



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 COUNCIL WORKSHOP MEETING AGENDA BY REMOTE ACCESS ONLY VIA ZOOM

Lake Stevens, Washington

Zoom Log in Information:

<https://us02web.zoom.us/j/85860303263>

or call in at (253) 215-8782

Meeting ID: 858 6030 3263

Tuesday, October 20, 2020 – 7:00 p.m.

- Lake Stevens Rowing Club Eric
- Letter Supporting Adoption of a 0.1% Sales Tax for Affordable Housing Anji
- 2021 Preliminary Budget Josh/Barb
- Ordering Vehicles for 2021 Russ

THE PUBLIC IS INVITED TO ATTEND BUT WILL NOT BE ALLOWED TO COMMENT

Special Needs

The City of Lake Stevens strives to provide accessible opportunities for individuals with disabilities. Please contact Human Resources, City of Lake Stevens ADA Coordinator, (425) 622-9400, 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.



Lake Stevens Rowing Club (LSRC)

Boathouse Move – Near Term Plan

October 12, 2020



City of Lake Stevens Marketplace Proposal

- Marketplace site discussion:
 - City provided a preliminary design of the Marketplace development that has LSRC sharing a 65' long building with the Lake Stevens Historical Society. LSRC would occupy 25' of the east side of the building (65' x 25'). North side would be a storefront, South side would provide exit for rowing shells into the boat launch parking lot.
 - LSRC Benefits:
 - High visibility to the public with a storefront facing the park
 - New heated facility with 14' High Bay downstairs, and a full second floor for offices and weight/ERG gym.
 - Shared restroom/shower with Historic Society
 - Ready for Occupancy - Early 2022
 - LSRC Concerns:
 - No outside area for rigging shells for practices.
 - Shells need to be rigged outside before each practice as there is insufficient space inside to prepare more than one boat at a time.
 - Site has city or boat launch parking blocking both ends.
 - Largest shells are 60' long and are difficult to move around cars.
 - North end is storefront only, no access to move shells into the park
 - Building is only 65' long which limits shell storage.
 - Current facility is 80' long, optimum length is 100'+
 - No outside storage area





Lot 12 Discussion

- Discussion with the city at our last two meetings, September 23rd (Gene Brazel) and September 30th (Eric Durpos), consider LSRC moving the existing Boathouse (BH) to lot 12, and building a new BH in the future, either on lot 11 or lot 13.
 - City would:
 - Remove the existing house structure and clean/level the lot
 - Pave the first 60' of the lot, and concrete pad under the boathouse
 - Move the existing BH from its current location to Lot 12 (see map)
 - Confirm the wetland area, and allowable building site limitations will accommodate the current building
 - Coordinate all permits
 - LSRC would
 - Vacate plans to locate in the planned marketplace development
 - Assist in the BH move process
 - Provide any building upgrades/additions
 - Responsibility for electrical and water service connections
 - Lead future boathouse fundraising and building plan as a partner with the city



