CITY COUNCIL WORKSHOP
July 6, 2010
5:30 p.m.

AGENDA

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

Location: City Hall Council Chambers, 19306 Bonney Lake Blvd., Bonney Lake.

I. Call to Order:
Mayor Neil Johnson

II. Roll Call:
Elected Officials: Mayor Neil Johnson, Jr., Deputy Mayor Dan Swatman, Councilmember Laurie Carter, Councilmember Dan Decker, Councilmember Mark Hamilton, Councilmember Donn Lewis, Councilmember Randy McKibbin and Councilmember Jim Rackley.

Expected Staff Members: City Administrator Don Morrison, Chief Financial Officer Al Juarez, Public Works Director Dan Grigsby, Community Development Director John Vodopich, Police Chief Mike Mitchell, Community Services Director Gary Leaf, Administrative Services Director/City Clerk Harwood Edvalson and City Attorney Jim Dionne.

III. Agenda Items:

A. Council Open Discussion


C. Discussion: AB10-112 – Resolution 2050 – A Resolution Of The City Of Bonney Lake, Pierce County, Washington, Declaring A Proposed Annexation To Be In The Best Interest And General Welfare Of The City And Calling For An Election In The Territory Proposed For Annexation.

D. Discussion: AB10-113 – Resolution 2051 – A Resolution Of The City Of Bonney Lake, Pierce County, Washington, Stating Its Intent To Plan For Public Safety And Other Staffing Needs In Anticipation Of The Annexation Of Certain Portions Of The CUGA, As Contained In Resolution No. 2050.


F. Discussion: Transportation Impact Fee - A Disincentive to Economic Recovery?

IV. Executive Session:
Pursuant to RCW 42.30.110, the City Council may meet in executive session. The topic(s) and duration will be announced prior to the executive session.
V. Adjournment:

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

THE COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.
CITY COUNCIL WORKSHOP

June 15, 2010
5:30 p.m.

DRAFT MINUTES

Location: City Hall Council Chambers, 19306 Bonney Lake Blvd., Bonney Lake.

I. Call to Order: Mayor Neil Johnson, Jr. called the workshop to order at 5:31 p.m.

II. Roll Call: [A1.3]

Administrative Services Director/City Clerk Harwood Edvalson called the roll. In addition to Mayor Neil Johnson, elected officials attending were Deputy Mayor Dan Swatman, Councilmember Laurie Carter, Councilmember Dan Decker, Councilmember Mark Hamilton, Councilmember Donn Lewis, and Councilmember James Rackley. Councilmember Randy McKibbin was absent.

[Staff members in attendance were City Administrator Don Morrison, Chief Financial Officer Al Juarez, Public Works Director Dan Grigsby, Police Chief Mike Mitchell, Community Services Director Gary Leaf, Administrative Services Director/City Clerk Harwood Edvalson, City Attorney Jim Dionne and Records & Information Specialist Susan Duis.]

Councilmember Hamilton moved to excuse Councilmember Randy McKibbin. Deputy Mayor Swatman seconded the motion.

Motion approved 6 – 0.

III. Agenda Items:

Mayor Johnson asked the Council to consider moving Item F. and Item E. to the top of the agenda in order to allow East Pierce Fire & Rescue staff to present information earlier so they could attend another meeting.

Councilmember Decker moved to place Item F., AB10-104, as Item A. on the agenda. Councilmember Carter seconded the motion.

Motion approved 5 – 1.

Councilmember Rackley voted no.

Councilmember Carter moved to place Item E., AB10-98, as Item B. on the agenda. Councilmember Lewis seconded the motion.

Motion approved 6 – 0.

A. (Originally Item F.) AB10-104 – Ordinance D10-104 – An Ordinance Amending Chapter 15.16 Of The BLMC Related To Automatic Fire Extinguishing Systems.

Assistant Chief John McDonald reviewed the proposed changes to the chapter, including reducing the threshold for automatic sprinkler systems from 8,000 square feet to 5,000 square feet in new construction for residential and commercial
buildings. The ordinance would also require sprinklers in canopies over 4 feet in width for buildings that require sprinklers. He said additional amendments provide guidance on plan submittals and the appeal process.

Chief McDonald noted that the City Attorney’s Office has reviewed the proposed amendments and suggested several minor changes, mostly related to formatting. He apologized that the revised version was provided after Council agenda packets were printed.

Councilmember Rackley said he is concerned about protecting adjacent properties. Chief McDonald said the 5,000 square foot size threshold was selected based on the state and other cities’ code, and will be further addressed in the proposed building code ordinance (AB10-98). He said Sumner and Pierce County already use this threshold, and other cities in the area plan to take action on similar code changes soon. He said it is helpful for East Pierce Fire & Rescue if all the cities in their service area have the same code requirements.

Councilmember Hamilton asked how systems are installed and maintained. Chief McDonald said installation is normally handled by a certified fire system contractor, and State law requires sprinkler systems to be serviced annually by a certified contractor. The contractors then send copies of their report to the Fire District to ensure systems are being checked.

