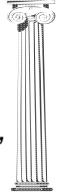




## City of Lake Stevens Vision Statement



*By 2030, we are a sustainable community around the lake with a vibrant economy, unsurpassed infrastructure and exceptional quality of life.*

### CITY OF LAKE STEVENS CITY COUNCIL SPECIAL AGENDA

Lake Stevens Senior Center  
2302 Soper Hill Rd, Lake Stevens  
Tuesday, October 7, 2014 - 7:00 p.m.

#### SPECIAL MEETING

**CALL TO ORDER:** 7:00 p.m.  
Pledge of Allegiance

**ROLL CALL:**

**NOTICE:** \*A Special Meeting Notice

**ACTION ITEM:** \*A. Approve Resolution No. 2014-7 Affirming the City Council's Economic Development Policies and the Council's Intent to Adopt Incentive Programs to Stimulate Employment and Retail Growth in the City  
Becky

**ADJOURN:**

* ITEMS ATTACHED	** ITEMS PREVIOUSLY DISTRIBUTED	# ITEMS TO BE DISTRIBUTED
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#### **THE PUBLIC IS INVITED TO ATTEND**

##### **Special Needs**

*The City of Lake Stevens strives to provide accessible opportunities for individuals with disabilities. Please contact Steve Edin, City of Lake Stevens ADA Coordinator, (425) 377-3227, at least five business days prior to any City meeting or event if any accommodations are needed. For TDD users, please use the state's toll-free relay service, (800) 833-6384, and ask the operator to dial the City of Lake Stevens City Hall number.*

#### **NOTICE:**

**All proceedings of this meeting are audio recorded, except Executive Sessions**



## NOTICE OF SPECIAL MEETING

Notice is hereby given that the Lake Stevens City Council will conduct a special meeting in accordance with RCW 42.30.080.

**Purpose of Meeting:**

**ACTION ITEMS:**

1. Approve Resolution No. 2014-7 Affirming the City Council's Economic Development Policies and the Council's Intent to Adopt Incentive Programs to Stimulate Employment and Retail Growth in the City
2. Adjourn

**Meeting Place:**

Lake Stevens Senior Center  
2302 Soper Hill Rd.  
Lake Stevens, WA

**Meeting Date/Time:**

Tuesday, October 7th at 7:00 p.m.

**Notice Delivered/Mailed To:**

Lake Stevens City Council  
Herald

**Posted:**

Lake Stevens City Hall  
Lake Stevens Web Site



LAKE STEVENS CITY COUNCIL  
**STAFF REPORT**

**Council Agenda Date:** October 7, 2014

**Subject:** Economic Development  
Business Recruitment – New Development Incentives

**Contact** Rebecca Ableman  
**Person/Department:** Planning and Community  
Development Director

**Budget** 0  
**Impact:**

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**RECOMMENDATION(S)/ACTION REQUESTED OF COUNCIL:**

Approve Resolution 2014-7 (**Attachment A**), a Resolution of the City of Lake Stevens, Affirming the City Council's Economic Development Policies and the Council's Intent to adopt Incentive Programs to stimulate Employment and Retail Growth in the City. The Resolution has been reviewed by the City Attorney's office.

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**SUMMARY:**

Last month, Council directed staff to prepare the appropriate documents for new business incentive programs. The potential programs include a Traffic Impact Fee Deferral, a Traffic Impact Reduction Program, and a Permit Fee Waiver program. These programs initially would be tied to job creation. Ordinances and code amendments are currently required to be implemented and will need to go through public hearing processes. Currently, the schedule is for Planning Commission to hold a public hearing on October 22, 2014.

Staff is actively recruiting employers and time is of the essence. Staff has presented at least one potential employer with the business advantages of Lake Stevens to let them know Council's intention (**Attachment B**). A formal action by Council will more strongly inform potential businesses looking to locate in Lake Stevens that enacting these incentives is a priority for the City.

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**BACKGROUND:**

The City is actively recruiting both potential employers and other business to locate in Lake Stevens. One approach to stimulating new business growth is to provide financial incentives for businesses who meet the City's specific Economic Development goals. Incentive programs will allow the City to be competitive with other jurisdictions.

Incentive programs are allowed under state law when there is clear intent and public benefit.

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**DISCUSSION:**

Staff is drafting the appropriate ordinances and code amendment establishing programs including qualification criteria along with the impact of fee reductions and waivers. Council should expect these documents for formal action following a Planning Commission Public Hearing on October 22, 2014. **Attachment C** is a draft of the proposed structure of the traffic impact fee reduction program.

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**APPLICABLE CITY POLICIES:**

The proposal is consistent with and will further the Economic Development Strategy Goals.

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**BUDGET IMPACT:**

There is no budget impact to this resolution. Financial implications will be analyzed in the specific incentive proposals when they come forward for Council's consideration.