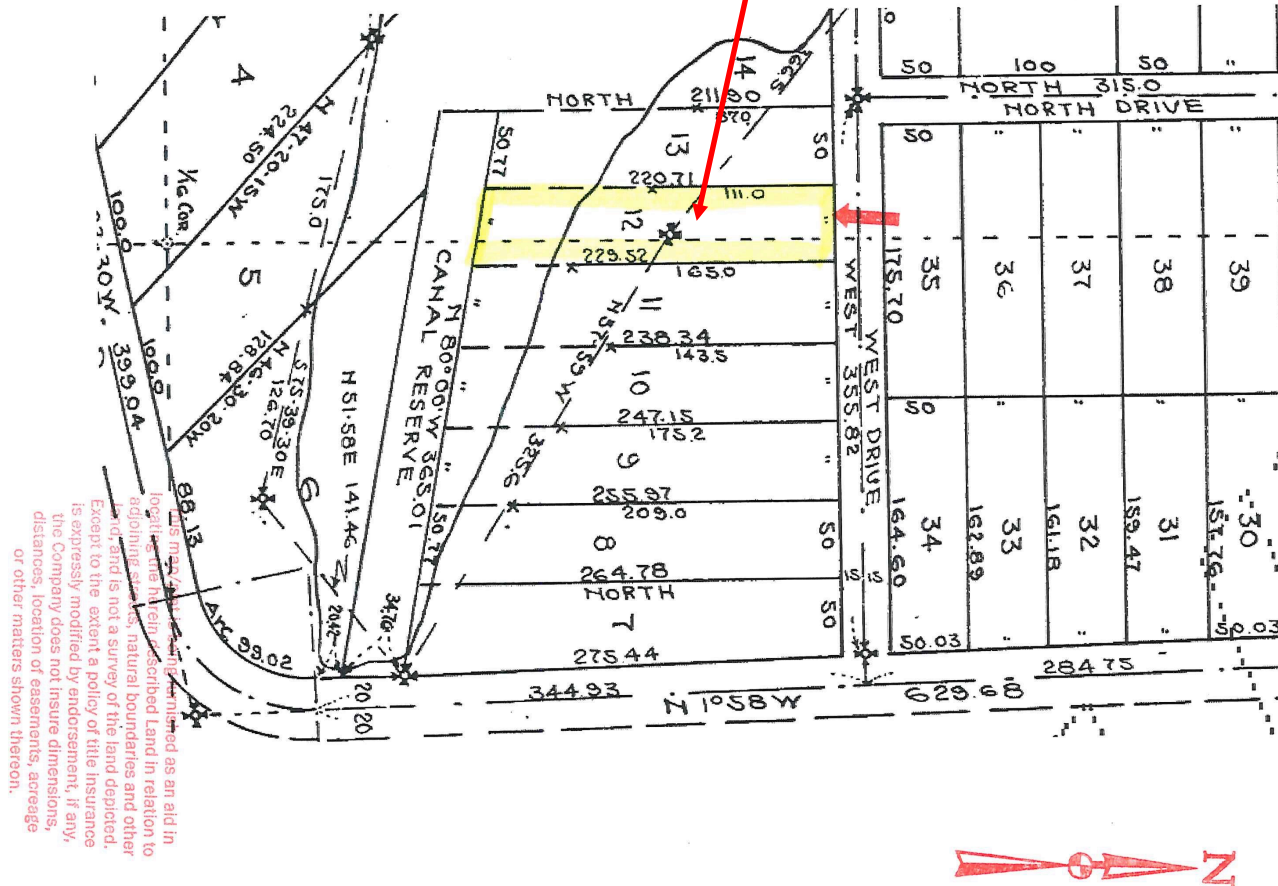


LSRC Near Term BH Improvements

- To support our long-range plan of building a world class rowing facility in downtown Lake Stevens, LSRC must continue to grow the Master's and Youth program memberships prior to a new facility being constructed.
 - To support continued growth, the current shell house would benefit from infrastructure upgrades.
 - Extend the length or the width of the shell house to accommodate a dedicated workout area for 25 rowing machines and weight equipment.
 - Heat and Insulation for both the shell bay and workout area to improve winter workout conditions and reduce noise pollution to the adjacent neighbors.
 - Possible exterior façade changes to blend with the new city pavilion
 - Possibly, add a 2' Pony wall to raise height of shell house to facilitate storage of additional hulls
 - Upgraded electrical
 - Water

