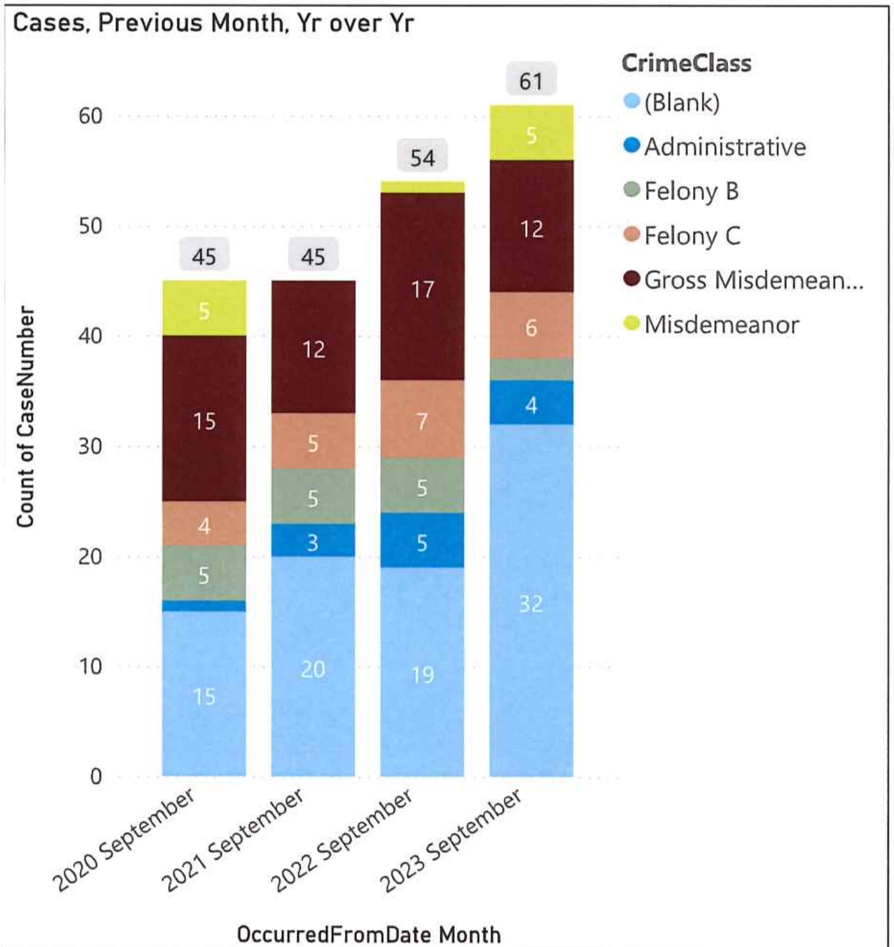


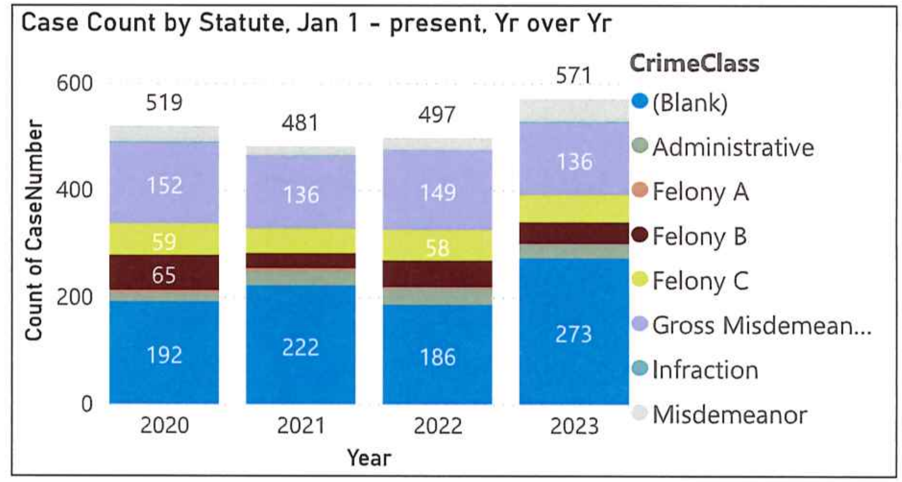


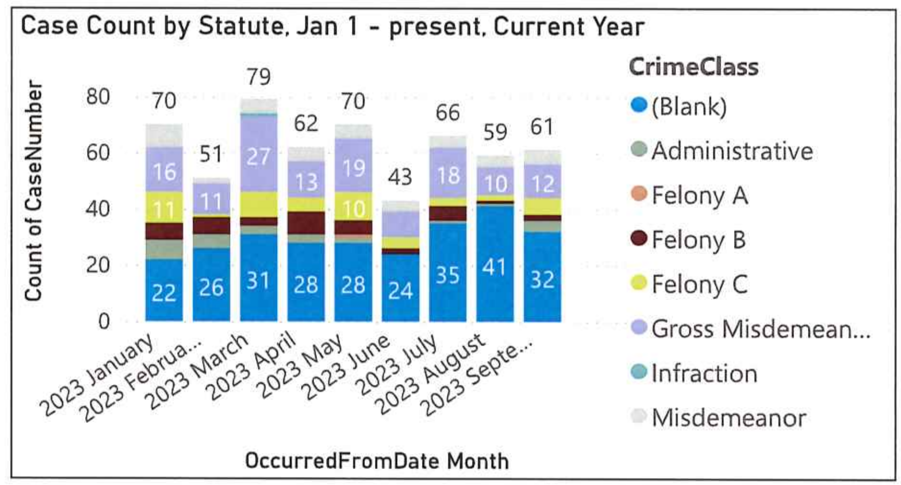
The following pages cover case data. The key difference between cases and incidents data is a Deputy has determined something did transpire that justifies writing a case report.

TOTAL CASES

IN THE STW BEAT



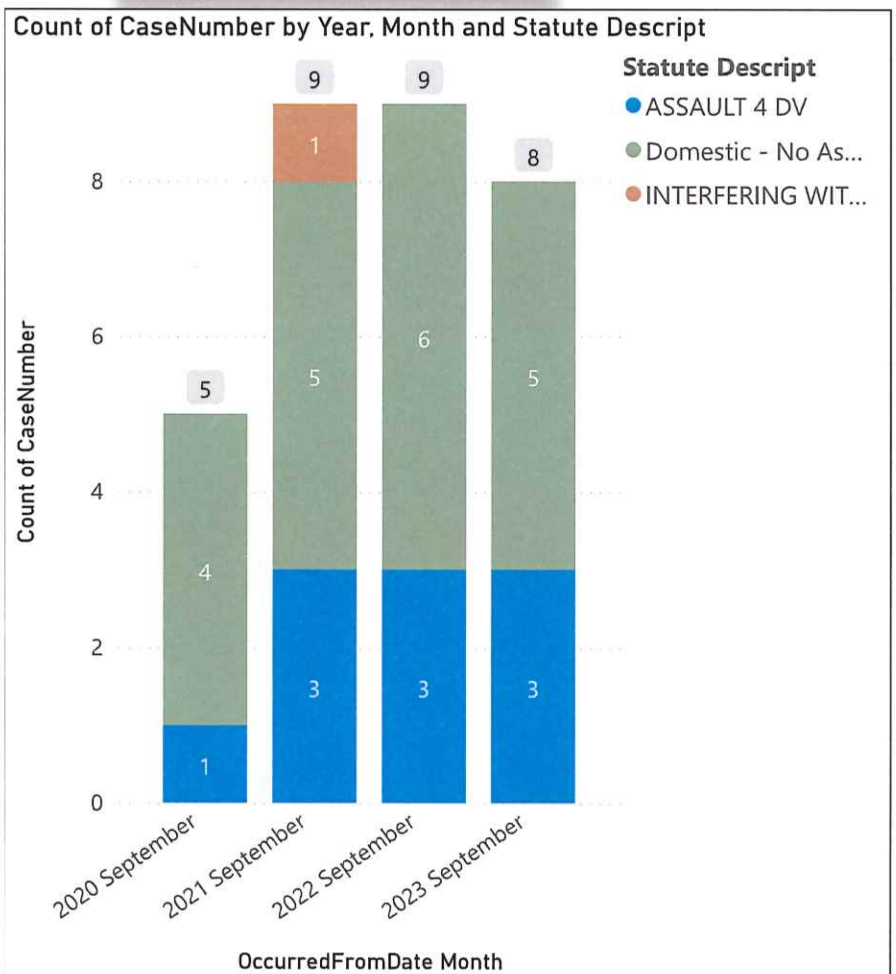




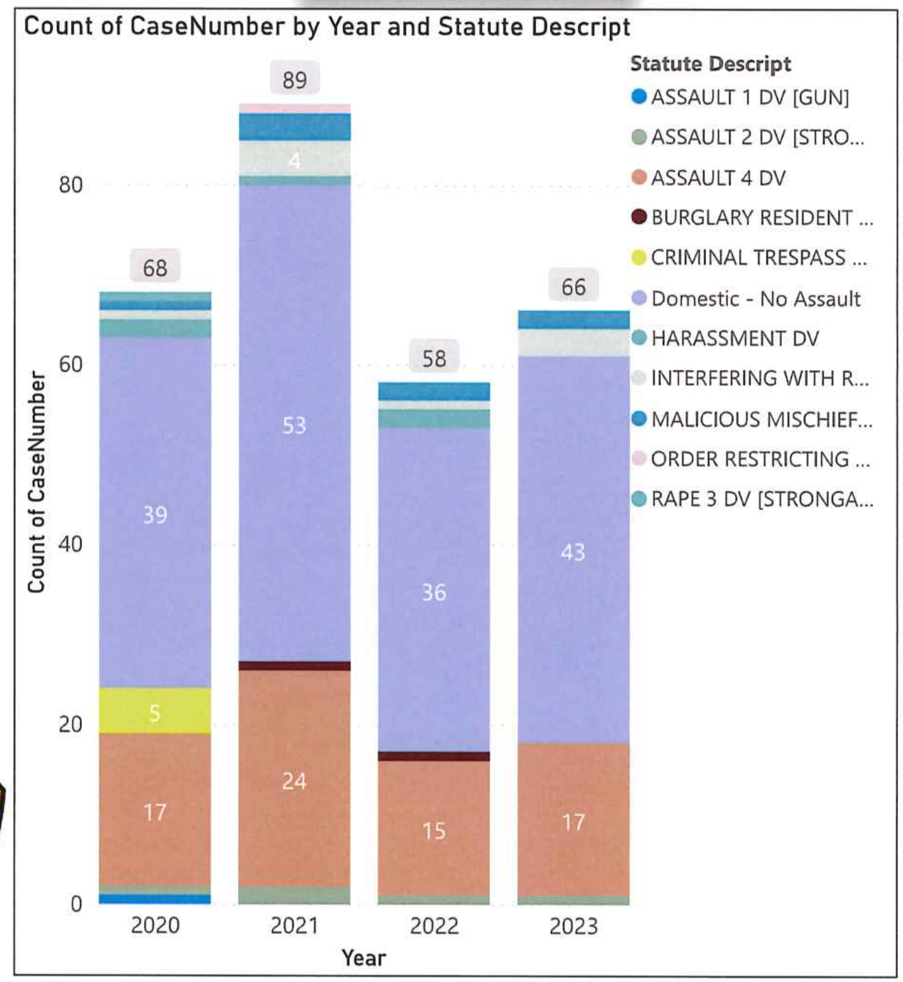
Domestic Related CASES

IN THE STW BEAT

Previous Month Over Time

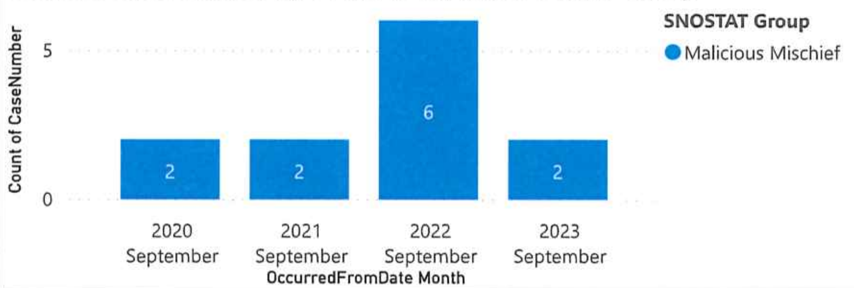


To Date By Year

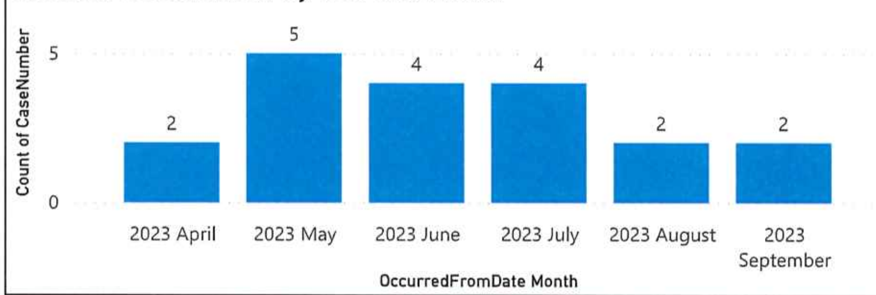


Malicious Mischief CASES

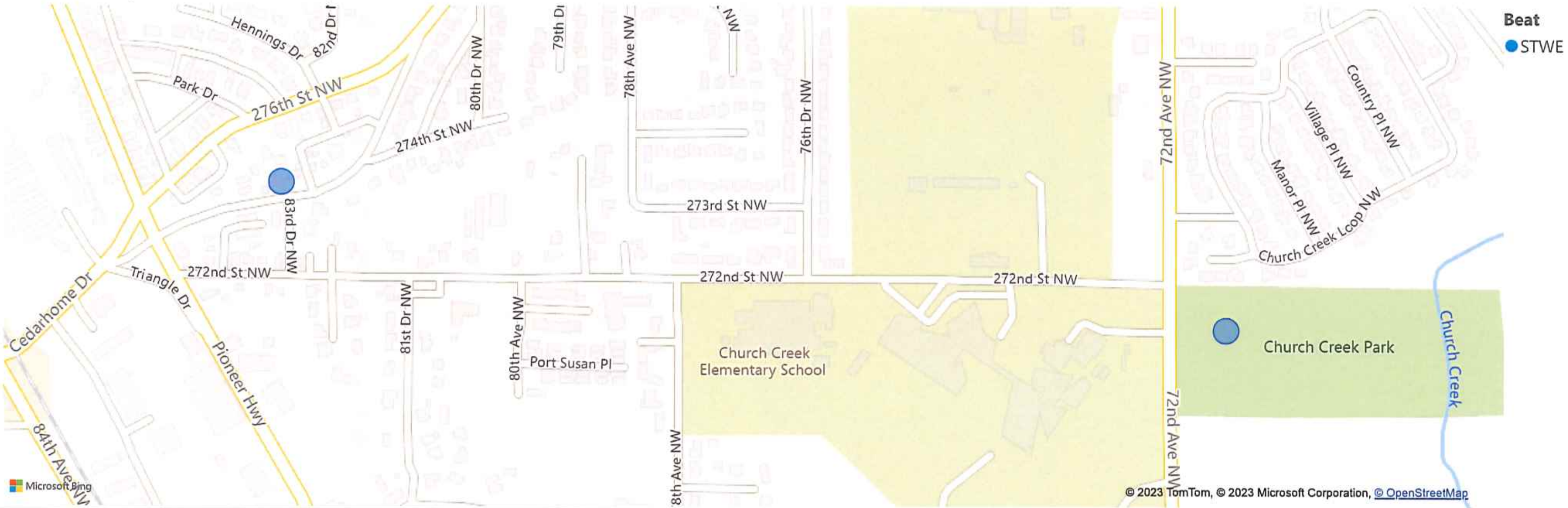
Count of CaseNumber by Year, Month and SNOSTAT Group



Count of CaseNumber by Year and Month



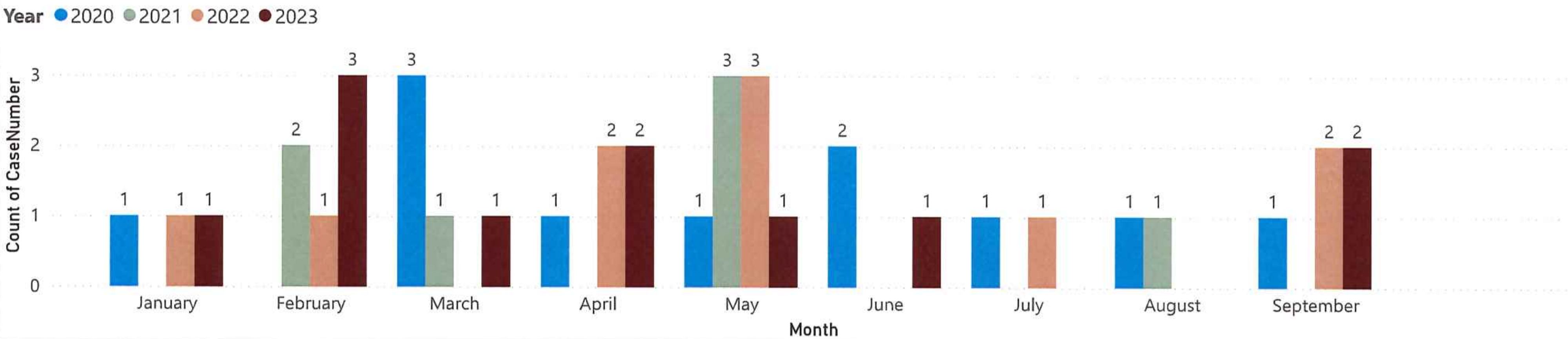
Cases in the past Calendar month, Current Year



Auto Theft CASES

Past Six Calendar Months

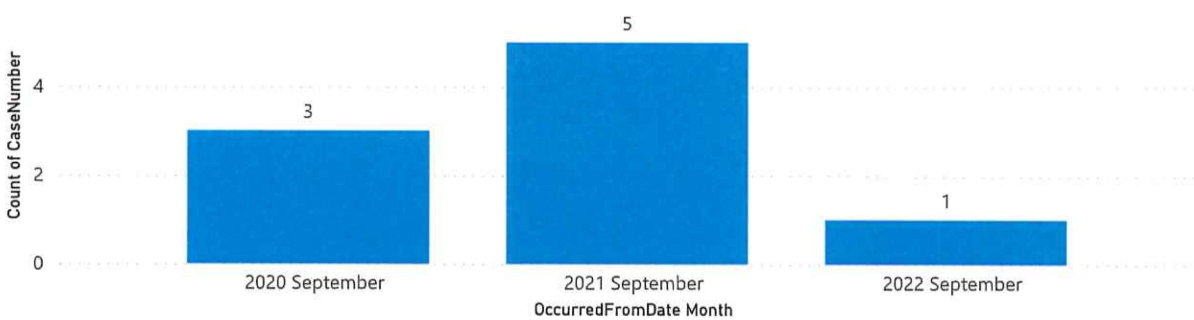
Jan 1 - Present, each year



Month	2020	2021	2022	2023
January	1		1	1
February		2	1	3
March	3	1		1
April	1		2	2
May	1	3	3	1
June	2			1
July	1		1	
August	1	1		
September	1		2	2

Vehicle Prowl CASES

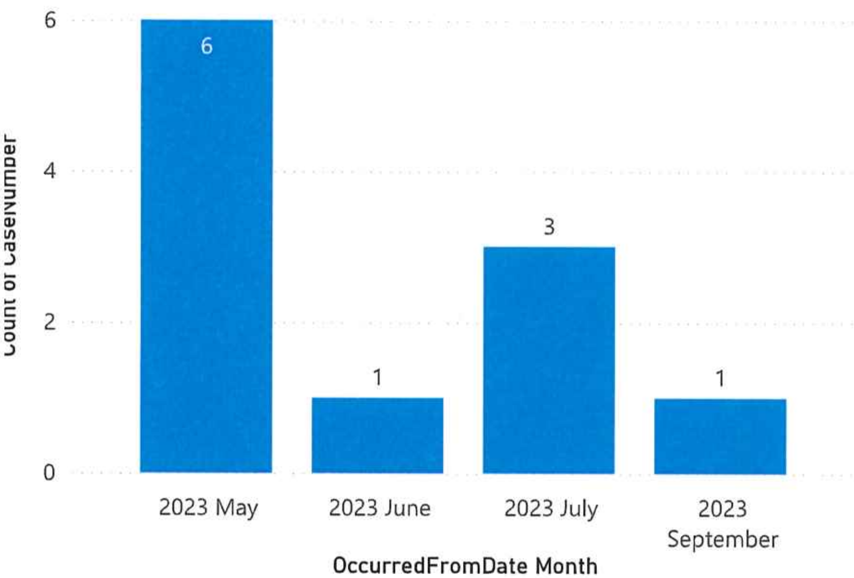
Count of CaseNumber by Year and Month



Jan 1 - Current Date, Current Year

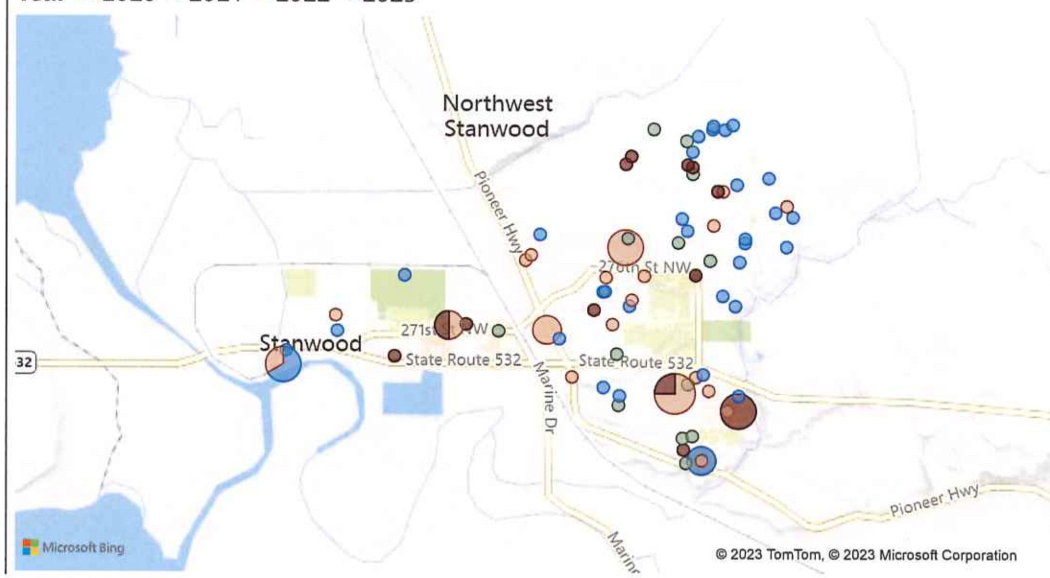
Year	Veh Prowl 1	Veh Prowl 2	**Total**
2020	2	32	**34**
2021		16	**16**
2022	4	22	**25**
2023		15	**15**

Count of CaseNumber by Year and Month



Count of CaseNumber by Year, Lat and Lon

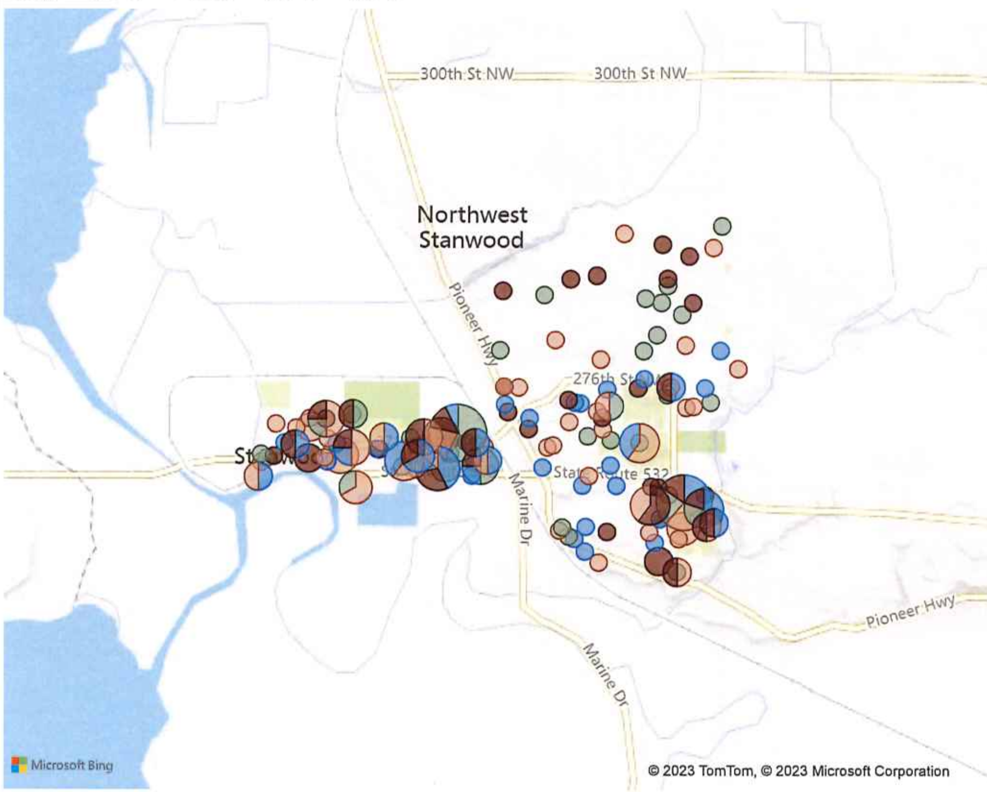
Year 2020 2021 2022 2023



Theft CASES

Count of CaseNumber by Year, Lat and Lon

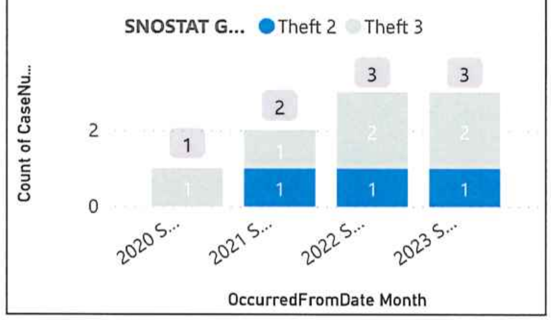
Year ● 2020 ● 2021 ● 2022 ● 2023



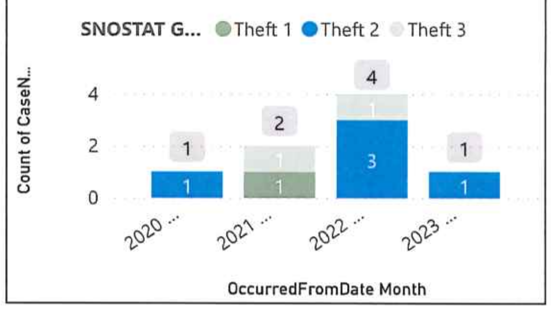
Jan 1 - Current Date

Beat	2020	2021	2022	2023
STWE	26	23	34	23
STWW	24	22	32	20
Total	**50**	**45**	**66**	**43**

Stanwood West



Stanwood East



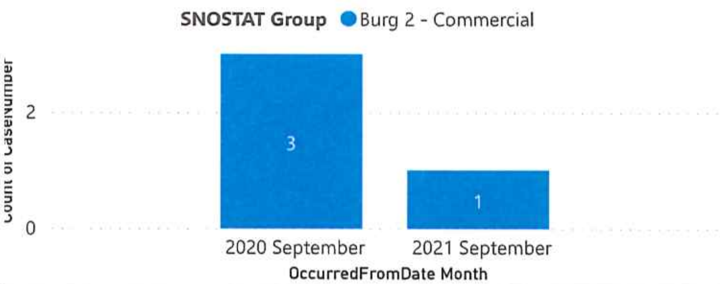
Current YTD

Year	STWE	STWW
2023		
September	1	3
August	1	1
July	3	3
June		5
May	6	1
April	4	
March	3	
February	2	4
January	3	3

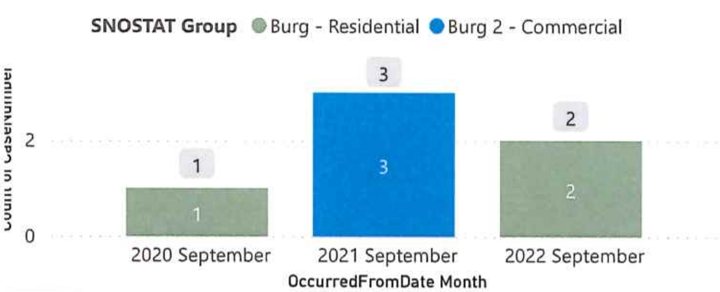
Burglary CASES

Jan 1 - Current Date		
Year	STWE	STWW
2020	8	10
2021	6	6
2022	11	5
2023	7	7

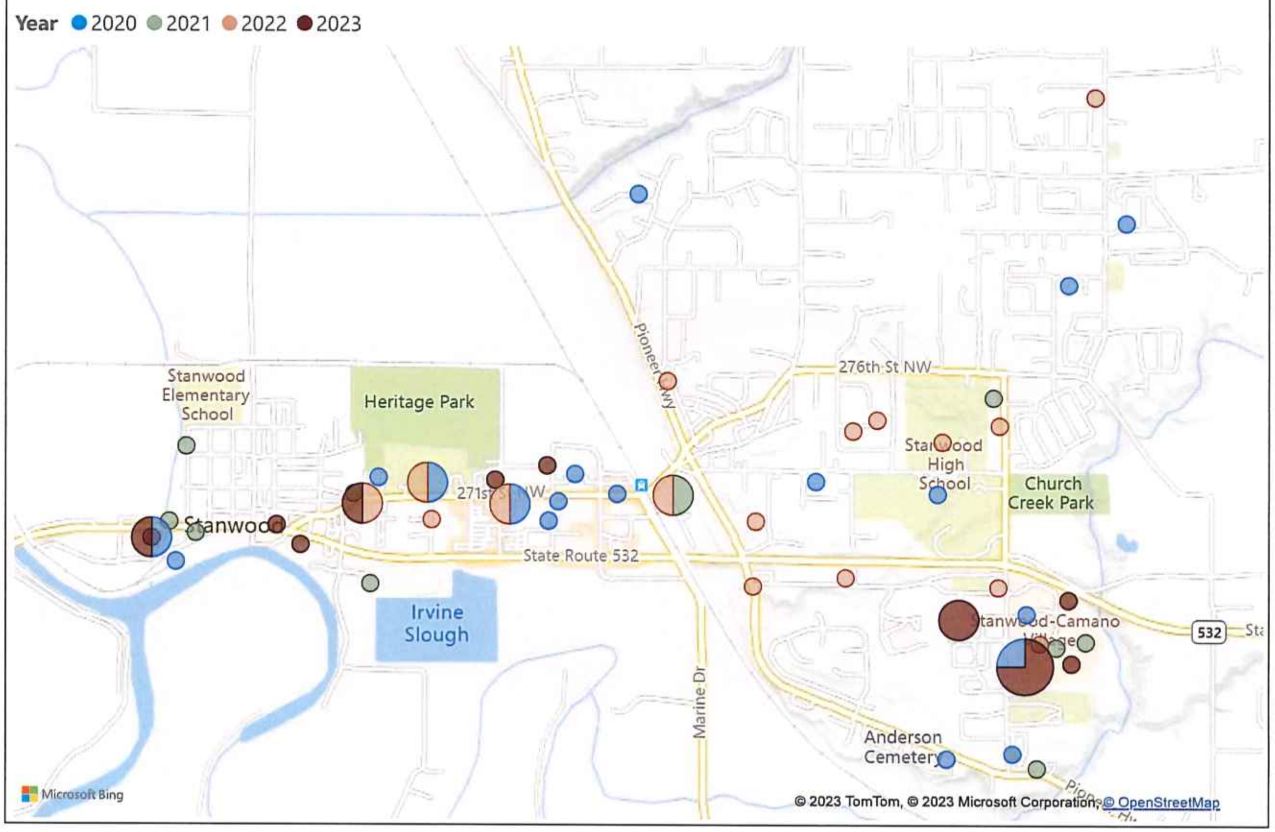
Stanwood West



Stanwood East



Count of CaseNumber by Year, Lat and Lon



CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT

ITEM NUMBER:	**7a**
DATE:	**October 26, 2023**
SUBJECT:	Community Development Committee Meeting Minutes
CONTACT PERSON:	Patricia Love, Community Development Director
ATTACHMENTS:	A – October 5, 2023 Meeting Minutes

SUMMARY STATEMENT:

Minutes from the October 5, 2023 Community Development Committee Meeting are attached to this staff report for approval as presented.

	Community Development Committee Meeting Minutes October 5, 2023 | 5:00 pm

Council Members Present: Tim Schmitt, Marcus Metz, Andreena Bergman (online)

Staff Present: Patricia Love, Tansy Schroeder, Audrey Rotrock

Others Present: N/A

Tim Schmitt called the meeting to order at 4:57 p.m.

1. **Stanwood Municipal Code Titles 10, 11, & 14 Scoping Memos**
   Don't allow colorful street striping at intersections that represent social or political issues. The Committee asked staff to investigate whether or not traffic rules can be applied to private parking lots. Add more definitions for electric bicycles, scooters, and other new types of non-motorized vehicles. Ask the police chief to weigh in on speed limits. Verify the purpose of bicycle licenses. The Committee would like more information on complete streets.

2. **2024 Comprehensive Plan Introduction, Housing, and Economic Development Design Drafts**
   The Committee had a few suggestions on the Comprehensive plan photos, typos, and color schemes. Overall, the Committee thinks the Plan looks great and supports the direction it is taking.

3. **88th Avenue Arch Call for Art**
   When brought to the Council, the Committee would like the art to be accepted or rejected as a whole, instead of piecemealing. They would also like to see more examples of Norwegian history, rosemaling, and historic photos. The Committee recommends moving the current submittal of art forward to Council, and then doing a second call for art with the new suggestions.

Adjourn: 6:16 pm

CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT

ITEM NUMBER:	**7b**
DATE:	October 26, 2023
SUBJECT:	Planning Commission Meeting Minutes
CONTACT PERSON:	Patricia Love, Community Development Director
ATTACHMENTS:	A – September 11, 2023 Meeting Minutes

SUMMARY STATEMENT

Minutes from the September 11, 2023 Planning Commission Meeting are attached to this staff report for approval as presented. These minutes were approved at the October 9, 2023 Planning Commission Meeting.

	Planning Commission Meeting Minutes Monday, September 11, 2023 – 6:30 pm

Call to Order: 6:30

Roll Call

Commissioners Present:
Eric Warnat, Commissioner (online)
Robert Hicks, Commissioner
Melissa Toner, Commissioner
Cody Davis, Commission Vice-Chair
Justin Burns, Commissioner (online)
Jeff Wheatley, Commissioner

Staff Present:
Tansy Schroeder, City Planner
Audrey Rotrock, Associate Planner
Lisa Sokolik, City Clerk

Absent: Patrick Hosterman, Commission Chair

Also known to be present: Dan (online), D. (online), Andrew M. (online), Tammy Gree (online), Petey Mac (online), Thomas (online), Meg W (online), Galaxy A12 (online), Veronik Smirnova (online), J. Wright (online), Douglas (online), Dean Tougas, Nanse Castner, Chris Castner, Brian Kemp, Zeb Hering, Kaleigh Hering, Matt Green, Karen Furney, Daniel Imus, Nina Runge, Marlon Runge, Elizabeth Day, Jacob Parker, Douglas Burmester, Lisa Kowalczik, Rick Doty, Linda Doty, James Rolfe, Hannah Rolfe, Dave Nienhuis, Marilyn Nienhuis, Pan Lewinski, Kim Morera, Roger Haskin, Shannon Kyle, Jarod Angeles, Abi Satterfield, Phyllis L. Feld, Mike Satterfield, Doug Durand, Linda S. Brawn, David Rodenberger, David Hensman, Pieter DeJong, Melody Hensman, David Campbell, Shawn Buckner, Gale Venderpool, Gretchen Leaf, Debra Hartsfield, Betty Hartsfield, David Imus, Frank Waterworth, Janet Waterworth, Katherine Knox, Chris Knox, Richard Hoxie, Jasmine Knox, Hannah McGuire, Elizabeth Wells, Toni Hoixe, Brian D. Hall, Darlene D. Rowell, Stephen C. Brown, Buddy Rowell, Tonia Woods, Jeff Patt, Yumi Patt, Janell, Epperson, Randy Kent, Sara Stiers, Ted Stiers, Rebecca Lewinski, Don Mailloux, Diana Mailloux, Cathie Helgeland

Public Requests and Comments: None

Approval of Minutes:
The minutes from the July 10, 2023Planning Commission meeting were approved unanimously.

New Business:

Public Meeting: Faulkner Preliminary Subdivision

The applicant is proposing to construct a 16-lot preliminary subdivision consisting of two duplex units, four townhome units, and ten detached single-family residences. The project is located south of 284th Street NW. The site consists of a total of 2.60 acres (113,256 square feet) zoned Traditional Neighborhood. Resident vehicular access to the site will be from 284th Street NW with a new public road constructed through the development. The proposed community will include open space tracts, storm water management, and street and landscaping improvements.

Commissioner Questions & Comments

- Does modifying the mix of dwelling units increase single family units? Staff will be working with the applicant to come up with a new mix of single family, townhome, and duplex units.

- Will the applicant be allowed to apply for a variance for the mix of housing types? Variances are generally not granted for uses. Variances are generally granted for bulk and dimensional standards. An alternative to a variance would be an administrative interpretation that will be discussed with the Community Development Director.
- The applicant is meeting the Open Space requirement. Commissioners would like to see applicants exceed the requirements for Open Space. This will be addressed in the Municipal Code update. Open Space in this development will be partially achieved by the underground detention vault having open / green space above.
- Commissioners would like to see a bus stop added near the development.
- There will be a ten-foot utility easement along the frontage of the development.
- The smaller lots, lots 15-18, will be used for townhomes. End unit townhomes have a minimum lot size of 2000 square feet (SF), and the interior townhomes have a minimum lot size of 1800 SF.
- Sports court will be 5000 SF.
- Overall, the Planning Commissioners support this development.

Public Questions & Comments

- Open space and Native Growth Protection standards are important. The public would like to see connectivity of open spaces for wildlife and their migratory patterns.
- The definition of townhomes and duplexes is complicated.
- There are 4 second growth fir trees on the Faulkner property that neighbors would like to see kept instead of having them cleared.
- Water line easement from the Faulkner property crosses neighboring properties. The water line is not functional and would not be needed for the Development. Neighbors would like to see the easement lifted.

Public Meeting: Redemption Hill Church Conditional Use Permit

The applicant is proposing to convert an existing single-family residence into a House of Worship. The project is located north of 276th Street NW and west of 74th Avenue NW approximately 3.13 acres in size. The property is zoned Single Family Residential 9.6 (SR 9.6) which requires a Type III conditional use permit for houses of worship. There is an existing gravel driveway on the east side of the property. The proposed development is intended to be phased with the conversion of the existing 3,000 square foot residence as phase 1 and construction of a new sanctuary building as phase 2. The project includes landscaping, parking, and utilities. A conditional use permit is needed when a use may fit in its environment when specific conditions are met. A house of worship is a conditional use within a residential zone.

Commissioner Questions & Comments

- Why wasn't a conditional use permit (CUP) applied for in 2019? COVID caused issues in funding preventing application at that time. Previous church members did not pass on necessary application information that was needed for compliance.
- Was the property originally purchased for someone to live in, or to use as a church? The church purchased the residence to be used as a church.
- Why are churches required to have a CUP? CUPs have criteria that must be addressed to mitigate potential impacts on the surrounding residential neighborhood. Conditional use

permits are reviewed against approval criteria for compatibility, traffic, noise and glare, landscaping, and public improvements.
- What are the next steps in the CUP process? Staff will produce a review letter analyzing the permit submittal documents and ask for corrections, if needed. The review letter will also discuss concerns from the Planning Commissioners and the public asking how the applicant will address those concerns.
- Commissioners have concerns for the neighbors and the noise produced by the church. They would like to come to a good resolution for both the church and the neighbors.
- The current code doesn't address noise from special and/or private events. This will be addressed through the Municipal Code update.
- As part of the permit process, those requiring public notice, notices are sent to neighbors within 300 feet of the property, notices are posted at the post office, library, City website, and social media.
- A new use in a previously residentially zoned neighborhood presents concerns of the new use causing disruption.
- Look into how other churches handle their noise.
- The Commissioners appreciate the community's involvement.

<u>Public Questions & Comments</u>
- Summary of comments of those supporting granting the CUP:
  - The church is a special place of worship, community support, and mentorship. The City is growing and more churches are needed. Trees will be planted to mitigate noise. Wants same treatment as surrounding community.
- Summary of comments of those not supporting granting the CUP:
  - The noise coming from the church disturbs the peace of the surrounding neighborhood. Proper permits were not obtained and there is a violation of many codes.

A motion was made to conclude the meeting and cover the remaining agenda items in October. All Commissioners were in favor of concluding.

Old Business:
None

Miscellaneous Business:
None

Recent Council Action on Commission Items:
None

Upcoming Items:
- Comprehensive Plan Elements: Introduction, Housing, and Economic Development
- Comprehensive Plan Elements: Land Use and Transportation

Adjourn: 9:06 pm

CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT

ITEM NUMBER:	**7c**
DATE:	October 26, 2023
SUBJECT:	Parks and Trails Advisory Committee Meeting Minutes
CONTACT PERSON:	Kevin Hushagen, Public Works Director
ATTACHMENTS:	A – September 18, 2023, PTAC Minutes

SUMMARY STATEMENT

Minutes from the September 18, 2023, Parks and Trails Advisory Committee Meeting are attached to this staff report for approval as presented. These minutes were approved at the October 16, 2023, PTAC Meeting.

Parks and Trails Advisory Committee Meeting Minutes September 18, 2023

1. **Call to Order/Roll Call:** 3:04 PM

Members Present:
Matt Withers
Cathy Wooten
Judy Williams
Dave Hall
Meagen Watne
Lisa Bruce

Members Absent:
Gordy Holmes

Others Present:
Carly Ruacho, Parks Planning Manager
Kevin Pellham, Parks Maintenance Lead
Tansy Schroeder, City Planner
Peter Kamb, public
Caitlin Hepworth, Atwell

2. **Citizen Comments**

Meagen Watne and Peter Kamb had a comment to the committee about Stanwood joining the Leafline Trails coalition to make it easier for them to connect to the PTAC. This is a coalition that is working to create an interconnected network of shared use trails across the Central Puget Sound region.

3. **Approval of May 2023 Meeting Minutes**

Amend the minutes to remove Matt Withers from members present and add Lisa Bruce and Meagen Watne's last name to the list of members present. Minutes were approved as amended.

4. **PROS Plan Update- Parks Recreation and Open Space**

Caitlin Hepworth with Atwell came to the PTAC meeting to review the community survey that was done regarding the PROS plan, the proposed Capital Improvement Plan and to receive PTAC comments.

- PTAC asked to make an additional Heritage Park parking lot a priority.
- A committee member suggested making lights on the sports fields a priority.
- Suggestion was made to prioritize the parks projects on the CIP based on incoming revenue projects.
- Previous PTAC park project prioritization lists will be used for CIP.

5. **Church Creek Striping Plan**

The committee reviewed the quotes for striping the Church Creek Park parking lot. The Committee is generally in favor of striping the lot, but they would like staff to look into wider stalls (larger than 8.5').

6. Park/Trail Updates

6. Park/Trail Updates

HAMILTON - Hamilton Park is under construction. Boat launch is complete.
OVENELL PARK - Public Farm project still moving forward. Carly will be getting him a lease document. PORT SUSAN TRAIL – Design complete. Grant expires November 30. Carly will be asking for an extension from Washington State Recreation and Conservation Office (RCO) for 1 additional year. DOWNTOWN PARK - Survey with 3 designs is currently out and closes September 22nd.

7. Committee Member Comments

Lisa Bruce commented that she would like to see more focus given to teen needs at parks. She identified functional art as a possible solution to the need for spaces for teens to sit and hang-out, especially near other uses (skate park, etc.) where they can watch and engage from nearby. Statues, large letters that allow climbing and sitting were suggested.

Meagen Watne asked if Playgrounds Northwest could come give a presentation on accessible playgrounds. Carly indicated that they are one of several companies that designed and install local playgrounds, it would not be appropriate to have them come as it may show favoritism for future projects.

Adjourn: 5:12 PM

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CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT

ITEM NUMBER:	**8a**
DATE:	October 26, 2023
SUBJECT:	Approval of Voucher and Payroll Checks
CONTACT PERSON:	Amy Bergemeier, Accounting Specialist
ATTACHMENTS:	A - Voucher Check Detail

SUMMARY STATEMENT

Approve issuance of Washington Federal Bank voucher checks 37612 through 37673 and electronic fund transfers in the amount of $773,027.56. Approve issuance of Washington Federal payroll benefit checks 2173 through 2178 and electronic fund transfers in the amount of $382,533.59.

RECOMMENDED MOTION

MOTION TO APPROVE ISSUANCE OF WASHINGTON FEDERAL BANK VOUCHER CHECKS 37612 THROUGH 37673 AND ELECTRONIC FUND TRANSFERS IN THE AMOUNT OF $773,027.56. APPROVE ISSUANCE OF WASHINGTON FEDERAL PAYROLL BENEFIT CHECKS 2173 THROUGH 2178 AND ELECTRONIC FUND TRANSFERS IN THE AMOUNT OF $382,533.59.