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**ATTACHMENTS:**

- A. Resolution 2014-7
- B. Development Project Incentives
- C. Draft Traffic Impact Fee Reduction Program Structure

**CITY OF LAKE STEVENS  
LAKE STEVENS, WASHINGTON**

**RESOLUTION No. 2014-7**

**A RESOLUTION OF THE CITY OF LAKE STEVENS, AFFIRMING THE  
CITY COUNCIL’S ECONOMIC DEVELOPMENT POLICIES AND THE  
COUNCIL’S INTENT TO ADOPT INCENTIVE PROGRAMS TO  
STIMULATE EMPLOYMENT AND RETAIL GROWTH IN THE CITY**

WHEREAS, the City of Lake Stevens, Washington is a City in Snohomish County, Washington, planning under the Growth Management Act; and

WHEREAS, the City of Lake Stevens adopted the following Economic Development Goals and Policies in the Comprehensive Plan;

*GOAL 9.5: IMPROVE THE CITY’S ECONOMIC CONDITION FOR A HEALTHY, VIBRANT AND SUSTAINABLE COMMUNITY.*

*Policies*

- 9.5.1 Develop a comprehensive economic development strategy guiding land use planning resources that will:
 
  - A. Diversify sustainable revenue sources that weather swings in economic cycles.*
  - B. Promote job creation for its residents.*
  - C. Provides a strategy based on an up-to-date market analysis and forecasting.*
  - D. Identifies potential employment sectors that will flourish in the Lake Stevens environment given its location to Everett, US2, and the I-5 corridor.**
- 9.5.2 Coordinate with other appropriate regional agencies to help advance economic development goals and policies.*
- 9.5.3 Develop economic development recruitment strategies that take advantage of Lake Steven’s community attributes and assets.*
- 9.5.4 Coordinate and balance the economic development strategies and techniques in growth centers that complement the existing growth centers for maximum economic benefit.;*

and

WHEREAS, in 2010, the City Council accepted a completed economic development strategy that supports measures intended to implement the Comprehensive Plan goals and policies; and

WHEREAS, the City's subarea plans support actions that promote the following objectives:

- *Promote economic development and a more positive balance of jobs and housing by providing a mixture of jobs, goods and services, housing with recreation/open space and protection of important environmental resources.*
- *Attract a variety of employers of varying sizes; and*

WHEREAS, the City is actively recruiting businesses to locate in Lake Stevens that further the goals, policies and objectives related to economic development, that support employment and retail growth and that promotes a sustainable financial condition for the City; and

WHEREAS, the City Council discussed potential development incentives for new business development on September 8, 2014; and

WHEREAS, the City Council desires to support and attract all businesses contemplating development in the City, and particularly businesses that create new jobs and employment opportunities and businesses which otherwise promote retail growth in the City; and

WHEREAS, the City recognizes that there is a competitive climate in other nearby jurisdictions to attract businesses; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKE STEVENS AS FOLLOWS:

Section 1. Intention. The City Council recognizes the importance of attracting new business development for the overall economic sustainability of the City. As such, the Lake Stevens City Council hereby directs staff to prepare various incentive programs consistent with the Comprehensive Plan, the Subarea Plans, and the Economic Development Strategy as allowed by state law. The City Council intends to review and consider economic development incentives over the next few months including but not limited to a traffic impact fee discount program, a traffic impact fee deferral program; and a permit fee waiver or deferral program to encourage and stimulate new business development in Lake Stevens;

Section 2. Severability. If any section, sentence, clause or phrase of this Resolution should be held invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Resolution.

Section 3. Effective Date. This Resolution shall take effect immediately upon passage by the Lake Stevens City Council.

PASSED by the City Council of the City of Lake Stevens this 7th day of October, 2014.

\_\_\_\_\_  
Vern Little, Mayor

ATTEST:

\_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Grant K. Weed, City Attorney



## DEVELOPMENT PROJECT INCENTIVES

The City of Lake Stevens extends several special incentives to motivate and assist with establishing desired new businesses in the area. These incentives offer project predictability and can help reduce long and short term development costs.

### **COMPLETED Environmental Review Process**

Environmental review is already completed in the 20th St. SE Corridor and Lake Stevens Center. No traffic study needed by developer. Saves time and money.

### **Pending Traffic Impact Fee Deferral and/or Reduction Program Ordinance**

At their request, the City Council will review a Traffic Impact Fee Deferral and/or Discount program within the next 30 days. Initial development cost savings. The current proposal will allow up to a 90% fee reduction.

### **Pending Permit Fee Waiver Program Ordinance**

The City Council will be considering a Permit Fee Waiver program within the next 30 days. Initial development cost savings.

### **Permit Rapid Response Team**

The City deploys its Rapid Response Team to expedite the permit process for desired businesses to locate in Lake Stevens. Additionally, Department Directors will serve on these teams so decisions can be made quickly. Saves time and money.