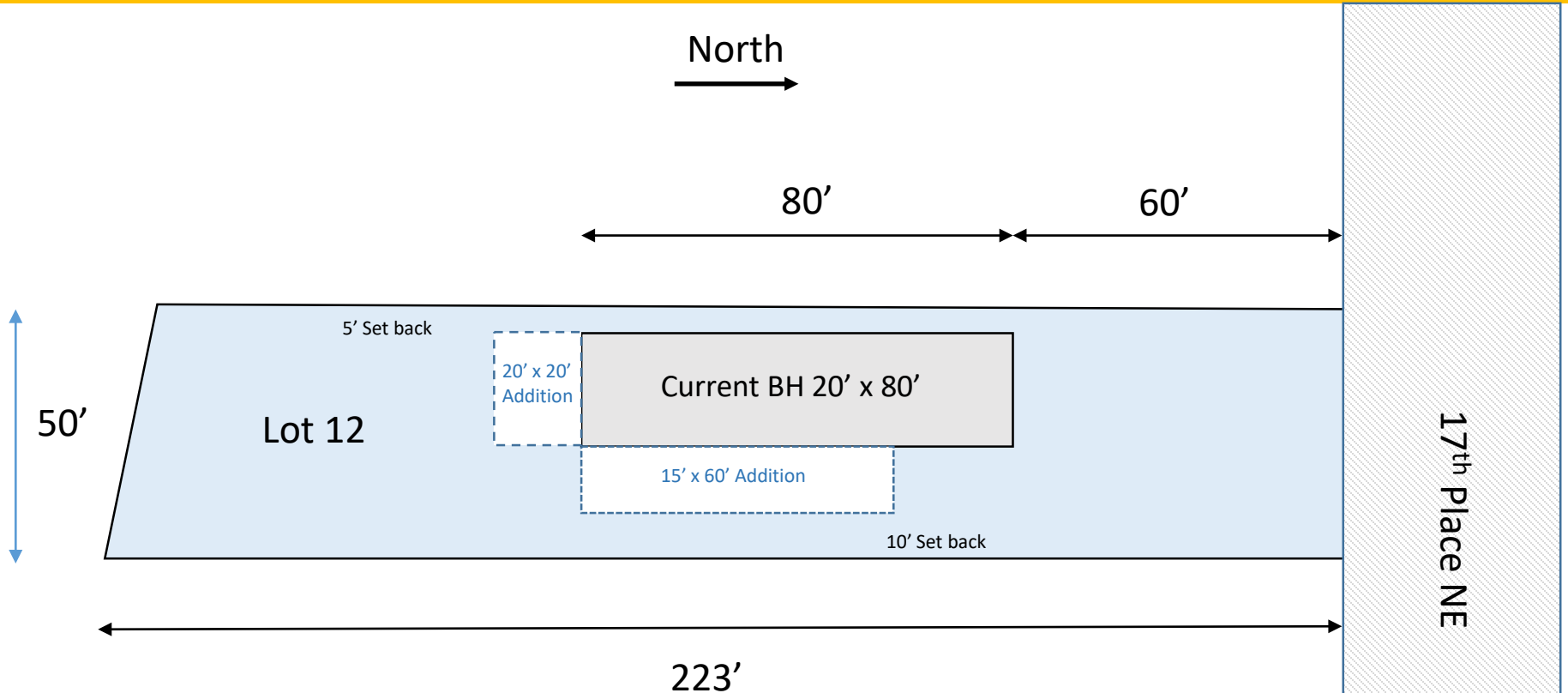


Planned Site Lot 12





LSRC Proposed Boathouse Location

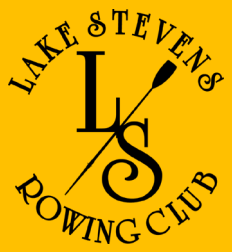




Shared Financial Responsibility

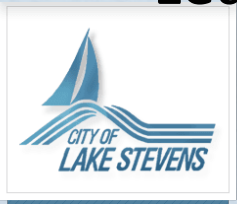
Project	City	LSRC	Note
Demolish House Structure and Clear lot			
Move Current Boathouse to New Location			
All Building and Land Permits			
Asphalt Pad In front of Boathouse			50 x 60' Approx
Cement Pad under Boathouse			20' x 80'
2' Pony Wall to Raise Current Structure			Optional
BH Extension (Lengthen or Widen)			Optional
Basic Electrical			
Heat			
Water to BH - Faucet Only			
Additional Shell Racking			
Exterior Building Paint			





Next Steps

- Rezone of the property to allow multi use sport facility
- Complete land survey to determine how much of the property is usable for both the current and future buildings
- Demolish house, clear and prep the land for boathouse
- Determine the cost of upgrades to the current structure
- Define schedule of events
- Agree to financial responsibility
- Lease agreement



**STAFF REPORT****Council****Agenda Date:** October 20, 2020**Subject:** Letter Supporting Adoption of a 0.1% Sales Tax for Affordable Housing**Contact** Anji Jorstad, Councilmember
Person/Department:**Budget** \$0 to
Impact: implement

RECOMMENDATION(S)/ACTION REQUESTED OF COUNCIL: Discuss support of Snohomish County adopting of a 0.1% sales tax for affordable housing through councilmanic action.

SUMMARY/BACKGROUND: During the 2019 Regular Session of the Washington State Legislature, Substitute House Bill 1406 was passed, which authorized local governments to impose a local sales and use tax for the acquisition, construction or rehabilitation of affordable housing or facilities that provide supportive housing. This tax is credited against state sales tax already collected within Lake Stevens and does not result in higher sales and use taxes within the city limits. On April 14, 2020, the City Council adopted Ordinance 1082 authorizing a sales and use tax for affordable and supportive housing in accordance with Substitute House Bill 1406. At the time of its adoption, Council as a member of the Snohomish County Affordable Housing Consortium, expressed support to pool funding received under SHB and provide affordable housing within the service area of member cities.

As a follow-up measure the legislature passed HB 1590 in 2020, which allows a county or city legislative authority to impose the local sales and use tax for housing and related services by councilmanic action, rather than vote by a proposition. A minimum of 60 percent of revenues collected must be used for constructing affordable housing and facilities providing housing-related services, constructing mental and behavioral health-related facilities, or funding the operations and maintenance costs of newly constructed affordable housing, facilities providing housing-related services, or evaluation and treatment centers. The Bill Summary is attached as Exhibit A.

The Alliance for Affordable Housing is requesting that member cities provide their formal support to request that the County adopt a 0.1% sales tax for affordable housing through councilmanic action. The draft letter is attached as Exhibit B.