CHECK REGISTER

City Of Stanwood

Time: 11:14:02 Date: 10/17/2023

09/30/2023 To: 10/17/2023

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
4960	10/06/2023	Payroll	3	EFT		4,205.43	Sept 2023 Payroll
4961	10/06/2023	Payroll	3	EFT		5,256.37	Sept 2023 Payroll
4962	10/06/2023	Payroll	3	EFT		4,523.61	Sept 2023 Payroll
4963	10/06/2023	Payroll	3	EFT		2,582.27	Sept 2023 Payroll
4964	10/06/2023	Payroll	3	EFT		3,028.52	Sept 2023 Payroll
4965	10/06/2023	Payroll	3	EFT		467.39	Sept 2023 Payroll
4966	10/06/2023	Payroll	3	EFT		3,398.42	Sept 2023 Payroll
4967	10/06/2023	Payroll	3	EFT		3,748.12	Sept 2023 Payroll
4968	10/06/2023	Payroll	3	EFT		7,773.15	Sept 2023 Payroll
4969	10/06/2023	Payroll	3	EFT		4,344.09	Sept 2023 Payroll
4970	10/06/2023	Payroll	3	EFT		2,531.57	Sept 2023 Payroll
4971	10/06/2023	Payroll	3	EFT		12,604.33	Sept 2023 Payroll
4972	10/06/2023	Payroll	3	EFT		3,402.80	Sept 2023 Payroll
4973	10/06/2023	Payroll	3	EFT		3,594.50	Sept 2023 Payroll
4974	10/06/2023	Payroll	3	EFT		2,728.02	Sept 2023 Payroll
4975	10/06/2023	Payroll	3	EFT		487.30	Sept 2023 Payroll
4976	10/06/2023	Payroll	3	EFT		4,358.16	Sept 2023 Payroll
4977	10/06/2023	Payroll	3	EFT		4,046.23	Sept 2023 Payroll
4978	10/06/2023	Payroll	3	EFT		7,226.70	Sept 2023 Payroll
4979	10/06/2023	Payroll	3	EFT		5,873.17	Sept 2023 Payroll
4980	10/06/2023	Payroll	3	EFT			Sept 2023 Payroll
4981	10/06/2023	Payroll	3	EFT		2,196.68	Sept 2023 Payroll
4982	10/06/2023	Payroll	3	EFT		5,876.88	Sept 2023 Payroll
4983	10/06/2023	Payroll	3	EFT		5,412.11	Sept 2023 Payroll
4984	10/06/2023	Payroll	3	EFT		4,128.74	Sept 2023 Payroll
4985	10/06/2023	Payroll	3	EFT		487.39	Sept 2023 Payroll
4986	10/06/2023	Payroll	3	EFT		3,741.16	Sept 2023 Payroll
4987	10/06/2023	Payroll	3	EFT		487.58	Sept 2023 Payroll
4988	10/06/2023	Payroll	3	EFT		4,722.20	Sept 2023 Payroll
4989	10/06/2023	Payroll	3	EFT		437.39	Sept 2023 Payroll
4990	10/06/2023	Payroll	3	EFT		2,364.59	Sept 2023 Payroll
4991	10/06/2023	Payroll	3	EFT		3,092.98	Sept 2023 Payroll
4992	10/06/2023	Payroll	3	EFT		1,491.43	Sept 2023 Payroll
4993	10/06/2023	Payroll	3	EFT		1,702.29	Sept 2023 Payroll
4994	10/06/2023	Payroll	3	EFT		3,891.40	Sept 2023 Payroll
4995	10/06/2023	Payroll	3	EFT		487.30	Sept 2023 Payroll
4996	10/06/2023	Payroll	3	EFT		3,436.50	Sept 2023 Payroll
4997	10/06/2023	Payroll	3	EFT		5,088.78	Sept 2023 Payroll
4998	10/06/2023	Payroll	3	EFT		487.39	Sept 2023 Payroll
4999	10/06/2023	Payroll	3	EFT		5,105.83	Sept 2023 Payroll
5000	10/06/2023	Payroll	3	EFT		4,443.75	Sept 2023 Payroll
5001	10/06/2023	Payroll	3	EFT		7,718.41	Sept 2023 Payroll
5002	10/06/2023	Payroll	3	EFT		4,648.89	Sept 2023 Payroll
5003	10/06/2023	Payroll	3	EFT		1,303.64	Sept 2023 Payroll
5004	10/06/2023	Payroll	3	EFT		5,206.31	Sept 2023 Payroll
5052	10/09/2023	Payroll	3	EFT	AFLAC	221.39	Pay Cycle(s) 10/06/2023 To 10/06/2023 - AFLAC, Pre-Tax; Pay Cycle(s) 10/06/2023 To 10/06/2023 - AFLAC, Post-Tax
5053	10/09/2023	Payroll	3	EFT	AWC Employee Benefit Trust	22,222.96	Pay Cycle(s) 10/06/2023 To 10/06/2023 - AWC - Health First 250; Pay Cycle(s) 10/06/2023 To 10/06/2023 - AWC- Dental J; Pay Cycle(s) 10/06/2023 To 10/06/2023 - AWC - Vision; Pay Cycle(s) 10/06/2023 To;
5054	10/09/2023	Payroll	3	EFT	Colonial Life Insurance	66.75	Pay Cycle(s) 10/06/2023 To 10/06/2023 - Colonial Life Ins

CHECK REGISTER

City Of Stanwood

Time: 11:14:02 Date: 10/17/2023

09/30/2023 To: 10/17/2023

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
5055	10/09/2023	Payroll	3	EFT	Great-West Life & Annuity	4,920.00	Pay Cycle(s) 10/06/2023 To 10/06/2023 - 457 - Empower (Mass Mutual); Pay Cycle(s) 10/06/2023 To 10/06/2023 - Roth 457(b)Empower(MassMutual)
5056	10/09/2023	Payroll	3	EFT	HSA Bank	649.00	Pay Cycle(s) 10/06/2023 To 10/06/2023 - HSA Contributions ER; Pay Cycle(s) 10/06/2023 To 10/06/2023 - HSA Contr EE
5057	10/09/2023	Payroll	3	EFT	Internal Revenue Service (941)	75,865.78	941 Deposit for Pay Cycle(s) 10/06/2023 - 10/06/2023
5058	10/09/2023	Payroll	3	EFT	Legal Shield	63.85	Pay Cycle(s) 10/06/2023 To 10/06/2023 - Legal Shield
5059	10/09/2023	Payroll	3	EFT	Mission Square Retirement	3,644.72	Pay Cycle(s) 10/06/2023 To 10/06/2023 - 457 - Mission Square Ret(ICMA)
5060	10/09/2023	Payroll	3	EFT	Navia Benefits	505.00	Pay Cycle(s) 10/06/2023 To 10/06/2023 - Navia Limited FSA
5061	10/09/2023	Payroll	3	EFT	Teamsters Union Local 231	1,720.00	Pay Cycle(s) 10/06/2023 To 10/06/2023 - Teamsters Dues
5062	10/09/2023	Payroll	3	EFT	WA St Department Of Retirement Systems	47,471.17	Pay Cycle(s) 10/06/2023 To 10/06/2023 - PERS2; Pay Cycle(s) 10/06/2023 To 10/06/2023 - PERS 3; Pay Cycle(s) 10/06/2023 To 10/06/2023 - 457 - DRS (DCP)
5076	10/02/2023	Claims	3	EFT	Heartland Payment Systems	250.78	Sept 2023 Merchant Fees
5077	10/03/2023	Claims	3	EFT	Chase Paymentech	2,839.76	Sept Paymentech Fees
5083	10/06/2023	Claims	3	EFT	Xpress/Bill Pay	766.34	Sept Xpress fees
5089	10/09/2023	Claims	3	EFT	Aramark Uniform Services, LLC	54.68	937963000
5090	10/09/2023	Claims	3	EFT	Aramark Uniform Services, LLC	54.68	937963000
5091	10/09/2023	Claims	3	EFT	Confluence Environmental Company	18,645.31	City of Stanwood
5092	10/09/2023	Claims	3	EFT	Edge Analytical, Inc	442.00	STA01
5093	10/09/2023	Claims	3	EFT	Edge Analytical, Inc	279.00	STA01
5094	10/09/2023	Claims	3	EFT	Edge Analytical, Inc	240.00	STA01
5095	10/09/2023	Claims	3	EFT	Perteet Inc.	3,945.00	City of stanwood
5096	10/09/2023	Claims	3	EFT	RH2 Engineering Inc	6,464.16	City of Stanwood
5097	10/09/2023	Claims	3	EFT	RH2 Engineering Inc	13,399.86	City of Stanwood
5098	10/09/2023	Claims	3	EFT	RH2 Engineering Inc	598.34	City of Stanwood
5099	10/09/2023	Claims	3	EFT	Strategies 360 Inc	2,000.00	City of Stanwood
5100	10/09/2023	Claims	3	EFT	Transpogroup Inc	456.25	City of Stanwood
5101	10/09/2023	Claims	3	EFT	US Bank	6,202.75	4485 5945 5564 1495
5222	10/16/2023	Claims	3	EFT	Aramark Uniform Services, LLC	54.68	937963000
5223	10/16/2023	Claims	3	EFT	Edge Analytical, Inc	144.00	STA01
5224	10/16/2023	Claims	3	EFT	Edge Analytical, Inc	48.00	STA01
5225	10/16/2023	Claims	3	EFT	Edge Analytical, Inc	62.00	STA01
5226	10/16/2023	Claims	3	EFT	RH2 Engineering Inc	3,961.11	City of Stanwood
5227	10/16/2023	Claims	3	EFT	RH2 Engineering Inc	371.31	City of Stanwood
5228	10/16/2023	Claims	3	EFT	Snohomish County Public Def Association	2,385.00	City of Stanwood
5229	10/16/2023	Claims	3	EFT	Thompson Guildner & Associates Inc. P.S.	7,990.00	City of stanwood
5230	10/16/2023	Claims	3	EFT	WA St Dept of Revenue **	15,908.21	City of Stanwood
5063	10/09/2023	Payroll	3	2173	Western Conference of Teamsters Pension Trust	2,370.82	Pay Cycle(s) 10/06/2023 To 10/06/2023 - WCTPP Contributions

ATTACHMENT A

CHECK REGISTER

City Of Stanwood | Time: 11:14:02 Date: 10/17/2023

09/30/2023 To: 10/17/2023 | Page: 3

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
5064	10/09/2023	Payroll	3	2174	Washington Teamsters Welfare Trust	38,826.30	Pay Cycle(s) 10/06/2023 To 10/06/2023 - Teamsters Dental; Pay Cycle(s) 10/06/2023 To 10/06/2023 - Teamsters Medical
5153	10/11/2023	Payroll	3	2175	Dept of Labor and Industries	10,017.48	3RD Quarter L&I: 07/01/2023 - 09/30/2023
5154	10/11/2023	Payroll	3	2176	ESD - PFMLA	5,414.06	Pay Cycle(s) 07/01/2023 To 09/30/2023 - PFMLA
5155	10/11/2023	Payroll	3	2177	ESD-WA Cares Fund	2,595.47	Pay Cycle(s) 07/01/2023 To 09/30/2023 - LTC
5156	10/11/2023	Payroll	3	2178	Employment Security Dept	1,819.07	3rd Quarter Unemployment: 07/01/2023 - 09/30/2023
5102	10/09/2023	Claims	3	37612	Advantage Building Services	1,565.00	City of Stanwood
5103	10/09/2023	Claims	3	37613	Atwell, LLC	51,105.50	City of Stanwood
5104	10/09/2023	Claims	3	37614	Badger Meter, Inc	154.60	460708
5105	10/09/2023	Claims	3	37615	Cascade Septic Pumping, LLC	751.80	City of Stanwood
5106	10/09/2023	Claims	3	37616	Chicago Title Company	1,250.28	City of Stanwood; City of Stanwood; City of Stanwood
5107	10/09/2023	Claims	3	37617	Wendy R Corder Dowhower	124.00	City of Stanwood
5108	10/09/2023	Claims	3	37618	Core & Main LP	2,992.98	110855
5109	10/09/2023	Claims	3	37619	Hamilton Lumber LLC	466.89	66; 66
5110	10/09/2023	Claims	3	37620	Iworq Systems Inc	1,272.00	428
5111	10/09/2023	Claims	3	37621	Lankford Associates, Inc.	2,652.50	City of stanwood
5112	10/09/2023	Claims	3	37622	Lenz Enterprises Inc	180.42	City of Stanwood
5113	10/09/2023	Claims	3	37623	Maul Foster Alongi, Inc.	9,786.71	City of stanwood
5114	10/09/2023	Claims	3	37624	ODP Business Solutions, LLC	749.40	36274097; 36274097; 36274097; 36274097; 36274097
5115	10/09/2023	Claims	3	37625	PUD Of Snohomish County *	7,985.58	200128742; 200367373; 200633634; 200240505; 200738672
5116	10/09/2023	Claims	3	37626	Petty Cash/ Marcy Mathis -Custodian	17.57	City of stanwood
5117	10/09/2023	Claims	3	37627	Ricoh USA, Inc-Maint	525.75	4250811; 4250811; 4250811
5118	10/09/2023	Claims	3	37628	Ricoh USA, Inc.	1,139.23	1316669-3800326; 1316669-3816549; 1316669-3800642; 1316669-3800377; 1316669-3800327
5119	10/09/2023	Claims	3	37629	Robert Half International, Inc	1,563.37	03640-101120000
5120	10/09/2023	Claims	3	37630	Rodda Paint	579.85	631460
5121	10/09/2023	Claims	3	37631	Safeway	27.42	191483
5122	10/09/2023	Claims	3	37632	Shred-it US JV LLC	44.74	1000283524
5123	10/09/2023	Claims	3	37633	Skagit Farmers Supply	3,009.66	135052; 135052; 135052
5124	10/09/2023	Claims	3	37634	Skagit Valley Publishing	120.12	48893
5125	10/09/2023	Claims	3	37635	Sno Co Dept Of Emergency Management	2,909.25	DEMSTNWD
5126	10/09/2023	Claims	3	37636	Snohomish County 911	9,153.42	City of stanwood
5127	10/09/2023	Claims	3	37637	Everett Daily Herald/ Sound Publishing, Inc.	316.72	14104597
5128	10/09/2023	Claims	3	37638	Stanwood Ace Hardware #14901	1,863.79	20013; 20013; 20013; 20013; 20013; 20013; 20013; 20013; 20013; 20013
5129	10/09/2023	Claims	3	37639	Stanwood Auto Parts	255.63	56100; 56100; 56100
5130	10/09/2023	Claims	3	37640	Stilly Auto Parts Napa	213.41	27197; 27197; 27197; 27197
5131	10/09/2023	Claims	3	37641	USA Bluebook	1,500.47	478228; 478228
5132	10/09/2023	Claims	3	37642	Unum Life Insurance	88.40	City of Stanwood 0220603-036 2
5133	10/09/2023	Claims	3	37643	Utilities Underground Loc	119.97	134200

CHECK REGISTER

City Of Stanwood

Time: 11:14:02 Date: 10/17/2023

09/30/2023 To: 10/17/2023

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
5134	10/09/2023	Claims	3	37644	Verizon Wireless	2,167.03	742373248-00001; 372541731-00001
5135	10/09/2023	Claims	3	37645	Ziply Fiber	1,492.77	360-629-4907-072497-5; 206-188-0411-053105-5
5140	10/10/2023	Claims	3	37646	PHTRE LP	1,750.00	City of stanwood
5141	10/10/2023	Claims	3	37647	Stillaguamish Properties LLC	8,243.00	City of stanwood
5231	10/16/2023	Claims	3	37648	Gaylynn Brien	210.00	City of stanwood
5232	10/16/2023	Claims	3	37649	Builders Exchange of Washington Inc	77.45	City of Stanwood
5233	10/16/2023	Claims	3	37650	Colacurcio Brothers, Inc.	499,706.10	223015 City of Stanwood
5234	10/16/2023	Claims	3	37651	Databar Inc.	3,278.81	8952; 8952
5235	10/16/2023	Claims	3	37652	Stacey A Davis	196.19	City of stanwood
5236	10/16/2023	Claims	3	37653	Hamilton Lumber LLC	630.28	66; 66
5237	10/16/2023	Claims	3	37654	Lenz Enterprises Inc	814.56	City of stanwood; City of stanwood; City of stanwood
5238	10/16/2023	Claims	3	37655	ODP Business Solutions, LLC	261.98	36274097; 36274097; 36274097; 36274097; 36274097
5239	10/16/2023	Claims	3	37656	PUD Of Snohomish County *	9,651.44	200142180; 201942398
5240	10/16/2023	Claims	3	37657	Robert Half International, Inc	1,573.20	03640-101120000
5241	10/16/2023	Claims	3	37658	Tansy L Schroeder	336.24	City of stanwood
5242	10/16/2023	Claims	3	37659	Skagit Farmers Supply	32.76	135052
5243	10/16/2023	Claims	3	37660	Skagit Valley Publishing	158.73	48893; 48893
5244	10/16/2023	Claims	3	37661	Sno Co Information Services *	12,564.92	DIS1107
5245	10/16/2023	Claims	3	37662	Stanwood Ace Hardware #14901	369.16	20013; 20013; 20013; 20013; 20013; 20013; 20013; 20013
5246	10/16/2023	Claims	3	37663	Stanwood Auto Parts	95.12	56100; 56100
5247	10/16/2023	Claims	3	37664	Stanwood City Utility	21,051.22	2741; 2964; 2965; 4962; 3184; 3439; 4916; 1075; 2688; 2749; 2886; 1271; 1328; 1332; 1348; 1473; 1573; 1587; 1674; 1675; 2416; 1241; 4252; 4724
5248	10/16/2023	Claims	3	37665	Stilly Auto Parts Napa	263.57	27197
5249	10/16/2023	Claims	3	37666	US Bank Na Custody/ Treas Div-Money Ctr	68.00	City of Stanwood
5250	10/16/2023	Claims	3	37667	%Financial Mngmt Services WA Dept of Natural Resources	59.00	1025983
5251	10/16/2023	Claims	3	37668	WA St Auditor's Office	9,106.64	City of Stanwood
5252	10/16/2023	Claims	3	37669	WA St Department Of Retirement Systems	3,333.52	City of stanwood
5253	10/16/2023	Claims	3	37670	WA St Dept of Ecology *	999.00	City of Stanwood
5254	10/16/2023	Claims	3	37671	Wave Broadband	135.22	3201-0316547-01
5255	10/16/2023	Claims	3	37672	West Coast Code Consultants,	1,874.45	City of Stanwood
5256	10/16/2023	Claims	3	37673	Western Exterminator Company	477.55	683591; 683591; 683591

Fund	Amount		
001 General Fund	325,135.11		
101 Street Fund	47,775.46		
103 Street Construction Fund	516,456.88		
104 Park And Trail Improvement Fund	29,622.02		
110 Building Improvement Fund	1,087.17		
115 Tourism And Promotion	311.12		
401 Sewer Fund	93,149.71		
410 Drainage Fund	28,327.27		
411 Drainage Construction Fund	6,464.16		
421 Water Fund	102,294.05		
422 Water Construction Fund	4,930.76		
630 Agency Fund	7.44		
		Claims:	773,027.56
	1,155,561.15	Payroll:	382,533.59

CHECK REGISTER

City Of Stanwood

Time: 11:14:02 Date: 10/17/2023

09/30/2023 To: 10/17/2023

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo

CERTIFICATION: I, the undersigned do hereby certify under penalty of perjury, that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation against the City of Stanwood, and that I am authorized to authenticate and certify to said claim.

( ) Finance Director ( ) Auditing Officer ______________________ Date: 10/17/23

( ) Deputy Finance Director

CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT

ITEM NUMBER:	**8b**
DATE:	October 26, 2023
SUBJECT:	City Council Regular Meeting Minutes – October 12, 2023
CONTACT PERSON:	Lisa Sokolik, City Clerk
ATTACHMENTS:	A – Council Regular Meeting Minutes

SUMMARY STATEMENT

October 12, 2023, Regular City Council Meeting minutes are attached.

RECOMMENDED MOTION

MOTION TO APPROVE THE OCTOBER 12, 2023, CITY COUNCIL REGULAR MEETING MINUTES AS PRESENTED.

CITY OF STANWOOD

Regular Meeting of the City Council
Thursday, October 12, 2023 – 7:00 p.m.
In-Person & Zoom Online Meeting

MINUTES

1. **Call to Order and Pledge of Allegiance**

   Mayor Pro Tem Timothy Pearce called the meeting to order at 7:00 p.m. Councilmember Schmitt led the Pledge of Allegiance.

2. **Roll Call**

   City Clerk Lisa Sokolik called the roll with the following Councilmembers Present: Dani Gaumond, Marcus Metz, Darren Robb, Timothy Pearce, Steve Shepro, Andreena Bergman, and Tim Schmitt. The meeting was quorate.

   Also present: City Administrator Shawn Smith, Finance Director David Hammond, Community Development Director Patricia Love, Public Works Director Kevin Hushagen, Police Chief Jason Toner, City Attorney Nikki Thompson, City Clerk Lisa Sokolik, and Utilities Supervisor Leigh Danielson via zoom.

3. **Approval of the Agenda**

Motion by Councilmember Metz, second by Councilmember Shepro to approve the agenda as published. ***Motion carried unanimously.***

4. **Presentation:** WSDOT SR 532 Study
   John Shambaugh, WSDOT Planning Manager for the Northwest Region Mount Baker Office provided a summary of the study's findings.

5. **Public Comments**
   No public comments.

6. **Staff / Department Report:** Comprehensive Plan and Municipal Code Quarterly Project Report
   No Council comments.

7. **Council Committee Reports:** None

8. **Consent Agenda**
   a. Approve Vouchers and Payroll Checks
   b. Approve City Council Regular Meeting Minutes – September 28, 2023

Motion by Councilmember Metz, second by Councilmember Gaumond to approve the consent agenda items A and B. ***Motion carried unanimously.***

9. **Unfinished Business:** None

10. **Public Hearing:** None

11. New Business

a. Authorize the Mayor to Sign a Contract with Lopez Nursery & Landscaping for On-Call Landscape & Irrigation Services

Hushagen explained the need for an on-call landscape and irrigation service contract.

Council discussed and asked questions.

Motion by Councilmember Robb, second by Councilmember Shepro to authorize the Mayor to sign an on-call contract with Lopez Nursery & Landscaping not to exceed $50,000. ***Motion carried unanimously.***

b. Approve 88th Avenue Arch Banner Design

Love presented and discussed the 62 art submissions by 18 artists and the recommended banner designs.

Council discussed, asked questions, and made comments on the recommended banner selection.

Motion by Councilmember Shepro, second by Councilmember Robb to authorize a second call for art specifically requesting rosemaling and Stanwood Norwegian themed images. ***Motion carried unanimously.***

And

Motion by Councilmember Bergman, second by Councilmember Robb to accept the submitted artwork for the 88th Avenue Arch Banner project and direct staff to initiate the production and manufacturing of the banners.

Roll call of votes was taken:

Councilmember Shepro – Yes
Councilmember Bergman – Yes
Councilmember Schmitt – Yes
Councilmember Gaumond – Yes
Councilmember Metz – No
Councilmember Robb – Yes
Councilmember Pearce – Yes

Motion carried 6 yes, 1 no.

c. Authorize the Mayor to Sign a Contract with Swofford Excavating for the Johnson Farm Demo Project

Hushagen explained that the demolition of the John Farm structures is the next step in the Diking District 7 levee replacement.

Council asked Hushagen questions.

Motion by Councilmember Metz, second by Councilmember Shepro to authorize the Mayor to sign a contract with Swofford Excavating, LLC for the Johnson Farm Site Demo project not to exceed $116,719.28. ***Motion carried unanimously.***

12. Public Closing Comments - None

13. Executive/Legislative Reports

a. Mayor's Report
- Mayor Pro Tem Pearce said it's National Farmers Day and thanked all the local and national farmers who work extremely hard to feed our country.

b. City Administrator Report
- Thanked Love and Hammond for their presentations at the Council Special Workshop.
- Appreciated Councilmember Metz's comment that it is worthwhile to take our time in selection and placement of the banners.

c. Councilmember's Report/Questions

14. Recess to Executive Session - None

15. Adjourn
There being no further business before the Council, and hearing no objection to adjournment, Mayor Roberts adjourned the meeting at 8:06 p.m.

CITY OF STANWOOD

____
Sid Roberts, Mayor

ATTEST:

____
Lisa Sokolik, City Clerk

CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT

ITEM NUMBER:	**8c**
DATE:	October 26, 2023
SUBJECT:	City Council Special Workshop Minutes – October 12, 2023
CONTACT PERSON:	Lisa Sokolik, City Clerk
ATTACHMENTS:	A – Council Regular Meeting Minutes

SUMMARY STATEMENT

Minutes of the October 12, 2023, City Council Special Workshop are attached.

RECOMMENDED MOTION

MOTION TO APPROVE THE MINUTES OF THE OCTOBER 12, 2023, CITY COUNCIL SPECIAL WORKSHOP AS PRESENTED.

ATTACHMENT A

CITY OF STANWOOD

City Council Special Workshop Meeting
Thursday, October 12, 2023 – 5:00 p.m.
Stanwood-Camano School District, Administration Bldg. Board Room
26920 Pioneer Highway, Stanwood

MINUTES

Call to Order

Mayor Pro Tem Tim Pearce called the meeting to order at 5:00 p.m.

Attendance

Councilmembers present: Dani Gaumond, Marcus Metz, Darren Robb, Tim Pearce, Steve Shepro, Andreena Bergman, and Tim Schmitt.

Also present: City Administrator Shawn Smith, Finance Director David Hammond, Community Development Director Patricia Love, Public Works Director Kevin Hushagen, Finance Manager Wendy Dowhower, City Clerk Lisa Sokolik, Associate Planner Audrey Rotrock until 5:45 pm, and Mayor Sid Roberts via telephone.

1. Unified Development Code Approach Discussion

Love led the discussion on the approach to take for updating the Unified Development Code which is the last big segment of the Stanwood Municipal Code update. Love went over the six sequential phases to maximize efficiency and reduce confusion for applicants, and strategies to help keep reviewers moving the project forward.

Council discussed and asked Love questions.

2. 2023-2024 Mid-Biennial Budget Adjustment Overview

Hammond led the discussion on the 2023-2024 Mid-Biennial Budget Adjustment. The recommended changes include items that have been authorized by council, such as the new Sheriff Department contract, changes arising from new information or revised estimates, and recommended capital program budget changes due to project timing.

Council discussed and asked Hammond questions.

Adjourn

Mayor Roberts Adjourned the meeting at 6:45 pm.

CITY OF STANWOOD	ATTEST:
______________________________	______________________________
Sid Roberts, Mayor	Lisa Sokolik, City Clerk

CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT

ITEM NUMBER:	**8d**
DATE:	October 26, 2023
SUBJECT:	Utility Account Adjustment—Account 1481
CONTACT PERSON:	David A. Hammond, Finance Director
ATTACHMENTS:	A – SMC 12.20.060 Adjustment to bills.

PURPOSE

The purpose of this agenda item is for Council consideration of a second water leak adjustment to Utility Account Number 1481 in the amount of $236.39.

BACKGROUND

Stanwood Municipal Code (SMC) Section 12.20.060; provides authorization for the Finance Department to adjust a utility account when a leak occurs, however, no more than once each two-year period. The code allows, after evidence the leak was repaired, for a rate adjustment up to 50 percent of the volume consumed in any one billing period in excess of the bi-monthly average of water consumed over the previous twelve months.

Additionally, the SMC authorizes City Council approval of a second adjustment, within a two-year period, if one or more of the following circumstances exist:

i) The leak could not have been readily detectable with reasonable diligence;

(ii) The customer does not occupy or use the subject property on a continuous basis;

(iii) Any prior leak for which an adjustment was made by the city was repaired within 30 days of discovery;

(iv) The customer account has been kept current and there have been no delinquencies within the previous 24 months.

ANALYSIS

Staff recommends approval of a second leak adjustment, which qualifies according to SMC 12.06.020.

Fiscal Impact			
The 2022-2023 budget for utility operations is adequate to make the requested adjustment.			
Fund(s):	Utility Operating		
Amount:	$ 236.39	**Project Estimate:**	$ -
Budget Authorized	**[X] Yes [ ] No**	**Amendment Required**	**[ ] Yes [X] No [ ] Monitor**

RECOMMENDATIONS

Staff Recommendation: Staff recommends Council authorize the Finance Director to approve a second utility bill adjustment in the amount of $236.39

Committee/Board Recommendation: N/A

CITY COUNCIL OPTIONS

1. The City council may authorize a second utility bill leak adjustment in the amount of $236.39
2. The City council may choose not to authorize a second utility bill adjustment in the amount of $236.39.
3. The City council may choose not to authorize a second utility bill adjustment in another amount.
4. The City council may direct staff to provide additional information.

PROPOSED MOTION

I MOVE TO AUTHORIZE THE FINANCE DIRECTOR TO APPROVE A SECOND UTILITY BILL ADJUSTMENT FOR ACCOUNT 1481 IN THE AMOUNT OF $236.39.

CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: **9a**

DATE: October 26, 2023

SUBJECT: Viking Way SNOPUD Right of Way Acquisition

CONTACT PERSON: Kevin Hushagen, Public Works Director

ATTACHMENTS: A – Viking Way Appraisal

PURPOSE

The purpose of this agenda item is to authorize the Mayor to execute documents necessary to complete the acquisition of property needed to complete the Viking Way Phase 2 project for a cost of $247,000.

BACKGROUND

The Viking Way Phase 2 project requires property to be acquired from Snohomish County PUD. In 2022, the property was appraised by a third-party appraiser highlighting a total cost of $247,000 for construction easements and 18,094 square feet of right-of-way acquisition. The City received $259,000 in federal funds for the right of way portion of Viking Way. SNOPUD has reviewed our appraisal and has voted in approval of the property acquisition.

ANALYSIS

Fiscal Impact			
Fund(s):	595 10 63 09		
Amount:	$300,000	**Project Estimate:**	$247,000
Budget Authorized	**[x] Yes [ ] No**	**Amendment Required**	**[ ] Yes [x] No [ ] Monitor**

RECOMMENDATIONS

Staff Recommendation:
Staff recommends approval of property purchase from parcel 320419-003-060-00

CITY COUNCIL OPTIONS

1. Authorize the Mayor to approve the acquisition of property from Snohomish County PUD, approximately 18,094 square feet, and the required temporary construction easements.
2. Do not approve the acquisition.

PROPOSED MOTION

I MOVE TO AUTHORIZE THE MAYOR TO EXECUTE DOCUMENTS NECESSARY FOR THE ACQUISTION OF APPROXIMATELY 18,094 SQUARE FEET OF PROPERTY AND FOR THE REQUIRED TEMPORARY CONSTRUCTION EASEMENTS FROM SNOHOMISH COUNTY PUBLIC UTILITY DISTRICT TO ENABLE COMPLETION OF THE VIKING WAY PHASE 2 PROJECT.

ATTACHMENT A

Appraisal Report

Viking Way Phase 2
PUD No. 1 of Snohomish County
9124 271st St NW
Stanwood, Washington 98292

Date of Valuation: March 21, 2023

FOR

Universal Field Services, Inc
Steve Reinhart, SR/WA, Project Manager
111 Main St, Ste 105
Edmonds, WA 98020

ABS Valuation
Jim E Dodge, Senior Associate Appraiser
2927 Colby Avenue, Suite 100
Everett, WA 98201
425-258-2611
jdodge@absvaluation.com
absvaluation.com

Date of Valuation: March 21, 2023
Date of Report: March 28, 2023
ABS Valuation Job # 23-0004-1

ABS VALUATION

COMMERCIAL APPRAISAL·CONSULTATION·LITIGATION SUPPORT

WSDOT NARRATIVE APPRAISAL REPORT

Universal Field Services

Project Parcel No.: 1
Owner: PUD No. 1 of Snohomish County
Tax Parcel No.: 320419-003-060-00
Federal Aid No.: NA
Project: Viking Way Phase 2
R/W Plan Title:
Plan Sheet 4 of 39 **Sheets**
Plan Approval Date: December 1, 2022
Date of Last Map Revision: NA

CERTIFICATE OF APPRAISER

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this appraisal are true and correct;
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conclusions, and are my personal, unbiased professional analyses, opinions, and conclusions;
- I have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no present or prospective interest in the property that is the subject of this appraisal, and I have no personal interest or bias with respect to the parties involved;
- my compensation is not contingent upon the reporting of a predetermined value or direction that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event;
- my analyses, opinions, and conclusions were developed, and this appraisal has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and WSDOT Appraisal requirements;
- I have made a personal inspection of the property that is the subject of this report. I have made a personal inspection of the comparable sales contained in the report addenda;
- I have afforded the owner or a designated representative of the property that is the subject of this appraisal the opportunity to accompany me on the inspection of the property.
- no one provided significant professional assistance to the person signing this report.
- I have disregarded any increase in Fair Market Value caused by the proposed public improvement or its likelihood prior to the date of valuation. I have disregarded any decrease in Fair Market Value caused by the proposed public improvement or its likelihood prior to the date of valuation, except physical deterioration within the reasonable control of the owner;
- this appraisal has been made in conformity with the appropriate State and Federal laws and requirements, and complies with the contract between the client and the appraiser;

The property has been appraised for its fair market value as though owned in fee simple, or as encumbered only by the existing easements as described herein, no title report was provided.
The opinion of value expressed below is the result of and is subject to the data and conditions described in detail in this report of __44_____ pages.
I made a personal inspection of the property that is the subject of this report on 3/21/2023.

The **Date of Value** for the property that is the subject of this appraisal is 3/21/2023.

Per the FAIR MARKET VALUE definition herein, the value conclusions for the property that is the subject of this appraisal are on a cash basis and are:

FAIR MARKET VALUE BEFORE ACQUISITION	**$902,000**
FAIR MARKET VALUE AFTER ACQUISITION	**$655,000**
DIFFERENCE	**$247,000**

Date of Assignment or Contract: January 23, 2023 Name: Jim E. Dodge, Senior Appraiser

Date Signed: March 28, 2023 Signature: Jim E Dodge

Washington State-certified general real estate appraiser certification number: 1100557

DO NOT WRITE BELOW THIS LINE

Headquarters Service Center Date Stamp Region Date Stamp

Assignment Scope of Work

The client of this report is Universal Field Services, Inc. The client requires that, in addition to compliance with USPAP this report must also meet the WSDOT Standards as set forth in the WSDOT R/W Manual Chapter 4, the WSDOT Appraisal Report Guide, and Federal Regulations as defined in 49 CFR part 24.

In the event of conflict or dispute in determining correct appraisal procedures that are not addressed in the standards noted above the Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book) will be the determining authority.

Under 49 CFR, WSDOT is required to take an active role in developing the scope of work. However it is the ultimate responsibility of the appraiser to develop a complete Scope of Work and produce a credible appraisal report. The appraisers SCOPE of WORK is included in Section 5 of the report. The report must adhere to the WSDOT Standards as described above and the specific task assignment for this parcel.

Eminent Domain Appraisal Information and Definitions

The intended use of this appraisal is to provide information to the client, Universal Field Services, Inc and the City of Stanwood as a user, as a basis for acquiring the portion of the subject property needed for the proposed project.

Unless stated otherwise in the report, the property rights appraised constitute the fee simple interest.

"Fair Market Value" is defined as; the amount in cash which a well-informed buyer, willing but not obliged to buy the property, would pay, and which a well-informed seller, willing but not obligated to sell it would accept, taking into consideration all uses to which the property is adapted and might in reason be applied (Washington Pattern Instruction 150.08).

The intended user of this report is Universal Field Services, Inc and the City of Stanwood. Additionally, its funding partners may review the appraisal as part of their oversight activities. A copy of this report may be provided to the property owner as a courtesy and part of the good faith bargaining process. However, this does not imply that the property owner has standing as an intended user and is not authorized to publish or use the report for any other purpose.

Public Law 91-646 (Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970) and Washington State RCW 8.26.180 both require that the owner or owner's representative be given an opportunity to accompany the appraiser during the inspection of the property. "If the appraiser is advised that the property owner is represented by legal counsel, all owner contact and property inspections must be arranged through the owner's attorney, unless the attorney specifically authorizes the appraiser to make direct contact with the owner".

In condemnation, the larger parcel is the portion of a property that has unity of ownership, contiguity, and unity of use, the three conditions that establish the larger parcel for consideration of severance damages. This is also known as the "parent parcel". The larger parcel is considered to consist of the one tax parcel included herein.

Extraordinary assumptions or hypothetical conditions include but may not be limited to the following:

State and Federal standards require the appraiser to disregard any decrease or increase in the fair market value of the subject caused by the project. The appraiser may cite the Jurisdictional Exception Rule to comply with this requirement which is found in RCW 8.26.180. and WAC 468-100-102 (2).

The after value is based on the assumption that the project has been constructed as proposed on the Right of Way plans as of the date of value.

APPRAISAL ASSUMPTIONS AND LIMITING CONDITIONS

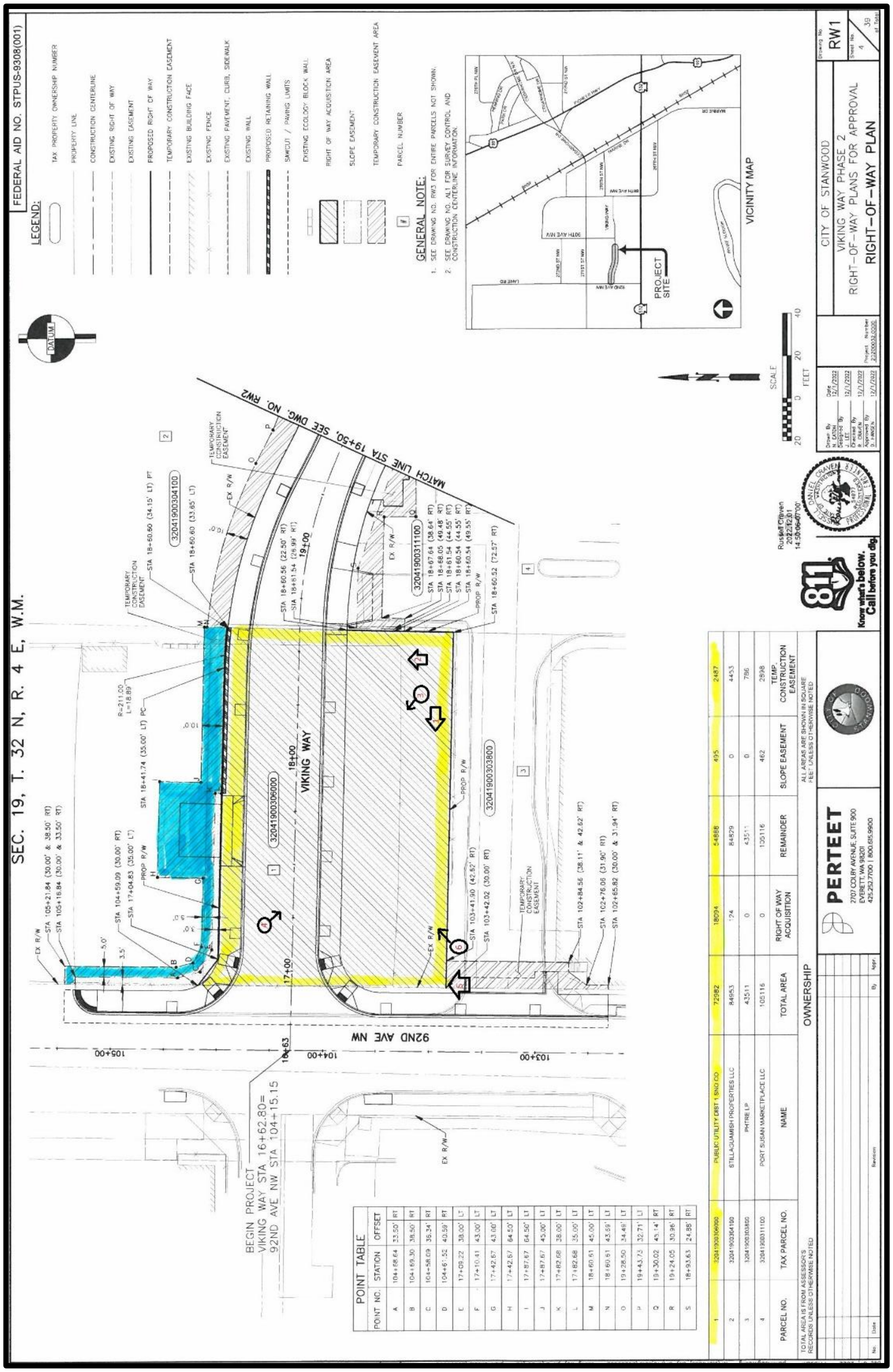
1. The property description supplied to the appraiser is assumed to be correct;
2. No survey of the property has been made or reviewed by the appraiser, and no responsibility is assumed in connection with such matters. Illustrative material, including maps and plot plans, utilized in this report are included only to assist the reader in visualizing the property. Property dimensions and sizes are considered to be approximate;
3. No responsibility is assumed for matters of a legal nature affecting title to the property, nor is any opinion of title rendered. Property titles are assumed to be good and merchantable unless otherwise stated;
4. Information furnished by others is believed to be true, correct, and reliable. However, no responsibility for its accuracy is assumed by the appraiser;
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property is assumed to under responsible, financially sound ownership and competent management;
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render the property more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies which may be required to discover them;
7. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. However, the appraiser is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value conclusions in this report are predicated on the assumption that there are no such materials on or in the property that would cause a loss of value. No responsibility is assumed for any such conditions, or for the expertise required to discover them. The client is urged to retain an expert in this field if desired. The analysis and value conclusions in this report are null and void should any hazardous material be discovered;
8. Unless otherwise stated in this report, no environmental impact studies were either requested or made in conjunction with this report. The appraiser reserves the right to alter, amend, revise, or rescind any opinions of value based upon any subsequent environmental impact studies, research, or investigation;
9. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is specified, defined, and considered in this report;
10. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless non-conformity has been specified, defined and considered in this report;
11. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or federal governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate is based;
12. The appraiser will not be required to give testimony or appear in court because of having made this report, unless arrangements have previously been made;
13. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the client without the written consent of the appraiser, and in any event, only with properly written qualification and only in its entirety;
14. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales, or any other media without written consent and approval of the appraiser. Nor shall the appraiser, client, firm, or professional organization of which the appraiser is a member be identified without the written consent of the appraiser;

15. The liability of the appraiser, employees, and subcontractors is limited to the client only. There is no accountability, obligation. or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiencies of the property;
16. It is assumed that the public project which is the object of this report will be constructed in the manner proposed on the most recent right of way plan prior to the appraisal date and in the foreseeable future;
17. Acceptance and/or use of this report constitutes acceptance of the foregoing assumptions and limiting conditions.

SUBJECT PLOT PLAN

Shown are subject whole property site dimensions, access frontages, improvement locations and dimensions, acquisition area and dimensions, "North arrow", camera location and direction for each attached subject photo.

Before Area: 72,982 SF	**After Area: 54,888 SF**
RW Acquisition: 18,094 SF	
Slope Easement Acquisition: 495 SF	**Temporary Easement Acquisition: 2,487 SF**
Limited Access/Access Notes:	



SUBJECT AERIAL PHOTOGRAPH

SUBJECT PHOTOGRAPHS

Date of Photos: 3/21/2023	Photographer: Jim Dodge

No. 1. Looking west from southeast corner of subject site.

No. 2. Northerly view along east property boundary.


No. 3. Northwesterly view of acquisition from southeast corner.


No. 4. Looking southeast at proposed acquisition area.

No. 5. Northerly view along 92nd Ave NW.

No. 6. Looking northeast at proposed acquisition area.

SELF CONTAINED NARRATIVE APPRAISAL REPORT

1. OWNER: Public Utility District No. 1 of Snohomish County.

2. LOCATION OF SUBJECT: 9124 271st St NE, Stanwood, WA 98292

3. SUBJECT LEGAL DESCRIPTION: Parcel A of Stanwood Boundary Line Adjustment No. 2014-0276 as recorded under A.F. No. 201409305001, being a portion of Government Lot 4 of Section 19, Township 32 N, Range 4 E, W.M., Snohomish County, WA.

4. DELINEATION OF TITLE (5 years): A Title Report dated August 26, 2021, was provided. No market transaction of the property has occurred in the past five years.

5. THE APPRAISAL PROBLEM AND APPRAISER'S SCOPE OF WORK: Purpose of the City of Stanwood's Viking Way Phase 2 is to complete construction of Viking Way from 90th Ave NW to 92nd Ave NW. Viking Way is a two-lane asphalt paved public street with sidewalk on either side. The project includes acquisition of fee simple property rights, a permanent slope easement and a temporary construction easement. Right of way plans dated December 1, 2022, for the project were received January 9, 2023.

Purpose of the appraisal is to estimate a market value of the subject property before and after acquisition of proposed property rights as described herein.

6. PROPERTY RIGHTS TO BE ACQUIRED AND EFFECTS OF ACQUISITION/PROJECT: Right of way plans received 1/9/2023, are relied on herein. The project's proposed fee simple acquisition of 18,094 SF is approximately a 167-foot by 108-foot strip along the southern boundary. A permanent slope easement of 495 SF impacts a 3' to 3.5' strip near the southwestern corner of the remainder. The 2,487 SF temporary construction easement (TCE) is for the purpose of constructing a retaining wall and for grading an access point from the site to the completed Viking Way. Site improvements acquired by the project include 385± lineal feet of 6-foot-high chain link fence topped with security barb wire, four yard poles with lights and four 110-volt electrical outlets. A security camera located on a pole is considered personal property and can be relocated.

7. DESCRIPTION OF SUBJECT PROPERTY:

Neighborhood: The project neighborhood is located in Stanwood in northwestern Snohomish County, 4± miles west of I-5 along SR 532. The subject neighborhood is primarily commercial development. Overall, the neighborhood is relatively well maintained. A complete description of the neighborhood and City of Stanwood is contained in the Addenda.

A. Present use: Office.

B. Accessibility and Road Frontages: The subject site is located at the southeast corner of 271st St NW and 92nd Ave NW, access from both streets. Frontage on 271st St NW is 170± feet and 430± feet on 92nd Ave NW.

C. Land Contour and Elevations: The subject site relatively level and at street grade. The site is at grade with most properties in the area with an approximate elevation of ten feet. However, sites on the south and southeast have been filled and are above grade of the subject property. The subject property is in a Coastal Floodplain according to FEMA Map 53061C0351F, effective date of 6/19/2020. The area is designated Zone AE with a base flood elevation of 13 feet.

D. Land Area: The subject site contains 73,181 SF (1.68 acres) of land area based on Snohomish County Assessor's records. The right of way plans provided show a subject land area of 72,982 SF and are relied on herein.

E. Land Shape: The site is rectangular in shape.

F. Utilities: Public water, sanitary sewer, electricity and natural gas are available to the property.

G. Present Zoning: The subject site is zoned MB 2, Mainstreet Business 2 by the City of Stanwood Zoning Code. The MB 2 zone is proposed to include high density mixed use residential, commercial, office, and other business functions to provide a full range of business activities and urban services. Permitted uses include a variety of commercial, service and residential developments.

H. Highest and Best Use If Vacant:

Highest and best use is defined as: [1]

> *The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future.*

A determination of highest and best use is guided by the following parameters: 1) physically possible; 2) legally permissible; 3) financially feasible; and 4) must result in the highest value.

Physically possible uses require an analysis of both the improvements (existing or proposed), as well as the underlying land. Size, topography, shape, access, soil conditions, wetlands, and utilities are all factors that can affect the development potential of a given site. With regard to the improvements, obviously, it must be physically possible to construct a building before it can be considered the highest and best use.

Legally permitted uses are those which fall within current zoning laws and are permitted by all agencies having jurisdiction. These may include federal, state, and local laws; zoning; easements and deed restrictions; as well as the possibility for reasonable zoning changes and variances.

The *financially feasible* category analyzes those uses that are physically possible, legally permitted, and which provide an adequate investor return. For income properties, this return is measured monetarily, while non-income-producing properties provide a somewhat less tangible measure of return. Risk is a primary determinant in the assessment of adequate return.

Finally, the uses satisfying all of the above criteria can be analyzed. The one use providing the highest return is considered maximally productive, and thus, the highest and best use.

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[1] From The Uniform Appraisal Standards for Federal Land Acquisitions, 2016

The rectangular shaped corner site contains 72,982 SF of land area with good access along both street frontages. All utility services are available at the property boundary with no identified wetlands or adverse soil conditions. City of Stanwood zoning permits a variety of multi-family residential and commercial developments. Surrounding development is primarily retail commercial development. Highest and best use as vacant is concluded to be for commercial development.

I. Improvements: Subject site improvements acquired by the project include 385 LF of 6-foot-high chain link fence with security barb wire, four wood poles with yard lighting and four 110-volt electrical outlets.

The subject property is improved with a 5,954 SF office building constructed in 1962. The building improvements are not affected by the project acquisition and therefore, not included in this analysis.

J. Specialty Items: None

K. Real Estate Taxes: The property is a utility with multiple sites and is taxed on a company wide basis over the entire county. The following table shows only the assessed value of the subject property portion.

Assessed Value and Taxes				
Tax Parcel	Land	Improvements	Total	2023
320419-003-060-00	$870,100	$263,900	$1,134,000	$0.00

L. Assessments Current and Pending: None

M. Existing Lease or Rental Data: NA

N. Highest and Best Use of the Whole Property as Improved: As previously discussed the subject improvements are not affected by the project acquisition and excluded herein.

8. APPROACHES TO VALUE: Approaches Used in the Valuation Process **–** The valuation is obtained by the proper use of three different approaches to the value conclusion: the Cost Approach, the Income Approach, and the Sales Comparison Approach. These three approaches are different in character but, related somewhat in the known facts they require to arrive at an opinion of value from each. The final conclusion of value is derived through a correlation process in which the appraiser weighs one approach against the other to determine the relative merits of each before coming to a conclusion.

The Cost Approach to Value is the process of first determining the value of the subject land, to which is added the replacement cost new of the structure, less depreciation and the cost of land improvements. The sum of the costs is the indication of value by the Cost Approach. The subject property building improvements are not included in this appraisal analysis therefore, the Cost Approach is not used.

The Income Approach to Value involves the estimation of a gross economic rental, which is then processed by subtracting an estimated vacancy and credit loss and operating expenses to obtain an estimated net operating income. The net operating income is then capitalized into a value conclusion by the appropriate capitalization rate derived from the market. The building improvements are not included in this analysis as previously discussed. Commercial land is not typically purchased on an ability to generate an income stream. Therefore, the Income Approach is not relevant and not utilized.

The Sales Comparison Approach to Value is a comparative technique which utilizes sales of comparable properties and analyzes them to determine an applicable sale price per unit to apply to the subject's underlying land. In this case, the subject land area will be analyzed on a per square foot basis.

The subject improvements are not affected by the project acquisition and are anticipated to have a similar contribution value before and after acquisition. Therefore, no overall comparison as improved is relevant.

Final Correlation and Conclusion of Value the various indications of value from the approaches are analyzed as to how they relate to one another, as well as to the market. The approach or approaches most appropriate are given the most consideration in arriving at a final opinion of value.

9. VALUATION-BEFORE:

A. Site Valuation: Property is typically purchased on a per unit basis. Typical of commercial land, this analysis is made on a square foot basis. Following is a tabulation and discussion of commercial land sales used for comparison to the subject land area. Comparable sales are adjusted for variation in market conditions, location, size, useable area, zoning, density restrictions and utilities. Based on the concluded highest and best use, we have analyzed a series of sales that reflect the market for the subject property. All sales considered comparable to the subject were utilized.

Comparable Land Sales Tabulation

Sale No.	Location	Sale Date	Sale Price	Zone	Land Area-SF	Price per SF
Subj	9124 271st St NW, Stanwood	NA	NA	MB2	72,982	NA
1	7106 & 7110 265th St NW, Stanwood	4/30/21	$520,000	GC, MXO	48,352	$10.75
2	9520 270th St NW, Stanwood	11/23/20	$130,000	MB2	13,363	$9.73
3	1085 State Ave, Marysville	3/22/22	$1,045,000	DC	71,438	$14.63
4	16517-16523 Smky Pt Blvd, Arlington	12/22/21	$1,200,000	HC	99,317	$12.08

(1) Sales Comparison Approach:

(a) Scope of Data Search: In appraising the subject property, the appraisers did the following:

- Researched CoStar, CBA and NWMLS databases
- Researched ABS Valuation existing database
- Confirmed all sales with buyers, sellers, their agents, and/or public records
- Inspected all comparable sales
- Reviewed all documents as cited throughout this report

(b) General Discussion:

Market data summarized in the above table consists of four closed sales. The sales represent all available commercial land transactions in the vicinity of the subject property in the last three years.

(c) Comparative Analyses:

Discussion of Adjustments

Unadjusted sale prices range from $9.73/SF to $14.63/SF. In comparison to the subject site, the sales have been adjusted for differences in market conditions, location, and a variety of physical characteristics. Certain adjustments will be discussed in additional detail in this section. The first category of adjustments includes market conditions (time), financing, and issues relating to the interests purchased. The subsequent category of adjustments reflects the physical features and locational differences.

Rights Conveyed relates to the actual interests transferred. All of the comparable sales include fee simple rights, and no adjustments are necessary.

Conditions of Sale reflect adjustments for sales, which occurred under unusual and specific conditions. This category is different than the adjustment for time, which will be dealt with subsequently. No adjustment is made for conditions of sale.

Financing adjustments are necessary for sales that were financed with atypical terms. This includes seller financing with non-market interest rates or abnormal down payment levels; the theory being that a comparable figure for use in appraisal analysis should reflect a cash equivalent price, or a price that is in line with existing market terms at the time of sale. No adjustments are necessary.

In terms of adjustment support for time (market conditions), we have reviewed the market and found that paired sales activity is limited. Research of commercial market activity through CoStar and CBA shows an average annual increase of 6% to 8% over the last three years. A conservative estimate for a date of sale adjustment is concluded at 6% annually or 0.50% per month. All the sales are adjusted upward for inferior date of sale.

Physical characteristics, including differences in the location, size, intensity of use, and zoning or land use issues, are now discussed. Market data is not adequate to support quantitative adjustments; therefore, qualitative adjustments are necessary and reflected in the following chart.

Location: Factors in the location equation include the subject's regional access and proximity to major employment centers and commercial services. The subject property is situated in Stanwood. Sales 1 and 2 are located in the surrounding area with no adjustment necessary. Sales 3 and 4 are located in Marysville and Arlington and considered superior for location, resulting in a downward adjustment.

Size: The site size adjustment is based on total subject land area of 72,982 SF. Typically, if all other factors are similar, a larger tract will sell for less on a per unit basis. Sales 1 and 2 are smaller in size and rated superior to the subject. Sale 4 is larger and considered inferior on a per unit basis. Sale 3 is similar in size and no adjustment is made.

Site Quality: This adjustment considers the topography, shape and sensitive area impact, which combine to affect the overall site utility. The rectangular shaped subject property is relatively level. Sale 2 is considered inferior for its narrow shape. The remaining sales have similar site characteristics with no adjustment made.

Amenities: This adjustment is made for any perceived amenities, including views, waterfrontage, privacy, and atmosphere of the neighborhood. This also considers nuisances to the property (traffic noise, powerlines, etc.) that can negatively affect value. This can be a very subjective adjustment and is based on the appraiser's opinion of the amenity quality. The comparable sales are rated similar with no adjustment made.

Zoning/Entitlements: This adjustment reflects the differences in zoning and entitlements, as properties with higher density or more intense allowable uses typically sell for higher values. The comparable sales are similar with no adjustment made.

Access/utilities: This adjustment considers visibility, quality of road access, utilities and general infrastructure available at a property. Sale 2 is accessed from a narrow street that has limited development and is rated inferior. The remaining sales are considered similar to the subject property for access and available utilities.

Following is a grid summarizing adjustments of the sales as compared to the subject property.

Comparable Land Sales Adjustment Summary

Sale No.	Subj	1	2	3	4
Sale Date	NA	04/21	11/20	03/22	12/21
Sale Price	NA	$520,000	$130,000	$1,045,000	$1,200,000
Price per SF	NA	$10.75	$9.73	$14.63	$12.08
Property rights	fee simple	fee simple	fee simple	fee simple	fee simple
Financing terms	NA	similar	similar	similar	similar
Sale conditions	NA	similar	similar	similar	similar
Market conditions-mos	NA	22	27	11	14
Adjustment		$1.18	$1.31	$0.80	$0.85
Adjusted sale price		$11.94	$11.04	$15.43	$12.93
Location	Avg	similar	similar	superior	superior
Site size	72,982	superior	superior	similar	inferior
Site quality	Avg	similar	inferior	similar	similar
Amenities	Avg	similar	similar	similar	similar
Zoning/entitlements	MB2	similar	similar	similar	similar
Access/utilities	Avg	similar	inferior	similar	similar
Overall Adjustment		superior	inferior	superior	similar

(d) Correlation and Conclusions of Sales Comparison Approach to Land Value Before:

The comparable sales adequately bracket a market value range for the subject land area. The time adjusted value range of the sales is $11.04/SF to $15.43/SF. Sales 1 and 3 are rated superior based on qualitative comparison. Sale 2 is considered inferior. The most probable market value range of the subject site is between $11.94/SF and $12.93/SF. In consideration of the subject site's floodplain location, most probable market value of the subject land area is concluded to be $12.00/SF for a total market value as shown below.

72,982 SF @ $12.00/SF **(R) $876,000**

Site improvements acquired by the project include 385 LF of six-foot-high chain link fence with security barb wire, four poles with yard lights and four 110-volt electrical outlets. Marshall Valuation Service (MVS) a nationally recognized cost reporting authority is used to estimate contribution value of the improvements. Below is a summary of the concluded contribution value of the site improvements.

6’ chain link fence/security barb wire (MVS, Sec 66, pg 4): 385 LF @ $25/LF	$9,625
4 poles with yard lighting (MVS, Sec 66, pg 5): 4 @ $3,900 each	$15,600
4 110 electric outlets (MVS, Sec 54, pg 3): 4 @ $180 each	$720
Total site improvements	**$25,945**

Total market value of the subject property in the before situation is summarized below.

Land area	$876,000
Site improvements	$25,945
Total property	**(R) $902,000**

(2) Income Approach to land value (if appropriate): NA

(3) Correlation and Final Conclusion of land value before:

Total market value of the subject land area before project acquisition is **$902,000**.

B. Whole Property Valuation:

As previously discussed, building improvements are not considered to be affected by the project acquisition and therefore, a whole property valuation in not included.

10. REMAINDER EVALUATION:

(1) Assumptions and Limiting Conditions: Unchanged from the before situation.

(2) Neighborhood Factors: The neighborhood is unchanged from the before situation.

(3) Description of Subject Remainder: The subject property remainder contains 54,888 SF of land area with 495 SF encumbered by a permanent slope easement. The TCE encumbers 2,487 SF and is effective until December 31, 2025, a total of 33 months from date of value. During the duration of the TCE, actual occupation for construction is estimated at four months with no activity or occupation over the remaining 29 months. Frontage, access and utility of the tract is unchanged from the before situation.

(4) Highest and Best Use Analysis Highest and best use as if vacant continues to be for commercial development, unchanged from the before situation.

(5) VALUATION- AFTER

Discussion of Approaches to Value The same comparable land sales are used in the after situation. Comparison to the subject property results in similar adjustments to the comparable land sales. The unencumbered land area after acquisition is concluded to have an estimated market value of $12.00/ SF, unchanged from the before.

The permanent slope easement is for a 3' to 3.5' wide strip by 150± feet in length at the southwest corner of the site remainder. Based on review of various sources involving acquisition of easements, permanent easements typically result in a discount of 25% to 50% of the fee simple market value. The lower end of the range is generally attributable to easements along property boundaries or within other areas that are otherwise unbuildable due to zoning setbacks or other restrictions. The owner retains the right to use the encumbered area for any setback requirements and landscaping. The proposed slope easement is estimated to acquire 25% of the fee simple property rights with a remaining contribution value of $9.00/SF.

Contribution value of the TCE is estimated using a market rental rate for the land. Due to the absence of directly comparable rental rates for similar land use, a rate of return to the fee simple land value is used to estimate the appropriate rental rate. Based on discussions with large land holding entities, such as the Tulalip Tribes, Port of Everett, Weyerhaeuser and local government agencies; annual return rates for this type of property typically range from 6% to 10%, with an appropriate rate of return for the subject site concluded to be 8% annually during the occupied period. The unoccupied period is estimated to have a rate of return estimated at 2% annually.