### **Flexible Land Use Regulations**

Regulations and design standards offer a menu of choices to meet the City development goals. Flexibility for developers.



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Rebecca Ableman  
Planning & Comm. Dev. Director  
425.377.3229  
baleman@lakestevenswa.gov



**ECONOMIC DEVELOPMENT TRAFFIC IMPACT FEE REDUCTION PLAN**

Economic Development Fee Reduction (EDFR) is a reduction in traffic impact fees to encourage quality job growth development in targeted high value added businesses. The major focus of the EDFR are businesses that:

1. **High wage job creation** – living wage jobs is defined by MIT for two adults and 1 child (\$18.31) <http://livingwage.mit.edu/counties/53061>
2. **Job creation** - adding 25 or more new jobs for a single site
3. **Inventory development** – creates an available industrial building inventory for prospective companies.

**HIGH WAGE JOB CREATION**

Pre-approved applicants who build a new facility and create high wage jobs in the City of Lake Stevens are eligible to receive a 30 to 90% reduction in Traffic Impact Fees.

Number of Jobs Created	Total EDFR
25 to 50	30%
51 to 80	50%
81 to 100	70%
101 and above	90%

**Eligibility**

- The company must apply to the City’s Planning Director prior to applying for a building permit.
- Submit the application before making a decision to locate or expand and demonstrate that the impact fee reduction/waiver will make a difference in the company’s decision to locate or expand. Once the building permit has been issued, the company is no longer eligible.
- Create at least 25 net, new full time jobs.
- Pay an average annual wage that is at least 100% of Snohomish County’s average annual wage. (Average annual wage includes overtime and bonus, but not benefits). 100% of the average annual wage is \$38,085 or \$18.31 per hour.
- The Qualified Target Business/approved business or the owner of real property, but both cannot apply for the impact fee mitigation reduction.

**Application Process**

- Planning staff will help the applicant throughout the entire process to ensure the company understands what is required for a complete application.

- Any person seeking the EDFR needs to file an application for Impact Fee Reduction with the Director of Planning or designee, along with \$500 for the administrative review fee, prior to the Impact Fee payment date.

**Approval Process**

- The Planning Director has final approval of all Impact Fee Reduction decisions.
- The City will make every effort to expedite the process to meet the applicant’s schedule and will take no more than 30 days to evaluate a complete application.

**JOB CREATION**

Pre-approved applicants who build a new facility and create new jobs in the City of Lake Stevens are eligible to receive a 10 to 90% reduction in Traffic Impact Fees.

Number of Jobs Created	Total EDFR
25 to 50	20%
51 to 80	30%
81 to 100	50%
100 to 199	70%
200 and above	90%

**Eligibility**

- The company must apply to the City’s Planning Director prior to applying for a building permit.
- Submit the application before making a decision to locate or expand and demonstrate that the impact fee reduction/waiver will make a difference in the company’s decision to locate or expand. Once the building permit has been issued, the company is no longer eligible.
- Create at least 25 net, new full time jobs.
- Pay an annual wage that is at Washington State current minimum wage rate. (Annual wage does not include overtime, bonus, or benefits).
- The Qualified Target Business/approved business or the owner of real property, but both cannot apply for the impact fee mitigation reduction.

**Application Process**

- Planning staff will help the applicant throughout the entire process to ensure the company understands what is required for a complete application.
- Any person seeking the EDFR needs to file an application for mitigation with the Director of Planning or designee, along with \$500 for the administrative review fee, prior to the Impact Fee payment date.

**Approval Process**

- The Planning Director has final approval of all projects.
- The City will make every effort to expedite the process to meet the applicant’s schedule and will take no more than 30 days to evaluate a complete application.

**INVENTORY DEVELOPMENT**

Pre-approved applicants who build new building inventory, wholesale/warehouse and/or manufacturing/industrial, space that is 70,000 square feet or greater are eligible to receive a 50% reduction in Traffic Impact Fees.

New Building Inventory Space	Total EDFR
70,000 SF or greater	50%

**Eligibility**

- The company must apply to the City’s Planning Director prior to applying for a building permit.
- Submit the application demonstrating that new building size is at least 70,000 total square feet of floor space. Once the building permit has been issued, the company is no longer eligible.
- The Qualified Target Business/approved business or the owner of real property, but both cannot apply for the impact fee mitigation reduction.

**Application Process**

- Planning staff will help the applicant throughout the entire process to ensure the company understands what is required for a complete application.
- Any person seeking the EDFR needs to file an application for mitigation with the Director of Planning or designee, along with \$500 for the administrative review fee, prior to the Impact Fee payment date.

**Approval Process**

- The Planning Director has final approval of all projects.
- The City will make every effort to expedite the process to meet the applicant’s schedule and will take no more than 30 days to evaluate a completed application.