APPLICABLE CITY POLICIES: Comprehensive Plan Housing Element

BUDGET IMPACT: None

ATTACHMENTS:

- Exhibit A House Bill 1590 Summary
- Exhibit B Draft AHA Support Letter

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1590

Chapter 222, Laws of 2020

66th Legislature
2020 Regular Session

AFFORDABLE HOUSING SALES AND USE TAX--COUNCILMANIC AUTHORITY

EFFECTIVE DATE: June 11, 2020

Passed by the House March 9, 2020
Yeas 52 Nays 44

LAURIE JINKINS

**Speaker of the House of
Representatives**

Passed by the Senate March 6, 2020
Yeas 27 Nays 21

CYRUS HABIB

President of the Senate

Approved March 31, 2020 10:44 AM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1590** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

March 31, 2020

**Secretary of State
State of Washington**

HOUSE BILL 1590

AS AMENDED BY THE SENATE

Passed Legislature - 2020 Regular Session

State of Washington

66th Legislature

2019 Regular Session

By Representatives Doglio, Dolan, Macri, Cody, Gregerson, Wylie, Appleton, Robinson, Ormsby, Frame, and Davis

Read first time 01/24/19. Referred to Committee on Housing, Community Development & Veterans.

1 AN ACT Relating to allowing the local sales and use tax for
2 affordable housing to be imposed by a councilmanic authority; and
3 amending RCW 82.14.530.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.14.530 and 2015 3rd sp.s. c 24 s 701 are each
6 amended to read as follows:

7 (1)(a)(i) A county legislative authority may submit an
8 authorizing proposition to the county voters at a special or general
9 election and, if the proposition is approved by a majority of persons
10 voting, impose a sales and use tax in accordance with the terms of
11 this chapter. The title of each ballot measure must clearly state the
12 purposes for which the proposed sales and use tax will be used. The
13 rate of tax under this section may not exceed one-tenth of one
14 percent of the selling price in the case of a sales tax, or value of
15 the article used, in the case of a use tax.

16 (ii) As an alternative to the authority provided in (a)(i) of
17 this subsection, a county legislative authority may impose, without a
18 proposition approved by a majority of persons voting, a sales and use
19 tax in accordance with the terms of this chapter. The rate of tax
20 under this section may not exceed one-tenth of one percent of the

1 selling price in the case of a sales tax, or value of the article
2 used, in the case of a use tax.

3 (b) (i) If a county (~~((with a population of one million five~~
4 ~~hundred thousand or less has not imposed))~~ does not impose the full
5 tax rate authorized under (a) of this subsection (~~((within two years~~
6 ~~of October 9, 2015))~~ by September 30, 2020, any city legislative
7 authority located in that county may (~~(submit))~~ :

8 (A) Submit an authorizing proposition to the city voters at a
9 special or general election and, if the proposition is approved by a
10 majority of persons voting, impose the whole or remainder of the
11 sales and use tax rate in accordance with the terms of this chapter.
12 The title of each ballot measure must clearly state the purposes for
13 which the proposed sales and use tax will be used;

14 (B) Impose, without a proposition approved by a majority of
15 persons voting, the whole or remainder of the sales and use tax rate
16 in accordance with the terms of this chapter.

17 (ii) The rate of tax under this section may not exceed one-tenth
18 of one percent of the selling price in the case of a sales tax, or
19 value of the article used, in the case of a use tax.

20 (~~((ii) If a))~~ (iii) A county with a population of greater than
21 one million five hundred thousand (~~((has not imposed the full))~~ may
22 impose the tax authorized under (a) (ii) of this subsection (~~((within~~
23 ~~three years of October 9, 2015, any city legislative authority))~~ only
24 if the county plans to spend at least thirty percent of the moneys
25 collected under this section that are attributable to taxable
26 activities or events within any city with a population greater than
27 sixty thousand located in that county (~~((may submit an authorizing~~
28 ~~proposition to the city voters at a special or general election and,~~
29 ~~if the proposition is approved by a majority of persons voting,~~
30 ~~impose the whole or remainder of the sales and use tax rate in~~
31 ~~accordance with the terms of this chapter. The title of each ballot~~
32 ~~measure must clearly state the purposes for which the proposed sales~~
33 ~~and use tax will be used. The rate of tax under this section may not~~
34 ~~exceed one-tenth of one percent of the selling price in the case of a~~
35 ~~sales tax, or value of the article used, in the case of a use tax))~~
36 within that city's boundaries.

37 (c) If a county imposes a tax authorized under (a) of this
38 subsection after a city located in that county has imposed the tax
39 authorized under (b) of this subsection, the county must provide a
40 credit against its tax for the full amount of tax imposed by a city.