The concluded land value after acquisition is summarized as follows.

Unencumbered: 54,393 SF @ $12.00/SF	$652,716
Easement encumbered: 495 SF @ $9.00/SF	$4,455
Less TCE – occupied: 4 months @ $200/mo	-$800
Less TCE – unoccupied: 29 months @ $50/mo	-$1,450
Total land value after acquisition	**(R) $655,000**

Correlation and Conclusion from All Approaches

(6) Recapitulation:

A.	Value of property "before" acquisition	$902,000
B.	Value of property "after" acquisition	$655,000
C.	Difference between "before" and "after" values	$247,000

11. EXPLANATION, MEASUREMENT, SUPPORTING DATA AND ALLOCATION OF DAMAGES, COSTS TO CURE, AND SPECIAL BENEFITS:

There no damages to the remainder.

No special benefits accrue to the property remainder.

12. SUMMARY OF APPRAISAL CONCLUSIONS

Valuation Summary

Before Acquisition						
Commercial land	72,982	SF @	$12.00	/SF	$875,784	
Site improvements					$25,945	
Total					(R)	$902,000
After Acquisition						
Unencumbered land	54,393	SF @	$12.00	/SF	$652,716	
Encumbered land	495	SF @	$9.00	/SF	$4,455	
Less TCE					-$2,250	
Total after					(R)	$655,000
Difference						**$247,000**
Property Rights Taken						
Fee simple land	18,094	SF @	$12.00	/SF	$217,128	
Encumbered land	495	SF @	$3.00	/SF	$1,485	
Site improvements					$25,945	
TCE					$2,250	
Total						$246,808
Damages						$0
Special Benefit						$0
Total Estimated Property Rights Acquired					**(R)**	**$247,000**

13. REPORT OF CONTACT WITH OWNER:

Person(s) Contacted: Irene Hinze, North County Operations Superintendent
Address: 9124 271st St NW, Stanwood, WA 98292
Date of Contact: March 15, 2023
Relationship to Owner: Representative
Date of Joint Inspection: March 21, 2023
Phone: 425-231-0733 (cell)
Email: IMHinze@snopud.com

Identify all participants in the inspection: Irene Hinze, Billy Whitecotton, Steve Reinhart and Jim Dodge

Comments:
We met on-site March 21, 2023 and inspected the area to be acquired by the project. Site improvements identified to be acquired included fencing, poles, yard lighting and electrical outlets. An empty concrete vault used in training located in the acquisition area was concluded to have no contribution value. We discussed the need for temporary fencing during construction to maintain security of the site. It was later determined that temporary fencing would be provided by the project.

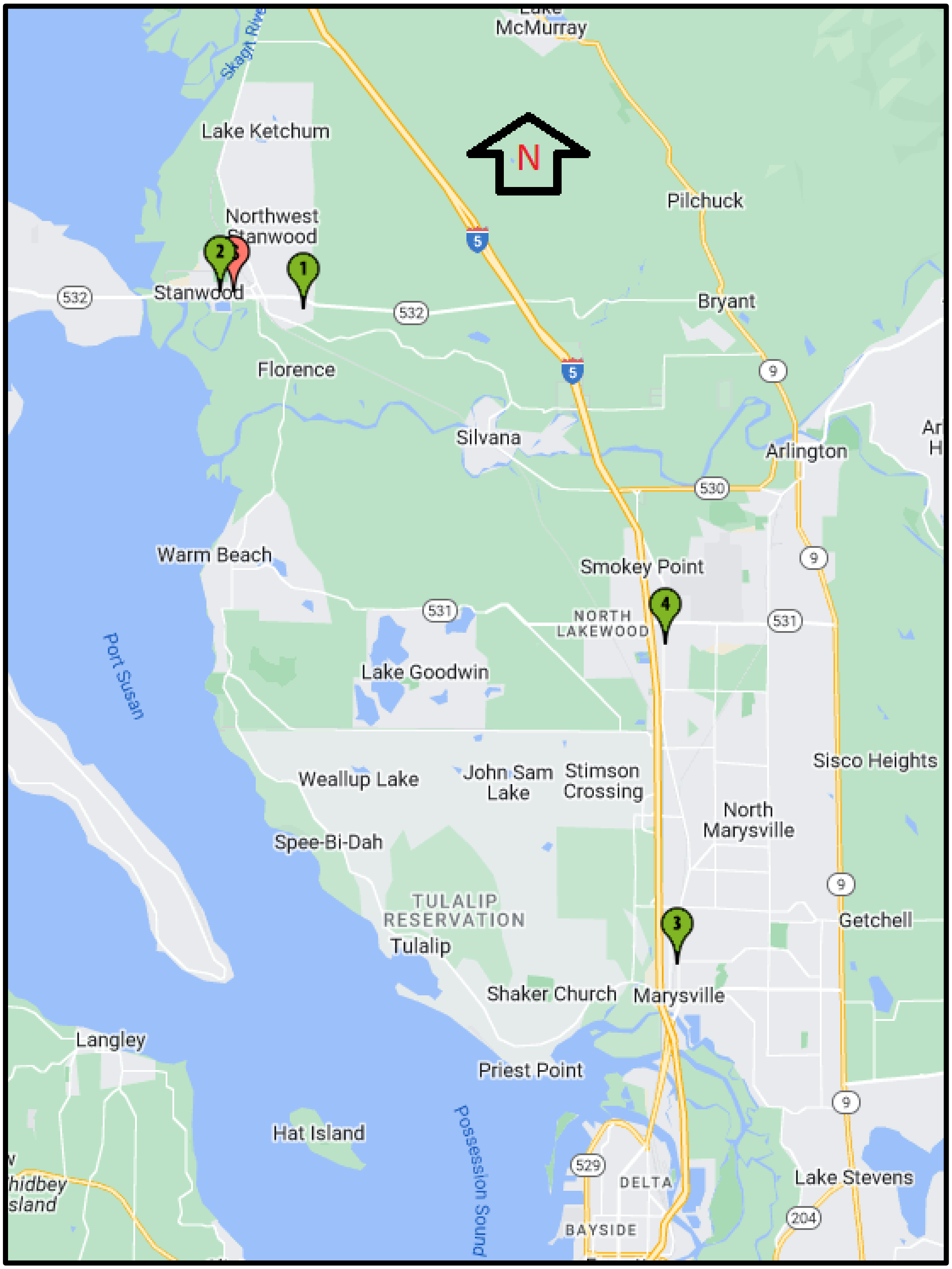
14. Personalty Realty Report: State and Federal standards require the appraiser to identify the ownership of real property improvements and personal property.

Item	Owner	Tenant	Realty	Personalty	Salvage Value for Realty
Land	X		X		
Building					
HVAC					
Other Heat Source					
Wood Burning Stove					
Gas Stove					
Pellet Stove					
Window Coverings					
Drapes					
Blinds					
Floor Coverings					
Carpeting					
Vinyl					
Wood					
Counters					
Shelving					
Cabinetry					
File Cabinets					
Drop Ceilings					
Interior Partitions					
General Lighting					
Supplemental Electrical Service					
Supplemental HVAC					
Machinery (List)					
Equipment (list)					
Work in Process (list)					
Other (list)					
Chain link fencing	X		X		
Yard poles	X		X		
110-volt electrical outlets	X		X		
Landscaping					
Signs					
Exterior Lighting	X		X		
Parking Improvements					
Curbing					
Pavement					

Section 15 Addenda

Comparable Land Sales Map
Comparable Land Sales Data
Area Data
Qualifications
Plat Map
FEMA Map

Market Data Map-Land Sales



LAND SALE NO. 1

7106-7110 265th St NW


7106-7110 265th St NW

Property Identification

Property ID	10994186
Property Type	Commercial Land
Address	7106/7110 265th St NW
City, State Zip	Stanwood, Washington 98292
County	Snohomish
Location Description	Two separate lots on south side of 265th St NW, east of 72nd Ave NW. The second lot (16) is 390 feet south of 265th St NW.
Section, Township, Range	29-32-4
Tax ID	320429-002-045-00, 320429-002-071-00
Latitude and Longitude	48.236777 - 122.328981

Sale Data

Seller	Sather Family Trust
Buyer	Grandview North, LLC
Sale Date	04-18-2021
Recording Date	04-30-2021
Sale Price	$520,000
Analysis Price	$520,000
Deed Type	Statutory Warranty Deed
Recording No.	202104301008
Property Rights Transferred	Fee Simple
Market Time	1,900 days
Verified By	Jim Dodge
Verification With	Robert Sandoz, agent
Verification Date	08-24-2022

Land Data

Land Size	1.11 acres or 48,352 SF
Topography	Mostly level
Front Footage	185.00 feet on 265th St NW
Utilities	All available
Shape	Generally Rectangular
Grade	At street grade
In Flood Plain?	No
Zoning Code	GC/MXO, General Commercial with Mixed Use Overlay, City of Stanwood

Indicators

Analysis Price/Gross Acre	$468,468 per Acre
Analysis Price/Gross SF	$10.75 per SF
Analysis Price/Front Foot	$2,810.81

Property Remarks

Sale of two pad sites in the Stanwood/Camano Village of east Stanwood. The pads are 260 feet apart with each containing 24,176± SF and generally rectangular in shape. The northern site has been cleared and graded. The southern site is under construction with retail space.

Comp ID No. 10994186

LAND SALE NO. 2

9520 270th St NW

9520 270th St NW

<u>Property Identification</u>

Property ID	10994188
Property Type	Commercial Land
Address	9520 270th St NW
City, State Zip	Stanwood, Washington 98292
County	Snohomish
Location Description	South side of 270th St NW, 250 feet west of 94th Dr NW.
Section, Township, Range	24-32-3
Tax ID	320324-004-149-00, 320324-004-150-00
Latitude and Longitude	48.241203 - 122.362341

<u>Sale Data</u>

Seller	Seung and Cheon Suh
Buyer	Liberty Properties, LLC
Sale Date	11-10-2020
Recording Date	11-23-2020
Sale Price	$130,000
Analysis Price	$130,000
Deed Type	Statutory Warranty Deed
Recording No.	202011231111
Property Rights Transferred	Fee Simple
Market Time	180 days
Verified By	Jim Dodge
Verification With	James Nichols, agent
Verification Date	08-24-2022

Land Data

Land Size	0.30677 acres or 13,363 SF
Topography	Mostly level
Front Footage	50.00 feet on 270th St NW
Depth (Feet)	260.00
Utilities	All available
Shape	Generally Rectangular
Grade	At street grade
In Flood Plain?	Yes, 53061C0351F, 06-19-2020
Zoning Code	MB2, Mainstreet Business II, City of Stanwood

Indicators

Analysis Price/Gross Acre	$423,770 per Acre
Analysis Price/Gross SF	$9.73 per SF
Analysis Price/Front Foot	$2,600.00

Property Remarks

Sale of a 0.31 acre long narrow tract on 270th St NW. Site has visibility from SR 532. Located on a narrow collector street between the two developed areas of west Stanwood.

Comp ID No. 10994188

LAND SALE NO. 3

1085 State Av


1085 State Av

<u>Property Identification</u>

Property ID	10994035
Property Type	Commercial Land
Property Name	Commercial land
Address	1085 State Ave
City, State Zip	Marysville, Washington 98270
County	Snohomish
Location Description	West side of State Ave, 290 feet south of 72nd St NE (Grove St).
Section, Township, Range	28-30-5
Tax ID	300528-002-139-00, 300528-002-140-00, 300528-002-201-00
Latitude and Longitude	48.060188 - 122.177781

<u>Sale Data</u>

Seller	LT Smokey Point, LLC
Buyer	WK Investments, LLC
Sale Date	03-01-2022
Recording Date	03-22-2022
Sale Price	$1,045,000
Analysis Price	$1,045,000
Deed Type	Statutory Warranty Deed
Recording No.	202203220006
Property Rights Transferred	Fee Simple
Market Time	263 days
Verified By	Jim Dodge
Verification With	Jon Bockman, agent
Verification Date	06-27-2022

<u>Land Data</u>	
Land Size	1.64 acres or 71,438 SF
Topography	Level
Front Footage	170.00 feet on five lane arterial
Utilities	All available
Access	State Avenue
Shape	Irregular
Grade	At street grade
Access	State Avenue
In Flood Plain?	No
Zoning Code	DC, Downtown Commercial, City of Marysville

<u>Indicators</u>	
Analysis Price/Gross Acre	$637,195 per Acre
Analysis Price/Gross SF	$14.63 per SF
Analysis Price/Front Foot	$6,147.06

<u>Property Remarks</u>

Sale of 1.64 acres on the west side of Smokey Point Blvd, 290 feet south of Grove St (72nd St NE). Level irregular shaped site with 170± feet of street frontage.

Comp ID No. 10994035

LAND SALE NO. 4

16517-16523 Smky Pt Blvd

16517-16523 Smky Pt Blvd

<u>Property Identification</u>

Property ID	10994612
Property Type	Commercial Land
Property Name	Commercial land
Address	16517-16523 Smokey Point Blvd
City, State Zip	Smokey Point, Washington 98223
County	Snohomish
Location Description	Southeast corner of Smokey Pt Blvd and 165th St NE.
Section, Township, Range	28-31-5
Tax ID	310528-002-011-00, 310528-002-044-00
Latitude and Longitude	48.146543 - 122.182561

<u>Sale Data</u>

Seller	Fine Family Revocable Living Trust
Buyer	Grandview North, LLC
Sale Date	12-03-2021
Recording Date	12-22-2021
Sale Price	$1,200,000
Analysis Price	$1,200,000
Deed Type	Statutory Warranty Deed
Recording No.	202112220486
Property Rights Transferred	Fee Simple
Market Time	554 days
Verified By	Jim Dodge
Verification With	Dave Nelson, agent
Verification Date	03-08-2023

Land Data

Land Size	2.28 acres or 99,317 SF
Topography	Mostly level
Front Footage	285.00 feet on Smokey Point Boulevard
Utilities	All available
Access	Smokey Pt Blvd
Shape	Irregular
Grade	At street grade
Access	Smokey Pt Blvd
In Flood Plain?	No
Zoning Code	HC, Highway Commercial, City of Arlington

Indicators

Analysis Price/Gross Acre	$526,316 per Acre
Analysis Price/Gross SF	$12.08 per SF
Analysis Price/Front Foot	$4,210.53

Property Remarks

Sale of 2.28 acres along the east side of Smokey Pt Blvd, south of 172nd St NE. Irregular shaped site adjacent to a PUD substation. The corner tract has 285 feet of frontage on Smokey Pt Blvd and 140 feet on 165th St NE.

Comp ID No. 10994612

Area/Market/Neighborhood Descriptions

Boundaries/Larger Area

The larger market area is defined as Snohomish County, located on Puget Sound in the north central portion of western Washington, between Skagit County to the north and King County to the south. Snohomish County is the third most populous county in the state behind King and Pierce counties. The county encompasses approximately 2,100 square miles, of which 43%± (to the east) includes portions of the Mt. Baker-Snoqualmie National Forest and the Glacier Peak Wilderness Area. Most of the population is concentrated in the foothills of the Cascades and the Puget Sound lowlands.

The Puget Sound region has emerged as an area not only known for Boeing, but also as a global center for high technology. Seattle, the "Emerald City," and the centerpiece of Puget Sound, continues to be ranked as one of the most desirable cities in which to live and do business. The region has a solid economic base, which continues to keep pace with growth in high-tech industries and with development throughout the Pacific Rim. However, with all the attention and growth come the typical problems of congestion, environmental contamination, and depletion of natural resources. Puget Sound, like most metropolitan areas, is squarely facing the challenge of striking a balance between economic growth and the preservation of its quality of life.

The Puget Sound basin is a major lowland area located between the Olympic and Cascade Mountain ranges in northwest Washington State. The area is defined by the Puget Sound, a major inland body of saltwater lying between the two mountain ranges and connected to the Pacific Ocean via the Strait of Juan de Fuca. The Puget Sound basin incorporates four counties: King, Pierce, Snohomish, and Kitsap. The city of Seattle, recognized as the hub of the Puget Sound region, is located in King County on the east side of Puget Sound. Pierce County is adjacent to the south of King County; Snohomish County is adjacent to King County to the north; and Kitsap County is located directly west of King County across Puget Sound.

The Puget Sound region offers diverse economic opportunities and the best of social, governmental, and health services. The area also boasts a rich array of cultural, entertainment, and recreational opportunities. The city of Seattle has a professional ballet, opera, and symphony and several live theatrical companies. Public and private joint ventures were successful in constructing Safeco Field and Century Link Field providing new homes for professional baseball, football, and soccer teams which continue to shape the "SODO" neighborhood, south of Seattle's Central Business District (CBD).

The varied topography of the region offers outdoor activities ranging from boating to snow skiing and other mountain sports. With Puget Sound as a centerpiece, the region is one of the premiere recreational boating areas in the country. Both the Cascade and Olympic Mountains offer countless recreational activities in settings ranging from rainforests to marine vistas to rugged volcanic peaks. Mount Rainier, a classically cone-shaped, dormant volcano, is a trademark visible throughout the Puget Sound region.

The region supports several state universities and colleges, and numerous private and community colleges. The University of Washington, founded in 1851 and located in Seattle, is one of the largest universities on the West Coast. It is also one of the most highly respected and productive research centers in the country, garnering international attention for achievements in fields such as medicine and physics. Thirty percent of state residents 25 years or older hold a Bachelor' Degree or higher, ranking Washington State 11th in the nation for higher education.

Historically, the Puget Sound region has received a great deal of favorable publicity on a national level. Magazine, radio, and television stories have highlighted the vitality of the Northwest and its exceptional quality of life. For the last 20 years, the region experienced a large in-migration of business and population, the result of which has been tremendous growth and consequentially congestion and higher real estate prices. After a downturn in the local economy following the September 2001 tragedies, the region rebounded to pre-9/11 economic and employment numbers with solid growth in jobs, per capita income and retail sales. Most local forecasters predict another recovery from the recent recession at a pace similar to that of the nation.

Population

King, Pierce, Kitsap and Snohomish counties are the most populated counties within Washington State, as of April 2022, these counties contained 55%± of the state's total population. The region's annual population double-digit growth rate of the 1990's has cooled since the turn of the century. Driving this trend was a slowdown, then recession, in the region's economy primarily due to the burst of the tech bubble in early 2000 and subsequent job losses in the technology and aerospace sectors. Prior to 2000, about two-thirds of the state population growth came from persons moving to Washington—attracted by the state's good employment climate relative to nearby states and the nation as a whole. Since 2000, that number has fluctuated from between 39% in 2003 & 2010, 65% in 2006 & 2007 and a high of 76% for 2019 of net in-migration.

Population Growth

	2015	2016	2017	2018	2019	2020	2021	2022
King County	2,052,800	2,105,100	2,153,700	2,190,200	2,226,300	2,269,675	2,287,050	2,317,700
Snohomish County	757,600	772,860	789,400	805,120	818,700	827,957	837,800	847,300
Pierce County	830,120	844,490	859,400	872,220	888,300	920,393	928,200	937,400
Kitsap County	258,200	262,590	264,300	267,120	270,100	275,611	277,700	280,900

Source: Washington State Office of Financial Management, April 2022

Business and Economic Activity

Overview

The economic base of the state of Washington is anchored in lumber and wood products, aircraft manufacturing, high technology, agriculture, and marine-based industries. Puget Sound has also established itself as a major shipping and distribution center whose importance grows with the continued development of the Pacific Rim.

In the Puget Sound metropolitan area, aircraft manufacturing by the Boeing Company is most important, but is slowly becoming less of a factor, due to the diversification of the regional economy through an increase in high technology companies. Microsoft has grown to be just as important to Seattle employment as Boeing. In addition to Microsoft the region is also headquarters to several top U.S. companies, including Weyerhaeuser, Paccar, Burlington Resources, Nordstrom, Safeco, Starbucks, Alaska Airlines, and Costco Wholesale. There have also been some recent additions to the area in the form of internet-based companies, such as Amazon.com, Adobe, and Real Networks.

The Boeing Company

In the 1970s and 1980s, the economic well-being of the region rose and fell with swings at Boeing. During the past decade, this dependency has diminished. Even with the typically fluctuating employment at Boeing, the region's total employment rose steadily upward. This constant increase can mostly be attributed to the robust growth in high technology jobs. Overall, the region's economy remains somewhat linked to Boeing's fortunes, but substantially less so than in previous decades.

Though Boeing remains an important factor in the Puget Sound economy, significant changes in the health of Boeing's operations can still have a relatively large impact on the overall condition of the area, as exhibited by the layoffs that have occurred over the recent past. After the September 11th tragedy, sales of aircraft, and estimated future sales decreased dramatically. Boeing, in an attempt to balance their situation relocated their corporate headquarters to the business-friendly Chicago area and laid off 23,000 workers nationwide.

In an attempt to return jobs to the Seattle area, city and state leaders won the bid in 2007 to become the final assembly center for the new Boeing 787 wide-body jet. Boeing's long term - market outlook calls for obtaining 1/2 of the sales of the anticipated 20,000 new planes that will be built over the next two decades, or an average of 500 per year. The first 787 was scheduled to enter passenger service in May 2008; however, delays pushed the first delivery date to September 2011, achieving a production rate of 10 airplanes per month in late 2012. They report Washington State aerospace employment (including contract workers) to be about 81,000 as of December 2014.

High Technology

High technology companies have steadily grown to become the major economic factor over the past decade. Microsoft has grown to become the largest, and most well-known, high-tech company in the region. As of December 2014, they employ 41,664 in the Puget Sound area and continue to post gains in net revenue and net income in each of the past 10 years, except for 2009. Microsoft has nearly maximized their employment at the primary Redmond Headquarters and has leased 1.3 million square feet of space in two different buildings in Bellevue, which will house 4,000 employees.

Microsoft's influence in the area has brought a number of high-technology companies to the area. For the most part, all of these high-tech companies have formed "clusters" in the region, with the largest and most highly concentrated cluster located on the "Eastside." The Eastside is the area located east of Seattle and Lake Washington, and includes the cities of Redmond, Bellevue, Bothell, Kirkland, and Issaquah. While Seattle has the second largest amount, almost 80% of high-tech jobs can be found on the Eastside, with Redmond having the most of any city in the region.

Most biotech jobs are located near the University of Washington, and the Fred Hutchinson Cancer Research Center on Lake Union. The clustering of these companies can be attributed to the fact that newer startup businesses and competing companies want to be located near the University and research center in order to become part of their knowledge transfer network. In addition, locating in proximity to existing successful companies provides a startup with access to a highly skilled, trained workforce.

Employment

Two-thirds of the total jobs in the Puget Sound region are located in King County. Roughly one-half of King County's jobs are located in the city of Seattle. Continuing growth in the region has made the political lines separating the counties increasingly artificial. The labor force often travels from Pierce and Snohomish Counties across county lines to their place of employment; only slightly more than half the King County labor force actually resides in the county.

Historically on a statewide level, through 2008, the labor force and employment increased, in the face of fluctuating unemployment as is shown in the chart below. This trend reversed in 2009 as employment declined until a recovery began in 2012.

Labor Force and Unemployment, Washington 2000-2023				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2000	3,087,356	2,929,591	157,765	5.1%
2001	3,085,256	2,900,255	185,001	6.0%
2002	3,101,306	2,881,746	219,560	7.1%
2003	3,135,393	2,909,119	226,274	7.2%
2004	3,188,762	2,988,082	200,680	6.3%
2005	3,259,985	3,077,509	182,476	5.6%
2006	3,330,080	3,163,830	166,250	5.0%
2007	3,401,944	3,245,456	156,488	4.6%
2008	3,474,761	3,291,002	183,759	5.3%
2009	3,464,213	3,177,709	286,504	8.3%
2010	3,457,982	3,142,072	315,910	9.1%
2011	3,438,842	3,145,574	293,268	8.5%
2012	3,467,974	3,202,466	265,508	7.7%
2013	3,460,668	3,231,662	229,006	6.6%
2014	3,494,824	3,287,769	207,055	5.9%
2015	3,555,227	3,362,234	192,993	5.4%
2016	3,649,333	3,459,287	190,046	5.2%
2017	3,727,012	3,554,230	172,782	4.6%
2018	3,813,398	3,643,878	169,520	4.4%
2019	3,933,737	3,764,953	168,784	4.3%
2020	3,929,196	3,595,711	333,485	8.5%
2021	3,910,496	3,704,264	206,232	5.3%
2022	4,009,989	3,850,261	159,728	4.0%
2023-YTD	4,022,951	3,838,483	184,468	4.6%

Source: WA State Employment Security Department, January 2023, seasonally adjusted

The Covid 19 pandemic has significantly impacted employment nationwide and in the State of Washington with forced shutdowns of many businesses. Washington State Employment Security Department reported that the unemployment rate began climbing in March with a rate of 5.1%. April 2020 peaked at a rate of 16.3%. The trend has been downward since, with a rate of 4.6% as of January 2023.

One cannot underestimate the local effect of military presence in our state. Joint Base Lewis-McChord employs more people that Microsoft and when combined with the Naval Shipyards in Bremerton exceeds even Boeing. It was reported that in 2009 Defense Spending in Washington was over $13 billion. Local governments contribute significantly as well.

Washington State and the Puget Sound region specifically continue to draw business and labor here, perceived as a desirable place to live. Washington ranked No. 6 among a list of "The 10 States that will boom over the next 5 Years" in the November 2012 issue of Forbes, a ranking based on a study by the National Chamber Foundation. This is based on "strong aerospace and technology sectors and a vibrant export economy," according to Forbes. Other factors include productivity, livability, tax structure and regulatory burden, exports and trade and an atmosphere for fostering innovation. The magazine has previously ranked Washington as one of the five best states in America to do business.

Immigration/In-migration

An important contributor to growth in the Puget Sound is its advantage over California in affordability and quality of life. Puget Sound offered less expensive land and housing, and less congestion in a similar, if somewhat more rainy, West Coast setting. For the past two decades, an influx of Californians has fueled the region's escalating real estate market. As a result, while the high quality of life remains an attractive factor, land and housing prices have risen to the point that they provide an offset to that quality of life.

Despite the national economic upheaval, the region continues to experience in-migration from other parts of the United States, though at much lower rates. The area is perceived as having a labor surplus. In addition, these are for the most part highly skilled, computer savvy workers. People of all education levels perceive the region as one offering many employment opportunities. The lack of employment in Alaska and the Rocky Mountain and High Plains states has contributed to the area's population increases. The Puget Sound region has also seen significant immigration from several Asian, North American, and Central American nations.

Transportation

Growth in the Puget Sound region has resulted in the Seattle area becoming the most traffic-congested region in the nation. To alleviate congestion, the Regional Transit Authority (Sound Transit) was formed and has completed construction on the first segment of a high-capacity light rail transit system between downtown Seattle and Sea-Tac Airport while continuing to study long-range growth and transportation strategies for central Puget Sound. Major expansions and revisions are either proposed, underway, or completed on Interstate 405 (I-405), the primary north/south arterial serving the Eastside's high-tech corridor, as well as to the University of Washington, just north of downtown.

Sea-Tac International Airport's most recent report of statistics states it is the 16th busiest airport in the nation for passenger service. The airport is home to twenty-five scheduled passenger airlines that serve 75 non-stop domestic and 21 international destinations. In order to accommodate the roughly 862 aircraft operations per day, the Port of Seattle continues with its 10-year, $2 billion renovation project in order to help the airport better provide services into the next century. In addition to Sea-Tac, the region has jumbo-jet capable airports in south Seattle (Boeing Field) and Everett (Paine Field), both sites of significant Boeing activity.

The Port of Seattle and Port of Tacoma are major marine shipping facilities. Together the two ports represent the country's second largest load center for containerized cargo. In order to capture their share of the future container traffic, which is projected to grow by an average of 4.1% per year annually over the next 20 years, the two ports have completed major expansions which have consumed most of the land readily available. The Port of Seattle broke its cargo volume record in 2011 with more than 2.1 million TEU's (20-foot equivalent units) due in part to its "fee free" policy and ability to receive larger ships in port. This ranked them 6th in the country for TEU volume. Cargo handled at the Port of Seattle's seaport generates over 135,000 jobs for Washington and creates over $2 billion in annual business revenue for the region.

Residential Market

Trends in single-family residential development vary among the Puget Sound counties depending on factors such as:

- Population (changes)
- Economic activity and employment centers
- Income levels
- Supply of developable land
- Infrastructure
- Permitting processes

Obviously, this is not an exhaustive list of relevant factors. However, the point to be made is that each county will grow in different ways based on specific criteria. Since the Puget Sound region is somewhat interdependent, it is logical that the smaller, less populous counties will react to factors affecting the King County market.

The Growth Management Act (GMA) has been in effect since the early 1990s to further protect the unique Pacific Northwest quality of life. The GMA directs the state's most populous and fastest growing counties and their cities to prepare comprehensive land use plans that anticipate growth and impact for a 20-year horizon. The GMA policies encourage dense development within defined urban growth areas, leaving outlying areas rural with the goal of reducing urban sprawl, protecting rural areas, and more efficiently providing roads, parks, and other services. Neighborhoods with existing infrastructure and available land will provide increasingly dense housing options. Alternatively, rural developments of large tracts (5-, 10-, and 20-acre homesites) have occurred increasingly in areas that cannot meet infrastructure requirements for more dense development under the GMA. This has a direct effect on residential growth and development.

Additional GMA guidelines require all jurisdictions to classify, designate, and regulate resource lands and critical areas. Regional citizens are also now faced with land development restrictions stemming from the creation of these more specific Critical Areas Ordinances, which consider wetlands, erosion, landslides, aquatic areas, and wildlife among others. These wide-ranging protections which define permitted uses, buffer areas and setback requirements have affected businesses, developers, and homeowners alike, adding layers of study, permitting, and cost to the development process.

Snohomish and Pierce Counties continue to experience single-family development and construction at significantly lower price levels than King County according to data from the Northwest Multiple Listing Service. Over the past year, King County median home price rose 8.9%; prices increased 9.2% in Snohomish County, 8.7% in Pierce County and 0.8% in Kitsap County. The November 2015 median prices ranged from a high of $479,000 in King County to a low of $245,000 in Kitsap County.

Economic Forecast

Puget Sound Economic Forecaster utilizes a housing market index comprised of three indicators: closed home sales, average real home price and average time on the market. Between the first and second quarters of 2008, all 3 components worked to pull the composite index down, for the first time in several years. That drop marked the end of the regional housing bubble and confirmed that a recession was underway, followed by falling home prices, massive losses in the stock market and a sluggish increase in the Gross Domestic Product (GDP). Many economists now see mid-2009 as the low point of the recession, and indeed recent information shows U.S Gross Domestic Product (GDP) has advanced without interruption since mid-2009, albeit at rates less than 3%. However, employment actually fell in 2009 and 2010 before finally adding jobs in 2011 with unemployment slowly increasing into 2016. The Forecaster economists remain modestly optimistic in their national predictions of a slow and steady recovery of employment during the next few years.

Their long-term forecast for the Puget Sound employment growth averages 1.4% over the next 10-year period and 0.3% faster than the national rate. This is despite their assertion that neither Microsoft nor Boeing will contribute much to job creation, having already adjusted their local workforce to fit future needs. Many are cautiously optimistic as the employment level increases and unemployment rate declines over the next ten years.

Conclusion

The Puget Sound Region has experienced tremendous growth since the 1980s which has contributed to major congestion, inflated housing prices, and increased land use regulations to limit environmental deterioration. As in the 1990s and throughout the first decade of the new millennium, the challenge for the region continues to be creating a balance that will allow growth in industry while preserving the natural amenities that attracted many here in the first place. Increasingly, the various Puget Sound governments are agreeing to regional planning in order to confront the area's problems, particularly with regard to environmental and transportation issues.

Neighborhood Description

Overview

The subject property is in the City of Stanwood in northwestern Snohomish County. The city is approximately one mile inland between Skagit Bay to the northwest and Port Susan to the southwest. Stanwood is approximately 25 miles north of Everett and 45 miles north of Seattle.

Primary access is State Route 532, which runs east-west connecting Stanwood with Interstate Highway 5 (I-5) to the east and with Camano Island to the west. A widening project began in July 2009, and improvements are underway from I-5 to Terry's Corner on Camano Island. Pioneer Highway, which runs north-south between Stanwood and Skagit County, bisects the city. To the south of State Route 532, it bends in a southeasterly direction and connects with I-5 south of the Stillaguamish River. Burlington Northern Santa Fe railroad tracks run through Stanwood and roughly parallel to Pioneer Highway.

Local Economy

Historically, Stanwood's economy was based on the logging industry and related forestry activities. Today, the economic base has diversified into retail, light industrial, agricultural and professional services; business growth has been steady until the 2008 recession. A commercial development known as Stanwood-Camano Village opened in 1995. Located at the intersection of State Route 532 and 72nd Avenue NW, the development features a Haggen supermarket, medical center, various restaurants and other chain stores. In November 2003, Stanwood Towne Center opened on the corner of State Route 532 and 92nd Avenue NW. The shopping center is anchored by a 50,645 QFC supermarket and an additional 40,336 SF of retail space. Not long after, the 30,000± SF Camano Commons retail-office project was completed on Camano Island. In 2007, the Stanwood city council turned down a proposal for a Walmart outlet in the east part of town. A Petco was constructed in 2016 east of 92nd Avenue NW and north of SR 532. In west Stanwood, businesses are located along three main arterials: State Route 532, Main Street and 271st Street NW.

Population

Below is a summary of population growth for selected municipalities.

Population Trends

	2015	2016	2017	2018	2019	2020	2021	2022
Stanwood	6,585	6,635	6,785	6,835	7,020	7,705	7,980	8,405
Arlington	18,490	18,620	18,690	19,300	19,740	19,868	20,690	21,260
Marysville	64,140	64,940	65,900	67,040	67,820	70,714	71,250	72,380
Everett	105,800	108,300	109,800	111,200	111,800	110,629	112,300	113,300
Snohomish County	757,600	772,860	789,400	805,120	818,700	827,957	837,800	847,300

Source: Washington State Office of Financial Management, April 2022

Office Market

The Stanwood and Camano office markets are comparatively small, serving primarily local residents. Camano Commons contains a mix of office and retail space and is at stabilized occupancy. In Stanwood, a 25,000 SF office/retail building was completed in 2006 (Stanwood Professional Center). Near Village Commons is Kohl's Professional Center, a two-story 5,788 SF office building completed in 2008. There is also ample vacant space in older buildings in the vicinity. Office leasing activity in the Stanwood-Camano area has been relatively slow over the last decade.

Retail Market

At Village Commons in eastern Stanwood, there is 16,500 SF of retail/office space in the mixed-use building. A Grocery Outlet and Petco was completed at the northeast corner of SR 532 and 92^{nd} Avenue NW.

Industrial Market

In the immediate area, Twin City Foods is a major employer and there are a handful of industrial buildings in Stanwood. A small pocket of manufacturing zoned land is located south of Camaloch Golf Club on Camano Island.

Environmental Influences

The western part of the city is on the floor of the Stillaguamish River valley, and most sites in this location are in the 100-year floodplain. No other adverse environmental influences are noted.

Summary

Like most of the north Puget Sound region, Stanwood experienced a slow recovery from the effects of the 2008-2009 recession. It is unknown whether the Covid 19 pandemic will result in a long term impact on the economy. The Stanwood real estate market has generally recovered from the recession and has been similarly impacted by the pandemic as most communities. In conclusion, the subject is located in a desirable area with a stable economy. Continued residential use in the vicinity together with expanding housing development in the Stanwood area expected to result in an upward trend for property values in the vicinity.

Qualifications of Jim E. Dodge
Senior Associate Appraiser
ABS Valuation

Education

Bachelor of Science in Business Management, University of Idaho, 1977.

Professional Education

Appraisal Courses: Standards of Professional Practice SPP- Part C, Standards of Professional Practice SPP- Part B, Report Writing and Valuation Analysis, Case Studies 2-1, Uniform Standards of Professional Appraisal Practice, Module A, Capitalization Theory & Techniques, Parts 1BA & 1BB, Basic Valuation Procedures 1A2, Real Estate Appraisal Principles 1A1

Seminars and Continuing Education (abbreviated summary of coursework):

- Uniform Standards of Professional Appraisal Practice (USPAP)
- IRWA: 403-Easement Valuation
- IRWA: 802 - Legal Aspects of Easements
- AI: Business Practice & Ethics, Agricultural Special Use
- AI: Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book)
- AI: Easements & Divided Partial Interests, Errors & Misconceptions in Yellow Book
- AI: USPAP, Evaluating Commercial Construction, Business Practices & Ethics
- AI: Attacking/Defending Appraisals in Litigation, Fall Real Estate Conference
- AI: Real Estate Finance, Statistics & Valuation Modeling, Course 300
- AI: Eminent Domain & Condemnation, Conservation Easements, Analyzing Distressed Properties
- Appraisal Review Overview (WSDOT)
- AI: Partial Interest Valuation
- AI: Condemnation Appraising - Basic Principles, 710

Professional Affiliation

Practicing Affiliate, Appraisal Institute.
Approved Appraiser and Review Appraiser, Washington State Department of Transportation
Member, International Right-of-Way Association

Appraisal Experience

Assignments have included fee and ad valorem appraisals of commercial, industrial, residential, agricultural and special use properties. Qualified as an expert witness in Snohomish County and Island County Superior Courts. Presentations at LID/LUD preliminary and final assessment roll hearings. Ad Valorem appraisal contracts completed for several northern Idaho counties. Tasks included field inspections, analysis of market data, agricultural production income/costs, depreciation studies and board of equalization.

A variety of right-of-way acquisition appraisals have been completed, typically involving multiple parcel assignments. Projects include trail acquisition for the Snohomish County Parks Department and the Skagit County Parks Department. Right-of-way acquisition for road widening purposes have been completed for Snohomish and Skagit County Public Works departments and the cities of Marysville, Snohomish, Stanwood, Lake Stevens and Everett. A highway right-of-way acquisition project for the Montana Department of Highways involved approximately 100 properties. Eminent domain appraisals have been completed for the Washington State Department of Transportation. Currently on the WSDOT approved list for fee and review appraisers.

Valuation assignments completed cover a wide variety of commercial, industrial, residential, agricultural and special use properties in addition to real estate consultations with private individuals and organizations. LID Special Benefit Study experience includes the 1,400-acre Northwest Landing development by Weyerhaeuser Real Estate Company at DuPont, WA, City of Ocean Shores sewer LID 98-01 and various studies for Snohomish County PUD No. 1 and Skagit County PUD No. 1.

Representative Client List

Cities/Counties
Cities of Arlington, Bellingham, Burlington, Edmonds, Everett, Lake Stevens, Lynnwood, Marysville, Monroe, Mountlake Terrace, Mount Vernon, Mukilteo, Oak Harbor, Ocean Shores, Renton, Seattle, Snohomish, Stanwood, Sultan, and Woodinville. Counties of Island, King, San Juan, Skagit, Snohomish, and Whatcom.

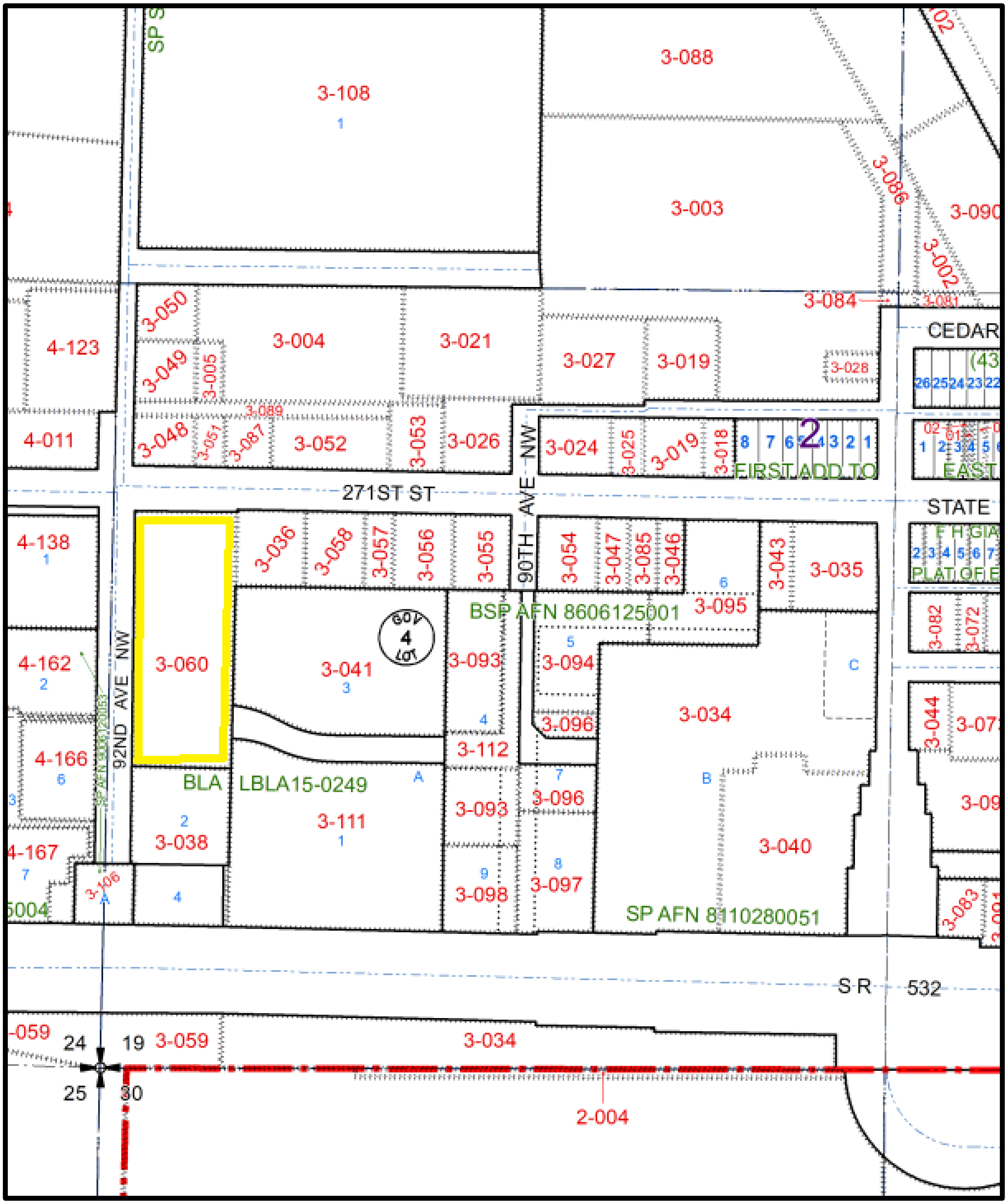
Government
Ports of Everett and Skagit County. Edmonds, Everett, Granite Falls, Mukilteo, Marysville and Stanwood School Districts. WSDOT, U.S. Naval Facilities Engineering Command NW, Seattle City Light, Snohomish County PUD, Skagit County PUD, Tulalip Tribes, Lummi Indian Nation and Montana Department of Highways.

Financial Institutions
Bank of Washington, BECU, Everett Mutual Bank, Farm Credit Services, First Heritage Bank, First Interstate Bank, Frontier Savings Bank, Seafirst National Bank, The Commerce Bank and US Bancorp.

Corporations, Law Firms and Non-Profits
Weyerhaeuser Real Estate Company, Puget Sound Energy, OTAK, HDR Inc., Coates Field Service, Inc., Perteet Engineering, Brewe Layman, Weed, Graafstra & Benson, Inc., P.S., Anderson Hunter, Hill Street Development, Industrial Electric, Les Schwab, Millstone, Northcoast Electric, Northwest Pipeline Corporation, Providence Hospital, Steel Fab and Tyr Energy.

State Certification Number - General: 1100557 **Expiration**: 9/3/23

Plat Map



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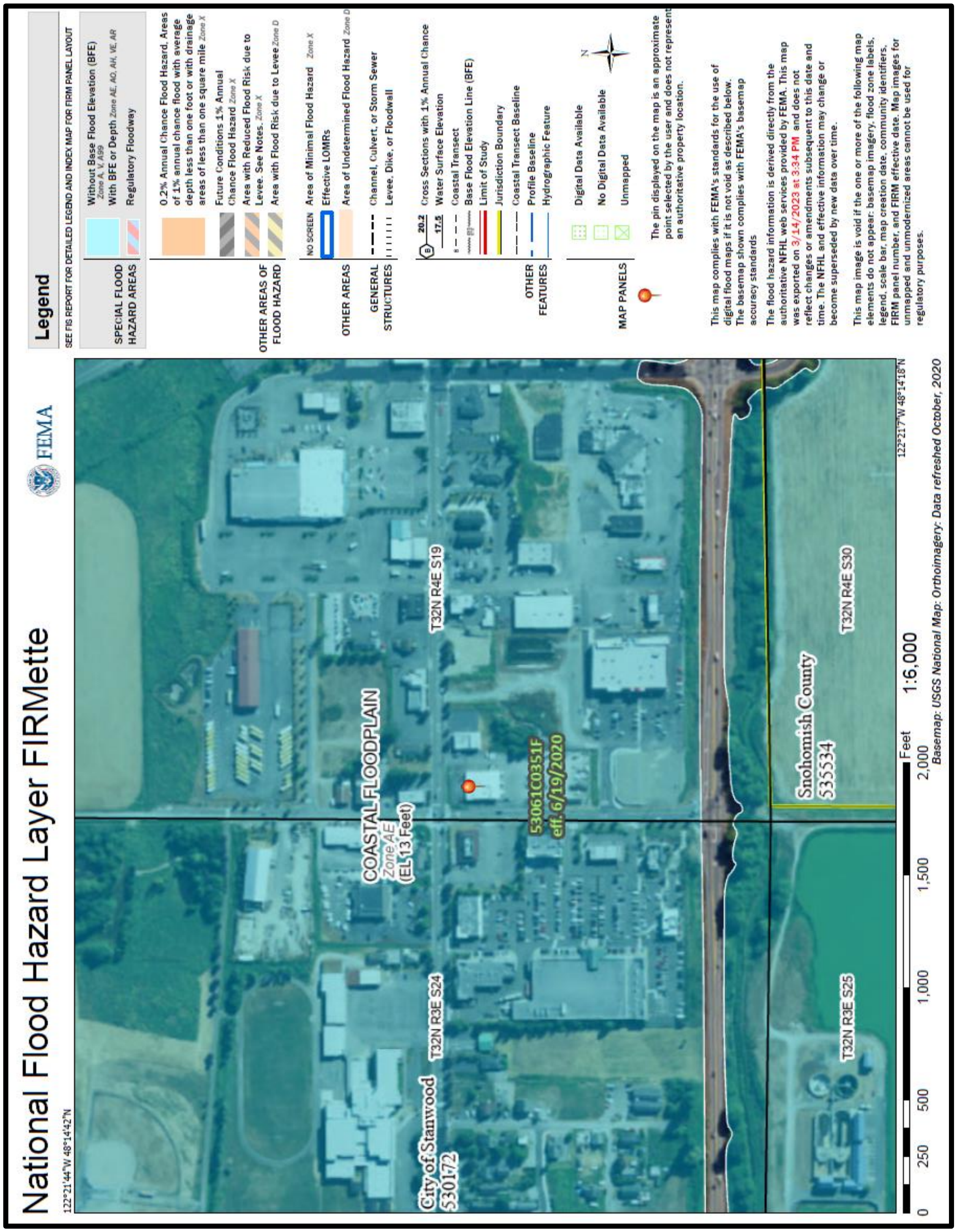
FEMA Map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CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT

ITEM NUMBER:	**9b**
DATE:	October 26, 2023
SUBJECT:	Stanwood Municipal Code Title 3 – Revenue and Finance
CONTACT PERSON:	Patricia Love, Community Development Director
ATTACHMENTS:	A – Ordinance 1520 Adoption of Title 3 – Revenue and Finance

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PURPOSE

The purpose of this agenda item is for Council review and acceptance of the second reading of Ordinance 1520, adoption of Title – 3, Revenue and Finance, of the Stanwood Municipal Code.

SUMMARY

Included in the next batch of Municipal Code Amendments is Title 3 – Revenue and Finance and Title 5 – Business License and Regulations. These Titles have been grouped together for review as they have direct code correlations. Using the approved style guide, the draft amendments delete outdated code citations and modernize the text by applying current best practices. It notes where new sections have been added or where moved. In general, these titles and chapters have been reorganized for better flow and readability with similar topics being grouped together.

Ordinance 1520 includes:

- Title 2 – references are updated with new Title 3-chapter numbers.
- Title 3 – Revenue and Finance establishing the City's authority to impose and collect taxes and fees creating the revenue source of the city's operational budget.
- Title 4 – Acceptance of interest in real property has been added to Chapter 4.18
- Title 17 – Impact fees has been moved from Title 17, Zoning, to Title 3.
- Title 17 – School Impact Fee Concurrency has been moved to Title 17.

BACKGROUND
The City initiated the Municipal Code Update project in 2022 to modernize the code reflecting best practices with respect to content and administration of the code. The update is intended to be user friendly for staff, property owners and developers by 1) removing legalese and jargon unfamiliar to the lay person, 2) improving clarity and overall functionality, and 3) reflect regulatory best practices. The amendments will also be consistent with current case, state and federal laws.

To help guide the review of the amendments, two types of informational banners are included in the descriptive versions of each amendment. These blue- and yellow-colored bars highlight changes, recommendations and questions; it notes where new sections have been added or where moved.

i Blue banner describes actions taken or issue descriptions.

Yellow banners highlight important policy issues.

Due to the sheer size of amending an entire municipal code, work has been broken into manageable pieces with similar titles, or titles that interact with each other, being processed together. To date, the Council has approved the following Title groupings:

Stanwood Municipal Code Titles	Action
Interim Zoning Regulations Prohibiting Mini-Storage Facilities	Council Approved October 27, 2022
Interim Sign Regulations Signs in the Right of Way	Council Approved January 26, 2023
Title 1 – General Provisions Title 2 – Personnel Title 4 – Administration (New)	Council Approved April 23, 2023 Three Readings
Title 6 – Parks and Public Spaces (New) Title 9 – Public Peace, Morals, and Safety Title 13 – Civil Enforcement	Council Approved June 8, 2023 Three Readings
Title 7 – Noise Ordinance Only	Council Approved July 13, 2023
Title 3 – Revenue and Finance Title 5 – Business Licenses & Regulations	Pending City Council Action September / October 2023

As Titles and Chapters are approved, there may be times when chapters or sections within chapters of approved Titles will need to be amended to ensure consistency throughout the Municipal Code as it is amended.

ANALYSIS

Title 3 establishes the City's authority to impose and collect taxes and fees creating the revenue source of the city's operational budget. This rewrite of Title 3 does not create any new taxes or fees, but instead reorganizes the Title to group similar topics together thereby improving the flow and readability of the Title. The following chapter topics will be grouped together leaving space between chapter titles to allow room for future code amendments.

- Taxes;
- Fees;
- Fiscal Policy and Claims; and
- Accounting Funds

Other significant changes to Title 3 include:

- Segregation Assessment fees (description and engineering) have been removed and will be added to the City's Fee Resolution.
- Penalties have been updated for consistency with the civil penalties as adopted in Title 13, Civil Enforcement.
- Impact fee provisions have been moved from Title 17, Zoning and consolidated into a single chapter in Title 3. New state laws passed by the Legislature this session will be addressed in a separate ordinance.
- School Impact Fee Concurrency has been moved to Title 17, similarly as traffic concurrency, shown in Exhibit C.
- Donations were moved to Title 4 – Administration, with the first batch of code amendments. In the original scoping memo, it was proposed to include "Acceptance of Interest in Real Property" as a new chapter in Title 3. This has been reconsidered and for consistency, it is recommended to move acceptance of real property to its own chapter in SMC Title 4, as shown in Exhibit B.
- Minor amendments to the fee schedule are necessary to add the segregated assessment fees associated with the formation of Local Improvement Districts. (SMC 3.12.320 and 3.12.330)

Council Policy Decision Issues:

The following policy issues need to be discussed before the final reading: both issues apply to the City's Impact Fee Regulations:

A. Impact fee exceptions for Accessory Dwelling Units (ADU) -SMC 3.24.050: Recent changes in state law require cities to amend their ADU impact fees to be no more than 50% of the impact fee for the primary dwelling unit. In response, some cities are discussing exempting ADU's from paying impact fees altogether as part of their efforts to address affordable housing barriers. Staff is proposing to cut the impact fee in half as those living in ADU's will continue to drive vehicles and use the City's park facilities.

B. Fee Calculation Incentives – SMC 3.24.160: There are several incentives in the existing Municipal Code that are applied to traffic impact fees. With the relocation and combining of the impact fee code sections, staff proposes that the existing incentives be applied universally to all impact fees:

- Commercial developments are eligible for a 10% fee reduction;
- Re-use of existing buildings in the MBI and MBII (and future Downtown Mixed-Use Corridor) zones are exempt from impact fees;
- Historic single family residential lots created prior to 1969 are eligible for a 35% fee reduction; and
- Low-income housing projects are eligible to reduce their fees by 80%.
    - Added a 10-year restriction on conversion of low-income units.