(d) The taxes authorized in this subsection are in addition to any other taxes authorized by law and must be collected from persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the county for a county's tax and within a city for a city's tax.

(2)(a) Notwithstanding subsection (4) of this section, a minimum of sixty percent of the moneys collected under this section must be used for the following purposes:

(i) Constructing affordable housing, which may include new units of affordable housing within an existing structure, and facilities providing housing-related services; or

(ii) Constructing mental and behavioral health-related facilities; or

(iii) Funding the operations and maintenance costs of new units of affordable housing and facilities where housing-related programs are provided, or newly constructed evaluation and treatment centers.

(b) The affordable housing and facilities providing housing-related programs in (a)(i) of this subsection may only be provided to persons within any of the following population groups whose income is at or below sixty percent of the median income of the county imposing the tax:

(i) Persons with (~~mental illness~~) behavioral health disabilities;

(ii) Veterans;

(iii) Senior citizens;

(iv) Homeless, or at-risk of being homeless, families with children;

(v) Unaccompanied homeless youth or young adults;

(vi) Persons with disabilities; or

(vii) Domestic violence survivors.

(c) The remainder of the moneys collected under this section must be used for the operation, delivery, or evaluation of mental and behavioral health treatment programs and services or housing-related services.

(3) A county that imposes the tax under this section must consult with a city before the county may construct any of the facilities authorized under subsection (2)(a) of this section within the city limits.

(4) A county that has not imposed the tax authorized under RCW 82.14.460 prior to October 9, 2015, but imposes the tax authorized

1 under this section after a city in that county has imposed the tax
2 authorized under RCW 82.14.460 prior to October 9, 2015, must enter
3 into an interlocal agreement with that city to determine how the
4 services and provisions described in subsection (2) of this section
5 will be allocated and funded in the city.

6 (5) To carry out the purposes of subsection (2)(a) and (b) of
7 this section, the legislative authority of the county or city
8 imposing the tax has the authority to issue general obligation or
9 revenue bonds within the limitations now or hereafter prescribed by
10 the laws of this state, and may use, and is authorized to pledge, up
11 to fifty percent of the moneys collected under this section for
12 repayment of such bonds, in order to finance the provision or
13 construction of affordable housing, facilities where housing-related
14 programs are provided, or evaluation and treatment centers described
15 in subsection (2)(a)(iii) of this section.

16 (6)(a) Moneys collected under this section may be used to offset
17 reductions in state or federal funds for the purposes described in
18 subsection (2) of this section.

19 (b) No more than ten percent of the moneys collected under this
20 section may be used to supplant existing local funds.

Passed by the House March 9, 2020.

Passed by the Senate March 6, 2020.

Approved by the Governor March 31, 2020.

Filed in Office of Secretary of State March 31, 2020.

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Snohomish County Council
3000 Rockefeller Ave.
M/S 609
Everett, WA 98201

[date]

The Alliance for Housing Affordability (AHA), a collaboration of local municipal governments, was formed in 2013 to address the issue of our housing affordability crisis in Snohomish County. One of the major needs in housing affordability is the commitment of local policy and funding. RCW 82.14.530, amended by HB1590 in the 2020 Legislative Session, provides the opportunity for legislative bodies like the Snohomish County Council to address the need for local funding for affordable housing.

Today, the AHA Joint Board writes to encourage Council action on this issue as an important and needed step to address the County's growing housing affordability crisis.

Data that shows the need for affordable housing is exhaustive and widely available, notably in the Snohomish County HART report. That data clearly and strongly speaks to the need for increased affordability across the socio-economic spectrum. Instead of retreading that ground, AHA would like to draw attention to three perspectives that we believe makes clear the need to support adoption of a 0.1% sales tax for affordable housing.

Housing Affordability Deserves a Response Like Any Disaster

The first perspective is best framed through this question: "What response would we expect if the Cascadia earthquake happened tomorrow and thousands of Snohomish County residents were suddenly in need of assistance?" One would hope that funding from all levels of government- local, state, and federal - would flow to the region to assist those suddenly displaced by the disaster. This need would be both immediate (emergency shelter) and long-term (as the region's economy would suffer for years after). Wouldn't it be appropriate to raise funds from the public to render assistance to those in need in that case? We hope the answer to that question is, "It would be appropriate, and expected, for that aid to be rendered."

If help would be appropriate in event of an earthquake, what do we say to the thousands of households struggling despite their 40+ hours of work a week? The thousands who are currently homeless, or soon to be made so by COVID-19's economic impacts? A common refrain, heard for many years, is to "Pull yourself up by your bootstraps," or simply "Go live somewhere else." Would we say that to residents displaced by an earthquake? Is this difference in response because of the slow-motion nature of the current housing crisis compared to the immediacy of an earthquake? Is it because we simply view the growing number of our affected friends, neighbors, and coworkers as undeserving? Or is it something else? This question bears discussion.