Response To Council Questions:
At Council's September 14 meeting there were several questions regarding 1) the history, application and the financial effect of impact fee incentives and 2) how the gambling tax is applied to various users. Below are staff responses to the questions.

Purpose and History of Impact Fee Incentives:
Below is a summary of the major milestones associated with the City's adoption and updates to its impact fees ordinance. Using the ordinance "whereas" clauses in the ordinances, it appears that incentive-based policy decisions were most likely adopted based on regional economic issues and the desire to create new economic development opportunities in the City.

Credit	Adoption Date	Regional Economic Trends / City Impacts
10% Reduction for Commercial Developments	2005	In the early 2000's the Puget Sound Region was seeing a shift in the workforce from manufacturing and resource-based jobs to high tech and information technology jobs. In 2005 the Puget Sound was hit hard by the Dot-Com bubble bust and the 2001 terrorist attacks. Puget Sound felt the effects of the 2001 recession / slowdown. In 2003 the City adopted its first economic development study – Design Stanwood. In keeping with the Plan's goals and vision, the Council determined that the economic benefit of jobs and sales tax revenues the city receives from commercial development warranted a 10% reduction in transportation impact fees.
Downtown MBI and MBII Exemption for Building Reuse	2006 / 2007	The Puget Sound began to rebound from the 2001 recession / showdown in late 2003. However, the housing subprime mortgage crises was just beginning in late 2007 and lasted through 2010. Permit activity at the City was low during this period: 219 permits were issued in 2007 compared to 431 permits issued in 2022. Stanwood was feeling the effects of the

Credit	Adoption Date	Regional Economic Trends / City Impacts
		regional economic slowdown and it would make sense that the City Council adopted policies to help support businesses and promote its downtown.
Historic Single Family Lot Credit	2013	Added the historic single family lot incentive credit to support downtown redevelopment and revitalization efforts.
Affordable Housing Credit	2022	The cost of housing in Washington is out passing wages; housing is becoming more unaffordable to those in the moderate to low-income wage brackets. Governor Jay Inslee has declared that Washington has an affordable housing crisis. To help reduce permit fees on affordable housing projects, an 80% impact fee credit was adopted as permitted by RCW 82.02.060(4).

<u>How many vacant lots, created prior to 1969, are eligible for the Historic Single-Family Residential Lot 35% impact fee reduction?</u>

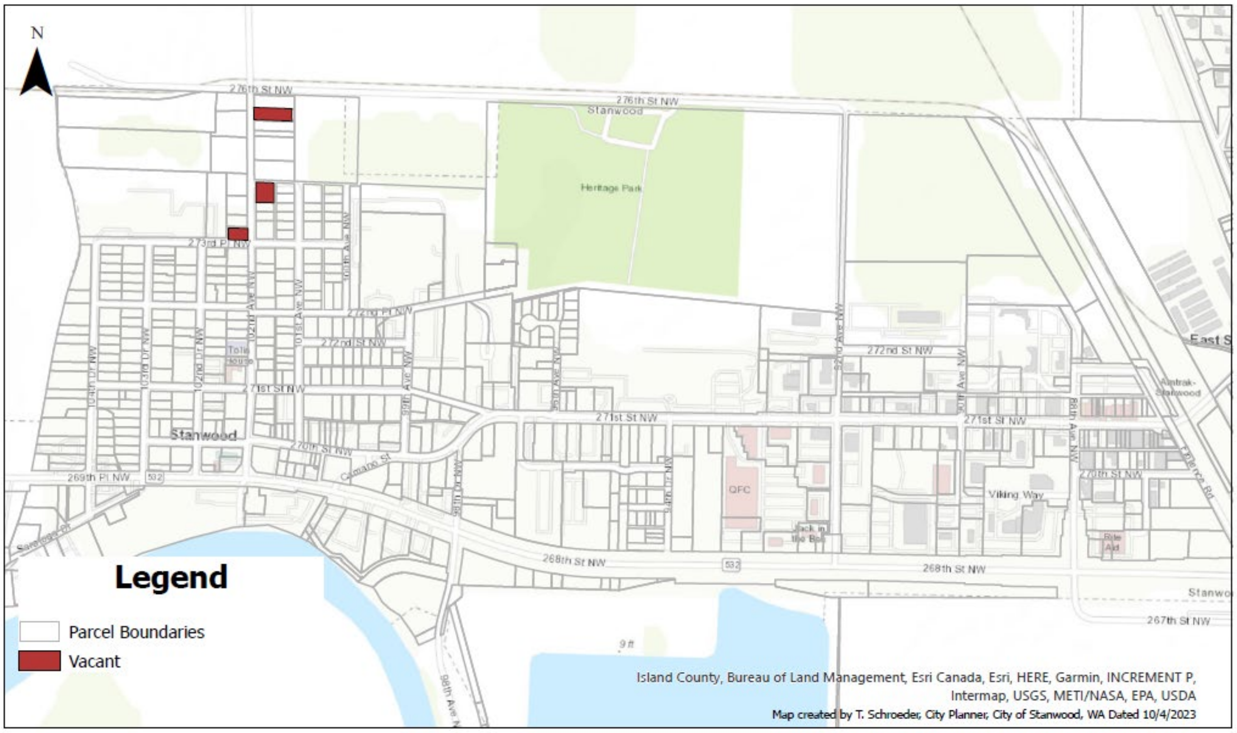
There are three (3) remaining lots in the downtown area that would be eligible for the historic single family lot discount.

Impact Calculation:

Single Family Residential Fee Type	Adopted Fee	35% Reduction	Number of Lots	Fee Reduction
Parks	$1,936.00	$677.60	3	$2,032.80
Traffic	$3,526.36	$1,234.23	3	$3,702.69
Total Potential Future Impact Fee Reduction:				$5,735.17

To understand the proportional impact on the impact fee funds, the $5,735.17 represents approximately 2.9% of the total fees received in 2023:

2023 Impact Fee (As of Oct 16)	Amount	Potential Fee Reduction (Table Above)	% Reduction on Collected Fees
Parks	$118,096.00	$2,032.80	1.7%
Traffic	$81,796.39	$3,702.69	4.5%
	$199,892.39	$5,735.17	2.9%



<u>What has been the financial impact of the 10% commercial fee reduction?</u>
Over the last 5 years, the city issued 3 commercial building permits which qualified for the 10% impact fee reduction. The City collected $431,393.22 in traffic impact fees. The City does not collect park impact fees on commercial projects. The traffic impact fee discount of 10% equaled approximately $43,139.00.

The theory behind the reduction is that the developed property will generate sales taxes and property taxes that will make up the difference in the fee reduction. To test the theory, below is a summary of the changes in property valuations post construction of the three permits issued: increased valuation post construction results in greater on-going property tax revenue versus the one-time impact fee.

Permit	Pre-Construction Property Valuation	2022 Property Valuation	2023 Property Valuation	Increase in Property Valuation
Permit #1	$251,000	Under Construction		Pending
Permit #2	$1,312,500	$8,567,100	$13,896,100	958% Increase
Permit #3	$1,039,500	$8,190,000	$9,173,000	782% Increase

Snohomish County Assessor Website

Stanwood's 2023 sales tax rate is 9.3%. There is no readily available information on the collection of sales tax from these properties over this time period.

What is the impact of the re-use of existing buildings impact fee credit in the downtown?
To approximate the impact of the re-use impact fee exemption policy, the number of 2023 tenant improvement (TI) permits were pulled from the city's permit tracking software. A tenant improvement is a commercial building permit for interior or minor exterior changes to a building. In 2023 (As of October 16) 20 TI permits have been submitted for review and approval. 19 of those permits were for properties located in the downtown.

Number of TI's	Type of TI	Impact Fee Impacts
2	Change in Business	Retail to Retail: No Impact on Fees
12	Remodels of Existing Business Space	Interior Remodels; No Impact of Fees
5	Miscellaneous: Awning, Freezer/Heater Slabs, Patio, Bleachers	None

Based on the 2023 TI permit sample, there appears to be very little financial impact from the downtown impact fee re-use policy.

However, theoretically, the biggest impact on fees could be generated from an office use converting to a restaurant use. Office uses generate about 1 – 2 PM Peak Hour Trips / 1,000 gross square feet and Fast-Food Casual Dinning generates around 14 PM Peak Hour Trips / 1,000 gross square feet. While there may be little change in property values for a potential change in use, the amount of sales tax generated (9.3% per transaction) from the property would significantly increase, thereby making up the difference in impact fees over time (assuming the restaurant is successful). Plus, this policy appears to have been put in place to support the conversion of residential buildings to commercial uses in the downtown (MBI and MBII zones).

Low Income Impact Fee Credit:
RCW 82.02.060 allows cities to exempt up to 80% of impact fees for low-income housing or for early leaning facilities subject to conditions:

1. An exemption for low-income housing must include a covenant with price restrictions and household income limits for the low-income housing, and that if the property is converted to a use other than for low-income housing, the property owner must pay the applicable impact fees in effect at the time of conversion;
2. The covenant must be recorded with the Snohomish County Auditor; and
3. The City may not collect revenue lost through granting an exemption by increasing impact fees unrelated to the exemption.

For purposes of RCW 82.02.060, "low-income housing" means housing with a monthly housing expense, that is no greater than thirty percent of eighty percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development. For Stanwood that means the family income of approximately $40,000 per year to qualify.

While this credit is intended to help with the affordability of housing in Stanwood, it will most likely not be used by a typical developer due to the income restriction and covenant requirements. It could, however, be used by an agency such as the Housing Authority of Snohomish County (HASCO) or Housing Hope if they built a new facility in town. The State intended the loss of impact fee revenue to be offset by the greater social good of providing permanent affordable housing projects. The City will see limited use of this credit, but it is available if needed.

What is the definition of and Accessory Dwelling Unit (ADU) and can the 50% credit be applied differently to family members or renters?

SB 1337 contains three definitions for accessory dwelling units:

> "Accessory dwelling unit" means a dwelling unit located on the same lot as a single-family housing unit, duplex, triplex, townhome, or other housing unit.
>
> "Attached accessory dwelling unit" means an accessory dwelling unit located within or attached to a single-family housing unit, duplex, triplex, townhome, or other housing unit.
>
> "Detached accessory dwelling unit" means an accessory dwelling unit that consists partly or entirely of a building that is separate and detached from a single-family housing unit, duplex, triplex, townhome, or other housing unit and is on the same property.

Along with other requirements, this law also mandates that cities must comply with the following policies:

- The city or county may not assess impact fees on the construction of accessory dwelling units that are greater than 50 percent of the impact fees that would be imposed on the principal unit;
- The city or county may not require the owner of a lot on which there is an accessory dwelling unit to reside in or occupy the accessory dwelling unit or another housing unit on the same lot; and
- The city or county must allow at least two accessory dwelling units on all lots that are located in all zoning districts within an urban growth area that allow for single-family homes.

The law is clear that cities cannot charge more than 50% of the impact fee that would be imposed on the principal unit. It also eliminates any owner occupancy requirement. As such it would be difficult to apply a fee based on family versus rental use. In addition, there would be no legal way to enforce the “family” occupancy once the permit is paid. One of the purposes of this legislation is to treat all ADU’s equally and eliminate rules that treat users differently. Staff recommendation is to apply a consistent fee to all ADU’s: 50% or waive the impact fees entirely.

How is the gambling tax applied to "card games"?
Social card games or other gambling activities are taxed at 5% of the gross receipts (SMC 3.10.020) subject to the following:

- Home Card Games: Friendly "home" games with friends and family are not taxed.

- Non-Profit Card Games: No tax up to the first $5,000, minus prizes, for charitable and non-profits with no operating or management personnel.

- For Profit Card Games: Taxed at the full rate of 5% subject to state licensing and regulations. It should be noted that City Code prohibits casinos and card rooms with two or more card tables (SMC 17.30.050(9)). Therefore, the City does not receive any revenue from this type of use.

Fiscal Impact			
No direct financial impact. Code work was already budgeted and approved through the Municipal Code Update Project contract and scope of work.			
Fund(s):	Staff Time		
Amount:	$	**Project Estimate:**	$ -
Budget Authorized	**[ ] Yes [ ] No**	**Amendment Required**	**[ ] Yes [ ] No** **[ ] Monitor**

RECOMMENDATIONS

Staff Recommendation:
No changes have been made to the draft ordinance, only response to Council's questions. Staff recommends that Council continue to provide for the impact fee credits as previously adopted and apply a 50% credit to ADUs as they support economic development efforts with minimal impact on city finances. Staff recommends that Council accept the second reading of the proposed amendments and adopt ordinance 1520.

Committee/Board Recommendation:
The Advisory Group and Planning Commission have reviewed the proposed amendments; their comments have been incorporated into the drafts. All groups have recommended to adopt the amendments.

CITY COUNCIL OPTIONS

1. Accept the second reading of Ordinance 1520 adopting Title 3, Revenue and Finance, and to proceed with the third reading on November 20, 2023, if needed.

2. Request changes to Ordinance 1520 and direct staff to address specific Council issues or concerns prior to Council reconsideration the ordinance.

PROPOSED MOTION

I MOVE TO APPROVE THE SECOND READING AND ADOPT ORDINANCE 1520 AS SET FORTH IN ATTACHMENT "A".

OR

I MOVE TO ACCEPT THE SECOND READING OF ORDINANCE 1520 AS SET FORTH IN ATTACHMENT "A" AND TO PROCEED WITH THE THIRD AND FINAL READING OF THE ORDINANCE ON NOVEMBER 20, 2023.

CITY OF STANWOOD
WASHINGTON

ORDINANCE NO. 1520

AN ORDINANCE OF THE CITY OF STANWOOD, WASHINGTON, AMENDING STANWOOD MUNICIPAL CODE (SMC) TITLE 3, REVENUE AND FINANCE, UPDATING CHAPTER 2.14 REFERENCES, DELETING IMPACT FEE CHAPTERS FROM TITLE 17 AND MOVING THEM TO TITLE 3, ADOPTING REAL PROPERTY REGULATIONS IN TITLE 4, AND ESTABLISHING SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the City of Stanwood has begun a process to comprehensively update its municipal code to conform to current law and practice; and

WHEREAS, the purpose of this code amendment is to eliminate conflicts, improve clarity and overall function of the municipal code, and reflect current city and best practices; and

WHEREAS, amendments include reorganizing Title 3 to group similar topic together thereby improving the flow and readability of the Title; and

WHEREAS, the amendments do not create any new taxes or fees, but instead groups the chapters by taxes, fees, fiscal policy and accounting funds; and

WHEREAS, the City of Stanwood SEPA Responsible Official has reviewed the proposed amendments to the Stanwood Municipal Code, determined that the amendments are categorically exempt from SEPA, and memorialized those conclusions under file number 230113; and

WHEREAS, the Stanwood Advisory Group reviewed the draft ordinance at their June 21, 2023 meeting, and has recommended that the City Council adopt the ordinance as presented; and

WHEREAS, the Stanwood Planning Commission reviewed the draft ordinance at their July 10, 2023 meeting and has recommended that the City Council adopt the ordinance as presented; and

WHEREAS, the City Council held a public meeting and first reading of the draft code amendment on September 14, 2023, a second reading on October 26, 2023, and accepted public comment; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Stanwood Municipal Code Title 3, Revenue and Finance, is repealed in its entirety and replaced with the new Title 3, Revenue and Finance, as provided in Exhibit “A” attached to this ordinance and incorporated herein by reference as if set forth in full.

Section 2. SMC Chapter 4.18 is adopted as shown in Exhibit B.

Section 3. SMC Chapter 17.148A is adopted as shown in Exhibit C.

Section 4. References in SMC Chapter 2.14 to SMC Chapter 3.36 are updated to SMC Chapter 3.09.

Section 5. The following chapters are deleted: SMC 17.151 Impact Fees – Transportation, SMC 17.152 Impact Fees – Parks, Open Space and Recreational Facilities, SMC 17.153 Impact Fees – School Facilities, and SMC 17.153A Impact Fees – Fire Facilities.

Section 6. This ordinance contains a re-adoption of existing taxes, and no interruption from existing taxes is intended.

Section 7. Severability. The various parts, sections and clauses of this ordinance are hereby declared to be severable. If any part, sentence, paragraph, section or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected thereby.

Section 8. Authority to Make Necessary Corrections. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener's clerical errors, references, ordinance numbers, section/subsection numbers and any references thereto.

Section 9. Effective Date. This Ordinance shall take effect five days publication as required by law.

PASSED and APPROVED this 26th day of October 2023.

CITY OF STANWOOD:

____
Sid Roberts, Mayor

Attest:

____
Lisa Sokolik, City Clerk

Approved as to Form:

____
Nikki Thompson, City Attorney

Date of Publication: ________________

Effective Date: ____________________

EXHIBIT A

Title 3 Revenue and Finance

This title is a complete rewrite of existing SMC Title 3.

In this title, we have tried to strike a balance between keeping existing chapter numbering and reorganization for future expansion. To that end, we have organized the chapters as follows:

- 3.01-3.19 for sections pertaining to taxes.
- 3.20-3.29 for sections pertaining to fees.
- 3.30-3.39 for sections pertaining to fiscal policy, with general policies in 3.30. All accounting funds should be created and listed in their own section of SMC Chapter 3.34 corresponding to the fund number (e.g., fund 103, Street Construction Fund, is described in section 3.16.103) and following the pattern in Chapter 3.34.
- 3.40-3.41 for other sections that don't fit elsewhere, e.g., establishment of the transportation benefit district.

Chapter 3.01 General Provisions

3.01.020 Administration

Except where otherwise provided, the City Finance Director is responsible for the administration of this title.

3.01.040 Severability

The various chapters, sections, and clauses of the ordinances codified in this title are hereby declared to be severable. If any part, sentence, paragraph, section, or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the title must not be affected.

Chapter 3.03 Leasehold Excise Tax

This is existing chapter 3.32, recodified to be near the other tax chapters.

3.03.010 Imposition of tax.

A leasehold excise tax is imposed on and after June 1, 1993, upon the act or privilege of occupying or using publicly owned real or personal property within the city of Stanwood through a "leasehold interest," as defined by Chapter 82.29A RCW. The tax must be paid, collected, and remitted to the State Department of Revenue.

3.03.020 Tax rate.

(1) The rate of tax imposed by SMC 3.03.010 is 4% of the taxable rent, as provided in RCW 82.29A.040.

(2) With respect to a product lease, a credit of 33% of the tax produced by the above rate.

3.03.030 Agreement.

The mayor is authorized to execute a contract with the State Department of Revenue for the administration and collection of the tax imposed by RCW 3.03.010; provided, that the city attorney must first approve the form and content of said contract.

3.03.040 Adoption by reference.

The city hereby adopts by reference Chapter 82.29A RCW, Leasehold Excise Tax.

Chapter 3.04 Sales and Use Tax

ℹ This an integration of existing SMC Chapter 3.04, Sales and Use Tax, and existing SMC Chapter 3.06, Additional Sales and Use Tax.

ℹ Note there are two sections with two different sales taxes in this chapter because the state law authorizes them in different ways.

3.04.010 Imposition of tax.

ℹ Based on existing SMC 3.04.010.

(1) Per RCW 82.14.030(1), a sales or use tax is imposed upon every taxable event occurring within the city.

ℹ Next line is based on existing SMC 3.04.020.

(2) The rate of tax imposed by this section is 0.005% of the selling price or value of the article used, as the case may be; except that during such period as there may be in effect a sales or use tax imposed by Snohomish County under RCW 82.14.030(1), the rate of tax imposed by this chapter is 0.00425%.

ℹ Next line is based on existing SMC 3.04.050.

(3) The effective date of the tax imposed in this section is January 1, 1971.

3.04.020 Imposition of additional tax.

ℹ This section is based on existing SMC 3.06.010-.020.

(1) Per RCW 82.14.030(2), an additional sales or use tax is imposed on every taxable event within the city.

ℹ Next line is based on existing SMC 3.06.020.

(2) The rate of tax imposed by this section is 0.005% of the selling price or value of the article used, as the case may be; except that during such period as there may be in effect a sales or use tax imposed by Snohomish County under RCW 82.14.030(2) at a rate equal to or greater than the rate imposed by a city within the county, the county must receive 15% of the city tax; and in the event that the county imposes a sales and use tax under RCW 82.14.030(2) at a rate less than the rate imposed by a city within the county, the county must receive that amount of revenues from the city tax equal to 15% of the rate of tax imposed by the county.

Next line is existing SMC 3.06.040.

(3) The effective date of the tax imposed in this section is July 1, 1982.

3.04.030 Administration.

Based on existing SMC 3.04.030 and 3.06.030.

(1) The tax is imposed upon and collected from those persons from whom the state sales or use tax is collected, pursuant to Chapters 82.08 and 82.12 RCW.

(2) "Taxable event" has the meaning in RCW 82.14.020.

(3) The administration and collection of the tax imposed by this chapter must be in accordance with the provisions of RCW 82.14.050, and the mayor is authorized and directed to execute on behalf of the city contracts with the State Department of Revenue for such collection and administration of the tax.

3.04.040 Inspection of records.

Based on existing SMC 3.04.040.

The city consents to the inspection of such records as are necessary to qualify the city for inspection of records of the Department of Revenue, pursuant to RCW 82.32.330.

Chapter 3.05 Sales and Use Tax for the Transportation Benefit Fund

This is a new chapter to codify the TBD sales tax approved by the voters in the 2022 election.

3.05.010 Imposition of tax.

Per RCW Chapter 36.73 and RCW 82.14.0455, a sales and use tax in the amount of two-tenths of one percent, having been approved for renewal by the voters of the City of Stanwood Transportation Benefit District in the November 8, 2022, general election, is levied to be collected from all taxable retail sales within the Transportation Benefit District established by SMC Chapter 3.40.

3.05.020 Deposit of proceeds.

Proceeds from the tax established by this chapter must be deposited and expended per SMC 3.05.108.

3.05.030 Expiration and renewal.

Per RCW 82.14.0455, the tax imposed by this chapter expires after a period of 10 years unless renewed with an affirmative vote of the voters voting at an election.

Chapter 3.06 Sales and Use Tax for Affordable Housing

This is a recodification of existing SMC Chapter 3.50, adopted in 2020, to place all tax-related chapters together.

3.06.010 Purpose of tax.

Existing SMC 3.50.010.

The Washington State Legislature recognizes that local governments have been faced with a rising level of homelessness and limited affordable housing. To help address the state housing affordability crisis, the legislature provided to counties and cities the authority to implement a local sales tax to fund affordable or supportive housing.

3.06.015 Imposition of sales and use tax for affordable housing.

Existing SMC 3.50.015.

(1) There is imposed a sales and use tax as authorized by RCW 82.14.540 upon every taxable event, as defined in Chapter 82.14 RCW, occurring within the city of Stanwood.

(2) The tax is imposed upon and collected from those persons from whom the state sales tax or use tax is collected pursuant to Chapters 82.08 and 82.12 RCW.

(3) The rate of the tax imposed by this chapter is the maximum capacity of the sales and use tax (0.0073 percent authorized by RCW 82.14.540) of the selling price or value of the article used.

(4) The tax imposed under this chapter must be deducted from the amount of tax otherwise required to be collected or paid to the Department of Revenue under Chapter 82.08 or 82.12 RCW. The Department of Revenue will perform the collection of such taxes on behalf of the city at no cost.

(5) The Department of Revenue will calculate the maximum amount of tax distributions for the city of Stanwood based on the taxable retail sales in the city, and the tax imposed under this chapter will cease to be distributed to the city for the remainder of any state fiscal year in which the amount of tax exceeds the maximum amount of tax distributions for the city as properly calculated by the Department of Revenue. Distributions to the city of Stanwood that have ceased during a state fiscal year must resume at the beginning of the next state fiscal year.

3.06.020 Applicability of tax.

Existing SMC 3.50.020.

(1) The city may use the moneys collected by the tax imposed under this chapter for the following purposes:

   (a) Acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services under RCW 71.24.385; or

   (b) Providing the operations and maintenance costs of new units of affordable or supportive housing; or

   (c) Providing rental assistance to tenants.

(2) The housing and services provided under this chapter may only be provided to persons whose income is at or below 60 percent of the median income of the city.

3.06.025 Administration and collection.

Existing SMC 3.50.025.

The administration and collection of the tax imposed by this chapter must be in accordance with the provisions of RCW 82.14.540. The mayor, with approval of the city council, is hereby authorized to and directed to execute and sign contracts with the Washington State Department of Revenue that may be necessary to provide for the administration or collection of the tax.

3.06.030 Duration of tax.

Existing SMC 3.50.030.

(1) The tax imposed by the city under this chapter will expire 20 years after the date on which the tax is first imposed.

(2) The finance director must provide notice to the city council and the mayor of the expiration date of the tax each year, beginning three years before the expiration date, and must also promptly notify the city council and the mayor of any changes to the expiration date.

(3) The finance director must report annually to the Washington State Department of Commerce, in accordance with the Department's rules, on the collection and use of the revenue from the tax imposed under this chapter.

3.06.040 Deposit of proceeds.

This is a new section.

Proceeds from the tax established by this chapter must be accounted for separately to ensure compliance with RCW 82.14.540.

Chapter 3.07 Brokered Natural Gas Use Tax

No changes to this existing chapter.

3.07.010 Adoption by reference.

RCW 82.14.230 providing for imposition and collection of a use tax on brokered natural gas is hereby adopted as if set forth in full.

3.07.020 Rate.

There is hereby imposed a use tax in the amount of 6% upon brokered natural gas to be paid by the consumer under the provisions of RCW 82.14.230.

Chapter 3.08 Real Estate Excise Tax (REET)

> ℹ This chapter has been renamed from "Real Estate Sales Excise Tax" to conform to the language used in the RCW and common parlance.
>
> ℹ No major changes to this existing chapter except that the enumeration of the allowed uses has been deleted and a reference inserted to the statutorily allowed purposes, which change from time to time.
>
> ℹ Deleted 3.08.080 regarding deposit of revenue.

3.08.010 Imposition of tax—REET 1

> ℹ Based on existing SMC 3.08.010.

(1) Per RCW 82.46.010, an excise tax of one-quarter of one percent of the selling price is imposed on each sale of real property within the corporate limits of the city of Stanwood.

> ℹ The following subsections are based on existing SMC 3.08.080.

(2) Proceeds of taxes imposed in this section must be deposited per SMC 3.34.120 and used by the city as authorized by RCW 82.46.010.

(3) This section does not limit the existing authority of this city to impose special assessments on property specially benefited thereby in the manner prescribed by law.

3.08.015 Imposition of tax—REET 2

> ℹ Based on existing SMC 3.08.015.

(1) Per RCW 82.46.035, an additional excise tax of one-quarter of one percent of the selling price is imposed on each sale of real property within the corporate limits of the city of Stanwood.

(2) This tax is in addition to the tax imposed by SMC 3.08.010.

> ℹ Based on existing SMC 3.08.080.

(3) Proceeds of taxes imposed in this section must be deposited per SMC 3.34.121 and expended as authorized by RCW 82.46.035.

3.08.020 Taxable events.

> ℹ Existing SMC 3.08.020.

Taxes imposed in this chapter must be collected from persons who are taxable by the state under Chapter 82.45 RCW and Chapter 458-61 WAC upon the occurrence of any taxable event within the corporate limits of the city.

3.08.030 Consistency with state tax.

Existing SMC 3.08.030

The taxes imposed in this chapter must comply with all applicable rules, regulation, laws, and court decisions regarding real estate excise taxes as imposed by the state under Chapter 82.45 RCW and Chapter 458-61 WAC. The provisions of those chapters, to the extent they are not inconsistent with this chapter, apply as though fully set forth in this chapter.

3.08.040 Disbursal of tax proceeds.

Existing SMC 3.08.040.

The Snohomish County treasurer must deposit one percent of the proceeds of the excise tax collected, pursuant to SMC 3.08.010, into the Snohomish County current expense fund to defray the costs of collection. No such deduction may be made from the proceeds of the excise tax collected pursuant to SMC 3.08.015.

3.08.050 Seller's obligation.

Existing SMC 3.08.050.

The taxes imposed in this chapter are the obligation of the seller and may be enforced through the action of debt against the seller or in the manner prescribed for the foreclosure of mortgages.

3.08.060 Lien provisions.

Existing SMC 3.08.060.

The taxes imposed in this chapter and any interest or penalties thereon are the specific lien upon each piece of real property sold from the time of sale or until the tax is paid, which lien may be enforced in the manner prescribed for the foreclosure of mortgages. Resort to one course of enforcement is not an election not to pursue the other.

3.08.070 Notation of payment.

Existing SMC 3.08.070.

The taxes imposed in this chapter must be paid to and collected by the treasurer of the county within which is located the real property which was sold. The county treasurer must act as agent for the city within the county imposing the tax. The county treasurer must cause a stamp evidencing satisfaction of the lien to be affixed to the instrument of sale or conveyance prior to its recording or to the real estate excise tax affidavit in the case of used mobile home sales. A receipt issued by the county treasurer for the payment of the tax imposed in this chapter is evidence of the satisfaction of the lien imposed in SMC 3.08.060 and may be recorded in the manner prescribed for recording satisfactions or mortgages. No instrument of sale or conveyance evidencing a sale subject to the tax may be accepted by the county auditor for filing or recording until the tax is paid and the stamp affixed thereto; in case the tax is not due on the transfer, the instrument may not be accepted until suitable notation of this fact is made on the instrument by the county treasurer.

3.08.085 Date payable.

Existing SMC 3.08.085.

The taxes imposed in this chapter become due and payable immediately at the time of sale and, if not so paid within 30 days thereafter, bear interest at the rate of 1% per month from the time of sale until the date of payment.

Chapter 3.09 Lodging Tax

This chapter is based on existing SMC Chapter 3.36. It has been moved here to number all tax chapters together.

Note that the Lodging Tax Advisory Committee has been reorganized by prior ordinance into SMC Chapter 2.14.

3.09.010 Imposition of lodging tax.

Based on existing SMC 3.36.010.

(1) There is hereby created a special excise tax of two percent on the sale of or charge made for the furnishing of lodging that is subject to tax under Chapters 67.28 and 82.08 RCW. This tax is assessed pursuant to the terms of RCW 67.28.180.

(2) The tax imposed under this section applies to the sale of or charge made for the furnishing of lodging by a hotel, motel, rooming house, tourist court, or trailer camp, and the granting of any similar license to use real property as distinguished from the renting or leasing of real property. The tax imposed under this section applies to "short-term rentals" as defined in RCW 64.37.010.

(3) It is presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same.

3.09.030 Definitions.

Based on existing SMC 3.36.030.

The definitions in RCW 82.08.010 are adopted and apply throughout this chapter unless the context clearly requires otherwise.

3.09.040 Tax deemed in addition to license fee or other taxes.

Based on existing SMC 3.36.040.

The taxes levied by this chapter are in addition to any license fee or any tax imposed or levied under any law or any other ordinance of the city; however, pursuant to Chapter 67.28 RCW, such tax must be deducted from the amount of tax the seller would otherwise be required to collect and to pay to the State Tax Commission under the provisions of Chapter 82.08 RCW.

3.09.050 Deposit of proceeds—Use of funds.

Based on existing SMC 3.36.040.

Proceeds from the taxes levied by this chapter must be deposited per SMC 3.34.115 and may be used solely for the uses authorized by RCW Chapter 67.28 through the procedures described in that chapter and SMC Chapter 2.14.

3.09.060 Administration and collection.

Existing SMC 3.36.060.

For the purpose of the taxes levied by this chapter:

(1) The State Department of Revenue is designated as the agent of the city for the purpose of collection and administration;

(2) The administrative provisions contained in RCW 82.08.050 through 82.08.070, and as contained in Chapter 82.32 RCW, apply with respect to the administration and collection by said department;

(3) All rules and regulations adopted by the Department of Revenue for the administration of Chapter 82.08 RCW, are adopted;

(4) The Department of Revenue is authorized to prescribe and utilize such special forms and procedures as the Department may deem necessary and appropriate.

Chapter 3.10 Gambling Tax

No major changes to this existing chapter.

3.10.010 Definitions.

For the purposes of this chapter the terms used herein have the same meanings as defined in Chapter 9.46 RCW, as the same now exists or may hereafter be amended. Said definitions are hereby incorporated by reference.

3.10.020 Imposition of tax.

Existing SMC 3.10.020.

(1) There is hereby levied pursuant to RCW 9.46.110 upon all persons, corporations, associations, and organizations authorized to conduct or operate any gambling activity or amusement game within the city, as provided herein, taxes as follows:

   (a) Bingo and Raffles. These activities are taxed at a rate of 5% of the gross receipts received therefrom, less the amount paid for as prizes.

   (b) Amusement Games. These activities are taxed at a rate of 2% of the gross revenue therefrom less the amount paid for as prizes.

   (c) Punchboards and Pull-tabs. These activities are taxed:

      (i) To bona fide charitable or nonprofit organizations at a rate of 5% of gross receipts less prizes;

(ii) To commercial stimulant operators at a rate of 5% of gross receipts.

(d) Social Card Games and Any Other Gambling Activity. These activities are taxed at a rate of 5% of the gross receipts therefrom to the extent provided in subsections (2) and (3) of this section.

(2) Provided, that no tax may be imposed on bingo, or amusement games when such activities are conducted by any bona fide charitable or nonprofit organization, which organization has no paid operating or management personnel, and has gross income from bingo, or amusement games, or any combination thereof, not exceeding $5,000 per year, less the amount paid for as prizes. No tax may be imposed on the first $10,000 of net proceeds from raffles conducted by any bona fide charitable or nonprofit organization.

(3) Provided further, that the tax provided for in subsection (1)(d) of this section applies solely to those social card games and any other gambling activity, including fund-raising events conducted, held or operated as a commercial stimulant as defined in Chapter 9.46 RCW. Specifically, such tax applies only to such activities conducted in a “public card room” as defined in WAC 230-15-001.

3.10.030 Administration – Collection.

i Based on existing SMC 3.10.030.

The city treasurer must administer and collect the tax levied by this chapter pursuant to rules and regulations as may be adopted by the State Gambling Commission.

3.10.040 Payments – Late penalties and liens.

i Based on existing SMC 3.10.040.

(1) The tax imposed by this chapter is due and payable in quarterly installments, and remittance therefor must accompany each return and be made on or before the 30th day of the month next succeeding the quarterly period in which the tax accrued.

(2) For each payment due, if such payment is not made by the due date thereof, a penalty is added as follows:

(a) First to 17 days delinquency, 10 percent of payment due;

(b) More than 17 days delinquency, 15 percent of payment due;

(c) A copy of all forms submitted to the state must be submitted with the payment to the city.

(3) Taxes imposed under this chapter become a lien upon personal and real property used in the gambling activity in the same manner as provided for under RCW 84.60.010. The lien attaches on the date the tax becomes due and relates back and have priority against real and personal property to the same extent as ad valorem taxes.

3.10.050 Disposition of proceeds.

i Based on existing SMC 3.10.050.

(1) All taxes received under this chapter must be deposited in the current expense fund. Moneys deposited in such fund as a result of the tax imposed by this chapter may be used by the police department for the policing and enforcement of state statutes and city ordinances relating to the control of gambling and such criminal activities as may be incidental to gambling, including vice and drug controls.

(2) For purposes of this chapter, the reasonable and necessary expenses of the city treasurer in administering and providing audit services pursuant hereto are legitimate charges against the gambling tax since such expenses are recognized as being vital to the enforcement of this chapter.

3.10.060 City treasurer's authority.

> Based on existing SMC 3.10.050. Updated to treasurer, rather than clerk-treasurer.

The city treasurer must:

(1) Adopt, publish and enforce such rules and regulations consistent with this chapter as are necessary to enable the collection of the tax imposed by this chapter in the unincorporated areas of Snohomish County;

(2) Prescribe and issue the appropriate forms for determination and declaration of the amount of tax to be paid.

3.10.070 Access to records.

> Existing SMC 3.10.050.

It is the responsibility of all officers, directors and managers of any organization conducting gambling activities to provide access to such financial records as the city treasurer, chief of police, city attorney, their authorized representatives, or law enforcement representatives of local municipalities may require in order to determine compliance with this chapter.

3.10.090 Violation – Penalty.

> Based on existing SMC 3.10.090.
>
> Updated to reflect adoption of SMC Title 13.

Violation of this chapter is a category 1 civil infraction and may be enforced per SMC Title 13.

Chapter 3.11 Utility Tax

> This is a new chapter for Title 3, based on existing SMC Chapter 5.01, which is being repealed by simultaneous adoption of an ordinance re-adopting the entirety of Title 5.
>
> References to clerk-treasurer have been collected to treasurer.
>
> Gender-specific pronouns have been removed.

3.11.010 Generally.

> Based on existing SMC 5.01.010.

There are levied and must be collected utility taxes against the persons on account of the business activities, and in the amounts to be determined by the application of the rates against gross income, as set forth in this chapter.

3.11.020 Definitions.

ℹ Based on existing SMC 5.01.020. “Person” is defined in SMC 1.04.020 so excluded here.

The following definitions apply to the terms when used in this chapter:

“Gross revenue” means revenues received by a utility or business from operations or sales within the city less net uncollectibles.

Gross revenue of natural, artificial, or mixed gas and electric utilities includes revenues from the use, rental, or lease of operating facilities of the utility other than residential-type space and water heating equipment. Gross revenues do not include charges which are passed onto the subscribers by a utility pursuant to tariffs required by regulatory order to compensate for the cost to the company of the tax imposed by this chapter.

Gross revenue of telephone utilities includes 100% of the toll service fees from calls originating in or billed to subscribers within the city of Stanwood including revenue from providing access to a local telephone network, local telephone network switching service, toll service, or coin telephone services, telephonic, video, data or similar communication or transmission for hire, via a local telephone network, toll line or channel, cable, microwave, or similar communication or transmission system, including transmission of communication for cellular telephones or other wireless phone service. Per the federal Internet Tax Freedom Act, gross revenue of telephone utilities does not include revenue from internet access.

Gross revenue of cable television utilities includes revenues from the one-way transmission of video programming and associated nonvideo signals to subscribers which is provided in connection with video programming. Per the federal Internet Tax Freedom Act, gross revenue of cable television utilities does not include revenue from internet access.

“Taxpayer” means any person liable for taxes imposed by this chapter.

3.11.030 Businesses and utilities subject to utility tax – Amount.

ℹ Based on existing 5.01.040.

Utility taxes are hereby levied and must be collected on account of business activities in amounts determined by the nature of the business activities, and by the application of rates against gross income, as follows:

(1) Electric. Upon every person engaged in or carrying on the business of selling or furnishing electric light and power within the city of Stanwood, a tax equal to 6% of the total gross revenue from such business during the tax-reporting period;

(2) Gas. Upon every person engaged in or carrying on a business of selling or furnishing gas within the city of Stanwood, a tax equal to 6% of the total gross revenue from such business in the city during the tax-reporting period;

(3) Telephone. Upon every person engaged in or carrying on a telephone business within the city of Stanwood, a tax equal to 6% of the total gross revenue from such business during the tax-reporting period;

(4) Water. Upon every business in the city engaged in selling or furnishing water including for resale or distribution outside of the city, to be levied upon customers of such business:

  (a) A city tax equal to 10.7% of the total gross revenue from such business during the tax-reporting period;

  (b) A state public utility tax at the rate established by RCW 82.16.020, as amended.

(5) Sanitary Sewer. Upon every business in the city engaged in furnishing sanitary sewer services within the city of Stanwood, to be levied upon customers of such business:

(a) A city tax equal to 6% of the gross revenue from such business during the tax-reporting period;

(b) A state public utility tax equal to the amount of the public utility tax on sewerage collection incurred by the city under RCW 82.16.020, to be revised annually based on actual preceding year costs and the rate in said section; and

(c) The business and occupation tax on the amount of sewer service costs that are not related to sewerage collection, to be revised annually based on actual costs, according to the guidance provided by WAC 458-20-251.

(6) Drainage. Upon every business engaged in providing drainage services within the city of Stanwood, to be levied upon customers of such business:

(a) A city tax equal to 6% of the gross revenue from such business during the tax-reporting period;

(b) A state business and occupation tax at the rate established by RCW 82.04.290, as said rate adjusts, said rate currently being equal to 1.5% percent of the total gross revenues.

(7) Garbage. Upon every person engaged in or carrying on the business of collection of garbage or solid waste within the city of Stanwood, a tax of 6% of the gross revenue from such business during the tax-reporting period;

(8) Cable Television. Upon every person engaged in or carrying on a cable television business within the city of Stanwood, a tax equal to 3% of the gross revenue from such business in the city during the tax-reporting period.

3.11.040 Exemptions and deductions.

i Based on existing 5.01.050.

(1) The following amounts are exempt and deducted from the total gross income upon which the tax is computed:

(a) income derived from transactions in interstate or foreign commerce;

(b) income derived from business done for the government of the United States, its officers, or agents;

(c) any amount paid by the taxpayer to the United States, the state, or the city, as excise taxes levied or imposed upon the sale or distribution of property or services;

(d) bad debts for services incurred, rendered or charged for during the tax-reporting period.

(2) Debts are deemed bad and uncollectible when they have been written off the books of the taxpayer.

3.11.050 Reporting period and payment provisions.

i Based on existing 5.01.030.

(1) Utility taxes are due at the end of each monthly tax-reporting period. However, the city treasurer may, in the interest of economy of administration, set quarterly tax-reporting periods for individual taxpayers.

(2) Remittance of utility taxes imposed by this section must be made to the city treasurer on or before the 25th day of the month next succeeding the end of the tax-reporting period.

3.11.060 Sale or transfer of business.

Based on existing 5.01.060.

Upon the sale or transfer during any tax year of a business subject to the utility tax, if the tax has not been paid in full for the year, the purchaser or transferee is responsible for payment for that portion of the year during which the transferee carries on such business.

3.11.070 Taxpayer to keep books and records – Returns to be confidential.

Based on existing 5.01.070.

(1) Each taxpayer taxed upon his gross income must keep and enter in a proper book or set of books or records an accurate accounting of his gross income.

(2) The accounting must always be open to the inspection of the city treasurer to verify the return made by the taxpayer.

(3) The applications, statements or returns made to the city treasurer, pursuant to this chapter, may not be made public, nor may they be subject to inspection of any person except the mayor, city attorney, the city treasurer or his authorized agent, and members of the city council.

3.11.080 Right to audit.

Based on existing 5.01.080.

(1) If a taxpayer fails to make a return, or if the city treasurer is dissatisfied as to the correctness of the statements made in the application or return of any taxpayer, the taxpayer must provide an accounting.

(2) If the taxpayer fails to provide such an accounting, the city treasurer may conduct audit procedures, at the expense of the taxpayer, as necessary to establish or account for the taxable revenue.

3.11.090 Overpayment or underpayment of tax.

Based on existing 5.01.090.

(1) If the city treasurer finds that the tax paid is more than the amount required of a taxpayer, the city treasurer must refund the amount overpaid by a warrant upon the general fund.

(2) If the city treasurer finds that the tax paid is less than required of a taxpayer, the city treasurer must send a statement to the taxpayer showing the balance due, and such taxpayer must pay the amount shown thereon within 10 days after notification.

3.11.100 Late payment penalties.

Based on existing 5.01.100; substantially simplified.

All taxes due under this chapter that are not paid within 15 days of the due date specified in SMC 3.11.050 incur a late payment penalty equal to 5% of the tax.

3.11.110 City treasurer may make rules.

Based on existing 5.01.110.

Changed rulemaking from mandatory to permissive; updated to website from posting in city hall.

(1) The city treasurer may, from time to time, adopt and enforce rules and regulations not inconsistent with this chapter or with law for the purpose of carrying out the provisions thereof.

(2) Rules promulgated pursuant to this section must be posted in city hall and published on the city website.

(3) It is unlawful to violate or fail to comply with any such rule or regulation.

3.11.120 Violation – Penalty.

Based on existing SMC 5.01.120, which made a violation a "Class B" infraction, which no longer exists post-adoption of the revised SMC Title 13.

(1) A violation of the mandatory requirements of this chapter is a class 1 civil infraction and may be punished by any of the civil enforcement remedies under SMC Title 13.

(2) Officers, directors, and managers of any organization conducting business activities are jointly and severally liable for payments required under this chapter.

Chapter 3.12 Local Improvements

This chapter deletes the fees in existing SMC 3.12.320 and 330, which should instead be included in the City's consolidated fee schedule.

Changed clerk-treasurer to treasurer. Almost no other changes.

3.12.010 Local improvements.

Local improvements may be performed under the provisions of RCW 35A.43.010 or 35A.43.020.

3.12.280 Segregated assessment – Determination – Collection.

The City treasurer is authorized to collect and receive from any owner or owners of any subdivision or subdivision of any lot, tract or parcel of land, upon which a LID assessment has been or may hereafter be made, such portion of the assessment or assessments levied or to be levied against such lot, tract or parcel of land in the payment of the local improvement as the city engineer must certify to the council and found by the council to be chargeable to such subdivision or subdivisions, in accordance with the requirements and provisions of law and ordinances of the city in force at the time the original charge or assessment was made, together with a similar proportion of any penalties, interest or costs which may have accrued.

3.12.290 Segregated assessment – Collection record, receipt required.

Upon making such collection upon any such subdivision, the treasurer is authorized to note such collection upon the assessment record, give receipt for such certified portion of the assessment as and for the assessment levied upon and due from the subdivision; provided that this section may not authorize segregation of any assessment which has been delinquent for a period of two years or more; or in any case where it appears that such property as segregated, in the discretion of the council, is not sufficient security for the payment of the assessment.

3.12.300 Segregated assessment – Street conformance required.

No segregation of any assessment on unplatted land, or large platted tracts, may be made until a showing has been made by the applicant for segregation that the proposed segregation of property will conform to the system of streets as they exist in adjacent territory. In all such instances, the council must determine such question of fact.

3.12.310 Segregated assessment – Certification.

Whenever on account of the filing of a plat or replat, or on account of a sale or contract to sell, or other proper evidence of a change of ownership of a divided portion of any lot, tract or parcel of land assessed for local improvements, it must appear to be in the best interest of the city to segregate such assessment, the council must make the proper certification as provided for herein upon the written application of the owner of the segregated property, and upon the payment of the fees provided in the city's consolidated fee schedule.

Chapter 3.20 Public Service Fees

> i This chapter replaces existing SMC Chapter 3.30 , and the many sections therein, with new sections to support the City's now-existing Consolidated Fee Schedule. This chapter also integrates existing SMC Chapter 3.31, which has been largely subsumed by the Consolidated Fee Schedule.

3.20.010 Purpose

> i Existing 3.31.010.

The city council finds that in order to avoid any person or particular class of persons being unduly benefited at public expense, and in order to equitably apportion certain administrative costs of the city, made necessary by reason of their employment by the citizens in their legitimate request for public services, it is reasonable and necessary to fix charges therefor, not as a means of revenue, but in order to defray a portion of the city’s costs of such services to the taxpayer.

3.20.040 Consolidated Fee Schedule

(1) The City Council has established a Consolidated Fee Schedule, to be adopted and amended by resolution of the City Council, to set the amount of fees to be charged for city services.

(2) The city reserves the right to charge an amount in excess of the fees on the Consolidated Fee Schedule when the stated fees do not cover the city’s costs.

3.20.060 Payment Processing Fees

> i This section is based on existing SMC 3.30.020.

(1) Payment Methods. The city is authorized to accept payments by credit and debit card for payment of city-imposed fees, fines, rates and charges. A payer desiring to pay by one of these methods may be required to bear the cost of processing the transaction in an amount to be determined by the finance department. Such determination must be based on the actual cost incurred by the city including handling, collection, discount, disbursing, and accounting for the transaction.

(2) Authorization to Set Limits. The finance director or city administrator is authorized to approve the acceptance of credit cards or debit cards by a city department for the payment of city-imposed fees, fines, rates, and charges. No department may accept credit or debit cards without such approval. The finance

director is further authorized to establish appropriate internal control procedures and set any limitations concerning the acceptance of these alternative payment methods on participating departments.

(3) Each fund authorized to use one of the alternative payment methods is responsible for the associated costs. The finance department will establish the accounting system to track associated costs with the use of the alternative payment methods and will charge the costs back to the accepting fund on a monthly basis.

3.20.080 Timely Payment

ℹ Based on existing 3.31.030(1)-(4).

(1) All permit fees and connection charges attributable by ordinance to any property or parcel are due and payable at time of issuance of the required use and occupancy permit.

(2) Water services in excess of three-quarter-inch must pay a deposit equal to the minimum water service charge, with the balance owing due and payable upon completion of the water service work by the city.

(3) Fees and connection charges for construction or occupancies that are outside the corporate limits of the city of Stanwood and are proposed for connection to city utilities must pay must fees at time of issuance of the utility connection permit.

(4) No required permit may be issued without payment of all fees and charges due.

3.20.100 Refunds

ℹ This section is based on existing SMC 3.31.030(5).

ℹ Modified to clearly make the Finance Director authorized and responsible for refunds.

(1) The Finance Director may refund a portion of fees and charges attributable to a property or parcel under the following conditions:

ℹ Deleted "such fees and charges have been timely paid;"

- (a) the construction, occupancy, or development has not been commenced and the applicant has abandoned the proposal;
- (b) the applicant has made the request for refund in writing to the Finance Director stating the reasons for the request and surrendered all permits and receipts applicable to the project.

(2) Amount of refund.

- (a) For permit application fees for which no permit has been issued, up to 50% of the permit fee may be refunded.
- (b) For permit application fees for which a permit has been issued, no refund is allowed.
- (c) For connection charges for which no work has been started or commenced and the project has been abandoned, up to the total amount of fees paid less a 10 percent administrative charge may be refunded.
- (d) For connection charges upon which work has commenced, no refund is allowed.

(3) Refunds may also be issued for impact fees, consistent with the procedures in SMC Chapter 3.24.

Chapter 3.24 Impact Fees

This is a new chapter describing procedures and policies for assessment and payment of impact fees.

Existing impact fees chapters are in Title 17. Because they are not development regulations (and because applicants do not vest to impact fees), we have moved that content here, consolidated duplicative procedural provisions, and integrated the following chapters into a new single chapter:

- 17.151 Impact Fees – Transportation
- 17.152 Impact Fees – Parks, Open Space and Recreational Facilities
- 17.153 Impact Fees – School Facilities
- 17.153A Impact Fees – Fire Facilities

3.24.010 Authority and Purpose

The following is new material, to clearly indicate the four limited areas that impact fees are authorized in by state law.

(1) RCW 82.02.050 authorizes the city to impose impact fees on development activity as part of the cost of financing the following capital facilities owned or operated by government entities:

(a) public streets and roads;

(b) parks, open space, and recreation facilities;

(c) school facilities; and

(d) fire protection facilities.

This section is existing SMC 17.151.010.

(2) This chapter is intended to accomplish the following purposes:

(a) To ensure that adequate facilities are available to serve new growth and development;

(b) To promote orderly growth and development by requiring that new development pay a proportionate share of the cost of new facilities needed to serve growth; and

(c) To ensure that impact fees are imposed through established procedures and criteria so that specific developments do not pay arbitrary fees or duplicate fees for the same impact.

3.24.020 Findings

This section is existing SMC 17.151.020 and 17.152.020 and 17.153.010, de-duplicated.

The city council finds and declares that:

(1) New residential and nonresidential development causes increased demands on public roads, streets and other transportation facilities, as well as on parks, open space, and recreational facilities;

(2) To the extent that new development places demands on the public facility infrastructure, those demands should be partially financed by shifting a proportionate share of the cost of such new facilities from the public at large to the developments actually creating the demand; and

(3) The imposition of impact fees upon residential and nonresidential development in order to finance specified public facilities, the demand for which is created by such development, is in the best interest of the general welfare of the city and its residents, is equitable, does not impose an unfair burden on such development by forcing developers and builders to pay more than their fair or proportionate share of the cost and is reasonably necessary to provide the necessary public facility infrastructure to serve new development as planned for in the city Comprehensive Plan and the city capital facilities plan;

(4) It is the desire of the city to have new development assessed impact fees in a uniform manner and to have a common formula and administrative process for the levying of this fee to the maximum degree possible.

3.24.030 Definitions

> ℹ Based on existing SMC 17.151.030 and 17.152.030 and 17.153.020, de-duplicated. Removed paragraph numbers. Substituted incorporated definitions from statute. New term "applicant." Deleted " Development approval authority," which was never used.

(1) The definitions in RCW 82.02.090 are incorporated by reference.

(2) As used in this chapter:

“Applicant” means the person applying for a building permit or other permit that requires calculation of an impact fee.

“Building permit” means the permit required for new construction and additions pursuant to SMC Title 14. The term “building permit” as used herein may not be deemed to include permits required for the remodeling, rehabilitation, or other improvement to an existing structure, or rebuilding a damaged or destroyed structure; provided there is no increase in the applicable unit of measure for nonresidential construction or the number of dwelling units for residential construction.

“Capital facilities plan” means the capital facilities element of the Stanwood Comprehensive Plan. Any reference to the capital facilities plan includes the city of Stanwood's six-year capital improvement program adopted as an amendment to the Comprehensive Plan by the city council.

“Department” means the community development department of the city.

"Director" means the City of Stanwood director of community development.

> ℹ The following is based on existing SMC Chapter 17.153.020 Definitions. Deleted "Concurrent" or the "concurrency standard," "service area," "state match percentage" which were not used; and "system improvements" which was not different from the definition in RCW 82.02.090; deleted "student generation rate (SGR)" as a separately defined term from the term "student factor," as SGR was not used. Replaced "district" with "school district" in all relevant cases.

(3) With respect to the school component of the impact fee, the following definitions apply:

“Capacity” means the number of students a school site and its school building are designed to accommodate.

“Capital facilities plan” means the capital facilities plan prepared by or for the school district and adopted by reference into the capital facilities element of the city of Stanwood Comprehensive Plan.

“Development” means all subdivisions, short subdivisions, conditional use permits, or building permits for construction of new residential dwelling units. This definition does not include attached or detached accessory dwelling units or “housing for older persons” as defined in Title 46 U.S.C.

“School district” means the Stanwood-Camano School District No. 401.

"Student factor" means the student generation rate (SGR), i.e., the number of students of each grade span (elementary, middle/junior high, high school) that the school district determines is typically generated by dwelling unit types within the school district.

3.24.040 Applicability and imposition of impact fees.

i The following is based on existing SMC 17.151.040 and 17.152.040, deduplicated.

(1) An impact fee is imposed upon all new development activity within the city.

(2) The impact fee consists of four components: fire, parks, schools, and transportation.

(3) Each of the impact fee components must be calculated according to the provisions of this chapter.

i The following is based on unnumbered text within existing SMC 17.151.055.

(4) It is hereby declared that such impact fees must:

(a) Only be imposed for system improvements that are reasonably related to new development; and

(b) Not exceed a proportionate share of the cost of the system improvements, including the costs of previously constructed system improvements, reasonably related to new development; and

(c) Be used for system improvements that will reasonably benefit new development; and

(d) Not be imposed to make up for deficiencies in any previously constructed system improvements, although may be imposed based upon the formula for calculating the proportionate share of the cost of the system improvements, including the costs of previously constructed system improvements, necessitated by new development to be borne by impact fees.

3.24.050 Capital Facilities Plan

(1) The City's schedule of impact fees is calculated based on the projects and projections in the city's capital facilities plan.

i Based on portions of existing SMC 17.151.060 and made applicable to all components of the impact fee.

(2) The city must bi-annually review the city's capital facilities plan and projects included in the adopted six-year capital improvement program, and must:

(a) Identify each project in the Comprehensive Plan that is growth-related and the proportion of each such project that is growth-related;

(b) Forecast the total monies available from taxes and other public sources for street improvements over the next six years;

(c) Calculate the amount of impact fees already collected; and

(d) Identify those Comprehensive Plan projects that have been or are being built but whose performance capacity has not been fully utilized.

(3) The following information must be considered in updating the capital improvement program:

(a) The projects in the Comprehensive Plan that are growth related and that should be funded with forecasted public monies and the impact fees already paid;

(b) The projects already built or funded pursuant to this chapter whose performance capacity has not been fully utilized; and

(c) An update of the estimated costs of the projects listed.

(4) After the city council amends the capital improvement program, it may by resolution establish new impact fees.

(5) Once a growth-related project is placed on the capital improvement program, a fee must be imposed on every development that impacts the project until the project is removed from the list by one of the following means:

(a) The project may be administratively removed by the community development director from the impact fee calculation after it is constructed; or

(b) The council by ordinance may remove the project from the capital improvement program, in which case the fees already collected will be refunded if necessary to ensure that impact fees remain reasonably related to the traffic impacts of development that have paid an impact fee; provided, that a refund is not necessary if the council transfers the fees to the budget of another project that the council determines will mitigate essentially the same traffic impacts.

3.24.060 Expenditure—Timing.

> ℹ Based on existing SMC 17.151.140 and 17.152.140, de-duplicated.

(1) Impact fees for system developments may be expended only in conformance with the capital facilities plan.

(2) Per RCW 82.02.070, impact fees must be expended or encumbered within the greater of:

(a) 10 years of collection; or

(b) Such greater time as may be established in written findings documenting extraordinary or compelling reasons for extension beyond 10 years by the city council and the governing body of any district responsible for expenditure of the impact fees.

3.24.070 Accounting—Reporting.

> ℹ Based on existing SMC 17.151.130 and 17.152.130 and 17.153.100(1) and (2), de-duplicated.
>
> ℹ Changed where impact fee revenues are deposited, so that each type of impact fee is deposited into its own special revenue fund, as provided in the Funds chapter.

(1) All impact fee revenue must be deposited into funds for each type of impact fee as provided in SMC Chapter 3.34.

(2) All interest must be retained in each fund and expended for the purposes for which the impact fees were imposed.

(3) The city treasurer must provide an annual report on the impact fee funds showing the source and amount of the moneys collected, earned, or received and system improvements that were financed in whole or in part by impact fees.

3.24.080 Administration of School Impact Fees

> This section based on existing SMC 17.153.050 regarding an interlocal agreement providing for accounts for expenditure of fees.

(1) The school district and the city must, by interlocal agreement, provide for the establishment and maintenance of separate accounts by the city finance director and for the expenditure of fees by the school district in a timely fashion on appropriate capital projects as required by Chapter 82.02 RCW.

(2) The agreement must:

   (a) provide for the keeping of records for each such account whereby collected impact fees can be segregated by type of facility.

   (b) specify the fees the city will charge the school district for the collection of the fees authorized in this chapter.

   (c) provide for the transfer of collected fees from the city to the school district.

> Next line is based on existing SMC 17.153.110(1)(b).

   (d) require that if impact fee funds are not encumbered, the school district must notify the city, so that the city may timely notify potential refund claimants.

> Next line is based on existing SMC 17.153.110(2).

   (e) detail a refund process, as required by Chapter 82.02 RCW.

> The following is existing SMC 17.153.030, with the removal of sections that are about concurrency compliance, not impact fees.

(3) Notwithstanding any other provision of this chapter, in the event of any of the following, the city will not impose a school impact fee where:

   (a) The school district does not timely provide an updated capital facilities plan to the city for adoption as an element of the city's Comprehensive Plan; or

   (b) The capital facilities plan of the school district does not satisfy the required ordinance or statutory criteria for imposition of a school impact fee; or

   (c) The capital facilities plan prepared by the school district results in the calculation of the fee at $0.

(4) Provided, however, in no event will any of the events referenced in subsections (3)(a) through (c) of this section be construed as a repeal or waiver of the city's authority to impose school impact fees generally and the occurrence of any of these referenced conditions will act solely as a suspension of the imposition of the impact fees until the issue(s) in subsections (3)(a) through (c) of this section are cured. Provided further, nothing contained herein may be construed as an intent to refund any school impact fee previously imposed and collected on behalf of the school district by the city.

3.24.100 Fee Calculation—Generally

> Based on existing SMC 17.151.090 and 17.152.080, deduplicated.

(1) If the development for which approval is sought contains a mix of residential and nonresidential uses, then the impact fee must be separately calculated for each type of use.

Existing subsections (2) and (3) assumedly refer to the same process so are combined into one subsection.

The (existing) authority below should probably be vested in the planning director and offer an appeal process.

(2) The Director may adjust the standard impact fee at the time the fee is imposed to consider unusual circumstances peculiar to specific development activity to ensure that impact fees are imposed fairly. Upon application by the developer of any particular development activity, the Director may consider studies and data submitted by the developer and, if warranted, may adjust the amount of the impact fee. Such adjustment is warranted if:

(a) The public facility improvements would not reasonably benefit the proposed development;

(b) The public facility improvements identified are not reasonably related to the proposed development;

(c) The formula set forth for calculating the impact fee does not accurately reflect the associated impacts generated by the development.

3.24.110 Fee Calculation—Fire Component

This section is based on existing SMC 17.153A.020.

(1) North County Regional Fire Authority (the "fire district") provides fire service to the city of Stanwood.

(2) No fire impact fee is imposed on development permit applications at this time. If the North County Regional Fire Authority determines that there is a need for a fire impact fee, the following is required to impose a impact fee:

(a) The fire district must adopt a six-year capital improvement plan identifying existing facilities and any deficiencies needing improvements to provide fire service to the city of Stanwood;

(b) The city and fire district must enter into an interlocal agreement on the imposition and processing of fire impact fees; and

(c) This chapter must be updated with the fire impact fee formula along with any associated management and procedural requirements.

3.24.120 Fee Calculation—Parks Component

The following is based on existing SMC 17.152.060(unnumbered):

(1) Applicability. The parks impact fee component is calculated based on the number and type of residential dwelling units permitted at the time of building permit issuance.

The following is based on existing SMC 17.152.060(2):

(2) Exemptions.

(a) A credit must be provided for redevelopment sites or subdivisions for the number of residential units existing on the site prior to redevelopment.

(b) The reconstruction, remodeling, or replacement of existing buildings, structures, mobile homes, or manufactured homes, which does not result in any new units.

(c) Conversions of apartment complexes to condominium ownership where no new dwelling units are created.

i The following is based on existing SMC 17.152.050.

(3) Establishment of service areas. The city hereby establishes as the service area for park impact fees all areas in which development may occur that would impact the city's park, open space and recreational system, including all property located within the corporate limits of the city as now existing or may be amended by annexation or any surrounding properties within the city's urban growth area that would normally use city park facilities.

i The following is based on existing SMC 17.152.060(1).

(4) The formula in this section:

(a) is used to calculate the fee schedule, which must be adopted by city council resolution.

(b) must be reviewed and revised periodically to reflect changes in development costs and the adopted capital improvement plan listed in the Comprehensive Plan.

i The following is existing SMC 17.152.070.

(5) The parks impact fee component must be calculated using the following formula:

$$PIF = \frac{C \times S \times U \times A}{P}$$

(6) In the formula above:

(a) "PIF" means the parks and recreational facility component of the total development impact fee.

(b) "C" means the average cost per acre for land appraisal and acquisition plus an average development cost per acre for neighborhood and community parks as identified in the most recent six-year capital improvement plan. The construction cost per acre is then multiplied by the percent of projected new population growth as identified in the Comprehensive Plan. Such cost may be adjusted periodically, but not more often than once every year. Park development costs must be based on actual, recent comparable construction.

(c) "S" means the parks standard of two and one-half acres per 1,000 residents each for neighborhood parks and community parks for a total of five acres per 1,000 people as established in the city comprehensive park and recreational plan.

(d) "P" means 1,000 people.

(e) "U" means the average number of occupants per dwelling unit as provided by the Washington State Office of Financial Management for the city of Stanwood.

(f) "A" means an adjustment of rate portion of anticipated tax revenues resulting from a development that is proportional to system improvements contained in the capital plan facilities. The adjustment for park impacts is determined to be 40 percent, so that "A" equals 60 percent.

3.24.130 Fee Calculation—Schools Component

i Existing SMC 17.153.060. Deleted the ability for the city to discount impact fee by an arbitrary amount.

(1) Separate fees must be calculated for single-family and multifamily types of dwelling units. For purposes of this chapter, manufactured housing must be treated as single-family dwellings and duplexes must be treated as multifamily dwellings.

(2) The calculation of school impact fees must be based upon the school district's capital facilities plan, as approved by the city council and adopted by reference into the capital facilities element of the Stanwood Comprehensive Plan.

(3) Establishment of service areas. The city hereby establishes as the service area for school impact fees the geographic area served within the school district boundaries, which includes the entire city limits.

(4) The capital facilities plan must contain the following as a basis for the adoption of school impact fees to be collected by the city:

(a) Inventory of permanent and relocatable classroom facilities;

(b) Student enrollment projections over a six-year period;

(c) Facility needs and planned improvements over a six-year period;

(d) Six-year financing plan; and

(e) Methodology used for the calculation of the fees.

(5) The proposed fee must be calculated based on the following factors as documented in the capital facilities plan:

(a) The costs of site acquisition;

(b) The costs of facility construction or improvements;

(c) The costs of needed portables;

(d) The proportionate share of the above costs attributable to new development;

(e) The costs of previously constructed facilities that serve new development; provided, that the fee is not used to make up for any existing system deficiencies not related to new growth; and

(f) Credits, or other revenues applied, such as user fees, debt service payments, taxes, or other payments earmarked for or proratable to the particular system improvement.

3.24.140 Fee Calculation—Transportation Component

ℹ Based on existing SMC 17.151.055(1):

(1) Applicability. The transportation impact fee component is based on average daily trips as computed in accordance with the most current edition of the Institute of Transportation Engineers' Trip Generation Manual as applied to the city's transportation element of the adopted Comprehensive Plan.

ℹ Based on existing SMC 17.151.055(3):

(2) Exemptions:

(a) For redevelopment of a site, a credit must be given for trips generated by the previous use on the site.

ℹ Based on existing SMC 17.151.050:

(3) Establishment of service areas. The city hereby establishes as the service area for traffic impact fees all areas in which development may occur that would impact the city's transportation system, including all property located within the corporate limits of the city as now existing or may be amended by annexation or any surrounding properties within the city's urban growth area that would normally use city transportation facilities.

ℹ The following is based on existing SMC 17.151.055(2) and to make parallel with the Parks calculation section.

(4) The formula in this section:

(a) is used to calculate the fee schedule, which must be adopted by city council resolution.

(b) must be reviewed and revised periodically to reflect changes in development costs and the adopted capital improvement plan listed in the Comprehensive Plan.

ℹ Based on existing SMC 17.151.060.

(5) The transportation impact fee component must be calculated using the following formula:

$$TIF = \left(\frac{total\ cost\ of\ system\ improvements}{total\ new\ trips}\right) \times 0.666$$

(6) In the formula above:

(a) "TIF" means the transportation component of the total development impact fee.

(b) "Total cost of system improvements" means the total projected cost to construct growth-related transportation projects contained in the adopted six-year capital improvement program as presented in the capital facilities element of the city’s Comprehensive Plan, and may include system improvement costs previously incurred by the city to the extent that new growth and development will be served by the previously constructed improvements and to the extent not already funded, but may not include the costs to make up for any existing system deficiencies.

(c) "Total new trips" means the total number of projected trips generated by new development as anticipated in the adopted future land use map (FLUM) for an adopted six-year capital improvement program period.

3.24.150 Fee Calculation—Credits.

ℹ Based on existing SMC 17.151.055(4) and SMC 17.151.110 and SMC 17.152.100, deduplicated, as well as SMC 17.153.070. Changed "owner" to "applicant."

(1) The applicant is entitled to a credit against the applicable impact fee component for the value of any dedication of land for, improvements to, or new construction of any system improvements to facilities that are identified in the capital facilities plan and that are required by the city as conditions of approval for the development.

(a) That portion of the open space network and related improvements used as a credit for required open space for a project is not eligible for this credit.

(b) The determination of “value” must be consistent with the assumptions and methodology used by the city in estimating the capital improvement costs.

(c) In the event the amount of any credit exceeds the amount of the impact fee due, the city is not required to reimburse the difference to the owner.

Based on existing SMC 17.153.120 (characterizing SEPA mitigation fees as an "exception").

(2) SEPA mitigation. An applicant required to pay a fee under RCW 43.21C.060 for system improvements to mitigate impacts must not be required to pay a impact fee under this chapter for those same system improvements.

Based on existing SMC 17.151.160 and 17.152.160, deduplicated.

(3) The impact fee is additional and supplemental to, and not in substitution of, any other requirements imposed by the city on the development of land or the issuance of building permits; provided, that any other such city development regulation that would require the developer to undertake dedication or construction of a facility contained within the city capital facilities plan may be imposed only if the developer is given a credit against impact fees as provided in this section.

3.24.160 Fee Calculation—Incentives and Discounts

Some of the following sections originally applied only to the transportation component of the impact fee, but are here adjusted to apply to all components.

The following is based on existing SMC 17.151.055(6).

(1) Commercial Development. A "commercial use," as defined in SMC 17.20.040, is eligible for a 10% reduction in the impact fee.

The following is based on existing SMC 17.151.055(7).

Changed applicability from MB-I and MB-II zones to "downtown mixed-use corridor" in anticipation of zone name changes.

(2) Reuse of Existing Structures in the MBI, MBII and future Downtown Mixed-Use Corridor". A commercial project in the main street zones (MBI, MBII and future Downtown Mixed-Use Corridor) that meets the criteria set forth below is exempt from the impact fee. This exemption does not apply to new buildings or to new projects that include demolition of the existing building and does not affect the imposition and collection of any other applicable city impact fees, hook-up fees, or application fees.

  (a) The project utilizes an existing building constructed prior to 1980 according to the Snohomish County assessor's database, and requires building permits for remodel, expansion, or improvement;

  (b) The original structure must be intact before and after the improvements;

  (c) The total building square footage of the project, following remodel, expansion or improvement, including any new additions and all buildings on the property, is less than 10,000 square feet;

  (d) The valuation of work on the building must exceed 25% of the assessed value of the building according to the Snohomish County assessor's database; and

  (e) The project must include improvement of any adjacent street frontage, including curb, gutter, sidewalks, and street trees to current code and standards, and must include a connecting walkway meeting ADA standards to the main entrance of the building. Any or a portion of these improvements may be waived or modified, if the community development director determines that existing conditions meet the current standards for these improvements.

ℹ The following is based on existing SMC 17.151.055(8) and 17.152.060(3), deduplicated.

(3) Historic Single-Family Lots. Development on individual single-family zoned lots and parcels created prior to the effective date of Chapter 58.17 RCW on July 1, 1969, are eligible for a 35% reduction in the impact fee. This incentive is limited to development of one single-family residence per lot or parcel existing prior to July 1, 1969.

ℹ The following is based on existing SMC 17.151.055(9) and 17.152.060(4), deduplicated.

(4) Low-Income Housing.

ℹ Added requirement that form of covenant be acceptable to the City. The City should use its own template.

ℹ Added definition in subsection (d) noting when the low-income credit is calculated.

(a) The impact fee may be reduced by 80% if the developer records a covenant, in a form approved by the Director, that prohibits use of the property for any purpose other than for low-income housing.

(b) At a minimum, the covenant must address price restrictions and household income limits for the low-income housing, the property must be maintained for low-income housing for a minimum of ten years. After the minimum period, to convert the property to a use other than low-income housing, the property owner must pay the applicable impact fee in effect at the time of conversion.

(c) The covenant must be recorded with the Snohomish County auditor or recording officer.

(d) For purposes of this section, “low-income housing” means housing with a monthly housing expense that is no greater than 30 percent of 80 percent of the median family income adjusted for family size in Snohomish County as reported by the United States Department of Housing and Urban Development.

(i) For home buyers the monthly housing expense shall be no greater than 30 percent of 80 percent of the median family income at the time of closing.

(ii) For renters the monthly housing expense shall be no greater than 30 percent of the 80 percent of the median family income at the time of lease signing, including lease renewals.

ℹ The following is based on HB 1337 (2023) section 4, which has not yet have been codified, but likely will be prior to adoption of this chapter. We'll want to fill in the reference once codified.

(5) Accessory Dwelling Units.

(a) Per RCW 36.70A.__, the impact fee on an accessory dwelling unit is limited to 50% of the impact fee that would be imposed on the principal unit.

(b) For an accessory dwelling unit, the Director must calculate the impact fee components on the principal unit as if constructed at the time the impact fee is due for the ADU, and then discount those amounts by 50%.

3.24.200 Payment—Timing

(1) Impact fees are calculated at the time the building permit is issued at the rates then in effect.

(2) Applications do not vest to the impact fees in effect at the time of application.

Based on existing SMC 17.151.100 and 17.152.090, de-duplicated, and deleted ability to pay impact fees at time of preliminary plat. The provisions of SMC 17.153.040(5), allowing for school impact fees to be paid at time of subdivision, are deleted.

(3) All impact fees must be paid prior to the issuance of a building permit except as provided in SMC 3.24.220.

3.24.220 Payment—Deferral

Existing SMC 17.151.115 and SMC 17.152.110, de-duplicated.

(1) Per RCW 82.02.050(3), the city hereby establishes a deferral system by which an applicant for a building permit for a single-family detached or attached residence may request a deferral of the full impact fee payment to the time of final inspection.

(2) The city will withhold certification of final inspection until the impact fees have been paid in full.

(3) The term of an impact fee deferral under this section may not exceed 18 months from the date of building permit issuance. If impact fees are not paid by the end of the 18 months, then city must withhold future inspection until such time impact fees are paid in full.

(4) The community development department must allow an applicant to defer payment of the impact fees when, prior to submission of a building permit application for deferment or prior to final inspection for deferment under subsection (1) of this section, the applicant:

(a) Submits a signed and notarized deferred impact fee application and acknowledgement form for the development for which the property owner wishes to defer payment of the impact fees; and

(b) With regard to deferred payment under subsection (1) of this section, records a lien for impact fees against the property in favor of the city in the total amount of all deferred impact fees for the development. The lien for impact fees must:

(i) Be in a form approved by the city attorney;

(ii) Include the legal description, tax account number and address of the property;

(iii) Be signed by all owners of the property, with all signatures as required for a deed, and recorded in the county in which the property is located;

(iv) Be binding on all successors in title after the recordation; and

(v) Be junior and subordinate to one mortgage for the purpose of construction upon the same real property granted by the person who applied for the deferral of impact fees.

(5) In the event that the impact fees are not paid in accordance with subsection (1) of this section, the city must institute foreclosure proceedings under the process set forth in Chapter 61.12 RCW, except as revised herein. In addition to any unpaid impact fees, the city is entitled to interest on the unpaid impact fees at the rate provided for in RCW 19.52.020 and the reasonable attorney fees and costs incurred by the city in the foreclosure process. Notwithstanding the foregoing, prior to commencement of foreclosure, the city must give not less than 30 days' written notice to the person or entity whose name appears on the assessment rolls of the county assessor as owner of the property and to the site address via certified mail with return receipt requested and regular mail advising of its intent to commence foreclosure proceedings. If the impact fees are paid in full to the city within the 30-day notice period, no attorney fees, costs, or interest will be owed.

(6) In the event that the deferred impact fees are not paid in accordance with this section, and in addition to foreclosure proceedings provided in subsection (5) of this section, the city may initiate any other action(s) legally available to collect such impact fees.

(7) Upon receipt of final payment of all deferred impact fees for the development, the department must execute a separate lien release for the property in a form approved by the city attorney. The property owner, at their expense, is responsible for recording each lien release.

(8) Compliance with the requirements of the deferral option constitutes compliance with the conditions pertaining to the timing of payment of the impact fees.

3.24.240 Payment—Under Protest.

> ℹ Based on existing SMC 17.153.090.

(1) An applicant may pay impact fees under protest.

(2) If the fee is protested:

   (a) The city may issue the relevant permit, but must make final resolution of the protest a condition of the permit.

   (b) Final occupancy of structures within the development must not be approved until the protest is resolved, unless waived by the Director.

   (c) The applicant may appeal the impact fee determination per SMC 3.24.300.

   (d) Arbitration may be utilized if agreeable to the city and the applicant. Any costs related to arbitration must be distributed evenly between the city and the applicant.

3.24.300 Appeals

> ℹ Based on existing SMC 17.151.120 and 17.152.120 and 17.153.080, de-duplicated.

(1) Any person aggrieved by the amount of the impact fee calculated and imposed upon a particular development permit application may appeal such determination to the hearing examiner by filing written notice of appeal with the Director within 20 days of the issuance of the determination of the impact fee.

(2) Pending completion of the appeal process as set forth herein, no building permits may be issued for any development activity for which the impact fees about which appeal is being sought were imposed.

(3) Such appeal to the hearing examiner must be conducted in accord with Chapter 17.80 SMC, Permit Review Procedures.

3.24.400 Refunds.

> ℹ Based on existing SMC 17.151.150 and 17.152.150 and 17.153.110, de-duplicated.
>
> ℹ Incorporated existing SMC 17.153.100(4) requiring documentation by the school board (or fire district).

(1) Per RCW 82.02.080, the current owner of property on which an impact fee has been paid may receive a refund of such fee if the fees are not expended or encumbered consistent with the requirements of SMC 3.24.400.

(2) In determining whether impact fees have been encumbered, impact fees must be considered encumbered on a first-in, first-out basis.

(3) The holder of a development permit may request and must receive a refund, including interest earned on the impact fees, when the building permit for which the impact fee has been paid has lapsed for noncommencement of construction. A partial refund must be provided where the project for which a building permit has been issued has been altered, resulting in a decrease in the amount of the impact fee due.

(4) The current owner likewise may receive a proportionate refund when the public funding of applicable service area projects by the end of such 10-year period has been insufficient to satisfy the ratio of public to private funding for such service area as established in the capital facilities plan. The city must notify potential claimants by first-class mail at the last known address of each claimant.

(5) The request for a refund must be submitted to the city treasurer in writing within one year of the date the right to claim a refund arises or within one year of the date notice is given, whichever is later. Any impact fees that are not expended within these time limitations and for which no application for refund has been made as herein provided must be retained and expended on the indicated capital facilities. Refunds of impact fees under this subsection must include any interest earned on the impact fees.

(6) A developer may request and must receive a refund, including any interest earned on the impact fees, when the developer does not proceed with the development activity and no impact has resulted.

Chapter 3.30 Fiscal Policy

> ℹ Although there's not much in it now, this chapter is retained in the organizational scheme as a location where the City Council could in the future adopt other financial policies by ordinance.

3.30.010 Consolidated Financial Management Policy

The City Council has established a Consolidated Financial Management Policy, adopted and to be amended by resolution of the City Council.

Chapter 3.32 Payment of Claims

> ℹ This chapter is based on existing SMC Chapter 3.20, although it has been retitled.

3.32.010 Check authority.

> ℹ Existing SMC 3.20.010.

All checks must be drawn and signed by any of the following designated officers:

(1) Finance director;

(2) City administrator;

(3) Mayor.

3.20.020 Expenditures and disbursements.

(1) Per RCW 42.24.180, in order to expedite the payment of claims, the auditing officer of the city of Stanwood is authorized to issue checks in payment of claims, before the city council has acted to approve the claims. The auditing officer must submit to the city council for approval a listing of all such checks issued in payment

of claims at a regularly scheduled public meeting within one month of issuance and must provide for the review of supporting documentation by the city council.

(2) The city council may stipulate that certain kinds or amounts of claims may not be paid before the council has reviewed the supporting documentation and approved the issue of checks or warrants in payment of those claims.

3.20.030 Disapproval of claims.

If, upon review, some claims are disapproved by the City Council, the auditing officer and the officer designated to sign the checks or warrants must jointly cause the disapproved claims to be recognized as receivables and pursue collection diligently until the amounts disapproved are collected or until the city council is satisfied and approves the claims.

Chapter 3.34 Funds

i This chapter reorganizes existing chapter 3.16 (and moves the chapter to 3.34) to describe each of the city's existing funds, one per section, with a description of the purpose and use of each.

i Section numbering from the existing code is not preserved; sections have been numbered to match the fund numbers in the accounting system (except for the General Fund), which is prescribed by the state BARS manual. This is for administrative convenience; there is no directive that requires the fund numbers to match the section numbers.

i Existing sections that do not now have corresponding funds in the accounting system are not included in this chapter:

- 3.16.100 Petty cash fund;
- 3.16.245 Ambulance fund;
- 3.16.250 Ambulance reserve fund;
- 3.16.350 Cumulative reserve – Fire apparatus
- 3.16.410 Stanwood Recreational Complex fund.
- 3.16.780 Police revolving cash fund;
- 3.16.790 et seq Drug enforcement fund;
- 3.16.810 BPA energy grant fund;
- 3.16.820 et seq Public works loan fund;
- 3.16.840 et seq Criminal justice fund;
- 3.16.860 Suspense fund.

3.34.010 General Provisions

i This is a new section.

(1) This chapter creates and describes all the funds in the City's accounting system. Funds are the basis on which the city's accounting system is organized and operated.

ℹ The definition of “fund” is from the state BARS manual.

(2) For the purposes of this chapter, a “fund” means a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

ℹ Occasionally, state auditors may prescribe changes in the city’s accounting system. The next line provides authority to the Finance Director to make those changes, although code changes should be executed concurrently.

(3) Interest, earnings, and other proceeds from each fund must be deposited into the fund.

(4) Notwithstanding the provisions of this Chapter, the Director of Finance has the authority to conform the City's accounting procedures to state law and the state Budgeting, Accounting and Reporting System (BARS) manual.

3.34.020 General Fund

ℹ This section is based on existing SMC 3.16.730 et seq.

ℹ Unlike the other sections, this section’s number does not correspond to the accounting fund number, 001.

(1) The “general fund” is hereby created as the city’s general (current expense) fund.

(2) Revenues from property taxes, sales taxes, business licenses, services, and other sources not designated for other funds in the annual budget or by the city council must be deposited into the general fund.

(3) Expenditures of the general fund must be segregated into departments which must be separately budgeted and accounted for within the general fund.

3.34.101 Street Fund

ℹ This is a new section.

ℹ More information on the motor vehicle fuel tax is available from CRAB.

(1) The "Street Fund" is created as a special revenue fund.

(2) Revenues from Motor Vehicle Fuel Tax must be deposited into this fund.

(3) Expenditures from the fund must support the operation and maintenance of the city's system of streets and pathways.

3.34.102 Street Impact Fees Fund

ℹ This is a new section.

(1) The "Street Impact Fees Fund" is created as a special revenue fund.

(2) Revenues from street impact fees collected per SMC Chapter 3.50 must be deposited into this fund.

(3) Expenditures from this fund must qualify per SMC Chapter 3.50.

3.34.103 Street Construction Fund

> This section is based on existing SMC 3.16.770.

(1) The "Street Construction Fund" is created as a special revenue fund.

(2) Expenditures from this fund will be as determined by the city council for the construction and improvement of city streets.

3.34.104 Park and Trail Improvement Fund

> This section is based on existing SMC 3.16.300 et seq. Details on non-lapsing and interest are not included, as they are accounted for in the general provisions.

(1) The "Park and Trail Improvement Fund" is created as a special revenue fund.

(2) The purpose of this fund is to acquire and improve land to be owned by the city and operated as a public park inside or outside the limits of the city.

3.34.105 Fire Impact Fees

> This is a new section.

(1) The "Fire Impact Fees Fund" is created as a special revenue fund.

(2) Revenues from fire impact fees collected per SMC Chapter 3.24 must be deposited into this fund.

(3) Expenditures from this fund must qualify per SMC Chapter 3.24.

3.34.106 Park Impact Fees

> This is a new section.

(1) The "Park Impact Fees Fund" is created as a special revenue fund.

(2) Revenues from park impact fees collected per SMC Chapter 3.24 must be deposited into this fund.

(3) Expenditures from this fund must qualify per SMC Chapter 3.24.

3.34.107 Equipment Reserve Fund

> This section is based on existing SMC 3.16.950. Existing subsection (2)(b), transferring funds that existed in 1991, is not included.

(1) The "Equipment Reserve Fund" is created as a special revenue fund.

(2) Revenues for the fund are from interfund transfer from city departments or funds, investment interest of the fund and such revenue as may be authorized by the city council or provided in the city's budget.

(3) Accounts. Contributions and disbursements of departments or funds of the city, to or from this fund, must be maintained in separate accounts, which, with investment interest, accumulate to provide funds required by that department. If the accounts of a department or fund become over-expended, interest at a rate set by the city treasurer must be charged on the deficient balance of the account until reimbursement by the department.

(4) Expenditures. Departments or funds of the city that maintain accounts in this fund may use their account for the acquisition, replacement, or improvement of equipment or facilities needed by their department, subject to approval of the city council.

3.34.108 Transportation Benefit Fund

> ℹ This is a new section. The fund as listed on the accounting system report is the "transportation sales tax fund." Section name could be either, but renamed here for flexibility, because a TBD may also be funded by a car tab fee.

(1) The "Transportation Benefit Fund" is created as a special revenue fund.

(2) Revenues from the Transportation Benefit District funding sources established in SMC Chapter 3.40 must be deposited into this fund.

(3) Expenditures from this fund must qualify per SMC Chapter 3.40.

3.34.109 Contingency Fund

> ℹ This section is based on existing SMC 3.16.450 et seq.

(1) The "Contingency Fund" is created as a special revenue fund.

(2) Per RCW 35.33.145, the fund created in this section is to provide monies with which to meet any municipal expense, the necessity or extent of which could not have been foreseen or reasonably evaluated at the time of adopting any annual budget, or from which to provide monies for such emergencies lawfully justifying emergency expenditures, or to supply deficiencies in any other fund arising from any cause.

(3) The fund may be supported by a budget appropriation from any tax or other revenue source, not restricted in use by law, or may also be supported by a transfer from other unexpended or decreased funds made available by ordinance.

> ℹ Updated next line from 1.5 mils.

(4) The total amount of monies in the fund accumulated at any given time may not exceed the equivalent of 37.5 cents per thousand dollars of assessed valuation of property within the city.

(5) Any monies in the “contingency fund” at the end of any fiscal year may not lapse, except upon reappropriation by the council to another fund in the adoption of any subsequent budget.

3.34.110 Building Improvement Fund

> ℹ This is a new section.

(1) The "Building Improvement Fund" is created as a special revenue fund.

(2) The Building Improvement Fund is used to account for major maintenance and development of city facilities, such as City Hall and the Police Department.

3.34.115 Tourism Promotion Fund

> ℹ This is a new section.

(1) The "Tourism Promotion Fund" is created as a special revenue fund.

(2) Revenues from the tax established in SMC Chapter 3.09 must be deposited into the fund and expended in accordance with that chapter.

(3) Expenditures from the fund must qualify per SMC Chapter 3.09.

3.34.120 REET 1 – Capital Improvements

> ℹ This section is based on existing SMC 3.16.660.

(1) The "REET 1 Fund" is created as a special revenue fund.

(2) Revenues from the first one-quarter percent real estate excise tax provided in SMC Chapter 3.08 must be deposited into the fund.

> ℹ Note that existing SMC 3.16.660(3) references RCW 35.43.040, but that seems to be incorrect.

(3) Expenditures from the fund must qualify per RCW 82.46.010 and RCW 82.46.015.

3.34.121 REET 2 – Growth Management

> ℹ This section is based on existing SMC 3.16.900.

(1) The "REET 2 Fund" is created as a special revenue fund.

(2) Revenues from the additional one-quarter percent real estate excise tax provided in SMC Chapter 3.08 must be deposited into the fund.

(3) Expenditures from the fund must qualify per RCW 82.46.035.

3.34.205 Debt Service Fund

> ℹ This is a new section.

(1) The "Debt Service Fund" is created as a debt service fund.

(2) The Debt Service Fund accounts for general obligations of the city and is funded by other accounting funds that benefit from debt issued.

3.34.401 Sewer Fund

> ℹ This is a new section.

(1) The “Sewer Fund” is created as an enterprise fund.

(2) Revenues from sewer service charges must be deposited into this fund.

(3) Expenditures from the fund must benefit the maintenance and operation of the sewer utility.

3.34.403 Sewer Construction Fund

> ℹ This section is based on existing SMC 3.16.210 et seq. Note that existing code names the fund the “sanitary sewerage construction reserve fund.”

(1) The "Sewer Construction Fund" is created as an enterprise fund.

ℹ Based on existing SMC 3.16.220.

(2) From time to time, upon recommendation of the city treasurer and the concurrence of the city council, sewer revenues in excess of amounts necessary to provide for adequate revenue bond reserves and redemption funds may be transferred to and accumulated, held, invested and reinvested in investments permitted by law to the credit of the fund created in this section.

ℹ Existing SMC 3.16.230. Previously the "sewer revenue bond redemption fund." Staff confirmed "sewer bond reserve fund" is correct.

(3) At any time the city council may deem it to be in the best interests of the city to retire any of the sanitary sewerage revenue bonds in advance of their normal maturity date, the city council may by resolution transfer any or all of the monies in the fund created in this section to the sewer bond reserve fund.

ℹ Existing SMC 3.16.240.

(4) Until such time as all of the sanitary sewerage revenue bonds of the city are redeemed, the monies in this fund may be disbursed only for the purpose in subsection (3) and for constructing such additions, corrections, extensions and other construction of the city's sanitary sewerage system, as allowed by the city council.

3.34.405 Sewer Plant Investment Fund

ℹ This is a new section.

(1) The "Sewer Plant Investment Fund" is created as an enterprise fund.

(2) Revenues from sewer plant investment fees must be deposited into this fund.

(3) Expenditures from the fund must support sewer capital investment.

3.34.410 Drainage Fund

ℹ This is a new section.

(1) The "Drainage Fund" is created as an enterprise fund.

(2) Revenues from drainage utility service rates must be deposited into this fund.

(3) Expenditures from the fund must support drainage utility system maintenance and operation.

3.34.411 Drainage Construction Fund

ℹ This is a new section.

(1) The "Drainage Construction Fund" is created as an enterprise fund.

(2) The Drainage Construction Fund accounts for capital development of the drainage utility which are funded from other accounting funds, grants, and loans.

3.34.412 Drainage Plant Investment Fund

ℹ This is a new section.

(1) The "Drainage Plant Investment Fund" is created as an enterprise fund.

(2) Revenues from drainage plant investment fees must be deposited into this fund.

(3) Expenditures from the fund must support drainage capital infrastructure.

3.34.421 Water Fund

ℹ This is a new section.

(1) The "Water Fund" is created as an enterprise fund.

(2) Revenues from water service rates must be deposited into this fund.

(3) Expenditures from the fund must support maintenance and operation of the water utility.

3.34.422 Water Construction Fund

ℹ This is a new section.

(1) The "Water Construction Fund" is created as an enterprise fund.

(2) The water construction fund accounts for capital development of the water utility which are funded from other accounting funds, grants, and loans.

3.34.423 Cedar Home Plant Investment Fund

ℹ This is a new section.

(1) The "Cedar Home Plant Investment Fund" is created as an enterprise fund.

(2) Revenues from Cedar Home Plant Investment fees must be deposited into this fund.

(3) Expenditures from the fund must support water utility infrastructure.

3.34.424 Water Plant Investment Fund

ℹ This is a new section.

(1) The "Water Plant Investment Fund" is created as an enterprise fund.

(2) Revenues from water plant investment fees must be deposited into this fund.

(3) Expenditures from the fund must support water utility infrastructure.

3.34.451 Water Bond Reserve Fund

ℹ This is a new section.

(1) The "Water Bond Reserve Fund" is created as an enterprise fund.

(2) Expenditures from the fund must this fund accounts for debt issued by the water utility including reserves required by debt covenants.

3.34.452 Sewer Bond Reserve Fund

> This is a new section.

(1) The “Sewer Bond Reserve Fund" is created as an enterprise fund.

(2) This fund accounts for debt issued by the sewer utility, including reserves required by debt covenants.

3.34.457 Sewer Equipment Reserve Fund

> This is a new section.

(1) The "Sewer Equipment Reserve Fund" is created as an enterprise fund.

(2) The fund accounts for reserves held for replacement of sewer equipment and vehicles.

3.34.458 Drainage Equipment Reserve Fund

> This is a new section.

(1) The "Drainage Equipment Reserve Fund" is created as an enterprise fund.

(2) This fund accounts for reserves held for replacement of Drainage Utility equipment and vehicles.

3.34.459 Water Equipment Reserve Fund

> This is a new section.

(1) The "Water Equipment Reserve Fund" is created as an enterprise fund.

(2) This fund accounts for reserves held for replacement of water utility equipment and vehicles.

3.34.630 Agency Fund

> This is a new section.

The "Agency Fund" is created as a fiduciary fund to account for monies received and held by the city for third parties.

Chapter 3.36 Interfund Loans

> Based on existing SMC Chapter 3.45.
>
> Dropped the word “program.”

3.36.010 Interfund loans authorized.

(1) The finance director is hereby authorized to make interfund loans as needed to keep the funds of the city solvent.

(2) In conjunction with an interfund loan, the finance director must prepare a planned schedule of repayment of the loan principal plus applicable interest. The monthly rate of interest will be the same monthly rate of interest paid by the Washington State Local Government Investment Pool and must be charged by the lending fund, unless the borrowing fund has no other source of revenue other than the lending fund, or is normally funded by the lending fund. In addition, the borrowing fund must anticipate sufficient revenues to be in a position over the period of the loan to make the specified principal and interest payments.

3.36.020 Report to the city council.

(1) The finance director must include a report within 60 days of any such loans and subsequent repayment to the city council in conjunction with the finance director's financial reports to the city council.

(2) Any city council member may request or the mayor may direct the finance director to make such additional reports as may be necessary to fully inform the city council of any revenue deficit or interfund loan or similar transfer.

3.36.030 Repayment directed.

(1) The finance director is directed and authorized to repay an interfund loan, in whole or in part, when budgeted revenues are received sufficient to cover the projected foreseeable needs of the city for the ensuing month of the budget year.

(2) In the event of doubt regarding the foreseeable needs of the city, the finance director is encouraged to consult with the mayor and finance committee and to bring questions regarding borrowing or repayment to the city council for its advice.

Chapter 3.40 Transportation Benefit District

i This is based on existing SMC Chapter 3.40.

3.40.010 Establishment of transportation benefit district.

i Based on existing SMC 3.40.010.

There is created a transportation benefit district to be known as the Stanwood Transportation Benefit District (the "district") with geographical boundaries congruent with the corporate limits of the city as they currently exist or as exist following future annexations.

3.40.015 Assumption of transportation benefit district.

i Existing SMC 3.40.015.

From and after the effective date of Ordinance 1406 codified in this chapter, the city of Stanwood assumes all of the rights, powers, immunities, functions, and obligations of the Stanwood Transportation Benefit District previously established in this chapter, and the city of Stanwood is hereby vested with each and every right, power, immunity, function, and obligation granted to or possessed by the Stanwood transportation benefit district under Chapter 36.73 RCW, this chapter, and any other applicable law as of the effective date of the ordinance codified in this chapter. The rights, powers, functions, and obligations previously exercised and performed by the governing body of the Stanwood Transportation Benefit District pursuant to SMC 3.40.020 are hereby assumed by and transferred to the city of Stanwood city council.

3.40.020 Governing board.

Based on existing SMC 3.40.020.

(1) The Stanwood city council has the authority to exercise the statutory powers set forth in Chapter 36.73 RCW and this chapter.

(2) The treasurer of the transportation benefit district is the city finance director.

(3) The city must implement the material change policy previously adopted by the Stanwood Transportation Benefit District 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).

3.40.030 Authority of the city.

Based on existing SMC 3.40.030.

(1) The city, acting by and through its city council, may authorize a vehicle tax fee of up to $20.00 per vehicle as provided for by RCW 82.80.140. Any expansion of the authorized purposes of the district may be undertaken only after notice, hearing and adoption of an ordinance in accordance with RCW 36.73.050(2)(b) or a vote of the people pursuant to RCW 36.73.065(3).

(2) When authorized by the voters pursuant to the requirements of Chapter 36.73 RCW, other taxes, fees, charges, and tolls or increases in these revenue sources may be assessed for the preservation, maintenance and operations of city streets or other transportation improvements specified in an adopted transportation plan. Additional transportation improvements may be added to the functions of the district upon compliance with the requirements of said chapter.

(3) The city has and may exercise all powers and functions provided by Chapter 36.73 RCW to fulfill the purposes of Chapter 36.73 RCW and this chapter.

3.40.040 Transportation improvements funded.

Based on existing SMC 3.40.040.

(1) The revenues generated by exercise of the powers granted in SMC 3.40.030 and Chapter 36.73 RCW must be used for transportation improvements that preserve, maintain, and operate existing infrastructure of the city consistent with the requirements of Chapter 36.73 RCW.

(2) Expenditures of such revenues must preserve, maintain, and operate the city’s previous investments in transportation infrastructure, reduce the risk of transportation facility failure, improve safety, or reduce congestion. Any change or expansion of these authorized purposes may be undertaken only after notice, hearing and adoption of an authorizing ordinance in accordance with RCW 36.73.050(b)(2) or a vote of the people pursuant to RCW 36.73.065(c).

3.40.060 Annual Report

Next line based on existing SMC 3.40.020, updated from City Council in existing code.

The Finance Director must issue an annual report per RCW 36.73.160(2).

EXHIBIT B

ℹ This is a new chapter to provide protection for the City against ill-considered property purchases that could create legal or political liability.

Chapter 4.18 Acceptance of Interest in Real Property

4.18.010 Applicability

This chapter applies to any City action to accept interest in real property.

4.18.020 Definitions

(1) “Interest in real property” includes property rights less than a fee simple interest, such as a lease or an easement.

ℹ Definition from Black’s Law Dictionary.

(2) “Real property” means land and anything growing on, attached to, or erected on it, excluding anything that be severed without injury to the land.

4.18.030 Acceptance of Interest

(1) The city may accept ownership of or an interest in real property, including a lease or other instrument transferring anything less than a fee simple interest, only if approved by action of the city council, such as by ordinance or council-approved contract, or as a condition of plat approval.

(2) No other action by any city employee or agent may constitute the city’s acceptance of any interest in real property.

EXHIBIT C

> This is a new chapter created to contain the provisions of existing SMC 17.153.030 that principally concern concurrency rather than impact fees. The provisions have not been modified. We anticipate creation of a more general concurrency chapter during the unified development code rewrite.

Chapter 17.148A School Concurrency

17.148A.010 Adequacy Standards

(1) School facilities shall be deemed to have adequate capacity for purposes of determining adequate provision of school facilities for approval of any residential development proposal, if the circumstances in subsections (1)(a) and (1)(b), or subsection (1)(c), of this section exist. Additionally, the provisions of subsection (1)(d) of this section must be met in all cases.

(a) The district has permanent facilities to house the students projected to be coming from the development without exceeding the adopted capacity standards of the district by more than 10 percent. Permanent facilities will not include those that have been closed for more than two years until any necessary rehabilitation has been completed.

(b) The district has the land to accommodate the permanent and portable facilities needed to serve the students projected to be coming from the development.

(c) The department certifies that the concurrency standard has been complied with. “Concurrency standard” means that the permanent and interim improvements are planned to be or are in place at the time the impacts of development are expected to occur, and that the necessary financial commitments are in place to complete the improvements necessary to serve the development within six years of the time the impacts of the development are expected to occur.

(d) Any school impact fee required by this chapter is paid or is scheduled for payment and is adequately secured.

(2) If capacity standards are or would be exceeded with the construction of a proposed development, the school facilities available to serve the development shall be deemed inadequate and the development shall not be approved until the impact fee authorized by SMC Chapter 3.24 is paid; provided, the district has met all the other provisions of SMC 3.24.080.

(3) The capacity standards and student factors for the district shall be documented by the capital facilities plan developed by the district and adopted by reference in the Stanwood Comprehensive Plan.

(4) The adequacy standards of this section shall apply to all forms of residential development which are subject to review and approval and which would result in the creation of new residential building lots or construction of new dwelling units. Reconstruction or remodeling of existing dwelling units or construction of new accessory dwelling units or commercial structures are not subject to the provisions of this chapter.

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CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT

ITEM NUMBER:	**9c**
DATE:	October 26, 2023
SUBJECT:	Stanwood Municipal Code Title 5 – Business Licenses and Regulations
CONTACT PERSON:	Patricia Love, Community Development Director
ATTACHMENTS:	A – Ordinance 1521 Adoption of Title 5 – Business Licenses and Regulations

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PURPOSE

The purpose of this agenda item is for Council review and acceptance of the second reading of Ordinance 1521, adoption of Title – 5, Business Licenses and Regulations, of the Stanwood Municipal Code.

SUMMARY

Included in the next batch of Municipal Code Amendments is Title 3 – Revenue and Finance and Title 5 – Business License and Regulations. These Titles have been grouped together for review as they have direct code correlations. Using the approved style guide, the draft amendments delete outdated code citations and modernize the text by applying current best practices. It notes where new sections have been added or where moved. In general, these titles and chapters have been reorganized for better flow and readability with similar topics being grouped together.

Ordinance 1521 includes:

- Title 5 – Business Licenses and Regulations which implements RCW 35A.82.020 which provides cities with the authority to require a license for all businesses that operate in city limits.

BACKGROUND

The City initiated the Municipal Code Update project in 2022 to modernize the code reflecting best practices with respect to content and administration of the code. The update is intended to be user friendly for staff, property owners and developers by 1) removing legalese and jargon unfamiliar to the lay person, 2) improving clarity and overall functionality, and 3) reflect regulatory best practices. The amendments will also be consistent with current case, state and federal laws.

To help guide the review of the amendments, two types of informational banners are included in the descriptive versions of each amendment. These blue- and yellow-colored bars highlight changes, recommendations and questions; it notes where new sections have been added or where moved.

Blue banner describes actions taken or issue descriptions.

Yellow banners highlight important policy issues.

Due to the sheer size of amending an entire municipal code, work has been broken into manageable pieces with similar titles, or titles that interact with each other, being processed together. To date, the Council has approved the following Title groupings:

Stanwood Municipal Code Titles	Action
Interim Zoning Regulations Prohibiting Mini-Storage Facilities	Council Approved October 27, 2022
Interim Sign Regulations Signs in the Right of Way	Council Approved January 26, 2023
Title 1 – General Provisions Title 2 – Personnel Title 4 – Administration (New)	Council Approved April 23, 2023 Three Readings
Title 6 – Parks and Public Spaces (New) Title 9 – Public Peace, Morals, and Safety Title 13 – Civil Enforcement	Council Approved June 8, 2023 Three Readings
Title 7 – Noise Ordinance Only	Council Approved July 13, 2023
Title 3 – Revenue and Finance Title 5 – Business Licenses & Regulations	Pending City Council Action September / October 2023

As Titles and Chapters are approved, there may be times when chapters or sections within chapters of approved Titles will need to be amended to ensure consistency throughout the Municipal Code as it is amended.

ANALYSIS

Title 5 adopts the City's business license procedures and requirements. State Law (RCW 35A.82.020) provides cities with the authority require a license for all businesses that operate in city limits. Operation in the city includes those businesses that are physically located in the city and those that engage in business within the city, but their business address is located outside of the city.

State law (RCW 35.90) also requires all cities with general business licensing requirements to adopt a uniform "model ordinance" identifying what types of commercial activity are and are not subject to business licensing requirements. The provisions of Title 5 are consistent with the state law provisions and generally include:

- Approval process and conditions
- License terms and expiration dates
- Penalties
- Suspension, revocation, and appeals
- Exemptions

In addition to the standard business license provisions, Title 5 includes permitting and licensing of:

- Fireworks Stands
- Special Events – both public and private
- Merchants without a Fixed Location (Previously Titled Peddlers, Vendors, and Temporary Merchants)
- Sexually Oriented Businesses

The City also reached out to the Washington Cities Insurance Authority for guidance on special event permitting. In response to their comments the insurance section was updated and a new section, "Grounds for Denial of Special Events", was added.

The existing Sexually Oriented Businesses chapter contains both licensing and regulatory standards. As regulatory standards should not be located in the business license chapter, no changes to this chapter are proposed at that time but will instead be revised when the Unified Development Code is prepared as part of the municipal code update project.

Council Policy Decision Issues:
The following policy issues need to be discussed before the final reading:

Business License Regulations (SMC 5.02):

A. For clarity, new section 5.02.030(7) was added providing clarity on the state model ordinance requirements:

(7) The City interprets the foregoing to exempt the following activities:

a) working from home as a remote employee;

b) conducting advertising through social media;

c) a seller located outside the City merely delivering goods into the City by means of common carrier includes delivery by commercial delivery services such as Fed Ex or UPS.

B. An option was included in the draft code to increase the income threshold for doing business in the City, from $2,000.00 to $4,000.00, for when a business owner must obtain a license from the City. (SMC 5.02.040(2))

   RCW 35.90.080 states that "a city that imposes a general business license requirement must adopt the mandatory provisions of the model ordinance by January 1, 2019. The following provisions are mandatory:

   > (a) A definition of "engaging in business within the city" for purposes of delineating the circumstances under which a general business license is required;
   > (b) A uniform minimum licensing threshold under which a person would be relieved of the requirement to obtain a city's general business license. A city retains the authority to create a higher threshold for the requirement to obtain a general business license but must not deviate lower than the level required by the model ordinance."

   This same RCW also states that the definitions in the model ordinance may not be amended more frequently than once every four years, except that the model ordinance may be amended at any time to comply with changes in state law or court decisions.

   If the City changes the threshold option or amount, we must notify WA DOR Business Licensing Services. BLS requires a 75-day notice of changes to business licenses. If the City Council wants to go in that direction, it could delay the effective date of the $4,000 threshold through adoption of a second ordinance or other mechanism.

   Currently an AWC (Association of Washington Cities) work group has been looking at a variety of options like a one-time increase to a higher threshold, an automatic increase by inflation, and a periodic increase by inflation. The work group will report their recommendations to the AWC Board, then the AWC model ordinance threshold will be updated, and all cities will then implement the change. We anticipate that the change will likely take affect by January 1, 2025. Staff recommends no changes at this time and wait for the AWC working group to make their recommendations.