If Not Now, When?

Setting disaster aside, consider one common reason to reject tax measures: "Now is not the time for a tax increase." If not now, when? When would be the appropriate time for the County Council to use its councilmanic authority to raise taxes? Is the answer, "When times are better, and the economy is stronger"? If that is the case, we would like to encourage the County Council to consider the 8% 'banking' of councilmanic property taxes (last done in Ordinance No. 19-065). There were surely good reasons at the time to bank that taxing authority despite a strong economy, just as there are good arguments today. Putting it all together, it appears that no time will feel *right* to raise taxes, and in that case, then today is as good as any other time to adopt this measure.

Using the Tools We Have

Third and finally, it is indeed unfortunate that a sales tax is the option that we must take in support of funding affordable housing creation. Property taxes are the only other funding mechanism of significance, and as discussed above, have been left unused for eight years with no sign of change in the future. In the case of a sales tax, it is notable that as we stood on the precipice of a deep economic recession in 2008 we still passed the 0.1% Chemical Dependency and Mental Health (CDMH) sales tax. We can look back to see what negative impacts were experienced in the wake of its passage. Notably, CDMH has done great work in assisting providers in the work they do to serve Snohomish County residents. Further, like CDMH, this measure for affordable housing would assist in making Snohomish County more competitive in applications for state and federal dollars, which often require or incentivize local funding commitments. These state and local funds are often granted in much larger values than the local funding commitment, so in addition to making Snohomish County more competitive, this measure would leverage funds at a greater than 1:1 ratio from state and federal sources.

While the COVID-19 pandemic creates challenging circumstances to adoption of this tax, it also provides a greater imperative to do so. A year from now, whether the pandemic itself has been overcome or not, its impact on the economy and thus the housing market will surely still be with us. At that time and beyond, the lack of a source of local funding to support those affected will be sorely felt, and even more urgently needed.

Looking ahead to that future, AHA's members strongly urge the County Council to make it clear that those who work hard, but still make below 60% of the County's median income, deserve as much support as would be expected in the wake of any other disaster. It is understood that taxation is difficult, uniquely so during this pandemic. However, we often do not consider that the impacts of failing to adequately address the shortage of housing will have outsized financial impacts that we will all ultimately pay. Those costs will manifest themselves in the form of charity hospital care, emergency treatment and intervention, law enforcement and incarceration, lowered educational attainment, and more. Worse yet, a lack of action on this will contribute to an ever-thinning social fabric that holds us together in common purpose of decency to one another and the dream of a prosperous future for all. AHA's mission is to keep that dream alive for Snohomish County residents of today and tomorrow, and we thank you for continued support of that work.

Sincerely,

AHA Joint Board



City of Lake Stevens

One Community Around the Lake

2021 Budget Discussions



2021 Budget Calendar

- **City Council Discussion** **October 20, 2020**
- **City Council Discussion** **October 27, 2020**
(If needed)
- **City Council Discussion** **November 3, 2020**
(If needed)
- **Public Hearing #1** **November 10, 2020**
(Property Tax Levy)
- **Final Public Hearing and Budget Adoption** **November 24, 2020**
- **Final Public Hearing and Budget Adoption (continuation)** **December 8, 2020**
(If needed)



2021 Property Tax Limitations

Uncommon property tax year

Normal Years

- Levy Limit (101% or IPD)
 - Maximum the City can increase their regular levy from the previous year (not including banked capacity, or refunds)
- Normally the IPD is more than 1% so we are usually limited to 1% increase.
- Highest Lawful Levy (HLL)
 - The maximum levy allowed based on SDR and LL
- **Normal Limit Factor = 101%**



2021 Property Tax Limitations

Uncommon property tax year

2021 Property Tax Year

- 2021 Implicit Price Deflator (IPD): **0.602%**
 - RCW 84.55 – Populations greater than 10,000
 - Limit factor is lesser of 101% or 100% plus Inflation
 - Finding of Substantial Need (2nd Ordinance) – limit factor may exceed 100% plus inflation up to 101%
 - **2021 Limit Factor = 100.602% if no "substantial need" is made**

Personal Consumption Expenditures (IPD)





2021 Property Tax Limitations

What does this mean?

- IPD = .602% This is our limit if “substantial need” is not declared

What happens?

- Property tax percent lost if “substantial need” is not declared = **0.398%**
 - Value = **\$20,077**
 - Can not be banked either.

What can we do?

- Ordinance of Substantial need
 - If the City wants to levy the full 1%, then an Ordinance of Substantial need is required.
 - This ordinance is needed if you want to either levy the additional 0.398% in 2021 or bank the capacity and save it for another year.
 - The option to bank levy capacity can be made in any year.



2021 Property Tax Levy Limitations

- Levy Limit (101% or IPD)
 - Maximum the City can increase their regular levy from the previous year (not including banked capacity, or refunds)
- Implicit Price Deflator (IPD): 0.602%
 - Limit factor is lesser of 101% or 100% plus Inflation

2021 Limit Factor = 100.602%

Regular Property Tax Levy Considerations						
	A	B	C	D		
% Levy Increase	2020 Levy (Highest Lawful)	Revenue Increase over 2020 Levy	New construction & Annexation	State Assessed & Refunds	Levy Rate	2021 Tax Revenue/Levy (A + B + C+D)
0.602%	5,044,352	30,367	176,739	19,863	\$ 0.9930	5,271,321
1%	5,044,352	50,444	176,739	19,863	\$ 0.9968	5,291,398

Difference between the two levies is \$20,077



2020 - 2021 Property Tax Levy Comparison

City Portion				
Year	AV	/1000	Levy Rate	Per \$1000 AV
2020	\$100,000	100	\$1.0248788	\$102.49
2020	\$500,000	500	\$1.0248788	\$512.44
2020	\$1,000,000	1000	\$1.0248788	\$1,024.88
8% AV				
Year	Increase	/1000	2021 Levy Rate @ 1%	City Portion Per \$1000 AV
2021	\$108,000	108	\$0.9967822	\$107.65
2021	\$540,000	540	\$0.9967822	\$538.26
2021	\$1,080,000	1080	\$0.9967822	\$1,076.52
City Portion Variance 2020 to 2021				
Variance Per				
Years	AV	/1000	\$1000 AV @ 1%	Variance Per \$1000 AV @ 0.602%
2020 v 2021	\$8,000	8	\$5.16	\$4.76
2020 v 2021	\$40,000	40	\$25.82	\$23.78
2020 v 2021	\$80,000	80	\$51.65	\$47.56

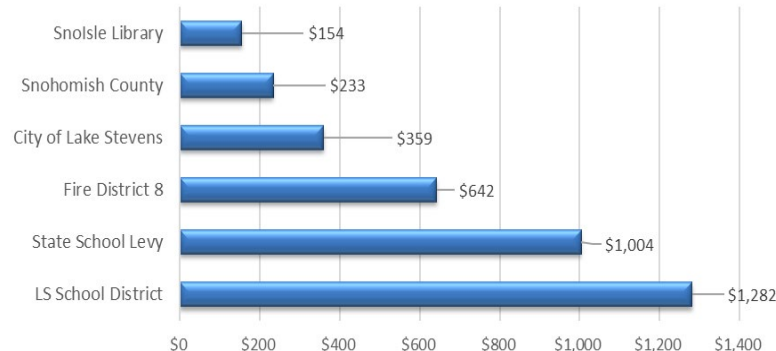


2020 - 2021 Property Tax Levy Comparison

Total 2020 Tax Levy (/ \$1,000 AV)

LS School District	\$3.66
State School Levy	\$2.87
Fire District 8	\$1.83
City of Lake Stevens	\$1.02
Snohomish County	\$0.67
Snolsle Library	<u>\$0.44</u>
Total	\$10.49

2020 Property Tax on \$350,000 Home \$4,023



• 2020 Example *City Portion* –

- Levy Rate \$1.0248
- 2020 Assessed Value = \$350,000
 - $(\$350,000/1000) * 1.0248$
 - = \$358.71 Levy
 - = \$102.48/ 100,000 of AV

• 2021 Example *City Portion* – @1%

- Average AV Increase 8%
- Levy Rate \$0.9967
- 2021 Assessed Value = \$378,000
 - $(378,000/1000) * 0.9967 = 376.78$ Levy
 - \$18.07 increase over 2020
 - \$99.68/ 100,000 of AV



2021 Property Tax

What decision needs to be made?

- 1.) Do nothing and levy between 0% and 0.602%
 - You lose the 0.398% in this option with a value of \$20,077
- 2.) Declare "substantial need" and levy the full 1%
- 3.) Declare "substantial need" and levy between 0% and 1% and bank the difference for future use.

Math note: Compounding of levies



Transportation Benefit District

City of Lake Stevens Transportation Benefit District Overview

- Transportation Benefit District Established December 18, 2018
- Benefit District Assumed by City January 8, 2019
- Adoption of Material Change Policy January 22, 2019
- Funding Mechanism N/A



Transportation Benefit District

Total Transportation Program Funding Sources



General Fund

General fund provides to Street fund



Grants

Grants generally fund large projects identified on TIP
Grants have been used to fund street projects identified on Comprehensive Plan, CIP.