C. The proposal changes the penalty for business license violations from a misdemeanor to a class 1 penalty fine of $250.00. (SMC 5.02.120)

Special Events (SMC 5.05):
Three changes were made to the special event section to facilitate better permitting approval:

1. Expanded the scope of this chapter to include private events;
2. Reduced the size of the event that requires a permit from the City (75 to 50 people); and

3. Changed authority for funding from City Council decision to Planning Director if the project is listed in the approved budget.
    - Example: summer concert series is funded through the budget; an additional Council approval step is not necessary and slows down the permit approval process.

Sexually Oriented Businesses (SMC 5.32):

This chapter of the code contains a mix of zoning/development rules and business license rules. Because the new Unified Development Code Title (new Title 18) will be one of the last Titles to be updated, staff proposes to delay any major changes to this Chapter until the UDC is drafted.

Other Clarifications and Questions:

- How are seasonal business, such as Christmas Tree Stands, licensed?
    - Seasonal sales are considered “Soliciting Sales” per SMC 5.02.030(3)(c).

- How are residential landscape businesses licensed?
    - Local landscape maintenance companies, or similar types of services, are licensed under SMC 5.02.030(3)(d): “Making repairs or providing maintenance or service to real or tangible personal property, including warranty work and property maintenance.”

- Is a business license required for anyone selling their own personal possessions or belongings?
    - No business license is required per SMC 5.02.040(3)(c): “Persons selling personal property or providing a service pursuant to an order or process of a court of competent jurisdiction.”

- How are estate sales licensed?
    - There are two options: 1) if a professional company runs an estate sale and they do more than $2,000 of sales per year in the City, they should have a business license per SMC 5.02.030(3)(c), or 2) if a private home owner is running an estate sale then they would be exempt under the selling of personal property per SMC 5.02.040(3)(c).

Response To Council Questions:
At Council’s September 14 meeting, Council requested the following changes:

- Correct typo in 5.06.08;
- Add regulations specific to food trucks;
- Address if seasonal fruit stands should be allowed and how; and
- Address if the City can regulate and charge fees for internet services similar to cable systems.

Below are staff responses to the questions.

1. Typo Correction: deleted duplicative word in 5.06.080(2)(d) – approval Criteria for a special event permit.

   (a) The proposed event will not ~~unreasonable~~ cause unreasonable impacts to other activities such as events or construction on the date(s) requested;

2. Food Trucks: Added new section in Mobile Venders addressing food trucks (New 5.08.070) and renumbered the remaining subsections. These draft regulations were based on a combination of Marysville, Walla Walla, and Vancouver codes.

   - Must comply with all requirements of the state and local health departments and the Department of Labor and Industries;
   - Prohibited in residential zones unless part of a special event permit;
   - Conform to the International Building Code regarding accessibility;
   - May not utilize any tents, tarps, or pop-up shelters for food preparation or sales;
   - May not obstruct pedestrian traffic;
   - Must be parked on a paved or gravel surface;
   - May not occupy ADA parking spaces or diagonal parking spaces unless the parking spaces are closed pursuant to a street use permit;
   - Provide access to a restroom for the vendor's staff;
   - Clean up and vacant each day each day;
   - Ensure trash receptacles not intended for customer use are screened from public view and securely covered;
   - Install and maintain an adequate grease trap per Washington State health regulations;
   - Dispose of all wastewater in a proper manner and document disposal;
   - Provide seating at the rate of six seats per vendor;
   - Provide restroom facilities with handwashing facilities;
   - Direct any site lighting away from adjacent properties; and
   - Generator use must comply with SMC Chapter 7.30, Noise Control, and may not exceed 70 decibels at 10 feet.

3. Fruit Stands: Seasonal fruit and produce stands are not subject to City business license requirements per RCW 36.71.090: However, they are subject to location requirements of 5.08.050, General Requirements.

   It shall be lawful for any farmer, gardener, or other person, without license, to sell, deliver, or peddle any fruits, vegetables, berries, eggs, or any farm produce or edibles raised, gathered, produced, or manufactured by such person and ***no city or town shall pass or enforce any ordinance prohibiting the sale by or requiring license*** from the producers and manufacturers of farm produce and edibles as defined in this section. However, nothing in this section authorizes any person to sell, deliver, or peddle, without license, in any city or town, any dairy product, meat, poultry, eel, fish, mollusk, or shellfish where a license is required to engage legally in such activity in such city or town.

4. Internet Services: Local governments are prohibited by federal law from regulating telecommunication services per 47 CFR 76.43 and may not charge additional fees or taxes. In review of this section, only one minor change is proposed: under the application section (SMC 5.20.060(5)) the timeline for Council to decide on a franchise application has been amended to comply with federal law.

   (5) Within ~~60 days after the close of the hearing~~ **<u>the time frame specified by 47 CFR 76.41</u>**, the city council must decide whether to grant a franchise and on what conditions. The city council's decision must be based upon the application, any additional information submitted by the applicant or obtained by the city from any source, and public comments. The city council may grant one or more franchises, or may decline to grant any franchise. Any final action must be taken in accordance with the requirements of RCW 35A.47.040.

5. Staff Recommended Amendment – Public Display of Fireworks – License Required: The current fireworks code assumes an event near the 4th of July. Staff has proposed a minor amendment to SMC 5.04.040(2) to require an application 60 days prior to an event. This change accommodates off season firework displays, such as the high school homecoming event or other special events that may be proposed in the future.

   (2) An application for a license for the public display of fireworks must conform to the requirements of RCW 70.77 and be submitted to the clerk ~~prior to June 1~~ **<u>at least 60 days in advance of the event</u>**.

Fiscal Impact			
No direct financial impact. Code work was already budgeted and approved through the Municipal Code Update Project contract and scope of work.			
Fund(s):	Staff Time		
Amount:	$	**Project Estimate:**	$ -
Budget Authorized	**[ ] Yes [ ] No**	**Amendment Required**	**[ ] Yes [ ] No [ ] Monitor**

RECOMMENDATIONS

Staff Recommendation:
The above listed changes have been made to the draft ordinance and Staff recommends that the Council accept the second reading of the proposed amendments and adopt Ordinance 1521.

Committee/Board Recommendation:
The Advisory Group and Planning Commission have all reviewed the proposed amendments; their comments have been incorporated into the drafts. All groups have recommended to adopt the amendments.

CITY COUNCIL OPTIONS

1. Accept the second reading of Ordinance 1521 adopting Title 5, Business Licenses and Regulations, and to proceed with the third reading on November 20, 2023 if needed.

2. Request changes to Ordinance 1521 and direct staff to address specific Council issues or concerns prior to Council reconsideration the ordinance.

PROPOSED MOTION

I MOVE TO APPROVE THE SECOND READING AND ADOPT ORDINANCE 1521 AS SET FORTH IN ATTACHMENT "A".

OR

I MOVE TO ACCEPT THE SECOND READING OF ORDINANCE 1521 AS SET FORTH IN ATTACHMENT "A" AND TO PROCEED WITH THE THIRD AND FINAL READING OF THE ORDINANCE ON NOVEMBER 20, 2023.

ATTACHMENT A

CITY OF STANWOOD
WASHINGTON

ORDINANCE NO. 1521

AN ORDINANCE OF THE CITY OF STANWOOD, WASHINGTON, AMENDING STANWOOD MUNICIPAL CODE (SMC) TITLE 5, BUSINESS LICENSES AND REGULATIONS, RECODIFYING CHAPTER 5.50 REGARDING DAMAGES CLAIMS AS SMC CHAPTER 1.50, AND ESTABLISHING SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the City of Stanwood has begun a process to comprehensively update its municipal code to conform to current law and practice; and

WHEREAS, the purpose of this code amendment is to eliminate conflicts, improve clarity and overall function of the municipal code, and reflect current city and best practices; and

WHEREAS, Title 5 adopts the City's business license procedures and requirements; and

WHEREAS, the amendments were reviewed for consistency with the state model ordinance and city's review procedures; and

WHEREAS, the amendments update the city's permitting procedures for firework stands, special events, and merchants without a fixed location; and

WHEREAS, the City of Stanwood SEPA Responsible Official has reviewed the proposed amendments to the Stanwood Municipal Code, determined that the amendments are categorically exempt from SEPA, and memorialized those conclusions under file number 230114; and

WHEREAS, the Stanwood Advisory Group reviewed the draft ordinance at their July 6, 2023 meeting, and has recommended that the City Council adopt the ordinance as presented; and

WHEREAS, the Stanwood Planning Commission reviewed the draft ordinance at their July 19, 2023 meeting and has recommended that the City Council adopt the ordinance as presented; and

WHEREAS, the City Council held a public meeting and first reading of the draft code amendment on September 14, 2023, a second reading on October 26, 2023, and accepted public comment; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Stanwood Municipal Code Chapter 5.50, Damages Claims Against the City, is recodified as SMC Chapter 1.50.

Section 2. Stanwood Municipal Code Title 5, Business Licenses and Regulations, is repealed in its entirety and replaced with the new Title 5, Business Licenses and Regulations, as provided in Exhibit “A” attached to this ordinance and incorporated herein by reference as if set forth in full.

Section 3. Severability. The various parts, sections and clauses of this ordinance are hereby declared to be severable. If any part, sentence, paragraph, section or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected thereby.

Section 4. Authority to Make Necessary Corrections. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener’s clerical errors, references, ordinance numbers, section/subsection numbers and any references thereto.

Section 5. Effective Date. This Ordinance shall take effect five days after its passage and publication as required by law.

PASSED and APPROVED this ____ day of ______________, 2023.

CITY OF STANWOOD:

____
Sid Roberts, Mayor

Attest:

____
Lisa Sokolik, City Clerk

Approved as to Form:

____
Nikki Thompson, City Attorney

Date of Publication: ________________

Effective Date: ____________________

EXHIBIT A

Title 5 Business Licenses and Regulations

This title is a complete rewrite of existing SMC Title 5.

- Existing Chapter 5.01, Utility Tax, is being recodified into Title 3 through concurrent adoption of an ordinance re-adopting the entirety of Title 3.
- Existing SMC Chapter 5.50, Damage Claims Against the City, is proposed for recodification into SMC Title 1 through the adopting provisions of this ordinance.
- Existing SMC Chapter 5.24, Utility Pole Attachment Permit, is proposed for repeal through this readoption, given that the Legislature through RCW Chapter 80.54 has given the WUTC the authority to articulate rules for pole attachment (which it did through rules adopted in WAC Chapter 480-54 in 2015).

Chapter 5.01 General Provisions

5.01.010 Administration

Except where otherwise provided, the City Community Development Director is responsible for the administration of this title.

5.01.020 Severability

The various chapters, sections, and clauses of the ordinances codified in this title are hereby declared to be severable. If any part, sentence, paragraph, section, or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the title must not be affected.

Chapter 5.02 Business Licenses

This chapter is based on existing chapter 5.03.

5.02.010 Applicability.

This chapter applies to:

(1) persons engaging in business within the City of Stanwood; and

(2) business licenses issued by the City of Stanwood, including those issued through the state Master License Service.

5.02.020 Definitions—Generally

> This section is based on existing SMC 5.03.010. "Stuffed definitions" in which a substantive rule is contained within the definition, have been removed.
>
> Added a general definition of clerk for the entire title that allows designation of someone other than the clerk.

(1) "Clerk" means the city clerk or such city employee or agent as the city administrator may designate to administer this title.

(2) "Engaging in business" has the meaning found in SMC 5.02.030.

(3) "Person" includes the terms company, corporation, individual, owner, partnership, proprietorship and sole proprietorship and shall mean any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, joint venture, club, business trust, association, society, or group of individuals acting as a unit, whether mutual, cooperative, fraternal, religious, profit, nonprofit, or otherwise.

5.02.030 Definition—"Engaging in Business"

> RCW 35.90.080 requires the city to use the model ordinance, developed by the Association of Washington Cities, to describe what constitutes "engaging in business." This definition is from the June 2018 definition. This section should not be modified.

(1) The term "engaging in business" means commencing, conducting, or continuing in business, and also the exercise of corporate or franchise powers, as well as liquidating a business when the liquidators thereof hold themselves out to the public as conducting such business.

(2) This section sets forth examples of activities that constitute engaging in business in the City, and establishes safe harbors for certain of those activities so that a person who meets the criteria may engage in de minimus business activities in the City without having to pay a business license fee. The activities listed in this section are illustrative only and are not intended to narrow the definition of "engaging in business" in subsection (1). If an activity is not listed, whether it constitutes engaging in business in the City shall be determined by considering all the facts and circumstances and applicable law.

(3) Without being all-inclusive, any one of the following activities conducted within the City by a person, or its employee, agent, representative, independent contractor, broker or another acting on its behalf constitutes engaging in business and requires a person to register and obtain a business license.

   (a) Owning, renting, leasing, maintaining, or having the right to use, or using, tangible personal property, intangible personal property, or real property permanently or temporarily located in the City.

   (b) Owning, renting, leasing, using, or maintaining, an office, place of business, or other establishment in the City.

   (c) Soliciting sales.

   (d) Making repairs or providing maintenance or service to real or tangible personal property, including warranty work and property maintenance.

   (e) Providing technical assistance or service, including quality control, product inspections, warranty work, or similar services on or in connection with tangible personal property sold by the person or on its behalf.

   (f) Installing, constructing, or supervising installation or construction of, real or tangible personal property.

   (g) Soliciting, negotiating, or approving franchise, license, or other similar agreements.

(h) Collecting current or delinquent accounts.

(i) Picking up and transporting tangible personal property, solid waste, construction debris, or excavated materials.

(j) Providing disinfecting and pest control services, employment and labor pool services, home nursing care, janitorial services, appraising, landscape architectural services, security system services, surveying, and real estate services including the listing of homes and managing real property.

(k) Rendering professional services such as those provided by accountants, architects, attorneys, auctioneers, consultants, engineers, professional athletes, barbers, baseball clubs and other sports organizations, chemists, consultants, psychologists, court reporters, dentists, doctors, detectives, laboratory operators, teachers, veterinarians.

(l) Meeting with customers or potential customers, even when no sales or orders are solicited at the meetings.

(m) Training or recruiting agents, representatives, independent contractors, brokers or others, domiciled or operating on a job in the City, acting on its behalf, or for customers or potential customers.

(n) Investigating, resolving, or otherwise assisting in resolving customer complaints.

(o) In-store stocking or manipulating products or goods, sold to and owned by a customer, regardless of where sale and delivery of the goods took place.

(p) Delivering goods in vehicles owned, rented, leased, used, or maintained by the person or another acting on its behalf.

(4) If a person, or its employee, agent, representative, independent contractor, broker or another acting on the person's behalf, engages in no other activities in or with the City but the following, it need not register and obtain a business license.

(a) Meeting with suppliers of goods and services as a customer.

(b) Meeting with government representatives in their official capacity, other than those performing contracting or purchasing functions.

(c) Attending meetings, such as board meetings, retreats, seminars, and conferences, or other meetings wherein the person does not provide training in connection with tangible personal property sold by the person or on its behalf. This provision does not apply to any board of director member or attendee engaging in business such as a member of a board of directors who attends a board meeting.

(d) Renting tangible or intangible property as a customer when the property is not used in the City.

(e) Attending, but not participating in a "trade show" or "multiple vendor events". Persons participating at a trade show shall review the City's trade show or multiple vendor event ordinances.

(f) Conducting advertising through the mail.

(g) Soliciting sales by phone from a location outside the City.

(5) A seller located outside the City merely delivering goods into the City by means of common carrier is not required to register and obtain a business license, provided that it engages in no other business activities in the City. Such activities do not include those in subsection (4).

(6) The City expressly intends that engaging in business include any activity sufficient to establish nexus for purposes of applying the license fee under the law and the constitutions of the United States and the State of Washington. Nexus is presumed to continue as long as the taxpayer benefits from the activity that constituted the original nexus generating contact or subsequent contacts.

Councilmember Schmitt has suggested the following exemptions. We do not propose modifying the sections above because they are part of the state-mandated model license. Instead, we have attempted to address the issues below in the following optional language:

(7) The City interprets the foregoing to exempt the following activities:

(a) working from home as a remote employee;

(b) conducting advertising through social media;

(c) a seller located outside the City merely delivering goods into the City by means of common carrier includes delivery by commercial delivery services such as Fed Ex or UPS.

5.02.040 Business License—When Required—Penalty for Violation.

RCW 35.90.060 allows the city to require a business license only of those persons or entities that are "engaging in business" within the city.

(1) All entities "engaging in business" as defined in SMC 5.03.030 within the City of Stanwood require a city business license.

The next subsection is based on existing SMC 5.03.025 and portions of existing SMC 5.03.030.

(a) A subcontractor engaging in business within the City of Stanwood must obtain a city business license. The license of a general contractor does not satisfy the licensing requirements for a subcontractor.

The following subsections are based on existing SMC 5.03.030.

(b) If business is transacted by one person at two or more separate locations within the city, each business location requires a separate license.

(c) If more than one business is conducted or operated on a single premises, a separate license is required for each business.

State law requires the City to adopt the AWC model ordinance "uniform minimum licensing threshold," and allows the city to either exempt businesses outside the city that are below the minimum licensing threshold from obtaining a business license entirely, or may require them to obtain a fee-free license. The City adopted the first option in 2018 in SMC 5.03.027.

The minimum threshold is $2000 annual business, but the City may set it higher. If the City changes the threshold option or amount, it must notify WA DOR Business Licensing Services. BLS requires a 75-day notice of changes to business licenses.

(2) Exemption for businesses located outside the city.

Councilmember Schmitt has suggested changing the threshold below to $4,000. An AWC work group is looking at this issue and may recommend a uniform increase, potentially indexed to inflation. We recommend waiting for the outcome of that process.

(a) Any person or business whose annual value of products, gross proceeds of sales, or gross income of the business in the city is equal to or less than $2,000 and who does not maintain a place of business within the city is exempt from the general business license requirements in this chapter.

(b) Such a business is not exempt from the regulatory special permits requirements of this title.

> Next subsection is based on 5.03.050(3), which makes these activities exempt from the application fee, but per staff should be exempt from the licensing requirement.

(3) The following are exempt from the requirement to obtain a city business license:

(a) Nonprofit and not-for-profit activities and fundraising sales carried on by a corporation registered as a nonprofit with the Secretary of State's Office;

(b) Garage sales, lawn sales, rummage sales, or any other similar casual sale of tangible personal property conducted on an infrequent basis not to exceed three times per each calendar year and not to exceed two consecutive days at one time;

(c) Persons selling personal property or providing a service pursuant to an order or process of a court of competent jurisdiction;

(d) Persons acting in accordance with their powers and duties as public officials.

(e) a farmer, gardener, or other person, who sells, delivers, or peddles any fruits, vegetables, berries, butter, eggs, fish, milk, poultry, meats, or any farm produce or edibles raised, caught, produced, or manufactured by such person consistent with RCW 36.71.090.

> Next subsection is based on existing SMC 5.03.030(6).

(4) A business license is not transferable.

(a) No licensee may allow another person to operate a business under or display the license issued to their business, nor may another person operate under or display the license issued to another business.

(b) A person who acquires an existing business must apply for a city business license before commencing business within the city with that business.

(c) A licensee must report a change of location of the business to the Master License Service, in coordination with the city clerk.

(d) A change of the location of a business requires approval by the city before business may commence at the new location, and may require submitting a new master application and payment of fees.

> The following two subsections are based on existing SMC 5.03.030(7)-(8).

(5) A city business license does not convey the City's permission to conduct a prohibited activity or other violation. The city may not be held liable for the actions of any licensed business by virtue of having issued a license to conduct business.

(6) An applicant or licensee must permit reasonable inspections of the business premises by governmental authorities for the purpose of enforcing the provisions of this chapter.

5.02.050 Application and Renewal

> This section is based on existing SMC 5.03.030(1)-(2).

(1) An application for a city business license or renewal must be filed via a master application through the State Department of Licensing's Master License Service.

(a) An application may only be for a single city business license. Each license requires a separate application.

(b) The applicant must pay the filing fee described in the City's Consolidated Fee Schedule and any State Master License Service's handling fees.

(2) A business may not start operation within the city prior to city approval of its city business license.

5.02.060 Application Fees

> i This section is based on existing SMC 5.03.050. Deleted references to SMC 3.30.080 and .090, which are being repealed and have been subordinated by the City's Consolidated Fee Schedule.

(1) The fee for the business license required by this chapter is established by resolution of the city council. The fee may be pro-rated as necessary to conform to SMC 5.03.080.

(2) The business license fee is in addition to any license fee or tax imposed or levied under any law or other ordinance or resolution of the city except as otherwise expressly provided.

5.02.070 Review of Application—Approval or Denial

> i Next line based on existing SMC 5.03.030(3).

(1) The clerk must, when appropriate, refer applications to the planning department, the police department, or other governmental agencies for their review.

(2) The clerk must approve an application for a business license that complies with this chapter and other provisions of the Stanwood Municipal Code.

> i The next line is based on a portion of existing SMC 5.03.080(2). Deleted requirement to notify via certified mail to facilitate notice through the state master licensing system.

(3) If the clerk denies an application, the clerk must give written notice to the applicant of the denial of their license. The notice must include a summary of the information considered by the clerk, the reason(s) for the action, and the opportunity for appeal provided by SMC 5.02.110.

5.02.080 License Expiration

> i Based on existing SMC 5.03.070.

Each city business license must include an expiration date as determined by the Master License Service in coordination with the city. The city license may be prorated to coordinate with the expiration date assigned by the State Master License Service.

5.02.090 Penalty for Late Application or Renewal

> i This section is based on existing SMC 5.03.060.

(1) Licenses must be renewed annually on or before the expiration date, or expiration of any prorated period. Failure to renew a business license by the license expiration date may result in the assessment of a late renewal penalty, and may lead to the revocation of the city license.

(2) Revocation of a license due to nonrenewal requires reapplication for the city license, and approval by the city before the revoked business may continue operation within the city.

5.02.100 License Suspension or Revocation

> ℹ This section is based on existing SMC 5.03.080(1).

(1) The Clerk may suspend or revoke a business license when the licensee or any of its officers, directors, agents, owners, or employees fails or have failed to:

   (a) maintain the licensed premises or business activity in compliance with applicable health, building, fire, zoning (including legal nonconforming uses) or safety laws, ordinances, or regulations;

   (b) comply with the requirements of this chapter. Any suspension shall remain in effect until the conditions causing the suspension are cured and reasonable measures are taken to ensure that those conditions will not recur; or

   (c) renew a business license within 120 days after the expiration date of the license.

> ℹ The next line is based on a portion of existing SMC 5.03.080(2).

(2) The Clerk must give written notice to the license-holder of the suspension or revocation of their license. The notice must include a summary of the complaints, objections, and information considered by the clerk; the effective date of the suspension or revocation; the reason(s) for the action; and the opportunity for appeal provided by SMC 5.02.110.

5.02.110 Appeals

> ℹ This section is based on existing SMC 5.03.080(2). Separated from suspension/revocation because it also applies to appeal of denials of initial applications.

(1) Notice mailed to the mailing address on the application or most recent renewal is deemed received three days after mailing.

(2) The applicant or license-holder may appeal the clerk’s decision to the city hearing examiner by:

   (a) filing written notice of appeal to the Clerk within seven calendar days; and

   (b) paying the appropriate fee.

(3) The hearing examiner may overturn or modify the clerk's decision if it is clearly erroneous, and must issue its decision within 30 days of the date the appeal is received. The hearing examiners review of the appeal is not subject to a hearings proceeding.

5.02.120 Penalty for violation.

> ℹ This section is based on existing SMC 5.03.090.
>
> ℹ Existing code provides for a misdemeanor penalty.

Violation of any requirement of this chapter not otherwise specified is a Class 1 civil infraction and may also be enforced pursuant to SMC Title 13.

Chapter 5.04 Fireworks

This chapter is based on existing SMC Chapter 5.04.

Existing SMC 5.04.050 and SMC 5.04.060 is proposed for deletion as part of the Title 9 update.

5.04.010 Purpose.

Existing SMC 5.04.010.

It is the intent of this chapter to provide a procedure for the granting of licenses, and the possession, sale, and discharge of fireworks.

5.04.020 Applicability

This is a new section.

This Chapter applies to:

(1) licenses for the public display of fireworks;

(2) licenses for the sale of consumer fireworks.

5.04.030 State law adopted.

Existing SMC 5.04.020.

Chapter 70.77 RCW pertaining to fireworks is adopted by this chapter by reference as though stated in its entirety in this chapter.

5.04.040 Public Display of Fireworks—License Required.

Based on existing SMC 5.04.030, with additional provisions to describe application process from 5.04.080.

(1) A license is required for the public display of fireworks per RCW 70.77.

(2) An application for a license for the public display of fireworks must conform to the requirements of RCW 70.77 and be submitted to the clerk at least 60 days in advance of the event.

(3) Per RCW 70.77.280, after investigation and report by the fire marshal, a license for a public display of fireworks may be issued by the Community Development Director if the application demonstrates compliance with the standards of Chapter 70.77 RCW.

5.04.050 Fireworks Sales—License Required.

Based on existing SMC 5.04.030. Changed from "fireworks stand" to "fireworks sales."

A license is required for the sale of consumer fireworks, consistent with SMC Chapter 9.42.

5.04.070 Fireworks Sales License—Who May Apply.

Existing SMC 5.04.070. Title has changed to delete "insurance prerequisite," which was not contained within this section.

A fireworks sales license may be issued only to such applicants who meet the following qualifications:

(1) Nonprofit, charitable, religious, or eleemosynary corporations, organized and existing primarily for veteran, patriotic, religious, charitable, or civic betterment purposes; and

(2) The corporation or association has its principal and permanent meeting place in the city, and has been organized and established in the city for a period of at least one year prior to the date application is made for a fireworks license.

5.04.080 Fireworks Sales License—Application—Insurance required.

Based on existing SMC 5.04.080. Adjusted timelines and insurance minimums to refer to statute. Deleted requirement to apply by June 1 of each year.

(1) Application for a fireworks sales license:

  (a) Must be made in writing on forms provided by the city;

  (b) Must be accompanied by the license fee as established by resolution;

  (c) Must set forth the proposed location of the fireworks stand applied for.

(2) An application must be processed by the City consistent with the timelines in RCW 70.77.270(1).

(3) If an applicant is not granted a license, the application fee must be refunded.

(4) An application for a license must be rejected unless the fireworks stand is covered by a liability insurance policy consistent with RCW 70.77.270.

5.04.090 Fireworks Sales License Renewal – Preference.

Existing SMC 5.04.090.

Applicants for renewal of a fireworks sales license must be given preference over applicants for license by persons not previously licensed, provided that if the holder of the license fails to make application for renewal by the third Monday in April, the preference must be forfeited.

5.04.100 Fireworks Sales License—Number.

Existing SMC 5.04.100.

(1) No one organization may receive more than one license for fireworks sales during any one calendar year.

(2) The maximum number of licenses which may be issued pursuant to this chapter during any one calendar year must not exceed one license for each 1,500 residents of the city, or fraction thereof, according to the last official census. Once the maximum number of licenses for the year have been approved, the city will no longer accept fireworks license applications.

5.04.110 Fireworks Sales—Operation.

Existing SMC 5.04.110.

No person other than the licensee organization may operate the fireworks stand for which the license is issued, or share or otherwise participate in the benefits of the operation of such stand.

5.04.120 Fireworks Sales—Requirements.

Existing SMC 5.04.120. Updates to conform section to style guide.

All retail sales of “safe and sane” fireworks are permitted only from within a temporary fireworks stand, and the sale from any other building or structure is prohibited. Temporary stands are subject to WAC 212-17-185 through 212-17-21519 and the following provisions:

(1) No fireworks stand may be located within 25 feet of any other building, nor within 100 feet of any gasoline station;

(2) A fireworks stand need not comply with the provisions of the building code of the city but must be erected under the supervision of the fire chief, who may require that those stands be constructed in a manner and place to ensure the safety of attendants and patrons.

(3) A fireworks stand must maintain approved fire extinguishers at all times;

(4) A fireworks stand must have at least two exits;

(5) A fireworks stand must not be located closer than 600 feet to another fireworks stand;

(6) All weeds and combustible material must be cleared from the location of a fireworks stand, including a distance of at least 20 feet surrounding the stand;

(7) Signs reading “No Fireworks Discharge Within 100 Feet” in letters at least two inches high, with a principal stroke of not less than one-half inch, on contrasting background, must be conspicuously posted on all four sides of the stand;

(8) Signs reading “No smoking within 20 feet” in letters at least two inches high, with principal stroke of not less than one-half inch, on a contrasting background, must be conspicuously posted on all four sides of the stand;

(9) A fireworks stand may be operated by adults only.

(10) No fireworks may be left unattended in a stand.

(11) All unsold stock, accompanying litter, and the fireworks stand itself must be removed from the location and the city by 12:00 noon on July 6th of each year for the July 4th selling season and by 12:00 noon on January 3rd for the New Year’s selling season.

5.04.130 Violations—Penalties and Revocation

Existing SMC 5.04.130.

(1) Violation of any provision of this chapter is subject to the penalties of Chapter 70.77 RCW.

New material below.

(2) The clerk may revoke a license of a fireworks stand for non-compliance with the rules in this chapter or the rules in SMC 9.42.020 regarding purchase and sales of fireworks or for sales of fireworks other than consumer fireworks.

Chapter 5.06 Special Events

5.06.010 Purpose

Based on City of Lynnwood purpose statement.

The purpose of this chapter is to accommodate and allow for individual, occasional, or seasonal activities and events desired by members of the community and to:

(1) ensure special events and activities do not unduly impact or threaten the public's health, safety, and welfare;

(2) protect and preserve public infrastructure and city resources;

(3) prevent unplanned disruption of public services;

(4) mitigate impacts to the extent feasible;

(5) allow for the exercise of protected free speech; and

(6) facilitate business events of a singular or infrequent nature.

5.06.020 Applicability

(1) This chapter applies only to "special events" as defined in SMC 5.06.030.

The following is based on existing SMC 5.06.025:

(2) This chapter specifically exempts the following:

   (a) parades, athletic events or other special events that are conducted in full by the city of Stanwood;

   (b) funeral procession by a licensed mortuary;

   (c) temporary sales conducted by businesses on site, such as holiday sales, grand opening sales, sidewalk sales, or anniversary sales;

   (d) garage sales, rummage sales, lemonade stands, and car washes outside of the right-of-way;

   (e) lawful picketing/demonstrating in public places protected by the First and Fourteenth Amendments to the United States Constitution.

5.06.030 Definitions

Based on existing SMC 5.06.010.

The following definitions apply to the terms used in this chapter:

"Director" means the director of the Community Development Department, or the director's designee.

"Event organizer" means the person or entity that is sponsoring or organizing a special event.

Existing definition of "special event" used "and/or," which is never recommended. Reworded for clarity. Deleted "uncommon impact on a public place" for vagueness. Replaced "reasonably expected to require the provision of public services" with the language from existing section 5.06.020. Deleted requirement for event to occur on public property, consistent with staff direction to regulate events on private property. Changed threshold from 75 to 50 people. Changed City Administrator to Director.

"Special event" means any temporary or ongoing activity (including, but not limited to, fun runs, roadway foot races, fundraising walks, auctions, bike-a-thons, parades, carnivals, shows, or inhabitations, filming/movie events, circuses, concerts, festivals, block parties, and fairs) conducted on:

(a) Public property or in a public right-of-way that causes the closure or limited use of streets, sidewalks, public parking, parks or other public venues normally accessible by the general public; or

(b) Private property and would have a direct significant impact on traffic congestion or traffic flow to and from the event over public streets or rights-of-way, would significantly impact public streets or rights-of-way near the event, would significantly impact the need for emergency services, or would create a nuisance per SMC Chapter 7.16. It is presumed that an event with an estimated attendance of 50 or more people qualifies as a "special event."

Deleted "The proposed event requires the event organizer to obtain a use permit from two or more city departments."

5.06.040 Permit required.

Based on existing SMC 5.06.020; deleted thresholds for permit requirement that are duplicated in the definition of "special event."

It is unlawful for any person to hold or conduct any special event as defined in 5.06.030 in the city without a permit issued per this chapter.

5.06.050 Permit application.

Based on existing SMC 5.06.030. Fee payment moved from 5 days prior to event to time of application.

(1) An application for a special event permit must:

(a) be made on forms available from the community development department;

(b) be completed and submitted to the Director no later than 60 days prior to the proposed event;

(c) include the application fee.

(2) A waiver of the deadline in subsection (1)(b) may be granted by the director upon a showing of good cause. The director must consider an application that is filed after the filing deadline if there is sufficient time to process and investigate the application and obtain police and other city services for the event. Good cause can be demonstrated by the applicant showing that the circumstances that gave rise to the permit application did not reasonably allow the participants to file within the time prescribed, or that the event is related to the exercise of rights under the First and Fourteenth Amendments of the United States Constitution.

(3) The application must include the following:

(a) Purpose of the special event; name, address and telephone number of the sponsoring organization or individual(s);

(b) Proposed date of event, location and hours of operation, schedule of events, and estimated attendance;

(c) Special facility requirements and city assistance required; and

(d) Sanitation Requirements:

(i) Adequate waste disposal facilities must be identified and information demonstrating how facilities will be obtained must be provided.

(ii) Adequate restroom and washroom facilities must be identified and information demonstrating how facilities will be arranged for or obtained by the applicant, subject to the Snohomish County Health Department's review and certification process, must be provided.

(4) Permits, approvals, or coordination from other public agencies (e.g., Community Transit, Island Transit, Department of Transportation) when required must be submitted prior to the issuance of the permit.

(5) Five days prior to the event, a complete list of concessionaires operating any booths must be submitted.

(6) The city may require other information deemed reasonably necessary to determine that the permit meets the requirements of this chapter.

(7) When an event will be an exercise of rights protected by the First and Fourteenth Amendments to the United States Constitution, the application must be processed promptly, without charging a fee or imposing terms or conditions that infringe upon constitutional freedoms, and in a manner that respects the liberty of applicants and the public.

5.06.060 Application for city contribution.

> ℹ Based on existing SMC 5.06.035.

(1) An application for city contribution towards a special event must:

(a) be made on forms available from the community development department;

(b) be completed and submitted to the community development director ("director") or designee no later than 60 days prior to the proposed event.

(2) The application must include the information required in SMC 5.06.050 and must include cost estimates for any needed city services.

(3) A waiver of application deadline for requests for city contribution may be granted by the Director on the same basis as in SMC 5.06.050(2).

(4) An application for city contribution may be approved by the Director. To approve an application for city contribution, the Director must make all of the following findings:

(a) the event contributes to the marketing of the city;

(b) the event will attract the general public into the downtown or uptown commercial areas and will be conducted in a way that creates potential for additional retail or service business transactions that contribute to the city's tax base;

(c) the event provides recreation benefit to the general public;

(d) the event promotes the general public welfare;

(e) the event is included in the city's adopted budget, although a contribution in excess of the budgeted amount also requires City Council approval.

(5) As part of the city contribution, the City may allow or require, in its sole discretion, the city of Stanwood logo or text indicating the city role on signage, posters, and other advertising materials for the event.

5.06.070 Departmental analysis.

ℹ Existing SMC 5.06.060.

(1) The Director must send copies of special event permit applications to all pertinent city departments for review and determination of services required.

(2) The applicant is required to coordinate with the Stanwood police department and public works department to employ police officers for security and traffic control as determined by the departmental analysis.

(3) The Director must estimate the cost of city services (e.g., police, public works employees, etc.) for a special event prior to the event. As a condition of permit approval, the Director may require a cash deposit for such costs prior to issuance of a special event permit. Additional costs incurred by the city will be evaluated following the completion of the event.

(4) If city sponsorship is requested, the city financial contribution to the event must be determined as part of the departmental analysis. The city may at its discretion provide for the full or partial cost of police and public works services for city-sponsored special events.

5.06.080 Approval—Criteria.

ℹ Based on existing SMC 5.06.040.

(1) After receipt of the comments of affected city departments on the application, permits issued under this chapter may be issued by the Director.

(2) Approval/Denial by Director. A permit may be issued by the Director only if all of the following criteria and conditions for issuance are met:

   (a) Adequate plans for parking exist to meet the need generated by the proposed event;

   (b) The proposed event or proposed use of the street will not intrude onto or over any portion of a public right-of-way open to vehicle or pedestrian travel in such a manner as to create a likelihood of endangering property or public safety;

   (c) The proposed event will not impact, or will reasonably mitigate its impact, on nearby private property, including those impacts related to noise, light, and parking;

   (d) The proposed event will not cause unreasonable impacts to other activities such as events or construction on the date(s) requested;

   (e) The proposed event location has not been unreasonably impacted by the number of other events in a one-year period;

   (f) City personnel and resources are available to assist with the event as deemed necessary by the community development director, chief of police, and the public works director;

   (g) Such other and further conditions as the Director deems necessary to reasonably ensure that the proposed special event does not in any way create a likelihood of endangering public safety, including, but not limited to, those who may participate or be spectators.

(3) The Director must notify the City Council of all special event approvals made by staff.

5.06.090 Approval—Conditions.

ℹ Based on existing SMC 5.06.075.

(1) The Director may condition the issuance of a special event permit by imposing reasonable requirements concerning the time, place and manner of the event, and such requirements as are necessary to protect public safety, to protect the rights of persons and property, to address traffic control, and ensure consistency with SMC 5.06.080(2).

(2) The following conditions apply to all special event permits:

(a) The applicant may not alter the time, place, and manner of the event proposed on the event application;

(b) Conditions concerning the area of assembly and disbanding of an event occurring along the route;

(c) Conditions concerning accommodation of pedestrians or vehicular traffic, including restricting the event to only a portion of the street or right-of-way;

(d) Compliance with any other applicable federal, state, or local laws and regulations.

(3) Conditions on a special event permit that does not involve activities protected by the First and Fourteenth Amendments of the United States Constitution include but are not limited to:

(a) Requirements for the use of traffic cones or barricades;

(b) Requirements for the provision of first aid or sanitary facilities;

(c) Requirements for use of event monitors and providing notice of permit conditions to event participants;

(d) Restrictions on the number and type of vehicles, animals or structures at the event, and the inspections and approval of floats, structures, and decorated vehicles for fire safety;

(e) Compliance with animal protection laws;

(f) Requirements for use of garbage containers, cleanup, and restoration of city property;

(g) Restrictions on the use of amplified sound and compliance with noise laws;

(h) Notice to residents and/or businesses regarding any activity which would require a street closure;

(i) Restrictions on the sale and/or consumption of alcohol;

(j) Elimination of an activity which cannot be mitigated to a point as to ensure public safety and welfare, or which causes undue liability to the city;

ℹ The next line is modified to clarify overtime may be required.

(k) Requirements regarding the use of city personnel and equipment, including any requirement for the event sponsor to pay for staff overtime;

ℹ The next line is based on existing SMC 5.06.033:

(l) Compliance of event signage with Chapter 17.110 SMC, Sign Standards.

ℹ The following subsection was recommended by WCIA.

(4) Prior to the issuance of a permit for a special event not protected under the First and Fourteenth Amendments of the U.S. Constitution, the event sponsor must agree to reimburse the City for any costs

incurred by it in repairing damage to City property. The event sponsor must agree to indemnify, defend and hold the City, its officers, employees, volunteers and agents harmless from all causes of action, claims or liabilities occurring in connection with the permitted event, except those which occur due to the City's sole negligence.

5.06.100 Denial—Criteria.

> i Based on existing SMC 5.06.080.

(1) An application for a special event permit may be denied for any of the following reasons:

(a) The event will disrupt traffic within the city of Stanwood beyond practical solution;

(b) The event will protrude into the public space open to vehicle or pedestrian travel in such a manner as to create a likelihood of endangering the public;

(c) The event will interfere with access to emergency services;

(d) The location or time of the special event will cause undue hardship or excessive noise levels to adjacent businesses or residents;

(e) The event will require the diversion of so many city employees that it would unreasonably affect other city services;

(f) The application contains incomplete or false information;

(g) The applicant fails to provide proof of insurance;

(h) The applicant fails to obtain local, county, state, or federal permits as required;

> i The following subsections were recommended by WCIA.

(i) The applicant fails to complete the application or to supply other required information of documents or the applicant declares or shows an unwillingness or inability to comply with the reasonable terms or conditions contained in the proposed permit;

(j) The proposed event would conflict with another proximate event, interfere with construction or maintenance work in the immediate vicinity, or unreasonably infringe upon the rights of abutting property;

(k) The proposed event would unreasonably disrupt the orderly or safe circulation of traffic and would present an unreasonable risk of injury or damage to the public;

(l) There are not sufficient safety personnel or other necessary City staff to accommodate the event.

(2) In the event paragraph (1)(j), (k), or (l) applies, the City must offer the applicant the opportunity to submit an alternative date or place for the proposed event before denying the application.

5.06.110 Site restoration.

> i Existing SMC 5.06.065.

(1) Cleanup. The permittee is required to clean all permitted public properties and the right-of-way of rubbish and debris, returning it to its pre-event condition. If the permittee fails to clean up such refuse, the cleanup will be arranged by the city and the costs charged to the permittee. The city may in its discretion require a cash cleanup deposit.

(2) Damage to City Property. The city reserves the right to charge the event permittee the replacement cost for any documented damage to city property occurring during a special event. The city may in its discretion require a cash damage deposit.

5.06.120 Insurance required.

> ℹ Existing SMC 5.06.070. Amended per WCIA recommendation.

(1) The applicant for a special event that does not involve the exercise of rights protected by the First and Fourteenth Amendments to the United States Constitution is required to obtain and present evidence of insurance prior to permit issuance.

(2) The City will determine the types and amounts of insurance required based on the risk exposure of the event.

(3) A general liability insurance policy must be consistent with all of the following:

   (a) be written on an occurrence form;

   (b) name the City as an additional insured using an endorsement at least as broad as ISO additional endorsement form CG 20 26;

   (c) be written for a period not less than 24 hours prior to the event and extending for a period not less than 24 hours following the completion of the event, or for the entire period of set up and tear down, whichever is longer.

(4) The applicant must provide the City and all additional insureds for this event with written notice of any policy cancellation within two business days of their receipt of such notice.

(5) In circumstances posing a significantly high risk of liability, the city may, in its discretion, increase the minimum insurance requirements, and in circumstances posing a significantly low risk of liability, the city may in its discretion reduce the minimum insurance requirements.

5.06.130 Revocation of special event permit.

> ℹ Based on existing SMC 5.06.090.

(1) Any special event permit issued pursuant to this chapter may be revoked by the Director if the Director in consultation with the mayor determines that any of the following apply:

   (a) That the special event cannot be conducted without violating the provisions of this chapter or the conditions of the special event permit;

   (b) The special event is being conducted in violation of the provisions of this chapter or any condition of the special event permit;

   (c) The special event poses a threat to the public health or safety;

   (d) Conditions such as severe weather or other circumstances beyond the control of the city or the permittee have created or are likely to create conditions detrimental to the health and safety of the public or the event participants;

   (e) The permittee has failed to obtain any other permit required by the city or pursuant to other local, state or federal law;

   (f) The special event permit was issued in error or contrary to applicable law;

   (g) The permittee has not paid all applicable city fees when due;

(h) The participants in the special event are engaged in illegal activities.

(2) Except as otherwise provided in this section, revocation of a special event permit must be in writing, must describe the reasons for the revocation and must be mailed, electronically transmitted, or hand-delivered to the permittee.

(3) If there is an emergency requiring immediate revocation of a special event permit, the Director may verbally notify the permittee of the revocation and the reasons for the revocation, followed by written notice within 7 days.

5.06.140 Appeal.

> Based on existing SMC 5.06.100

(1) An applicant may appeal any administrative denial or revocation of a special event permit to the city administrator. Any such appeal must:

(a) be in writing;

(b) specify the grounds for the appeal; and

(c) must be submitted to the city clerk within seven calendar days of the issuance of the permit denial or revocation.

(2) An applicant may appeal the city administrator's denial of a special event permit to Snohomish County superior court. Any such appeal must be made within 21 calendar days of the permit denial.

(3) No appeal is available for City denial of an application for city contribution under SMC 5.06.060.

5.06.150 Violation – Penalty.

> Based on existing SMC 5.06.110.

(1) It is unlawful to sponsor, conduct, or operate a special event contrary to this chapter or contrary to the conditions of a special event permit, or for any participant in a special event to violate a condition of the special event permit willfully and knowingly.

(2) Violation of this chapter is a Class 1 civil infraction and may also be enforced pursuant to SMC Title 13.

Chapter 5.08 Merchants without a Fixed Location

> This is a heavy rewrite of existing SMC Chapter 5.08 titled "Peddlers, Vendors and Temporary Merchants" to provide substantive rules for such vendors without the requirement for an additional permit (other than a city business license).
>
> New chapter title to better capture the intended purpose of the regulations.

5.08.010 Purpose

> New material.

The purpose of this chapter is to regulate vendors and other merchants without a fixed location that desire to operate in the City of Stanwood.

5.08.020 Applicability

This section is a new organization of applicability rules from the existing chapter.

(1) This chapter applies to merchants without a fixed location, such as door-to-door salespeople, food trucks or other mobile or vehicle-based vending of merchandise, or temporary concessionaires, whether or not a business license is required by SMC 5.02.

The following subsections are based on the exclusions in existing SMC 5.08.010 definition of "temporary merchant" or "concessionaire."

(2) This chapter does not apply to:

(a) merchants who operate within the City less than 1 day per year;

(b) public officers selling property under authority of law and to persons selling property under court order;

The next line is based on existing SMC 5.08.020(9):

(c) special events, which are regulated by Chapter 5.06 SMC, but may apply to vendors operating at special events;

The following exclusion is based on the exclusions in existing SMC 5.08.010 definition of " Vending of food from a mobile unit."

(d) deliveries of meals on wheels and food basket or hot food delivery, by churches or other not-for-profit charitable organizations, to the elderly, sick or physically challenged;

Next line captures "newspapers," which was excluded from existing definition of peddler, and pizza deliveries, which was excluded from definition of "vending of food from a mobile unit."

(e) deliveries of other services or merchandise arranged at a location not otherwise subject to this chapter, including delivery of newspapers and food pursuant to orders taken at an established place of business.

5.08.030 Definitions.

Based on existing SMC 5.08.010. Deleted "peddler" as duplicative of "temporary merchant." Deleted "solicitor for profit," which was unused. Amended "vending of food from a mobile unit" to be broader than just food.

The following definitions apply to the terms used in this chapter:

“Temporary merchant” or "temporary concessionaire" means any person who sells, or offers for no charge, any goods, wares, merchandise, food or anything of value, from a location other than a permanent building they own or lease, including any person, either as agent or principal, who carries goods, wares, merchandise or food of whatever nature or description from house to house, building to building or upon any street, highway or public place within the city for the purpose of selling such goods, wares or merchandise or solicits orders for the same.

“Permanent building” means a structure constructed on a permanent foundation, and hooked up to city water, sewer, and drainage, that have restrooms and washing areas.

“Solicit” and “solicitation” mean the request, directly or indirectly, for money, credit, property, financial assistance or other thing of value on the plea or representation that such will be used for a charitable purpose as hereafter defined. “Solicit” and “solicitation” includes the following methods of requests, collections, or receipts:

(a) Any oral or written request;

(b) The sale of, offer or attempt to sell any change, coupon, device, tag, emblem, ticket, book, card, magazine, membership, merchandise, subscription, advertising space or other thing in connection with which an appeal is made for a charitable purpose or any statement is made that the whole or any part of the proceeds from such sale will be donated to or will go to a charitable purpose.

“Vendor from a mobile unit” means a business that sells merchandise from a mobile unit traveling city streets for the purpose of selling merchandise.

5.08.040 Business License Required

> ℹ This section supplants the separate license requirement in existing SMC 5.08.020.

(1) A City business license is required for any business to which this chapter applies, unless exempted per SMC Chapter 5.02.

(2) An application for such a business license must include:

> ℹ The following is based on existing SMC 5.08.020(4) and (6):

(a) a brief description of the nature and method of the business, and goods to be sold, or services solicited or provided;

(b) if a vehicle is to be used, a description of the vehicle, the name of the person or company to whom the vehicle is registered, and the vehicle license number or other means of identification, and whether the vehicle is to be used to provide food;

> ℹ Next line based on existing SMC 5.08.070(2).

(c) if a business intends to conduct business for more than one day at any one location, a site plan of the business location and such other plans or drawings as the city may require for approval;

(d) if a business intends to conduct business on private property, other than door-to-door sales, written approval of the property owners.

5.08.050 General Requirements

(1) Businesses to which this chapter applies must comply with the following:

> ℹ Next line based on existing SMC 5.08.070(1). Note difficulty for strict compliance for door-to-door salesmen.

(a) No person may conduct business under this chapter on private property without written permission from the property owner, with the exception of door-to-door sales, which must respect all private "no trespassing" signs.

Next sections are based on existing SMC 5.08.080:

(b) The site of the business operation must be kept clean and orderly at all times and the business must provide a refuse container if their activities generate refuse.

(c) If located on a sidewalk, a minimum usable and unimpaired sidewalk clearance of five feet must be maintained by any street vendor.

(d) If located on a street, the operation must be oriented to the pedestrians on the sidewalk and not the vehicular traffic, if such exposure would interfere with the traffic flow.

(e) If providing food, the operation must be properly licensed by the Snohomish County Health Department and the vehicle must be reviewed and approved by the fire marshal.

(f) The business must comply with all parking requirements as listed in Chapter 17.105 SMC.

(g) The business must comply with all city, county, state and federal regulations regarding food handling.

(h) The business must comply with all applicable requirements of SMC Title 17, Zoning, especially regulations governing signs.

The next line is based on existing SMC 5.08.030(6):

(i) The business must obtain and retain a public liability and property damage insurance in the form and amounts recommended by the city's insurance provider.

The next line is based on existing SMC 5.08.080(3):

(2) The city reserves the right to limit the number of mobile vending sites allowed in any given area.

5.08.060 Additional Requirements for All Mobile Vendors

A vendor from a mobile unit:

(1) may not place advertising on the street or sidewalk (all advertising must be on the mobile unit);

(2) may not use radios or any other sound devices to attract public attention except in accordance with Chapter Title 7;

(3) must provide, for public use, receptacles of adequate size on said unit for the deposit of refuse and recyclables;

(4) must be 200 feet from a similar existing and stationary business;

(5) must manage water, grey water, and black water consistent with applicable regulations.

(6) The city reserves the right to limit the number of mobile vending sites allowed in any given area.

5.08.070 Additional Requirements for Mobile Food Vendors (e.g., Food Trucks)

Added regulations for food trucks based on several other jurisdictions' codes and existing SMC 5.08.040.

(1) A mobile food vendor and a food court for mobile food vendors:

(a) must comply with all requirements of the state and local health departments and the Department of Labor and Industries;

ℹ Next line based on Marysville MC 22C.260.040(1).

(b) are prohibited in residential zones unless approved as part of a special event permit.

ℹ The following subsections are based on Walla Walla Municipal Code 5.04.045:

(2) A mobile food vendor must:

(a) conform to the requirements of the International Building Code regarding accessibility;

(b) not utilize any tents, tarps, or pop-up shelters for food preparation or sales;

(c) direct any site lighting away from adjacent properties and ensure it is shielded and aimed downward;

ℹ The following is based on City of Vancouver's requirements:

(d) may not obstruct pedestrian traffic;

(e) be parked on a paved or gravel surface;

(f) not use ADA parking spaces or diagonal parking spaces unless the parking spaces are closed pursuant to a street use permit;

(g) provide access to a restroom for the vendor's staff;

ℹ The following is based on Marysville MC 22C.260.030:

(h) leave the site clean and vacant each day, including picking up all trash and litter within 100 feet of the mobile food vending unit;

(i) ensure trash receptacles not intended for customer use are screened from public view and securely covered;

(j) install and maintain an adequate grease trap in the mobile food vending unit and properly dispose of grease per Washington State health regulations;

(k) dispose of all wastewater generated by the mobile food vending unit in a proper manner and document disposal.

ℹ The following subsections are based on Walla Walla Municipal Code 5.04.045:

(3) A food court for mobile food vendors must:

(a) Provide seating at the rate of six seats per vendor.

(b) Provide restroom facilities with handwashing facilities either on site or within an adjacent building that is accessible to the mobile vendor food court when the business(es) are in operation. A mobile vendor food court must have at least one restroom. One additional restroom is required for each five vendors in the court.

(c) Direct any site lighting away from adjacent properties and ensure it is shielded and aimed downward.

ℹ The following is based on City of Vancouver's requirements:

(4) Generator use must comply with SMC Chapter 7.30, Noise Control, and may not exceed 70 decibels at 10 feet.

5.08.080 Location Restrictions

The next subsections are based on existing SMC 5.08.080(6-7):

(1) Businesses to which this chapter applies are prohibited in the following locations:

(a) within the SR-532 right-of-way;

(b) parks, unless approved as part of a special event permit or as allowed in SMC Title 17, Zoning;

(c) any other location prohibited by SMC Title 17, Zoning.

Next line is based on existing definition of "temporary merchant."

(2) A temporary merchant may only operate up to 15 days per calendar year from each location, except from a permanent building they own or lease.

5.08.090 Business License—Revocation

Based on existing SMC 5.08.060; this catch-all makes it unnecessary to list the various reasons for revocation in the existing section.

The business license for a business to which this chapter applies may be revoked per SMC 5.02.100 for any failure to comply with the requirements of this chapter.