REET 2



Mitigation Funds



TBD Sales tax

Note: 1976 Eliminates Tab Fees



Transportation Benefit District

Transportation Revenue Sources – 2021 preliminary budget

- Street Fund
 - MVFT - \$600,000
 - Currently declining due to less driving while working from home
 - Garbage Utility Tax - \$323,000
- General Fund to Street
 - 2021 - \$1,481,591
- REET 2 : Example
 - 91st Ave Extension \$1,250,000
 - S. Lake Stevens \$137,028
- Grants: Examples
 - 20th Street SE - \$4,176,842
 - 20th Street SE BAT Lane – \$1,822,000
 - S. Lake Stevens - \$1,500,000
- Mitigation
 - 91st Ave Extension \$568,431
 - S. Lake Stevens \$917,963
- Transportation Benefit District
 - Sales Tax (0.2%) - \$920,000



Transportation Benefit District

Sales & Use Tax Overview

- Sales & Use Tax
 - Subject to Simple Majority Vote - County Election Process
 - Up to 0.2% (\$0.02 on every \$10 spent)
 - Up to 10 years
 - Would need to be re-voted after 10 years
 - Extended period for bond issues (must be in explanatory statement)
 - Collected by Department of Revenue
 - Timing of collection depends
 - Annual Estimates \$920,000
 - Taxable sales \$541,176,471 * 0.2% (Less DOR Admin fee)



Transportation Benefit District

Total Transportation Strategy: Categories of Need



Intermediate and Direct Benefit Projects

Smaller projects with significant benefit (congestion relief, commercial access, safety)



TIP and Comprehensive Plan (these plans have some overlapping projects)

Large capital projects typically beyond city funding capacity ("One project consumes entire budget type project")



Maintenance

Significant backlog

Annual maintenance and restoration

- Overlays
- Crack Sealing
- Shoulder Work
- Signage



Transportation Benefit District

Transportation Strategy Policy Choices

- General fund transfers to Street Fund – Could reduce
- Timing
 - February 2021 (S) \$70,000 – Measure due December 13, 2020
 - Starts July 1, 2021. Receive first payment Sept 30, 2021
 - April 2021 (S) \$70,000 - Measure due February 26, 2021
 - Starts Jan 1, 2022. Receive first payment March 30, 2022
 - *November 2021 (G) - \$0 – Measure due August 3, 2021
 - Starts April 1, 2022. Receive first payment June 30, 2022



Budget Priorities

Funding of Organizations

- Snohomish Health District
 - Currently receives funding of \$1 per 1,000 population or \$34,150 for 2020
 - Currently budgeted at \$34,500 for 2021
- Senior Center
 - Received funding of \$40,000 in 2019. No funding in 2020. Provided \$15,000 in CARES money for free lunch program.
 - Currently not budgeted in 2021
- Economic Alliance of Snohomish County (EASC)
 - Currently receives funding of \$3,000 per year



Budget Priorities

- Other priorities to discuss
 - Open discussion
- Do we want Oct 27, 2020 or Nov 3rd, 2020 for budget discussions



LAKE STEVENS CITY COUNCIL
STAFF REPORT

**Council Agenda
Date:**

October 20, 2020

Subject: Ordering Vehicles for 2021

**Contact
Person/Department:**

Russ Wright
Planning & Community
Development

**Budget
Impact:**

Permit
Revenue

RECOMMENDATION(S)/ACTION REQUESTED OF COUNCIL: Authorize staff to purchase replacement vehicles for 2021.

SUMMARY/BACKGROUND:

During its preliminary budget discussions, Council was supportive of purchasing additional vehicles for Planning and Community Development. An additional vehicle would be purchased for Public Works. The cost of all three vehicles would be approximately \$100,000.

Vehicle to be purchased:

1. Replace Chevy Blazer with Ford Escape for Plans Examiner/Inspector;
2. Transfer Ford Escape, purchased with general fund dollars, to Code Enforcement and replace with new Ford Escape for Building Inspector; and
3. Purchase new Ford F150 for Public Works Inspector as the creation of the Capital Project Inspector moved the existing vehicle to this position.

Staff is requesting that Council authorize the ordering of three vehicles in 2020 for delivery in 2021. The lag time between vehicle order and delivery has been approximately six months. Alternatively, there is enough budget in the restricted Permit Fund to purchase these vehicles in 2020 through a budget amendment.

BUDGET IMPACT: Approximately \$100,000 from permit revenue