5.08.100 Responsibilities.

Based on existing SMC 5.08.090.

The issuance of a business license for a business regulated by this chapter does not relieve the licensee from securing any other license(s) required by state, federal, county or city law.

5.08.110 Penalty for violation.

Revision of existing SMC 5.08.100 to civil infraction.

Violation of this chapter is a class 1 civil infraction and may also be enforced pursuant to SMC Title 13.

Chapter 5.12 Taxicabs

Ride-share companies such as Uber and Lyft are now regulated by ESHB 2076 (2022), notably RCW Chapter 46.72B, which preempts local regulation of such “transportation network companies and drivers.”

This revision deletes the requirement for a local taxi license, relying instead on city business licensing and the state’s licensing scheme in RCW Chapter 46.72. A taxicab operator will therefore need to obtain a taxicab license from the state rather than the city.

5.12.010 Purpose

The purpose of this chapter is to clarify applicability of business licenses to taxicabs. It is not the purpose of this chapter to supplant the state licensing requirement in RCW 46.72.020.

5.12.020 Applicability

This chapter applies to taxicabs and other for-hire cars per RCW 81.72, but not transportation network companies and drivers that are regulated by RCW 46.72B.

5.12.030 State and Local Licenses Required.

(1) To operate a taxicab in the City of Stanwood, the following licenses are required:

  (a) a state taxicab license per RCW 46.72.020; and

  (b) a City of Stanwood business license.

(2) To obtain a city business license, a taxicab operator must comply with all of the following:

  (a) all drivers must be at least 21 years of age;

  (b) all drivers must be duly licensed to drive a motor vehicle for hire under the laws of the state of Washington;

  (c) only operate as a taxicab a vehicle in safe condition for use as such;

  (d) fully comply with the requirements of RCW Chapter 46.72.

5.12.040 Business License—Revocation

The business license for a taxicab may be revoked per SMC 5.02.100 for any failure to comply with the requirements of this chapter.

Chapter 5.20 Cable System Regulations

> This chapter is existing SMC Chapter 5.20 with only a few changes to conform the chapter to the style guide.

> Note that local governments are prohibited by federal law from regulating telecommunication services. See, notably, 47 CFR 76.43

5.20.010 Short title.

This chapter constitutes the “cable system regulations” of the city of Stanwood and may be referred to as such.

5.20.020 Definitions.

For the purposes of this chapter, the following words, terms, phrases, and their derivations have the meanings given herein:

“Affiliate,” when used in connection with the franchisee, means any person who owns or controls, is owned or controlled by, or is under common ownership or control with the franchisee.

“Applicant” means any person or entity that applies for an initial franchise.

“Cable Act” means the Cable Communications Policy Act of 1984 as amended by the Cable Television Consumer Protection and Competition Act of 1992 and the Telecommunications Act of 1996, and as any of them may be amended.

"Cable service" means the one-way transmission to subscribers of video programming or other programming service, and subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

"Cable system" means any facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide cable service which includes video programming and which is provided to multiple subscribers within a community, but such term does not include:

(a) a facility that serves only to retransmit the television signals of one or more television broadcast stations;

(b) a facility that serves subscribers without using any public right-of-way;

(c) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the federal Communications Act (47 U.S.C. 201 et seq.), except that such facility shall be considered a cable system (other than for purposes of Section 621(c) (47 U.S.C. 541(c)) to the extent such facility is used in the transmission of video programming directly to subscribers, unless the extent of such use is solely to provide interactive on-demand services;

(d) an open video system that complies with federal statutes; or

(e) any facilities of any electric utility used solely for operating its electric utility system.

"Channel" means a portion of the frequency band capable of carrying a video programming service or combination of video programming services whether by analog or digital signal.

"Franchise" means an agreement that authorizes a person or entity to construct, operate, maintain or reconstruct a cable system. Upon the written acceptance by a franchisee, the agreement constitutes a contract between the city and franchisee.

"Franchisee" means the person, firm, corporation or entity to whom or which a franchise, as hereinabove defined, is granted by the city council under this chapter and the lawful successor, transferee or assignee of said person, firm, corporation or entity.

"Right-of-way" or "rights-of-way" means all of the following which have been dedicated or otherwise conveyed to the public or are hereafter dedicated or conveyed to the public whether in fee or as a right-of-way and maintained under public authority or by others and are located within the city: streets, roadways, highways, avenues, lanes, alleys, bridges, sidewalks, easements and similar public property and areas.

"Subscriber" means any person who or which elects to subscribe to, for any purpose, cable service provided by a franchisee by means of or in connection with the cable system and whose premises are physically wired and lawfully activated to receive cable service from franchisee's cable system.

5.20.030 Franchise grant.

(1) It is unlawful to engage in or commence construction, operation, or maintenance of a cable system in the city without a franchise issued under this chapter.

(2) The city council may, by ordinance, issue a nonexclusive franchise to construct, operate, and maintain a cable system within all or any portion of the city to any person or entity, whether operating under an existing franchise or not, who applies for authority to furnish cable service which complies with the terms and conditions of this chapter; provided that such person or entity also agrees to comply with all of the provisions of the franchise.

(3) This authority may not be deemed to require the grant of a franchise to any particular person or entity.

(4) The city council may restrict the number of franchisees if it determines such a restriction would be in the public interest.

5.20.040 Franchise purposes.

A franchise granted by the city under the provisions of this chapter must:

(1) Permit the franchisee to engage in the business of operating a cable system and providing cable service within the city;

(2) Permit the franchisee to erect, install, construct, repair, rebuild, reconstruct, replace, maintain and retain cable lines, related electronic equipment, supporting structures, appurtenances and other property in connection with the operation of the cable system in, on, over, under, upon, along and across rights-of-way within the city;

(3) Permit the franchisee to maintain and operate said cable system for the origination, reception, transmission, amplification and distribution of cable television signals and for the delivery of cable service; and

(4) Set forth the obligations of the franchisee under the franchise.

5.20.050 Nonexclusive franchise.

Any franchise granted pursuant to this chapter:

(1) is nonexclusive;

(2) must not preclude the city from granting other or future franchises or permits;

(3) must not preclude the city from using any rights-of-way or other public properties and may not affect its jurisdiction over them or any part of them, or limit the full power of the city to make all necessary changes, as the city in its sole discretion decides, including the dedication, establishment, maintenance and improvements of all rights-of-way and thoroughfares and other public properties of any type.

5.20.060 Application.

(1) An applicant for an initial franchise must submit to the city a written application in a format provided by the city, at the time and place specified by the city for accepting applications and accompanied by the designated application fee. An application fee as set by resolution or as set forth in the city's adopted fee schedule must accompany the application to cover costs associated with processing the application, including, without limitation, costs of administrative review, financial, legal, and technical evaluation of the applicant, the costs of consultants, notice and publication requirements, and document preparation expenses. In the event such costs exceed the application fee, the applicant must pay the difference to the city within 30 days following receipt of an itemized statement of such costs. Conversely, if such costs are less than the application fee, the city must refund the difference to the applicant.

(2) Application – Contents. An application for an initial franchise for a cable system must contain, at a minimum:

    (a) A statement as to the proposed franchise and information relating to the characteristics and location of the proposed system;

    (b) A resume of prior history of the applicant, including the expertise of the applicant in the cable system field;

    (c) Information demonstrating the applicant's legal, technical and financial ability to construct and operate the proposed system;

    (d) A list of the partners, general and limited, of the applicant, if a partnership, members, if a limited liability company, or the percentage of stock owned or controlled by each stockholder having a five percent or greater interest, if a corporation;

    (e) A list of officers, directors and key employees of the applicant, together with a description of the background of all such persons;

(f) The names and addresses of any parent entity or subsidiary of the applicant or any other business entity owning or controlling the applicant in whole or in part, or owned or controlled in whole or in part by the applicant;

(g) A proposed construction and service schedule;

(h) Any other reasonable information that the city may request.

(3) The city must be allowed the opportunity to ask relevant follow-up questions and obtain further information from whatever source. A refusal by an applicant to cooperate or provide requested information is sufficient grounds for the city acting through its community development director or designee to deny an application.

(4) Consideration of Initial Franchise.

(a) Upon receipt of an application for an initial franchise and after obtaining any additional information the city in its sole discretion deems appropriate from any source, a public hearing must be scheduled to allow public comment. At the public hearing, the city council may receive public comment regarding the following:

(i) Public Benefit. Whether the public will benefit from granting a franchise to the applicant;

(ii) Qualifications. Whether the applicant appears to have adequate legal, financial, and technical qualifications and capabilities to build, operate and maintain a cable system in the city;

(iii) No Conflicting Interests. Whether the applicant has any conflicting interests, either financial or commercial, that will be contrary to the interests of the city;

(iv) Compliance with the Franchise and Local Laws. Whether the applicant will comply with all of the terms and conditions placed upon a franchisee by the franchise, this chapter, and other applicable local laws and regulations;

(v) Compliance with Other Requirements. Whether the applicant will comply with all relevant federal and state laws and regulations pertaining to the construction, operation, and maintenance of the cable system.

Existing code provides a 60-day timeline after close of the public hearing, but federal law limits the city to 90 or 180 days (depending on circumstances) from date of application for competitive franchise applications. See 47 CFR 76.41.

(5) Within the time frame specified by 47 CFR 76.41, the city council must decide whether to grant a franchise and on what conditions. The city council's decision must be based upon the application, any additional information submitted by the applicant or obtained by the city from any source, and public comments. The city council may grant one or more franchises, or may decline to grant any franchise. Any final action must be taken in accordance with the requirements of RCW 35A.47.040.

(6) The means, methods and processes for franchise renewal or franchise transfer must be set out in the franchise agreement subject to any applicable requirements of federal or state law.

5.20.070 Pole or conduit agreements – Regulatory permits – Right-of-way permits.

No franchise relieves the franchisee of any of its obligations to obtain:

(1) pole or conduit agreements from any department of the city, any utility company, or from others maintaining facilities in the rights-of-way;

(2) building or similar regulatory permits or approvals;

(3) a right-of-way permit for construction within rights-of-way where applicable.

5.20.080 Other authorizations – Franchise.

Franchisee must comply with and obtain, at its own expense, all permits, licenses, and other authorizations required by federal, state, and local laws, rules, regulations and applicable resolutions and ordinances which are now existing or hereafter lawfully adopted. The provisions of this chapter do not limit or restrict the terms, conditions, or provisions the city may require in a franchise.

5.20.090 Rules and regulations of the city.

In addition to the inherent powers of the city to regulate and control any franchise it issues, the authority granted to it by the Cable Act, and those powers expressly reserved by the city, or agreed to and provided for in a franchise, the right and power is reserved by the city to promulgate such additional rules and regulations as it may find necessary in the exercise of its lawful powers and in furtherance of the terms and conditions of a franchise and this chapter, and as permitted by applicable state and federal law.

5.20.100 Applicability.

The provisions of this chapter apply to all franchisees and cable systems to the greatest extent permissible under applicable law.

Chapter 5.32 Sexually Oriented Businesses

- This chapter is existing SMC Chapter 5.32 without modification except for cross-references (where noted).
- This chapter contains a mix of zoning/development rules and non-development rules. Ideally, development code should all be contained within the proposed new unified development code title, which also could apply within the UGA, and non-development regulatory measures should be located here in Title 5 (and cannot be applied outside the city limits). Because the new unified development code title will be one of the last titles that the City adopts as part of this project, we propose only changes to correct cross-references in this chapter at this time, and queue the remainder of the chapter for a full rewrite concomitant with the unified development code, which would retain the substantive regulations in Title 5, but move the zoning overlay to Title 17.
- Existing SMC 5.32.270 regarding the duration of time of a suspension or a license, cross-referencing to 13.01.030(8), is deleted as unnecessary.

5.32.010 Purpose and intent.

It is the purpose of this chapter to regulate sexually oriented businesses and related activities to promote health, safety, morals, and general welfare of the citizens of the city of Stanwood, and to establish reasonable and uniform regulations to prevent the deleterious location of sexually oriented businesses within the city. The provisions of this chapter have neither the purpose nor effect of imposing a limitation or restriction on the content of any communicative materials, including sexually oriented materials. Similarly, it is not the intent nor effect of this chapter to restrict or deny access by adults to sexually oriented materials protected by the State or Federal Constitutions, or to deny access by the distributors and exhibitors of sexually oriented entertainment to their intended market. Neither is it the intent nor effect of this chapter to condone or legitimize the distribution of obscene materials.

5.32.020 Definitions.

For the purposes of this chapter certain terms and words are defined as follows:

(1) “Sexually oriented businesses” mean those businesses defined as follows:

(a) “Adult arcade” means an establishment where, for any form of consideration, one or more still or motion picture projectors, slide projectors, or similar machines, or other image producing machines, for viewing by five or fewer persons each, are used to show films, motion pictures, video cassettes, slides, or other photographic or computer generated reproductions which are characterized by the depiction or description of “specified sexual activities” or “specified anatomical areas.”

(b) “Adult bookstore”, “adult novelty store”, or “adult video store” means a commercial establishment which has as a significant or substantial portion of its stock-in-trade or a significant or substantial portion of its revenues or devotes a significant or substantial portion of its interior business or advertising to the sale or rental for any form of consideration, of any one or more of the following:

(i) Books, magazines, periodicals or other printed matter, or photographs, films, motion pictures, video cassettes, slides, or other visual representations which are characterized by the depiction or description of “specified sexual activities” or “specified anatomical areas”; or

(ii) An establishment may have other principal business purposes that do not involve the offering for sale or rental of materials depicting or describing “specified sexual activities” or “specified anatomical areas”, and still be categorized as adult bookstore, adult novelty store, or adult video store. Such other business purposes will not serve to exempt such establishments from being categorized as an adult bookstore, adult novelty store, or adult video store so long as one of its principal business purposes is offering for sale or rental, for some form of consideration, the specified materials which depict or describe “specified anatomical areas” or “specified sexual activities;

(iii) Video stores that sell and/or rent only video tapes or other photographic or computer generated reproductions, and associated equipment shall come within this definition if 20 percent or more of its stock-in-trade or revenues comes from the rental or sale of video tapes or other photographic reproductions or associated equipment which are characterized by the depiction or description of specified sexual activities or specified anatomical areas.

(c) “Adult cabaret” means a nightclub, bar, restaurant, or similar commercial establishment, whether or not alcoholic beverages are served, which features: i) persons who appear nude or semi-nude; ii) live performances which are characterized by the exposure of “specified anatomical areas” or by “specified sexual activities”; or iii) films, motion pictures, video cassettes, slides, or other photographic reproductions which are characterized by the depiction or description of “specified sexual activities” or “specified anatomical areas.”

(d) “Adult motel” means a hotel, motel, or similar commercial establishment which has the primary function of:

(i) Offering accommodation to the public for any form of consideration and provides patrons with closed-circuit television transmissions, films, motion pictures, video cassettes, slides, or other photographic reproductions which are characterized by the depiction or description of “specified sexual activities” or “specified anatomical areas”; and has a sign visible from the public right-of-way which advertises the availability of this adult type of photographic reproductions; and

(ii) Offering a sleeping room for rent for a period of time that is less than 20 hours; or

(iii) Allowing a tenant or occupant of a sleeping room to sub-rent the room for a period of time that is less than 20 hours.

(e) “Adult motion picture theater” means a commercial establishment where films, motion pictures, video cassettes, slides, or similar photographic reproductions characterized by the depiction or description of “specified anatomical areas” or “specified sexual activities” are regularly shown for any form of consideration.

(f) “Adult theater” means a theater, concert hall, auditorium, or similar commercial establishment which, for any form of consideration, regularly features persons who appear nude or semi-nude, or live performances which are characterized by the exposure of “specified anatomical areas” or “specified sexual activities.”

(g) “Escort agency” means a person or business association who furnishes, offers to furnish, or advertises to furnish escorts as one of its primary business purposes for a fee, tip, or other consideration.

(h) “Nude or semi-nude model studio” mean any place where a person, who appears nude or semi-nude or displays “specified anatomical areas”, is provided for money or any form of consideration to be observed, sketched, drawn, painted, sculptured, photographed, or similarly depicted by other persons.

(i) “City” means the city of Stanwood, Washington.

(j) “Clerk” means the city clerk, or designee.

(k) “Employee” means any and all persons, including managers, entertainers, and independent contractors who work in or at or render any services directly related to the operation of any business offering adult entertainment, adult theater, or adult use establishments, whether or not such person is paid compensation by the operator of said business.

(l) “Entertainer” means any person who provides sexually oriented entertainment in an adult cabaret whether or not an employee of the operator and whether or not a fee is charged or accepted for such entertainment.

(m) “Manager” means any person who manages, directs, administers, or is in charge of, the affairs and/or the conduct of an adult cabaret.

(n) “Escort” means a person who, for consideration, agrees or offers to act as a companion, guide, or date for another person, or who agrees or offers to privately model lingerie or to privately perform a striptease for another person.

(o) “Establishment” means and includes any of the following:

(i) The opening or commencement of any sexually oriented business as a new business; or

(ii) The conversion of an existing business, whether or not a sexually oriented businesses, to any sexually oriented businesses defined herein;

(iii) The addition of any of the sexually oriented businesses defined herein to any other existing sexually oriented business; or

(iv) The relocation of any such sexually oriented business.

(p) “Nude or state of nudity” means the appearance of human bare buttock, anus, male genitals, female genitals, or the areola or nipple of the female breast.

(q) “Operator” means and includes the owner, permit holder, custodian, manager, operator, or person in charge of any permitted or licensed premises.

(r) “Permitted and/or licensed premises” means any premises that requires a license and/or permit and that is classified as a sexually oriented business.

(s) “Permittee and/or licensee” shall mean a person in whose name a permit and/or license to operate a sexually oriented business has been issued, as well as the individual listed as an applicant on the application for a permit and/or license.

(t) “Person” means any individual, firm, joint venture, copartnership, association, social club, fraternal organization, corporation, estate, trust, business trust, receiver or any other group or combination acting as a unit.

(u) “Semi-nude” means a state of dress in which clothing covers no more than the genitals, pubic region, and areolae of the female breast, as well as portions of the body covered by supporting straps or devices.

(v) “Sexually oriented business” means an adult arcade, adult bookstore, adult novelty store, adult video store, adult cabaret, adult motion picture theater, adult theater, sexual encounter establishment, semi-nude model studio, escort agency, or adult motel.

(w) “Specified anatomical areas” mean and include any of the following:

(i) Less than completely and opaquely covered human genitals, pubic region, buttocks, anus, or female breasts below a point immediately above the top of areolae; or

(ii) Human male genitals in a discernibly turgid state, even if completely and opaquely covered.

(x) “Specified criminal acts” mean any conviction or acts which are sexual crimes against children, sexual abuse, rape or crimes connected with another sexually oriented business, including but not limited to, distribution of obscenity or material harmful to minors, prostitution or pandering.

(y) “Specified sexual activities” mean and include any of the following:

(i) The fondling or other intentional touching of human genitals, pubic region, buttocks, anus, or female breasts; or

(ii) Sex acts, normal or perverted, actual or simulated, including intercourse, oral copulation, or sodomy; or

(iii) Masturbation, actual or simulated; or

(iv) Human genitals in a state of sexual stimulation, arousal or tumescence; or

(v) Excretory functions as part of or in connection with any of the activities set forth in subsections (y)(i) through (iv) of this section.

(z) “Sexually oriented entertainment” means a live performance at an adult cabaret which is characterized by the performer’s exposure of “specified anatomical areas.”

(aa) “Transfer of ownership or control of a sexually oriented business” means and includes any of the following:

(i) The sale, lease or sublease of the business; or

(ii) The transfer of securities which constitute a controlling interest in the business, whether by sale, exchange, or similar means; or

(iii) The establishment of a trust, gift or other similar legal devise which transfers the ownership or control of the business, except for transfer by bequest or other operation of law upon the death of a person possessing the ownership or control.

(bb) “Youth-oriented business or activity” means a business utilizing a permanent building or facility where children under the age of 18 years are invited onto the business premises in conjunction with such business activity and at least 50 percent of the business revenue is generated from their patronage.

5.32.030 Sexually oriented business overlay zone created.

There is hereby created a sexually oriented business overlay zone within such geographical areas of the city as are identified on the official city zoning map of the city. The boundaries of such sexually oriented business overlay zone are further identified and depicted on Exhibit A1, attached to the ordinance codified in this chapter and by this reference incorporated herein. Sexually oriented businesses as defined herein may only locate within the sexually oriented businesses overlay zone above described; provided, however, even within such zone a sexually oriented business shall not locate within a distance of 100 feet of an existing youth-oriented business or activity; within 100 feet of any residential zone or any single or multiple family use; within 100 feet of any public park; within 100 feet of any church or other religious facilities or institution including public or private schools. Such distance shall be measured in a straight line from the nearest property line of the existing youth-oriented business to the nearest property line of the site upon which the proposed sexually oriented business proposes to locate.

1 Code reviser’s note: Exhibit A is on file in the clerk’s office.

5.32.040 Prohibition.

For the reasons stated in the recitals and SMC 5.32.010, a person shall not use any property or premises for a sexually oriented business within the city of Stanwood except within the sexually oriented business overlay zone established by this chapter, and then only subject to all regulations and conditions enumerated herein.

5.32.050 Regulated uses.

The following sexually oriented businesses are subject to the provisions of SMC 5.32.030 and all other regulations contained in this chapter:

(1) Adult arcade;

(2) Adult bookstore, adult novelty store, or adult video store;

(3) Adult cabaret;

(4) Adult motion picture;

(5) Adult theater;

(6) Nude/semi-nude model studio;

(7) Escort agency;

(8) Adult motel/hotel.

5.32.060 Sexually oriented business permit required.

(1) No sexually oriented business shall be permitted to operate without a valid sexually oriented business permit, issued by the city for the particular type of business. It shall be unlawful and a person commits a misdemeanor if he/she operates or causes to be operated a sexually oriented business without said permit.

(2) The city clerk or his/her designee is responsible for granting, denying, revoking, renewing, suspending, and canceling sexually oriented business permits and licenses. The planning director or his/her designee are responsible for ascertaining whether a proposed sexually oriented business for which a permit and/or license is being applied for complies with all requirements enumerated herein and all other applicable zoning laws and/or regulations now in effect or as amended or enacted subsequent to the effective date of the ordinance codified in this chapter.

(3) An application for a sexually oriented business permit shall be made on a form provided by the city. Any person desiring to operate a sexually oriented business shall file with the city clerk an original and two copies of a sworn permit application on the application form supplied by the city.

(4) The completed application shall contain the following information and shall be accompanied by the following documents:

(a) If the applicant is:

(i) An individual, he/she shall state their legal name and any aliases or previous married names and submit satisfactory proof that he/she is at least 18 years of age;

(ii) A partnership, the partnership shall state its complete name, and the names of all partners, and include their dates of birth, and partnership agreement, if applicable;

(iii) A corporation, the corporation shall state its complete name, the date of its incorporation, evidence that the corporation is in good standing under the laws of Washington, the names and capacity of all officers, directors and shareholders, the name of the registered corporate agent, and the address of the registered office for service of process;

(iv) As a part of the application process, every officer, director, or shareholder, as defined above, shall provide the city clerk with an affidavit attesting to their identity and relationship to the corporation.

(b) Whether the applicant or any other individuals listed pursuant to subsections (4)(a)(ii) and (iii) above within a two-year period immediately preceding the date of the application has been convicted of a specified criminal act and, if so, the specified criminal act involved, the date of conviction, and the place of conviction.

(c) Whether the applicant or any of the other individuals listed pursuant to this chapter has had a previous permit or license under this chapter or other similar ordinances from another city or county denied, suspended, or revoked, including the name and location of the sexually oriented business for which the permit or license was denied, suspended, or revoked, as well as the date of the denial, suspension, or revocation.

(d) Whether the applicant or any other individual listed pursuant to this chapter holds any other permits and/or licenses under this chapter, et seq., or other similar sexually oriented business ordinance from another city or county and, if so, the names and locations of such other permitted businesses.

(e) The single classification of permit for which the applicant is filing.

(f) The location of the proposed sexually oriented business, including a legal description of the property, street address, and telephone number(s), if any.

(g) The applicant's mailing address and residential address.

(h) Two two-inch by two-inch black and white photographs of the applicant(s), including all shareholders/partners, taken within six months of the date of the application, showing only the full face of the applicant(s). The photographs shall be provided at the applicant's expense. The license, when issued, shall have affixed to it one such photograph of the applicant.

(i) The applicant(s) including all shareholders/partners, shall provide driver's license number, social security number, and or his/her state or federally issued tax identification number.

(j) Each application shall be accompanied by a complete set of fingerprints of each person required to be included in the application, including all shareholders/partners as defined above, utilizing fingerprint forms as prescribed by the chief of police. Application shall be made for annual permit before January 1st of each year.

(k) In the case of an adult cabaret, a sketch or diagram showing the configuration of the premises, including a statement of total floor space occupied by the business. The sketch or diagram need not be professionally prepared, but it must be drawn to a designated scale or drawn with marked dimensions of the interior of the premises to an accuracy of plus or minus six inches.

(l) Applicants for a permit and/or license under this chapter shall have a continuing duty to promptly supplement application information required in the event that said information changes in any way from what is stated on the application. The failure to comply with said continuing duty within 30 days from the date of such change by supplementing the application on file with the city clerk or his/her designee, shall be grounds for suspension of a permit and/or license.

(m) In the event the city clerk or his/her designee determines or learns at any time that the applicant has improperly completed the application for a proposed sexually oriented business permit or license, he/she shall promptly notify the applicant of such fact and allow the applicant 10 days to properly complete the application. (The time period for granting or denying a permit shall be stayed during the period in which the applicant is allowed an opportunity to properly complete the application.)

(n) The applicant must be qualified according to the provisions of this chapter, must have a current city business license, and the premises must be inspected and found to be in compliance with health, fire, and building codes of the city.

(o) The applicant shall be required to pay a nonrefundable application fee as listed in SMC 3.30.110 at the time of filing an application under this chapter. Note: this is a processing fee. License fees shall also be required in the event the application is approved.

(p) The fact that a person possesses other types of state or city permits and/or licenses does not exempt him/her from the requirement of obtaining a sexually oriented business permit.

(q) The application form for licenses and permits issued under this chapter shall contain a provision providing that under penalty of perjury the applicant verifies that the information contained therein is true to the best of their knowledge.

5.32.070 Investigation and application.

(1) Upon receipt of an application properly filed with the city clerk and upon payment of the nonrefundable application fee, the city clerk or his/her designee shall immediately stamp the application as received and shall immediately thereafter send photocopies of the application to other city departments or other agencies responsible for enforcement of health, fire, and building codes and laws. Each department or agency shall promptly conduct an investigation of the applicant’s application and the proposed sexually oriented business. Said investigation shall be completed within 60 working days of receipt of the application by the city clerk or his/her designee. At the conclusion of its investigation, each department or agency shall indicate on the photocopy of the application its recommendation as to approval or disapproval of the application, date it, sign it, and in the event it recommends disapproval, state the specific reasons therefor citing applicable laws or regulations.

(2) A department or agency shall recommend disapproval of an application if it finds that the proposed sexually oriented business will be in violation of any provision of any statute, code, ordinance, regulation or other law in effect in the city. After its indication of approval or disapproval, each department or agency shall immediately return the photocopy of the application to the city clerk or his/her designee.

5.32.080 Issuance of permit.

(1) The city clerk or his/her designee shall grant or deny an application for a permit within 60 days from the date of its proper filing. Upon the expiration of the sixtieth day, unless the applicant requests and is granted a reasonable extension of time, the applicant shall be permitted to begin operating the business for which the permit is sought, unless and until the city or its designee notifies the applicant of a denial of the application and states the reason(s) for that denial.

(2) Grant of Application for Permit.

(a) The city clerk or his/her designee shall grant the application unless one or more of the criteria set forth in subsection (2)(C) below (Denial of Application for Permit) is present.

(b) The permit, if granted, shall state on its face the name of the person or persons to whom it is granted, the expiration date, and the address of the sexually oriented business. The permit shall be posted in a conspicuous place at or near the entrance to the sexually oriented business so that it can be easily read at any time.

(c) Denial of Application for Permit. The city clerk or his/her designee shall deny the application for any of the following reasons:

(i) An applicant is under 18 years of age.

(ii) An applicant is overdue on his/her payment to the city of taxes, fees, fines, or penalties assessed against him/her or imposed upon him/her in relation to a sexually oriented business.

(iii) An applicant has failed to provide information required by this chapter or permit application for the issuance of the permit or has falsely answered a question or request for information on the application form.

(iv) The applicant has failed to comply with any provision or requirement of this chapter.

5.32.090 Licenses required for sexually oriented business – Fees.

ℹ Updated to reference the City's consolidated fee schedule.

(1) No sexually oriented business shall be operated or maintained in the city of Stanwood unless the owner or operator has obtained a sexually oriented business permit as set forth above, and the applicable licenses from the city clerk. For adult cabarets the required license shall be the adult cabaret license set forth in subsection (2) below. It is unlawful for any entertainer, employee, or operator to knowingly work in or about or knowingly perform any service directly related to the operation of an unlicensed adult cabaret business.

(2) The annual fee for an adult cabaret business license shall be as noted in the City's consolidated fee schedule. This amount shall be used for the cost of administration of this chapter.

(3) The annual license fee for all other sexually oriented businesses described in SMC 5.32.050 shall be as noted in the City's consolidated fee schedule. This amount shall be used for the cost of administration of this chapter.

(4) The above referenced licenses expires annually on December 31st and must be renewed by January 1st.

(5) In cases where the license becomes effective on a date other than January 1st, the license fee shall be prorated on a quarterly basis. The cost thereof shall be computed by prorating the annual fee on a quarterly basis rounded back to the beginning of the quarter in which the license is to be issued.

(6) The applicant must be 18 years of age or older.

5.32.100 License for managers and entertainers of adult cabarets required – Fee.

(1) No person shall work as a manager or entertainer at an adult cabaret without having first obtained an entertainer’s or manager’s license from the city clerk. Each such applicant shall not be required to obtain a sexually oriented business permit, but shall complete an application containing the information identified in SMC 5.32.060(4) and the same procedures shall be followed as set forth in SMC 5.32.070 and 5.32.080. A nonrefundable processing fee as noted in the City's consolidated fee schedule shall accompany the application.

(2) The annual fee for such a license shall be as noted in SMC 3.30.110. This amount shall be used for the cost of administration of this chapter.

(3) This license expires annually on December 31st and must be renewed by January 1st.

(4) In cases where the license becomes effective on a date other than January 1st, the license fee shall be prorated on a quarterly basis. The cost thereof shall be computed by prorating the annual fee on a quarterly basis rounded back to the beginning of the quarter in which the license is to be issued.

(5) The applicant must be 18 years of age or older.

5.32.110 Licenses for models and escorts.

No person shall work as a model at a nude or semi-nude model studio or as an escort as defined herein without having first obtained a model or escort license from the city clerk.

(1) Each such applicant shall not be required to obtain a sexually oriented business permit, but shall complete an application containing the information identified in SMC 5.32.060(4) and the same procedures shall be followed as set forth in SMC 5.32.070 and 5.32.080. A nonrefundable processing fee as noted in the City's consolidated fee schedule shall accompany the application.

(2) The annual fee for such a license shall be as noted in the City's consolidated fee schedule. This amount shall be used for the cost of administration of this chapter.

(3) This license expires annually on December 31st and must be renewed by January 1st.

(4) In cases where the license becomes effective on a date other than January 1st, the license fee shall be prorated on a quarterly basis. The cost thereof shall be computed by prorating the annual fee on a quarterly basis rounded back to the beginning of the quarter in which the license is to be issued.

(5) The applicant must be 18 years of age or older.

5.32.120 Due date for license fees.

All licenses required by this chapter must be issued and the applicable fees paid to the city clerk at least 14 calendar days before commencing work at a sexually oriented business. The sexually oriented business permit required by SMC 5.32.060 must only be renewed based on changed circumstances as set forth in SMC 5.32.060(4)(l).

5.32.130 Manager on premises.

(1) A licensed manager shall be on duty at an adult cabaret business premises at all times.

(2) The licensed manager on duty shall not be an entertainer.

(3) It shall be the responsibility of the manager to verify that any entertainer who works or appears within the premises possesses a current and valid entertainer's license posted in the manner required by this chapter.

5.32.140 License nontransferable.

No license or permit issued pursuant to this chapter shall be transferable.

5.32.150 License – Posting and display.

(1) Every entertainer shall post his or her license in his or her work area so that it is readily available for public inspection.

(2) Every person, corporation, partnership, or association licensed under this chapter shall display its license in a prominent place within the establishment. In the case of adult cabarets, the name of the manager on duty shall be prominently posted during business hours.

5.32.160 Specifications – Adult cabarets.

(1) Separation of Sexually Oriented Adult Entertainment Performance Area. The portion of the adult cabaret premises in which sexually oriented adult entertainment is performed shall be a stage or platform that is separated from all patron seating areas in the following ways:

(a) Be at least 24 inches in elevation above; and

(b) Be separated by a distance of at least 10 feet; and

(c) Have a continuous railing at least three feet in height, extending from the floor, and located at least 10 feet from all points of the sexually oriented adult entertainment performance area.

(2) Lighting. Sufficient lighting shall be provided and equally distributed in and about the parts of the premises which are open to and used by patrons so that all objects are plainly visible at all times, and so that on any part of the premises which are open to and used by patrons a program, menu, or list printed in eight point type will be readable.

(3) Submittal of Plans. Building plans showing conformance with the requirements of this chapter shall be included with any application for an adult cabaret business license.

5.32.170 Standards of conduct and operation applicable to adult cabarets.

(1) Standards for Patrons, Employees and Entertainers. The following standards of conduct must be adhered to by patrons, entertainers and/or employees of adult cabarets at all times:

(a) No employee or entertainer shall appear nude or semi-nude on any part of the premises open to view of members of the public, except on or in the entertainment performance area described in SMC 5.32.160(1).

(b) No patron or customer shall go into or upon the adult entertainment performance area described in SMC 5.32.160(1) while sexually oriented entertainment is being performed.

(c) No member of the public or employee or entertainer shall allow, encourage, or knowingly permit any person upon the premises to touch, caress, or fondle the breasts, buttocks, anus, pubic area, or genitals of any other person.

(d) No member of the public or employee or entertainer shall allow, encourage, or permit physical contact between an employee or entertainer and any member of the public, which contact is intended to arouse or excite sexual desires.

(e) No employee or entertainer shall perform acts of or acts which simulate:

(i) Sexual intercourse, masturbation, bestiality, sodomy, oral copulation, flagellation, or any sexual acts which are prohibited by law; or

(ii) The touching, caressing, or fondling of the breasts, buttocks, pubic area, or genitals.

(f) No employee or entertainer shall use artificial devices or inanimate objects to depict any of the prohibited activities described in this subsection.

(g) No entertainer of an adult cabaret shall be visible from any public place outside the premises during the actual or apparent hours of his or her employment or performance on the premises.

(h) No entertainer employed or otherwise working at an adult cabaret shall solicit, demand, accept, or receive any gratuity or other payment from a patron, customer, or member of the public.

(i) No customer or patron of an adult cabaret shall give or otherwise provide an entertainer with a gratuity or other payment.

(j) Signs in lettering at least three-quarters inch high shall be conspicuously displayed in the public area of the establishment stating the following:

THIS ADULT CABARET IS REGULATED BY THE CITY OF STANWOOD. ENTERTAINERS ARE:

(i) Not permitted to engage in any type of sexual conduct;

(ii) Not permitted to appear nude or semi-nude, except on stage;

(iii) Not permitted to dance or model where patrons are congregated;

(iv) Not permitted to solicit, demand, accept, or receive any gratuity or other payment from a patron.

(2) Standards for Owner or Operator of Adult Cabarets. At any adult cabaret where live performances which are characterized by the exposure of "specified anatomical areas" or by "specified sexual activities" are provided the following are required:

(a) Admission must be restricted to persons of the age of 18 years or more; and

(b) Sufficient lighting shall be provided and equally distributed in and about the parts of the premises which are open to and used by patrons so that all objects are plainly visible at all times, and so that on any part of the premises which are open to and used by patrons a program, menu, or list printed in eight point type will be readable.

5.32.180 Regulations applicable to adult arcades.

All adult bookstores, adult novelty stores, or adult video stores having facilities for customer's viewing of depictions of human nudity and/or sexual conduct of any nature, including depictions of specified sexual activities, shall comply with the following regulations:

(1) The viewing areas within the sexually oriented viewing booth premises shall be visible from a continuous main aisle and shall not be obscured by any curtain, door, wall or other enclosure. As used in this chapter "viewing area" means the area where a patron or customer would ordinarily be positioned while watching a film, video or other viewing device.

(2) The licensee shall not permit any doors to public areas on the premises to be locked during business hours in compliance with the applicable provision of the city of Stanwood Building Code, Uniform Fire Code, and National Fire Protection Association Code.

(3) A sexually oriented adult viewing booth operator must, at all times when the premises are open or when any member of the public is permitted to enter and remain there, maintain sufficient lighting to provide equally distributed illumination about all parts of the premises which are open to and used by patrons so that objects are plainly visible at all times, and so that on any part of the premises which are open to and used by patrons a program, menu, or list printed in eight point type will be readable.

(4) The licensee shall not permit more than one person to occupy a sexually oriented adult arcade station or viewing booth at any time and public notices to this effect shall at all times be conspicuously posted and maintained on the sexually oriented adult arcade premises.

(5) There must be at least one employee on duty and situated in the public room adjacent to the sexually oriented adult arcade stations or viewing booths at all times that any patron, member, or customer is present inside the premises.

(6) There must be permanently posted and maintained in at least two conspicuous locations on the interior of every sexually oriented adult arcade premises a sign stating substantially the following:

Occupancy of any station or viewing booth is at all times limited to one person. There may be no acts of lewd or obscene conduct in the stations or viewing booths or on the premises. Violators are subject to criminal prosecution.

Each sign must be conspicuously posted and not screened from the patron's view. The letters must be on a contrasting background and shall be no smaller than three-quarters inch in height.

(7) The premises must be equipped with overhead lighting fixtures of sufficient intensity to maintain sufficient lighting that provides equally distributed illumination about all parts of the premises which are open to and used by patrons so that objects are plainly visible at all times, and so that on any part of the premises which are open to and used by patrons a program, menu, or list printed in eight point type can be read.

(8) Doors to areas on the premises which are available for use by persons other than the owner, manager, operator or their agents or employees may not be locked during business hours.

(9) The unobstructed view into the sexually oriented adult arcade viewing booths or stations from the adjacent public room by direct line of sight must remain unobstructed by any doors, walls, merchandise, display racks or other materials at all times.

(10) No patron, member, or customer is permitted access to any area of the premises which has been designated as an area in which patrons, members or customers will not be permitted.

(11) No sexually oriented adult arcade viewing booth or station may be occupied by more than one person at any time.

(12) There may be no acts of lewd or obscene conduct in the sexually oriented adult arcade stations or viewing booths or on the premises.

(13) No person may operate or maintain any warning system or device, of any nature or kind, for the purpose of warning or aiding and abetting the warning of patrons, members, customers or any other persons occupying sexually oriented adult arcade stations or viewing booths located on the premises that police officers or city health, fire, licensing or building inspectors are approaching or have entered the premises.

(14) No person under the age of 18 years of age may be on or within a sexually oriented adult arcade booth premises whether as a patron, member, customer, agent, employee or independent contractor.

(15) Premises. Restrooms may not contain video reproduction equipment.

(16) Steps Risers. No steps or risers are allowed in any sexually oriented adult arcade viewing booth or station.

(17) Seating. No sexually oriented adult arcade station or viewing booth shall have more than one stool type seat. In order to prevent obscuring the occupant of a sexually oriented adult arcade station or viewing booth from view, no stool for seating within a sexually oriented adult arcade station or viewing booth shall have any seatback or sides. The seat cannot be positioned behind the doorway so that the occupant sits with his or her back to the door.

(18) Ventilation and Other Holes. All ventilation devices between the sexually oriented adult arcade viewing booths must be covered by a permanently affixed ventilation cover. Ventilation holes may only be located one foot from the top of the viewing booth walls or one foot from the bottom of the viewing booth walls. There may not be any other holes or openings between the viewing booths.

5.32.190 Regulations applicable to video stores not qualifying as sexually oriented businesses.

Video stores that sell or otherwise distribute films, motion pictures, video cassettes, slides, or other visual representations which are characterized by the depiction or description of specified sexual activities or specified anatomical areas, and less than 20 percent of their stock-in-trade or revenues comes from the rental or sale of such items shall be subject to the following regulations:

(1) All such items as are described above shall be physically segregated and closed off from other portions of the store such that these items are not visible and/or accessible from other portions of the store.

(2) No advertising for such items shall be posted or otherwise visible, except where such items are authorized for display.

(3) Signs readable at a distance of 20 feet shall be posted at the entrance to the area where such items are displayed stating that persons under the age of 18 are not allowed access to the area where such items are displayed.

(4) The manager or attendant shall take reasonable steps to monitor the area where such items are displayed to insure that persons under 18 years of age do not access the age-restricted area.

(5) Rental or sale of obscene material (as defined by state law) or material harmful to minors (as defined by state law) to persons under 18 years of age is prohibited.

(6) Employees of such video stores shall check identification of persons appearing to be 18 or under to insure that such items are not rented or sold to persons under the age of 18.

5.32.200 Exemptions.

It is a defense to prosecution under this chapter that a person appearing in a state of nudity or semi-nudity did so in a modeling class operated by:

(1) A proprietary school, licensed by the state of Washington; a college, junior college, or university supported entirely or partly by taxation;

(2) A private college or university which maintains and operates educational programs in which credits are transferable to a college, junior college, or university supported entirely or partly by taxation; or

(3) The modeling of clothing or lingerie in a full-service restaurant where no consideration is charged, whether directly or indirectly, and specified anatomical areas are not exposed by the model.

5.32.210 License – Name of business and place of business.

No person granted a permit and/or license pursuant to this chapter shall operate a sexually oriented business under a name not specified in his/her license, nor shall he/she conduct business under any designation or at a location not specified in his/her permit and/or license.

5.32.220 Inspections.

(1) All books and records required to be kept pursuant to this chapter shall be open to inspection by the police chief of the city of Stanwood during the hours when the licensed premises is open for business upon two days' written notice to the licensee. The purpose of such inspection shall be to determine if the books and records meet the requirements of this chapter.

(2) The licensed premises shall be (as an implied condition of receiving a sexually oriented business permit and/or license) open to inspection by the police chief during the hours when the sexually oriented business premises is open for business. The purpose of such inspection shall be to determine if the licensed premises is operated in accordance with the requirements of this chapter. It is hereby expressly declared that unannounced inspections are necessary to insure compliance with this chapter.

5.32.230 Hours of operation.

It is unlawful for any sexually oriented business premises, except adult motels, to be conducted, operated, or otherwise open to the public between the hours of 2:00 a.m. and 11:30 a.m.

5.32.240 Record-keeping requirements.

(1) Within 30 days following each calendar quarter, each sexually oriented business licensee shall file with the city clerk a verified report showing the licensee's gross receipts and amounts paid to entertainers, models, or escorts, if applicable, for the preceding calendar year.

(2) Each sexually oriented business licensee shall maintain and retain for a period of two years beyond the last date of employment, the full name, date of birth, address, age and driver's license number of all persons employed or otherwise retained as entertainers, models, and escorts by the licensee.

5.32.250 Procedure for appealing a license/permit denial.

(1) When the city clerk refuses to grant a license or permit, he/she shall notify the applicant in writing of the same, describing the reasons therefor, and shall inform the applicant of his right to appeal to the city council within 10 days of the date of the written notice by filing a written notice of appeal with the city clerk containing a statement of the specific reasons for the appeal and a statement of the relief requested.

(2) Within 10 days of receiving a timely appeal, the city clerk shall forward the administrative record of the licensing decision to the city council.

(3) Once the applicant has appealed the city clerk's decision, the city council shall review the administrative record at the next regularly scheduled meeting for which proper notice can be given. Written notice of the date and time of the scheduled meeting will be given to the applicant by the city clerk-treasurer by mailing the same, postage prepaid, to the applicant at the address shown on the license or permit application.

(4) The applicant and city clerk or his/her representative shall be given an opportunity to argue the merits of the appeal before the city council. Oral argument by each party shall not exceed 20 minutes and shall be limited to the administrative record before the council. New evidence shall not be presented by the parties or accepted by the council.

(5) The city council shall uphold the city clerk's decision unless it finds the decision is not supported by substantial evidence in the administrative record. The applicant shall bear the burden of proof.

(6) The city council shall issue a written decision within 10 days of hearing the appeal. The council may uphold the city clerk's decision and deny the permit, overrule the city clerk's decision and grant the permit, or remand the matter to the city clerk for further review and action. The city clerk shall complete further action or review within 30 days of receiving the remand.

(7) Appeal to the city council shall constitute final administrative review.

5.32.260 Suspension or revocation of license or permit procedures – Appeal.

Updated to reflect changes to SMC Title 13.

License suspension and/or revocation and appeal therefrom shall be done in accordance with SMC 13.01.030(8). (Ord. 1112 § 2, 2001; Ord. 930, 1996).

5.32.280 Adult bookstores not incorporating arcade uses.

Adult bookstores, adult novelty stores, or adult video stores not including or incorporating into the business conduct those activities described in the definition of "adult arcade," may locate or continue to operate within commercial zones of the city, as well as the sexually oriented business overlay zone; provided, however, such businesses locating within a commercial zone shall be subject to the following additional requirements: No building or structure used for an adult bookstore, adult novelty store, or adult video store as defined herein shall locate closer than 1,200 feet from any other building or structure used for such purpose, nor shall such a business locate within 600 feet of an existing church or school building, as measured in all compass directions from the exterior wall of the existing building to the closest property line of the subject building.

5.32.290 Building facade.

All sexually oriented business building facades, exteriors, and exits must be indistinguishable from surrounding buildings. Illustrations depicting partially or totally nude males and/or females shall not be posted or painted on any exterior wall of a building used for a sexually oriented business, or on any door or apparatus attached to such building.

5.32.300 Signs.

Signs shall be permitted as allowed in accordance with Chapter 17.110 SMC.

5.32.310 Parking and lighting regulations.

On-site parking shall be required and regulated in accordance with Chapter 17.105 SMC, and in addition shall meet the following requirements:

(1) All on-site parking areas and premises entries of sexually oriented businesses shall be illuminated from dusk until one hour past closing hours of operation with a lighting system that will provide adequate illumination and visibility on the parking surface and/or walkways. An on-premises exterior lighting plan shall be presented to the city building department for approval prior to the operation of any sexually oriented business.

(2) All parking must be visible from the fronting street. Access to the exterior rear of the building shall be denied to any persons other than employees and public officials during the performance of their respective duties and tasks by means of fencing as approved by the city building department.

5.32.320 Number of permitted uses per structure.

There shall be no more than one sexually oriented business operating in the same building, structure, or portion thereof. In addition there shall be no other nonsexually oriented business operating in the same building, structure, or portion thereof in which a sexually oriented business is currently operating.

5.32.330 Severability.

If any portion of this chapter as now or hereafter amended, or its application to any person or circumstance is held invalid or unconstitutional, such adjudication shall not affect the validity of the chapter as a whole, or any section, provision, or part thereof not adjudged to be invalid or unconstitutional, and its application to other persons or circumstances shall not be affected. Any ordinance or regulation in conflict with this chapter is hereby repealed.

5.32.340 Limitation of liability.

None of the provisions of this chapter are intended to create a cause of action or provide the basis for a claim against the city, its officials, or employees for the performance or the failure to perform a duty or obligation running to a specific individual or specific individuals. Any duty or obligation created herein is intended to be a general duty or obligation running in favor of the general public.

5.32.350 Penalties for violation.

> Updated to reflect changes in proposed amendments to Title 13.

Violation of this chapter is a Class 1 civil infraction and may also be enforced pursuant to SMC Title 13.

5.32.360 Public nuisance – Injunctions.

Any sexually oriented businesses in violation of this chapter shall be deemed a public nuisance, which, in addition to all other remedies, may be abated by injunctive relief.

5.32.370 Moral nuisances.

Chapter 7.48 RCW pertaining to moral nuisances is hereby adopted by reference.

5.32.380 Effective date.

The ordinance codified in this chapter shall be in full force and effect five days after its passage and publication as provided by law.

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CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT

ITEM NUMBER:	**10a**
DATE:	October 26, 2023
SUBJECT:	General Fund Revenue Sources, First Reading of Ordinance 1525, 2024 Property Tax Levy
CONTACT PERSON:	David A. Hammond, Finance Director
ATTACHMENT:	A - Ordinance 1525, 2024 Property Tax Levy
Reference:	2023-2024 Operating and Capital Budgets, Amendment One

PURPOSE

The purpose of this agenda item is to conduct a public hearing on revenue sources, including property taxes, for the 2023-2024 mid-biennium budget adjustment, which is required by State Law, RCW 84.55.120. The City Council will consider first reading of Ordinance 1525, establishing the 2024 property tax levy.

BACKGROUND

The 2023-2024 mid-biennial budget adjustment and the 2024-29 Capital Improvement Plan update were discussed by the City Council during council workshop on October 12, 2024. As reference, see the link above to review the current biennial budget.

As part of the mid-biennial budget adjustment process, revenues for the current expense (General Fund) are forecast. The impact of the COVID-19 pandemic has receded, but the economy is faced with significant uncertainty resulting from persistent high inflation. The real estate market has cooled, which affects impact fees, real estate excise taxes and utility plant investment fees. The general economic outlook is for a possible recession in the upcoming year. It is impossible to predict the depth or the duration of a recession, and although a recession is possible, it may not significantly impact the city's operating funding sources. The city's forecast for sales tax is most threatened by a recession, so the forecast is appropriately conservative, year-to-date the city's sales tax receipts are trending ahead of budget by 10 percent.

One source of revenue within the General Fund is property taxes and the City Council must take final action on a property tax levy no later than November 30th. Adoption of a property tax ordinance is required.

The 2023-2024 Biennial General Fund Budget included revenue of $6,925,973 in 2024. This amount is currently estimated to increase to $6,994,311. The city's biennial budget began with a fund balance of $6,502,324 and a forecast ending 2023 Fund Balance of

$2,391,964. Through September of 2023, it appears the city will end the biennium ahead of this estimate. Current estimate is an ending fund balance of 3.12 million. This ending fund balance represents approximately 44% of preliminary budgeted 2024 General Fund expenditures, which is well above the 25% reserve level required by the city's Financial Management Policy (Section 2.a.). This surplus arose due to taxes and fees greater than estimates, and expenditures running under budget, primarily due to less than 100 percent staffing during the first half of the biennium.

ECONOMIC OUTLOOK

The revenue forecast for the biennium is required by the Financial Management Policy to be conservative, and staff was particularly attentive to this direction as the economy continues to be impacted by persistent inflation and rising interest rates.

- Key indicators include the most current inflation rate (CPI-W, West States Region), was 3.9% for the year ending September 2023, which is unchanged from the prior month. U.S. unemployment has remained essentially unchanged as it was 3.5% in September 2022 and was 3.8% for the period ending September 30, 2023.
- Fund balances for the General Fund, Street Operating, and Utility Operating funds remain positive, and in line with the forecast, through the first nine months of 2023.
- Operating expenditures in the General Fund, Streets Operating, and Utility Operating Funds are all under 75% through nine months of the year. Operating funds include salary & benefit expenditures which are relatively fixed and represent the largest portion of the city's cost to deliver services.
- Economic conditions such as housing prices and new and existing home sales declined over the past 12 months, the unemployment rate remains low, although it has begun to tick up recently, consumer confidence and retail spending remain steady.
- In the long term, the city continues to face the structural deficit, in that property tax increases are limited to a one percent annual increase while city expenditures, primarily labor and benefits, typically increase at much higher rates.

DISCUSSION

The General Fund is the main operating fund of the City, funded by six revenue categories: Taxes, Licenses & Permits, State Shared sources, Charges for Services, Fines & Forfeitures, and Miscellaneous. Each of these sources is discussed in more detail below.

Chart 1 below provides an extended General Fund outlook to 2028. The data supporting Chart One is provided on the following page.

Chart 1—General Fund Six Year Outlook (see data in table on following page):

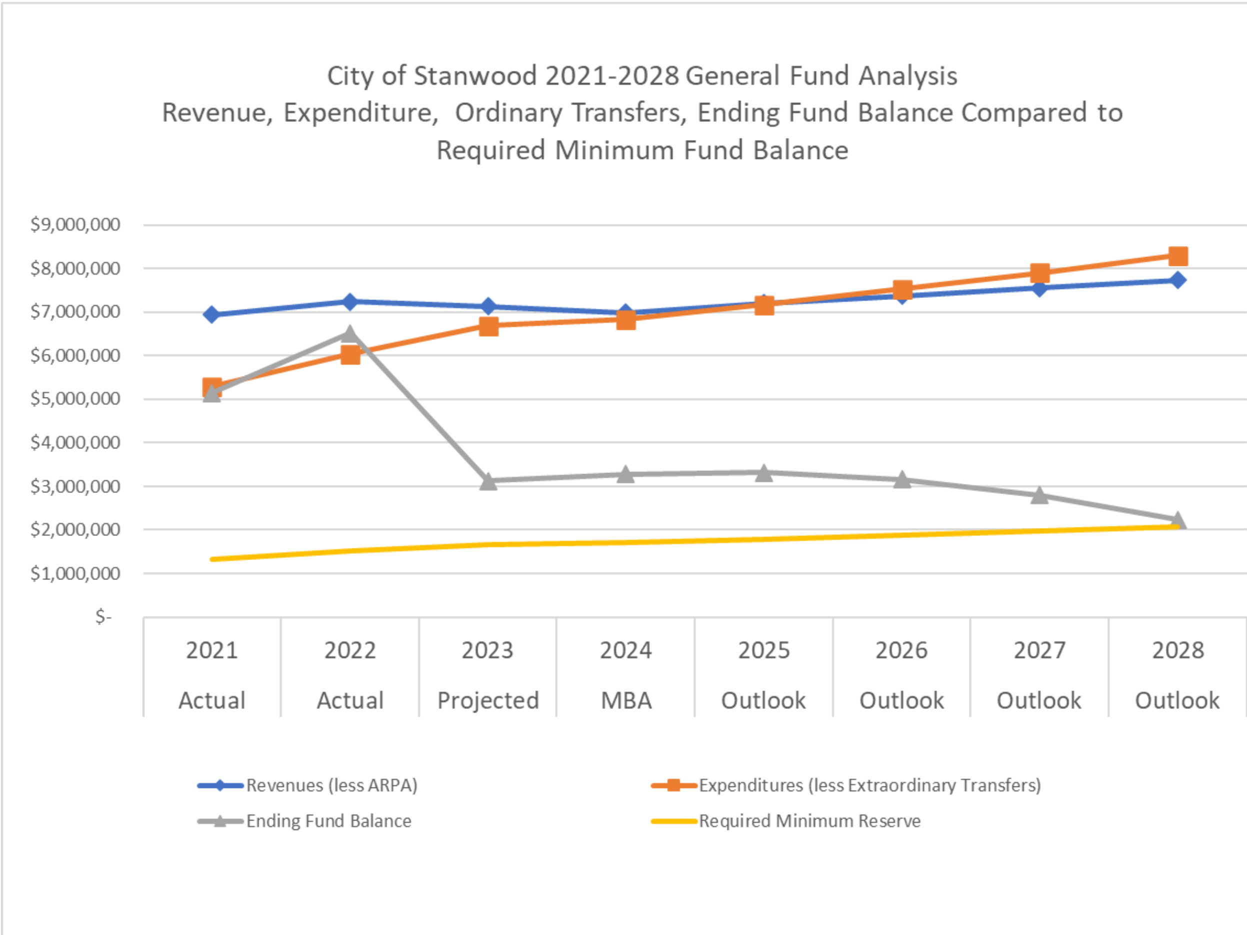
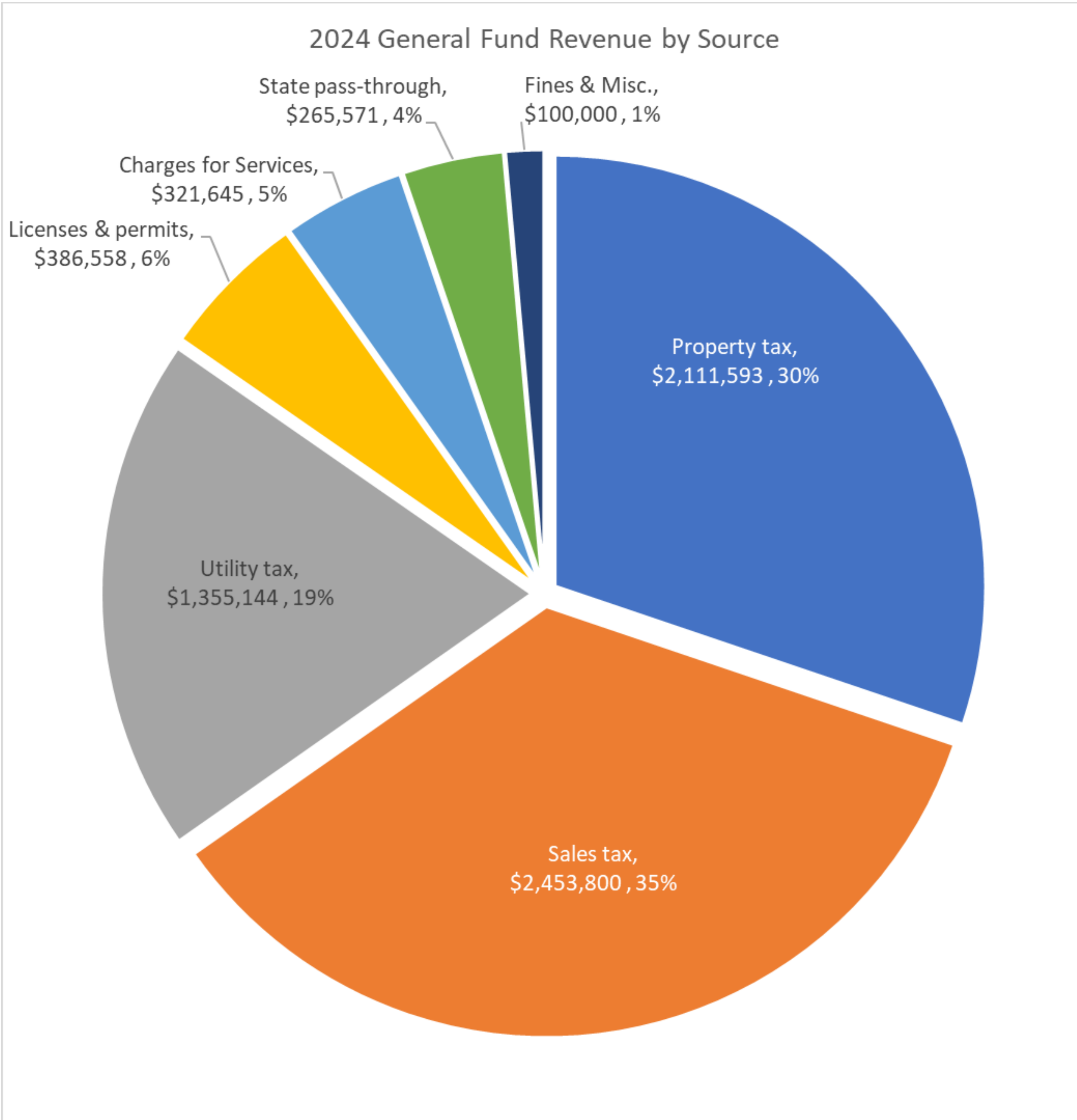


Table 1—General Fund Data

	Actual 2021	Actual 2022	Projected 2023	MBA 2024	Outlook 2025	Outlook 2026	Outlook 2027	Outlook 2028
Beginning Fund Balance	$ 4,428,700	$ 5,152,241	$ 6,521,008	$ 3,120,201	$ 3,283,128	$ 3,314,316	$ 3,159,755	$ 2,805,663
General Fund Revenue								
Property tax	$ 1,826,734	$ 1,939,484	$ 2,032,948	$ 2,111,593				
Sales tax	$ 2,523,757	$ 2,565,845	$ 2,433,760	$ 2,453,800				
Utility tax	$ 1,176,351	$ 1,383,328	$ 1,372,020	$ 1,355,144				
Licenses & permits	$ 510,985	$ 438,551	$ 450,000	$ 386,558				
Charges for Services	$ 388,009	$ 508,862	$ 425,000	$ 321,645				
State pass-through	$ 1,398,640	$ 1,364,795	$ 305,619	$ 265,571				
Fines & Misc.	$ 139,941	$ 58,890	$ 115,000	$ 100,000				
	$ 7,964,417	$ 8,259,755	$ 7,134,347	$ 6,994,311	$ 7,204,140	$ 7,377,040	$ 7,554,089	$ 7,735,387
Less: ARPA	$ 1,018,070	$ 1,018,070						
	$ 6,946,347	$ 7,241,685	$ 7,134,347	$ 6,994,311	$ 7,204,140	$ 7,377,040	$ 7,554,089	$ 7,735,387
General Fund Expenditure	2021	2022	2023	2024				
Operating Expenditures:								
Salaries and Wages	$ 1,352,689	$ 1,450,896	$ 1,669,882	$ 1,713,016	$ 579,313			
Personnel Benefits	$ 520,807	$ 562,254	$ 692,750	$ 625,323	$ 235,012			
Supplies	$ 39,088	$ 89,624	$ 69,927	$ 111,067	$ 52,282			
Services	$ 448,427	$ 694,411	$ 625,000	$ 710,976	$ 193,138			
Professional Services	$ 447,904	$ 549,989	$ 750,000	$ 640,985	$ 393,092			
Police Services Contracts	$ 1,880,685	$ 1,999,071	$ 2,111,430	$ 2,357,567	$ 589,241			
Capital	$ 13,500	$ 10,400	$ 25,000	$ 26,250	$ 27,350			
Operating Subtotal	$ 4,703,100	$ 5,356,645	$ 5,943,989	$ 6,185,184	$ 6,364,443	$ 6,682,665	$ 7,016,798	$ 7,367,638
Transfers Out:								
Streets	$ 300,000	$ 340,000	$ 370,000	$ 400,000	$ 130,000			
Equipment	$ 110,710	$ 90,343	$ 80,165	$ 47,000	$ (73,888)			
Tourism	$ 43,750	$ 105,000	$ 80,000	$ 80,000	$ 11,250			
Contingency	$ 34,313	$ 50,000	$ 111,000	$ 10,000	$ 36,687			
Water (Hydrant Reimb.)	$ 100,000	$ 100,000	$ 110,000	$ 109,200	$ 19,200			
Ordinary Transfers Out Subtotal	$ 588,773	$ 685,343	$ 751,165	$ 646,200				
Operating and Ordinary Transfers	$ 5,291,873	$ 6,041,988	$ 6,695,154	$ 6,831,384	$ 7,172,953	$ 7,531,601	$ 7,908,181	$ 8,303,590
Extraordinary Transfers	2021	2022	2023	2024				
Floodwall		$ 564,000	$ 150,000					
Street Construction		$ 285,000	$ 1,190,000					
Parks Construction	$ 449,003		$ 1,500,000					
Facilities Capital	$ 1,500,000		$ 1,000,000					
Transfers Out Total	$ 2,537,776	$ 1,534,343	$ 4,591,165	$ 646,200				
Total Expenditures	$ 7,240,876	$ 6,890,988	$ 10,535,154	$ 6,831,384				
Ending Fund Balance	$ 5,152,241	$ 6,521,008	$ 3,120,201	$ 3,283,128	$ 3,314,316	$ 3,159,755	$ 2,805,663	$ 2,237,460
Required Minimum Reserve	$ 1,322,968	$ 1,510,497	$ 1,673,789	$ 1,707,846	$ 1,793,238	$ 1,882,900	$ 1,977,045	$ 2,075,897

The chart below illustrates the composition of General Fund Revenue sources, with utility taxes, sales taxes and property taxes comprising the majority.



Building Permits and Development Related Charges:

Development-related revenues are based on the number of permits the city expects to issue. The 2023-24 budget estimated revenues associated with building activity with an assumption of issuing 45 residential permits each year. Through October, the city has issued 60 single family residential permits, and 7 MFR permits which is ahead of forecast. One development, Chandler's ridge, comprised most of the residential permits. The Community Development Department has been busy with additional, smaller permits related to improvements, and through October 16th, has received $437,387 for all licenses and permits, which is $60,257 more than the budget of $377,130.

The Community Development Department generates most of the General Fund Charges for Services revenues, and the bulk of these are engineering, zoning and inspection fees. Through October 16th, the total received was $404,949, which is $91,149 more than budget.

City staff anticipates residential building activity to continue into the new biennium but are reluctant to predict speedy progress on those projects in the immediate pipeline. The current budgeted revenues assume issuing 30 residential permits and a mix of other building permit-related revenue, as well as zoning fees, engineering fees, plan checking fees, environmental fees etc. to generate approximately $708,203 in general fund revenue in 2024, compared to budget of $690,930 in 2023. These fees are used to offset the actual costs of providing community development services (matching one-time revenues to one-time expenditures).

Sales Tax:

General Fund Retail Sales tax received through September 2023 was $1,810,667, which was two percent more than received through September 2022. The city budgeted $2,032,948 for General Fund retail sales tax revenues in 2023 in anticipation of moderate strength in the economy and new construction. Currently, the city Sales Tax received is $173,417 ahead of budget, or 10.6%; if this trend holds true for the remainder of the year, then 2023 General Fund Sales Tax will be $2,217,368. The city also receives approximately $200,000 of sales tax passed through from the state on a per capita basis for support of criminal justice programs. Total of all sales tax is estimated to be $2,45 million in 2023.

Sales tax from construction year-to-date is 22.2 percent, which is very slightly lower than 2022 (through September), when 23 percent was from construction, and this is down from 25.1 percent ratio in 2021.

Utility Tax

The 2023 budget included utility rate increases, as well as additional utility connections, which generally point to increased utility tax revenue in the General Fund, depending on weather. Utility Tax is estimated to total $1,372,020, which is approximately the same as 2022.

State-Shared Revenues

State distributed revenues, such as liquor excise taxes and the criminal justice sales taxes are allocated based on population. The 2023 population estimate is 8,405 which is an increase of 425 over the prior year. Although the city population is higher, estimates from the State indicate the 2023 state-shared revenue estimates will slightly increase, from $282,346 in 2022 to $305,619.

Streets Fund

The street fund accounts for operating revenues and expenditures associated with the maintenance and repair of city streets. As of September 30, 2023, this fund had a cash operating reserve of $282,047. The motor vehicle fuel tax (MvFT) can be used for Streets operations and maintenance is estimated at $161,500 in 2023 and $163,115 in 2024. This estimate appears reasonable after three quarters of 2023.

Chart Two below illustrates the six-year outlook for the Streets Fund. The primary revenue sources for Streets are MvFT and transfers from the General Fund and Transportation Benefit Fund. Complicating the Street fund budget is the fact that MvFT has not significantly increased over time and may even decline because it is based on gallons sold, while drivers are increasingly choosing hybrid or electric vehicles. At the same time, street maintenance costs, such as labor and electricity for streetlights continue to increase. Beyond 2025, the city will need to explore long term solutions to address a gap of approximately $50,000 at current service and funding levels. The chart below is based on gradually increasing support from the TBF, starting with $30,000 in 2024, then approximately $20,000 per year additional each year after 2024.

Chart Two—Streets Fund Six Year Outlook (see data on following page):

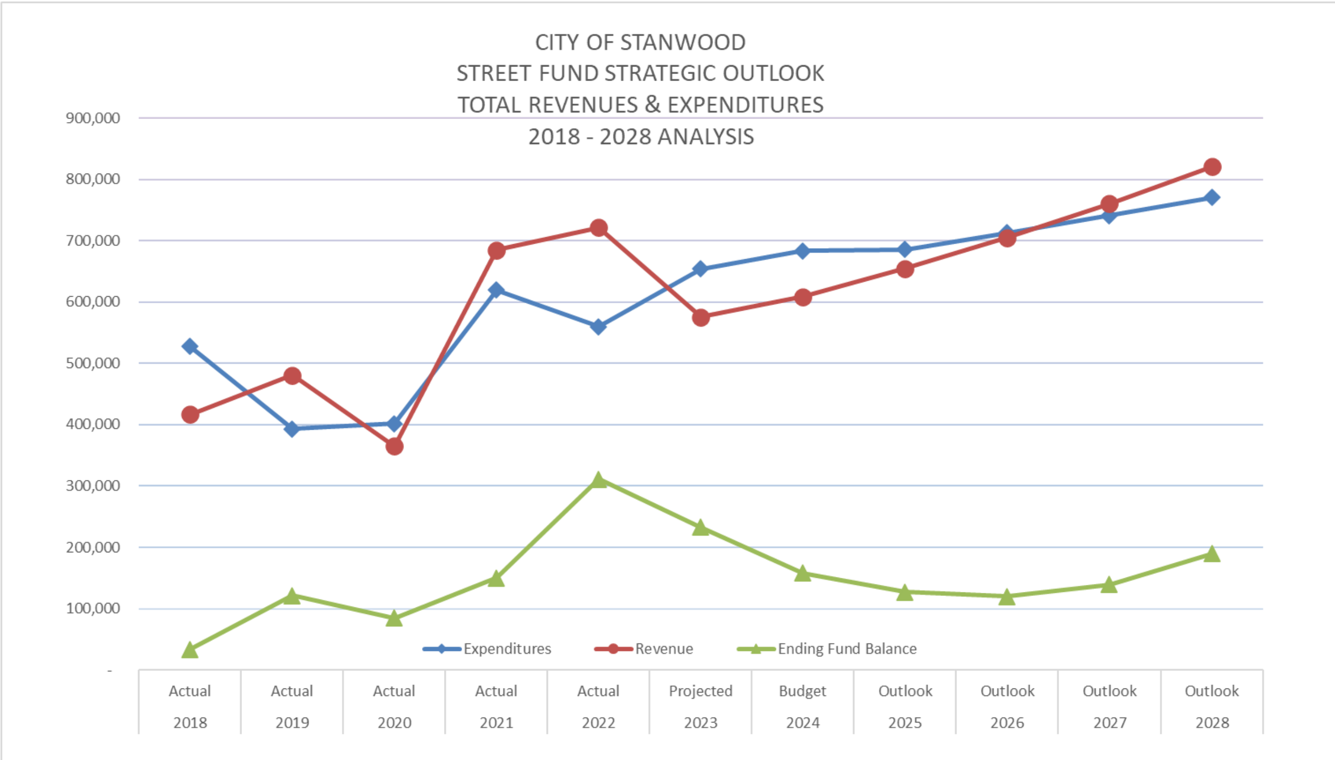


Table Two—Streets Fund Data

STRATEGIC OUTLOOK
STREET OPERATING FUND
CITY OF STANWOOD
TOTAL REVENUES & EXPENDITURES
2018 - 2028 ANALYSIS

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	**Actual**	**Actual**	**Actual**	**Actual**	**Projected**	**Budget**	**Outlook**	**Outlook**	**Outlook**	**Outlook**
Beginning Fund Balances	143,818	**33,231**	**121,222**	**84,587**	**149,313**	**310,819**	**232,750**	**157,934**	**127,331**	**120,012**	**139,403**
Revenue											
Property Taxes	202,365	227,184	141,503	-	-	-	-	-	-	-	1
Street Maintenance Fee	19,491	18,369	20,454	19,131	20,043	22,634	23,313	24,012	24,733	25,475	26,239
Multimodal Transportation	9,555	9,462	9,570	9,731	10,511	11,000	11,110	11,443	11,787	12,140	12,504
Mvft Unrestricted Fuel Tax	148,652	144,100	129,312	138,319	149,793	161,500	163,115	168,008	173,049	178,240	183,587
Miscellaneous Revenues	1,709	20,403	1,461	17,440	1,329	10,862	11,188	11,523	11,869	12,225	12,592
Transfers	35,000	61,200	62,730	500,000	540,000	370,000	400,000	440,000	484,000	532,400	585,640
Total Revenues	416,771	480,718	365,030	684,620	721,676	575,996	608,726	654,988	705,437	760,480	820,564
Revenue Growth / (Decline)	-98.5%	15.3%	-24.1%	87.6%	5.4%	-20.2%	5.7%	7.6%	7.7%	7.8%	7.9%
Expenditures											
Labor	148,497	149,000	166,110	266,170	138,142	213,866	245,417	256,461	268,001	280,062	292,664
Benefits	63,851	64,828	70,432	102,442	106,208	119,265	127,346	133,713	140,399	147,419	154,790
Supplies	32,242	28,234	30,559	28,750	82,201	73,404	75,973	78,632	81,384	84,233	87,181
Services	129,612	150,664	134,565	140,725	165,762	165,030	170,806	176,784	182,972	189,376	196,004
Equipment reserve	153,156	-	-	81,280	67,857	82,500	64,000	40,000	40,000	40,000	40,001
Total Expenses	527,358	392,726	401,666	619,367	560,170	654,065	683,542	685,591	712,757	741,089	770,640
Expense Growth / (Decline)		-25.5%	2.3%	54.2%	-9.6%	16.8%	4.5%	0.3%	4.0%	4.0%	4.0%
Change in Ending Fund Balance	(110,587)	87,992	(36,636)	65,253	161,506	(78,069)	(74,816)	(30,603)	(7,319)	19,391	49,924
Anticipated Under-Expenditure	-	-				(9,811)	(10,253)	(10,284)	(10,691)	(11,116)	(11,560)
Ending Fund Balance	**33,231**	**121,222**	**84,587**	**149,840**	**310,819**	**232,750**	**157,934**	**127,331**	**120,012**	**139,403**	**189,327**
Required Minimum Reserve	88,069	65,585	67,078	103,434	93,548	109,229	114,152	114,494	119,030	123,762	128,697

Property Tax Levy for 2024

Property taxes and the amount that a taxing jurisdiction, the City, may levy each year is subject to strict limitations. The Levy amount is a set dollar amount that the City may levy and is based on the value of property assessed by the Snohomish County Assessor. One limitation is the levy cannot increase more than 1% from the prior year levy, unless the City has available capacity to levy more; however, this additional amount is subject to further limitations.

For 2024, the proposed tax levy is calculated by taking the 2023 levy of $2,035,697 and increasing it 1% or $20,357 to $2,056,054. Additionally, the levy is also allowed to increase by the value of new construction, state utility changes, refunds and annexations that occurred in the prior year. For the 2023 levy, new construction value is estimated at $47,284 in levy dollars. Based on a 1% increase for the 2023 levy, the city tax rate would be $1.316 per $1,000 of AV; a decrease of $0.08 per $1,000 of AV from the 2023 tax rate. The total levy, including the value from new construction, state utilities and refunds from prior years is $2,112,243.

In addition to the 1% annual increase limitation is the $3.60 District Aggregate Limitation. This means that the total amount of the city tax rate, the Regional Fire Authority rate and the Sno-Isle Library rates cannot cumulatively exceed $3.60 per $1,000 of AV. For 2024, we meet this limitation as the proposed city rate is $1.316, the RFA is estimated to be $1.36 and the Library is estimated to be $0.38 for a total of $3.11. The City Council may choose to levy banked capacity, estimated to be no more than $873,014 in additional levy with a tax rate of no higher than $1.86. This additional levy amount would increase the levy over a 1% limitation but is allowed by law.

The preliminary budget for 2023-2024 does not include the levy of banked capacity but does include one percent increase. Table Three below summarizes a 2024 levy with a one percent increase to remain consistent with the biennial budget, however council may elect to not increase the levy and bank the capacity for future needs. Table Four below provides examples of the impact of these options on a typical residence, including an example demonstrating the effect of a levy of $200,000 of available banked capacity, for illustrative purposes.

Table Three – *2024 Property Tax Levy Summary- With 1% Increase*

Item	Amount
2023 Total Regular Levy	$ 2,035,697
1% Levy Increase	20,357
Est. New Construction ($36.0 million)	44,654
Refunds	650
Annexation	0
Utilities	8,255
Banked Capacity (within $1.60 statutory limit)	455,811
Additional Banked Capacity Estimate	417,203
Estimated 2024 Levy cap*, includes new construction and refunds, without Banked Capacity	$2,109,613
Estimated 2024 Levy Rate, without banked capacity*	$1.316

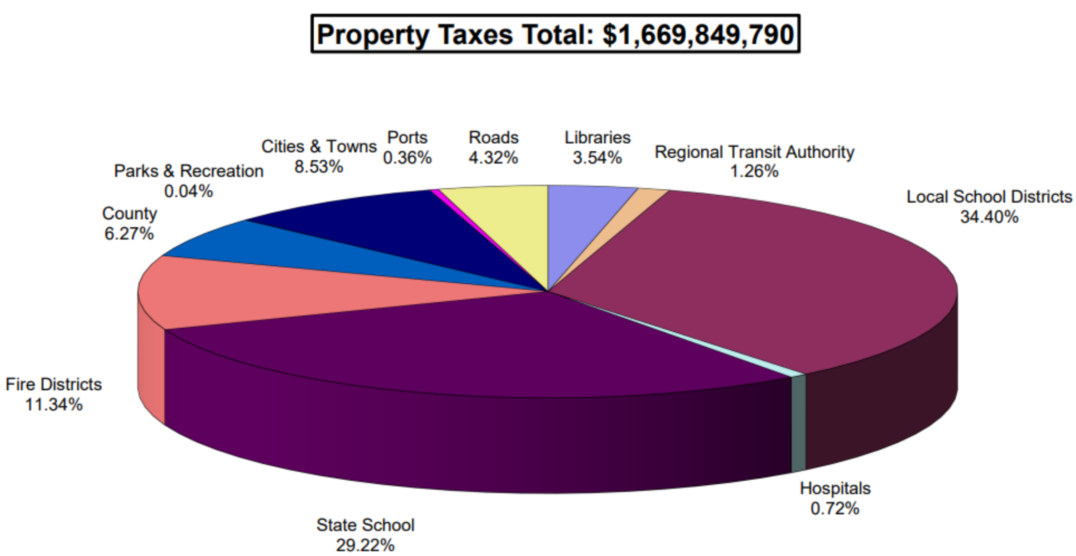
*Amounts per Sept. 2023 Preliminary Assessed Valuation $1,604,627,728.

Table Four – *Example impact of levy options*

Estimated 2024 Tax On Typical Residence*		Levy Rates
With no increase	$ 662.92	$ 1.3020
With 1% increase	$ 669.38	$ 1.3147
With 1% increase, and levy $200,000 banked capacity	$ 732.84	$ 1.4393
For reference, 2023 tax on typical residence	$ 654.49	$ 1.2382
*Estimated typical 2024 residence value $509,148 2023 Typical Residential Value $528,600 (3.68% decrease)		
Percentage Change on city portion of property tax:	2.28%	

The chart below illustrates the portion of a property owner's annual property tax that is levied by the city, 8.53 percent.

Snohomish County Distribution of Taxes 2023



Staff Recommendation: Staff recommends conducting the public hearing to receive public testimony and approving first reading of Ordinance 1525 which increases the 2024 Property Tax Levy by the statutorily allowed one percent over the 2023 Levy Amount. The decision whether to levy some or all available banked capacity is available to the City Council, which could be set aside in capital funds to provide reserves for future projects, such as funding bonded debt for parks or streets improvement projects. Such reserves contribute to the city's bond rating, which in turn lead to lower long-term borrowing costs.

Committee/Board Recommendation: N/A. The budget and property tax levy are reviewed by the full City Council.

CITY COUNCIL OPTIONS

The City Council options include:

1. Approve first reading of ordinance 1525 to increase the 2024 Property Levy 1%
2. Approve the first reading of ordinance 1525 to increase the Levy an additional % that is within the $3.60 limitation, utilizing a portion of banked capacity; which can be no more than $873,104.
3. Approve the first reading of ordinance 1525 that does not increase the Levy and remain at 2023 levy amount adding to future banked capacity.
4. Do not approve ordinance 1525 and direct staff to prepare other analysis and make further adjustments and set another adoption date for the 2024 Levy no later than November 30, 2022.

PROPOSED MOTION

I MOVE TO APPROVE THE FIRST READING OF ORDINANCE 1525 LEVYING TAXES UPON ALL PROPERTY SUBJECT TO TAXATION WITHIN THE CORPORATE LIMITS OF THE CITY OF STANWOOD, WASHINGTON FOR 2024, WITH ONE PERCENT LEVY INCREASE FROM 2023.

Note that the council must take final action on a property tax levy by November 30, as levy certifications must be prepared and submitted to the Snohomish County Assessor's Office by their 2023 deadline.

Department of Revenue Washington State

Ordinance / Resolution No. 1525

RCW 84.55.120

WHEREAS, the City Council (Governing body of the taxing district) of the City of Stanwood (Name of the taxing district) has met and considered its budget for the calendar year 2024; and,

WHEREAS, the districts actual levy amount from the previous year was $ 2,035,697.00 (Previous year's levy amount); and,

WHEREAS, the population of this district is ☐ more than or ☒ less than (Check one) 10,000; and now, therefore,

BE IT RESOLVED by the governing body of the taxing district that an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2024 (Year of collection) tax year.

The dollar amount of the increase over the actual levy amount from the previous year shall be $ 20,357.00 which is a percentage increase of 1 (Percentage increase) % from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, solar, biomass, and geothermal facilities, and any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Adopted this 9 day of November, 2023.

______________________________ ______________________________

______________________________ ______________________________

______________________________ ______________________________

If additional signatures are necessary, please attach additional page.

This form or its equivalent must be submitted to your county assessor prior to their calculation of the property tax levies. A certified budget/levy request, separate from this form is to be filed with the County Legislative Authority no later than November 30th. As required by RCW 84.52.020, that filing certifies the total amount to be levied by the regular property tax levy. The Department of Revenue provides the "Levy Certification" form (REV 64 0100) for this purpose. The form can be found at: http://dor.wa.gov/docs/forms/PropTx/Forms/LevyCertf.doc.

To ask about the availability of this publication in an alternate format, please call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711. For tax assistance, call (360) 534-1400.

REV 64 0101e (w) (12/9/14)

CITY OF STANWOOD
CITY COUNCIL
AGENDA STAFF REPORT

ITEM:	**10b**
DATE:	October 26, 2023
SUBJECT:	Capital Improvement Plan (CIP)
CONTACT PERSON:	Kevin Hushagen, Public Works Director
ATTACHMENTS:	A – Resolution 2023-14 – Adopting 2024-2029 CIP B - 2024-2029 Capital Improvement Plan (CIP)

ISSUE

The issue in front of the City Council is to discuss the proposed list of capital improvements in the 2024-2029 Capital Improvement Plan and adopt Resolution 2023-14, Six Year Capital Improvement Plan.

RECOMMENDATION

Review and discuss the 2024-2029 Capital Improvement Plan (CIP) and adopt Resolution 2023-14 Six-Year Capital Improvement Plan.

SUMMARY STATEMENT

The purpose of capital improvement planning is to:

- Provide adequate public facilities to serve existing and new development.
- Reduce the cost of serving new development with public facilities.
- Ensure that these facilities will be in place when development occurs.

The capital improvement plan is a six-year plan of capital projects with estimated costs and proposed methods of financing that are updated annually. An update to the City's Six-Year CIP does not require an amendment to the City's Comprehensive Plan as such provisions are set forth in Stanwood Municipal code chapter 17.157.

City Council reviewed and discussed the Six-Year CIP for Fiscal Years 2024 – 2029 at their August and October Special Workshops and considered what capital improvements are in the best interest of the health, safety, and welfare of the citizens of Stanwood.

DISCUSSION

The following are brief descriptions of projects proposed and amounts included in the second year of the 2023-2024 biennial budget:

Parks Capital:

Cedarhome Area Park 2024 $70,000
Locate property for a new park in the Cedarhome neighborhood.

Raplee Property Evaluation 2024 $140,000
Conduct land use, environmental feasibility, appraisal, concept design and grant analysis to determine the feasibility of how the property could integrate into the Twin City Mile project if State grants can be obtained to conduct site clean-up work. This project will be undertaken if grant funding becomes available.

Johnson Farm Park 2024 $200,000
Environmental studies to prepare the site for Environmental Cleanup Report. Once the environmental reports are completed, the site will be cleaned based on the recommendations in the reports. The Floodplains by Design Grant is expected to reimburse this portion of the project.

Church Creek Park 2024 $250,000
We have included budget for forest mitigation and tree management as well as capital projects to start design on a loop trail and improve dugouts.

Downtown Park (Sebranke Property) 2024 $100,000 2025 $500,000
Main Street is the primary location for special events. The street is regularly closed for the following events: Arts by the Bay festival; Summer Arts Jam; Small Trailer Event; Twin City Idlers Car Show; Stanwood Camano Fair Parade; Touch-A-Truck, National Night Out; and the Downtown Concert Series. In 2023, the city is considering moving the Farmers Market to Main Street. This site will enhance these events by providing park space for people to rest, eat and relax during these events. The site has remained underutilized and vacant since the 1990s. The site’s location within the main street business district of the City of Stanwood provides a great opportunity to support local businesses with a public park in the downtown corridor. The 2024 cleanup effort is supported by a Department of Commerce Grant. The 2025 development is dependent on grant funding.

Heritage Park 2024 $603,000 2025 $2,385,000
Capital projects for 2024 include updating the master plan, design for expanded parking and baseball field #4, dug-out covers, dog park, and bathroom upgrades. The 2025 development will be dependent on grant funding.

Port Susan Trail 2024 $1,638,000 2025 $1,200,000
The project will include a 5- to 10-foot-wide trail, which will vary on the wastewater treatment plant dike to accommodate existing conditions as well as a pedestrian boardwalk to connect to Hamilton Park. Future phases will include crossing Irvine Sough. The 2025 segments are dependent on receiving grant funding.

Total Parks Capital 2024 $2,971,000 2025 $5,070,000

Buildings Capital:

City Hall/Police Station Remodel 2024 $800,000

Building renovations to maintain the function and use of the Police Station and City Hall. Improvements could include renovating bathrooms and kitchens, roof repairs, and space reconfiguration and updated security. Building a new public restroom with pedestrian access through the records room building is also a potential improvement project. All work would be within the 50% building valuation limits as established by the City's floodplain regulations. Project funding includes $710.000 for construction, as well as associated final design, permitting and project management costs.

Total Buildings Capital: 2024 $800,000

Street Construction Projects:

City Beautification Projects $35,000 per year

The City adopted the City Beautification Action Plan in December of 2020 as an implementation of several city visioning and economic development plans. The City Beautification Action Plan includes six key program elements that focus on improving city infrastructure and promoting the city as the cultural and economic hub of greater Snohomish County. These elements include:

- 72nd Avenue Gateway Signage and Landscaping.
- Main Street Revitalization.
- Downtown Gateway Features.
- SR 532 Beautification.
- Wayfinding Signage.
- Public Art.

Achieving full build-out of the Beautification Action Plan will take time, phased implementation, and significant resources. This capital budget item is intended to annually fund the gateway, wayfinding, and landscaping components of the City Beautification Action Plan.

Sidewalk: 72nd AVE NW 2024 $100,000

Including curbs, gutter, flashing crosswalk and sidewalk panels from 272nd St to Church Creek Park. This will be designed in-house.

Overlay and ADA Improvements 2024 $410,000

Asphalt overlay and ADA upgrades on 72nd from 284th St NW. This work is TIB grant dependent. We have not received news on the funding yet.

Viking Way- 90th Ave Phase 2 2024 $2,000,000

The project will construct a continuation of Viking Way from where the previous phase ended in 2020 to 92nd Ave, ultimately connecting 88th to 92nd, eliminating an existing misalignment on 92nd. This new roadway will include curb, gutter, sidewalks, landscaping, street lighting, and underground utilities.

Twin City Mile Downtown Renovation Project 2024 $739,000 2025 $1,600,000

The Twin City Mile revitalization project reimagines how the City's main downtown commercial corridor, 271st and 270th Streets, could look and function by connecting City Hall Park to the Train Station. Project elements include constructing gateways, reconfiguring travel lanes and parking, building wider sidewalks and plaza areas, constructing park areas, and installing street trees, art, and other curb appeal amenities. Using policy guidance from the City Beautification Plan, the City initiated the Downtown Revitalization Project that invests in the downtown business district infrastructure by:

- Creating Pedestrian-Friendly Streets.
- Actively Engage Storefronts with Walkable Sidewalks.
- Encourage Use of Streets for Community Festivals.
- Create Usable Urban Park Spaces; and
- Promote the Concept of Buying Local.

Over the next six years, the project will be broken into multiple phases, first year:

- 2024: Camano Street Design, 88th Avenue Power & Lighting Construction, East End Traffic Calming Improvements
- 2025: Camano Street Construction
- 2026/2027: West End Brick Road 100% Design and Permitting
- 2028: West End Brick Road Construction

103rd Road Rebuilt 2024 $320,000

The City is looking to replace the failing 2" water line and 8" cement sewer with 8" PVC water and 8" PVC Sewer. With the utility work we plan to overlay 103rd with 2" of asphalt. This project will use funds from streets, sewer, and water.

Sidewalk Repair and Maintenance 2024 $150,000

Public Works will continue to repair and replace sidewalk panels on 73rd, as well as other locations throughout the City

80th & 284th Sidewalk Connection 2024 $150,000

The project will construct a new section of sidewalk to connect 283rd and the new Chandler's development on 284th.

Sidewalk 276th St NW 2024 $100,000

The project will construct a missing section of sidewalk on 276ths East of the 72nd intersection.

64th and SR532 Intersection 2024 $500,000

In 2024 we are looking to start design and traffic studies related to constructing a traffic circle at the intersection of 64th and SR532. Construction funds are included in later years. This project is expected to be fully developer-funded.

Total street construction projects 2024 $4,504,000

Sewer Capital:

Sewer System Plan 2024 $180,000
Carry over from 2023 for the general sewer plan being developed by RH2.

Sewer Rate Study 2024 $20,000
The City will evaluate sewer rates and update as necessary.

Sewer Basin 1 Pipe Replacement Program 2024 $300,000
The sewer main in basin 1 is over 50 yrs. old and needs upgrading. The 103rd Drive sewer main will be replaced in coordination with street and water projects.

Biosolids Removal and Utilization 2024 $1,600,000 2025 $4,000,000
Removal and Utilization of sludge produced at the WWTP as part of treatment. Design and construct long term solids handling facility.

Pioneer Hills Lift Station Upgrade 2024 $100,000 2025 $350,000
Upgrades to replace original pumps, controls and add a generator for standby power when necessary.

Viking Way- 90th Ave Phase 2 2024 $24,000
Sewer element to connect utilities as part of Viking Way Project.

SR532 and Pioneer Hwy Sewer Crossing 2024 $400,000
Replace approximately 355 LF of existing gravity pipe with 18-inch diameter gravity pipe per City standards connecting Pioneer Highway under SR532.

GIS equipment and setup (Sewer) 2024 $100,000
Annual investment for sewer element for building a complete GIS system. The GIS system will provide an accurate inventory and location of City sewer system.

Cedarhome Collection System 2024 $175,000
Installation of a gravity sewer line from intersection of 68th Ave/277th Street to Church Creek Court NW will eliminate the need for the Cedarhome Lift station and the gravity sewer line deficiencies along 272nd Street NW.

Nutrient Removal Permit Upgrades and WWTP Upgrades 2024 $100,000
Purchase new and additional equipment to help meet permit requirements and upgrade of WWTP equipment.

Collection System and Manhole Repair 2024 $40,000
Annual budget to correct issues and deficiencies found during inspection and cleaning within the collection system.

Twin City Mile Project 271st-Camano Street and 94th Drive 2024 $169,000
Begin design and construction to replace existing gravity sewer pipes in 94th Drive NW from the main pump station and 271st Street. Also replacing pipe in 271st Street NW between 94th Drive NW and 99th Avenue NW and 271st Street and Camano Street.

Total Sewer Capital 2024 $3,208,000

Stormwater Capital:

Drainage Rate Updates 2024 $25,000

Evaluate rates for adequate revenue.

Skagit Bay Dike Repair 2025 $6,000,000

City partnership with Diking District 7 and Snohomish County to repair and expand the Skagit Bay Dike that separates the bay from farmlands and the City of Stanwood. Project elements include repair of the existing dike, construction of a new estuary and a dike on the city-owned Johnson Farm property. The dike protects adjacent farmlands and downtown Stanwood high tides and flooding events during winter storms.

Floodwall- Florence Rd. 2024 $614,000

Construct a removable floodwall on Florence Road to prevent flooding of downtown Stanwood during flood events. Design, permit and build a removable wall on Florence Road on BNSF rail right of way to help prevent flooding into the City's downtown during high tides and flood events. City will design and install the wall on city right of way; BNSF staff will install the pilings needed on BNSF right of way. Flood walls will be owned and maintained by the city. Design is wrapping up with construction coordination with the BNSF ongoing.

Stormwater Comprehensive Plan Update 2024 $200,000

Update the 2015 Stormwater Comprehensive Plan to be consistent with the 2024 Comprehensive Plan and other utility plans. Amendments include an updated infrastructure inventory, capital improvement project lists, maps, and policies.

Irvine Slough Drainage 2024 $3,300,000

Irvine Slough Stormwater Separation (IS4) consists of 6 discrete phases:
Phase 2 & 5, funded for construction in 2024, will construct a new lift station at the NE corner of 92nd/SR532 intersection, as well as a force main to the Stillaguamish River.

GIS equipment and setup (Storm) 2024 $100,000

Annual investment for sewer element for building a complete GIS system. The GIS system will provide an accurate inventory and location of City storm sewer system.

272nd Drainage 2024 $200,000

Installation of a new storm system between 101st and 99th on 272nd St NW.

Irvine Slough Pump Station 2024 $100,000

This cost is to implement repairs and upgrades to the Irvine Slough Pump station.

Total Stormwater Capital 2024 $4,755,000

Water Capital:

Water System Plan 2024 $50,000

Carry over from 2023 for the water system plan being developed by RH2.

Water System Telemetry Upgrade 2024 $450,00

Carried over from 2023 with increased cost estimates. Upgrade to software and hardware for existing telemetry system.

Water Rate Study 2024 $20,000

The City will evaluate water rates and update as necessary.

Annual Water Main Improvements $100,000 per year

Annual replacement of water mains and other improvements to correct deficiencies. Several projects have been identified. In 2024 moving water meters located in Church Creek Estates to the ROW for better access for maintenance and operations.

Water Treatment Plant/Cedarhome Well Phase 1 2024 $95,000

Moved from 2023 to 2024 to replace original equipment at both sites.

Meter Replacement 2024 $80,000 per year

Annual meter replacement program.

103rd Drive Water Main Upgrade 2024 $400,000

Replace existing 2-inch galvanized water main with new 8-inch PVC pipe in coordination with street and sewer projects.

Cedarhome Well Generator 2024 $250,000

Water System Parts Inventory upgrade-2024 $195,000

During and as we came out of the pandemic, the Water Department experienced significant delay when ordering supplies. To address this in future, the department proposes increasing their inventory of spare parts and fittings. They have identified parts inventory amounting to $195,000 to purchase in 2024. Staff propose this as a "capital" purchase, i.e., not within the water operating fund as it would distort future year's analysis of parts purchases. As parts are used from inventory, their replacements would be charged to the operating fund.

Installation of a generator and transfer switch at Cedarhome Well to provide standby power.

271st Camano Street to 94th Main Replacement (TCM Project) 2024 $169,000

Replacement of water main in coordination with sewer and street projects ahead of Twin City mile Project.

72nd Avenue from 272nd Street to 27408 72nd Avenue Water Main 2024 $150,000

Install new water main to create a loop in the system, providing better water quality.

Service Line Inventory Replacement 2024 $25,000
Annual program for replacement of galvanized lines and components within the distribution system as part of Lead and Copper Rule requirements.

Viking Way- 90th Avenue Phase 2 2024 $24,000
Water element to connect utilities as part of Viking Way Project.

GIS Equipment and Setup (Water) 2024 $100,000
Annual investment for Water element to build a complete GIS system. This GIS system will provide an accurate inventory and location of City water system.

Total Water Capital 2024 $2,108,000

Total All Departments 2024 $18,346,000

COUNCIL OPTIONS

Consider adoption of Resolution 2023-14 Six Year Capital Improvement Plan 2024-2029.

MOTION:

I MOVE TO ADOPT RESOLUTION 2023-14 - SIX YEAR CAPITAL IMPROVEMENT PLAN 2024-2029

ATTACHMENT A

CITY OF STANWOOD 2024-2029 Capital Improvement Plan								
Department	**Project Title**	**Preliminary FY2024**	**Preliminary FY2025**	**Preliminary FY2026**	**Preliminary FY2027**	**Preliminary FY2028**	**Preliminary FY2029**	**Total**
Parks Capital	Johnson Farm Park	$200,000		$250,000				$450,000
	Church Creek Park Forest Mitigation Plan	$15,000		$150,000	$200,000	$200,000		$565,000
	Church Creek Tree Management	$75,000	$35,000					$110,000
	Church Creek Loop Trail	$90,000	$300,000					$390,000
	Church Creek Dugout Improvments	$40,000						$40,000
	Downtown Park	$100,000	$500,000					$600,000
	Heritage Park Master Plan Update	$8,000						$8,000
	Heritage Park Parking & Ballfield Design	$200,000	$2,000,000	$225,000	$75,000	$325,000	$75,000	$2,900,000
	Heritage Park Dugouts	$175,000						$175,000
	Heritage Park Loop Trail		$385,000					$385,000
	Heritage Park Dog Park	$115,000						$115,000
	Heritage Park Bathroom Upgrade	$105,000						$105,000
	Port Susan Trail Phase 2 (wwtp)	$1,638,000						$1,638,000
	Port Susan Trail Phase 3 (Church Creek/TCF)		$1,200,000					$1,200,000
	Port Susan Trail Phase 4 (Florence Rd.)		$100,000	$200,000				$300,000
	Cedarhome Area Park	$70,000						$70,000
	Raplee Property (271st/270th Triangle)	$140,000	$550,000					$690,000
	Ovenell Park			$70,000				$70,000
Total Parks Capital		**$2,971,000**	**$5,070,000**	**$895,000**	**$275,000**	**$525,000**	**$75,000**	**$9,811,000**
Building Improvement	City Hall/Police Station Remodel	$800,000		$5,000,000				$5,800,000
Total Bld. Improvement		$800,000	$0	$5,000,000	$0	$0	$0	**$5,800,000**

CITY OF STANWOOD 2024-2029 Capital Improvement Plan

Department	Project Title	Preliminary FY2024	Preliminary FY2025	Preliminary FY2026	Preliminary FY2027	Preliminary FY2028	Preliminary FY2029	Total
Sewer Capital	Sewer System Plan	$180,000						$180,000
	Sewer Rate Study	$20,000				$50,000		$70,000
	Sewer Basin 1 Pipe replacement program	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$1,800,000
	Inflow and Infiltration Study					$125,000		$125,000
	Grit Removal		$150,000	$250,000				$400,000
	Fine Screen Rebuild/Second Screen		$250,000	$250,000				$500,000
	Biosolids Removal and Utilization	$1,600,000	$4,000,000					$5,600,000
	Pioneer Hills Lift Station Upgrade	$100,000	$350,000					$450,000
	Viking Way - Sewer Element	$24,000						$24,000
	Decommission Church Creek Lift Station		$40,000					$40,000
	274th Sewer Main Replacement		$700,000					$700,000
	Cedarhome Dr. Sewer Main Replacement		$1,285,000					$1,285,000
	SR532 and Pioneer Hwy Sewer Crossing	$400,000						$400,000
	Pioneer Hwy and SR532 Sewer Main		$600,000					$600,000
	72nd Ave Sewer Main Replacement		$1,925,000					$1,925,000
	GIS equipment and set up (sewer)	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$600,000
	Cedarhome Collection System	$175,000						$175,000
	68th Sewer Main Replacement		$1,000,000					$1,000,000
	99th/272nd Pl Main Replacement					$47,000	$189,000	$236,000
	WWTP Lighting/Retrofit					$250,000	$250,000	$500,000
	Nutrient Removal Permit Upgrades/WWTP Upgrades	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$600,000
	Collection System/Manhole Repair	$40,000	$40,000	$40,000	$40,000	$40,000	$40,000	$240,000
	TCM Project 271st Camano Street to 94th Main Replacement	$169,000	$761,000	$761,000				$1,691,000
	UV System Energy Efficiency and Recycle Pumps Upgrade					$150,000	$250,000	$400,000
	272nd ST / 76th DR Main Replacment		$96,000	$547,000				$643,000
Total Sewer Capital		**$3,208,000**	**$11,697,000**	**$2,348,000**	**$540,000**	**$1,162,000**	**$1,229,000**	**$20,184,000**

CITY OF STANWOOD 2024-2029 Capital Improvement Plan

Department	Project Title	Preliminary FY2024	Preliminary FY2025	Preliminary FY2026	Preliminary FY2027	Preliminary FY2028	Preliminary FY2029	Total
Stormwater Capital	Drainage Rate Updates	$25,000				$60,000		$85,000
	Skagit Bay Dike Repair		$6,000,000					$6,000,000
	Floodwall- Florence Rd.	$614,000						$614,000
	Stormwater Comprehensive Plan Update	$200,000						$200,000
	Irvine Slough Pump Station Building	$100,000	$250,000					$350,000
	Drainage System Receiving Station					$400,000		$400,000
	272nd Project Drainage Element	$200,000						$200,000
	GIS equipment and set up (Drainage)	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$600,000
	Viking Way Drainage Element	$216,000						$216,000
	Irvine Slough Drainage	$3,300,000	$200,000	$2,000,000				$5,500,000
Total Stormwater Capital		**$4,755,000**	**$6,550,000**	**$2,100,000**	**$100,000**	**$560,000**	**$100,000**	**$14,165,000**
Street Construction	City Beautification Projects	$35,000	$30,000	$30,000	$30,000	$30,000	$30,000	$185,000
	Westside Overlays		$160,000	$130,000	$85,000	$85,000		$460,000
	103rd Road Rebuild	$320,000						$320,000
	Sidewalk Repair and Maintenance	$150,000	$230,000	$500,000	$500,000	$500,000	$500,000	$2,380,000
	80th & 284th Sidewalk Connection (south west corner)	$150,000						$150,000
	SR532 Hamilton Entrance Intersection			$3,500,000				$3,500,000
	Sidewalk: Cedarhome Drive NW			$714,612				$714,612
	Sidewalk: 272nd St NW		$270,000					$270,000
	Sidewalk: 276th St NW	$100,000						$100,000
	Sidewalk: 72nd AVE NW	$100,000						$100,000
	Sidewalk: 284th St NW- South Version 2		$185,880					$185,880
	Sidewalk: 98th Dr. NW Copy Ver 2		$123,240					$123,240
	Overlay and ADA Improvements	$410,000	$510,000	$428,000	$450,000	$450,000	$450,000	$2,698,000
	284th Street NW Improvements		$5,700,000					$5,700,000
	64th and SR532 Intersection	$500,000	$100,000	$3,600,000				$4,200,000
	Viking Way- 90th Ave Phase 2	$2,000,000						$2,000,000
	Twin City Mile Downtown Renovation Project	$739,000	$1,600,000	$371,000	$371,000	$1,000,000	$1,000,000	$5,081,000
Total Street Construction		**$4,504,000**	**$8,909,120**	**$9,273,612**	**$1,436,000**	**$9,705,000**	**$1,980,000**	**$35,807,732**

CITY OF STANWOOD 2024-2029 Capital Improvement Plan								
Department	**Project Title**	**Preliminary FY2024**	**Preliminary FY2025**	**Preliminary FY2026**	**Preliminary FY2027**	**Preliminary FY2028**	**Preliminary FY2029**	**Total**
Water Capital	Water System Plan	$50,000						$50,000
	Water System Telemetry Upgrade	$450,000						$450,000
	Water Rate Study	$20,000				$70,000		$90,000
	Annual Water Main Improvements	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$600,000
	Inventory Enhancement	$195,000						$195,000
	Water Treatment Plant/Cedarhome Well Upgrades Phase 1	$95,000						$95,000
	Water Treatment Plant/Cedarhome Well Upgrades Phase 2		$150,000					$150,000
	Meter Replacement	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000	$480,000
	103rd Water Line Upgrade	$400,000						$400,000
	76th Drive Main/Service Relocation		$96,000	$547,000				$643,000
	Knittle Booster Station Improvements		$236,000	$709,000				$945,000
	Cedarhome Well Generator	$250,000						$250,000
	Leque Road Main Replacment		$640,000					$640,000
	Cedarhome Drive Main and Park Drive Replacement			$425,600				$425,600
	Cedarhome Drive & 276th Main Replacement				$176,000			$176,000
	271st Camano Street to 94th Main Repl. (TCM Project)	$169,000	$761,000	$761,000				$1,691,000
	272nd ST from 78th ST to 72nd ST Main Replacment		$370,000					$370,000
	Northern UGA Main Improvements (288th to Pioneer HWY)				$282,560			$282,560
	Northern UGA Main Improvements (Skrinde RD)					$96,000		$96,000
	Northern UGA Main Improvements (89th)						$145,600	$145,600
	101st AVE from 272nd PL to 274th Main Replacment				$155,000	$311,000		$466,000
	72nd AVE from 272nd ST to 27408 72nd Main (loop system)	$150,000						$150,000
	Service Line Inventory Replacement Project	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$150,000
	Decommission Sill Well		$15,000					$15,000
	Viking Way Water Element	$24,000						$24,000
	GIS equipment and set up (water)	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$600,000
Total Water Capital		**$2,108,000**	**$2,573,000**	**$2,747,600**	**$918,560**	**$782,000**	**$450,600**	**$9,579,760**
Total Departments		**$18,346,000**	**$34,799,120**	**$22,364,212**	**$3,269,560**	**$12,734,000**	**$3,834,600**	**$95,347,492**