The proposed ordinance was forwarded to the June 22, 2010 Council Meeting for action.

(Originally Item E.) AB10-98 – Ordinance D10-98 – An Ordinance Of The City Of Bonney Lake, Pierce County, Washington, Amending Chapter 15.04, 15.08, And 15.24 Of The Bonney Lake Municipal Code And Ordinance Nos. 700, 711, 778, 826, 851 And 885, Relating To Adoption Of Revised International Codes Of Building And Related Regulations.

Building Official Jerry Hight reviewed the proposed updates to the City’s building code. He said the proposed ordinance clarifies specific sections, and adopts the State’s code with certain exceptions. One exemption would not require sprinklers in single-family residences under 5,000 square feet in size.

Councilmember Rackley expressed concern in the potential for fires spreading between houses built close together. Mr. Hight said the City has three-foot setbacks, which means houses could potentially be built at a minimum of six feet apart. Chief McDonald said the Fire Department proposed the exemption for 5,000 square feet detached homes, but a different standard may be appropriate for developments with more closely packed homes, such as cottage developments. He said density is more of an issue than square footage in preventing fires from spreading from one building to another. He said he was not prepared to make a recommendation on the minimum distance between homes for fire prevention.

Deputy Mayor Swatman said sprinklers save lives and he feels sprinklers should be required in all new homes. He said studies show that the cost to install sprinklers in new construction homes is negligible compared to saving lives and property. Chief McDonald said the 5,000 square foot threshold was recommended in response to
concerns about driving up the cost of residential development. Councilmember Carter referred to a recent deadly house fire in Seattle and agreed that sprinklers should be required in all new homes, not just very large homes. Deputy Mayor Swatman said according to Planning Department data, only about 0.5% of the houses in Bonney Lake are over 5,000 square feet in size, and about 6% are over 3,000 square feet. Councilmember Rackley said he disagrees with the Master Building Association’s assertion that requiring sprinklers has negative effects on affordable housing costs.

Councilmember Hamilton asked whether the intent of the ordinance is to start requiring sprinklers in some homes now, and to reduce the exemption slowly over time. Chief McDonald said the ordinance exempts most single-family homes now, but includes duplexes and townhomes, which is a major fire safety concern. He said the exemption can be reduced over time to include more single-family residences, and he does not oppose changing the exemption to include more single-family residences.

Councilmember Hamilton said all the cities in East Pierce Fire & Rescue’s jurisdiction should pass the same requirements. He said that otherwise, Bonney Lake will be attacked by developers and others who feel the requirements are too restrictive. Councilmember Decker asked if sprinkler systems would reduce the need for Fire Department services. Chief McDonald said though staffing needs and taxes would not be decreased, sprinklers can help reduce demand on the water system, the amount of equipment and resources needed to fight fires, and the impact of fires on life and property.

After continued discussion, Deputy Mayor Swatman and Councilmembers Carter, Decker, Lewis, and Rackley spoke in favor of requiring sprinkler systems in all new single-family residential homes. Mayor Johnson said he has spoken with Councilmember McKibbin, who also expressed support for requiring sprinkler systems in single-family residences. Councilmember Rackley said requiring sprinklers in all new construction would ease his concerns about fire risk in cottage developments.

Mayor Johnson asked how many cities require sprinklers in all new homes. Mr. Hight said some cities require it in all, and others require it only in houses over 5,000 square feet. Mr. Hight and Chief McDonald said the 5,000 square foot exemption for single-family residences was included because of the poor economy and concerns that the requirement would negatively impact housing development. Both agreed that they personally think sprinklers should be required in all new homes.

Councilmember Carter said that other cities in the State require sprinklers in all new homes. Deputy Mayor Swatman said State and County legislators face much greater political pressures, and are less likely to impose strict requirements for sprinklers. He said developers can choose to build elsewhere if they feel it is too expensive to build in Bonney Lake, but there are other ways to lower building costs in the City, like reducing other development fees.

Councilmember Hamilton suggested the Council wait to vote on the 5,000 square foot exemption until after the Association of Washington Cities conference during the following week. Chief McDonald said a number of other issues in the proposed ordinance are time-sensitive, and encouraged the Council to vote on the overall
ordinance at its next meeting so it becomes active in July. Director Vodopich said staff found an error in the proposed ordinance where the 2009 building code is not referenced. He will correct the error in the revised version that comes before Council for action. The item was forwarded to the June 22, 2010 Meeting for action.

At 6:37 p.m. Councilmember Decker moved for a five-minutes break. Councilmember Rackley seconded the motion.

Motion approved 6 – 0.

The Workshop reconvened at 6:43 p.m.

6:43:38


Diane Schurr thanked Building Inspector Scott Fielding for his assistance preparing the draft plan, and provided a brief overview of the proposed plan. She said Bonney Lake has very low risk from floods and lahar flows, but does have areas that are at risk for landslides. She explained the Community Rating System (CRS), which provides discounts for citizen flood insurance in cities that reduce flood risks. She said Bonney Lake is not a CRS community, but noted the low flood risk makes this less of a concern.

Ms. Schurr said Section 6 – Infrastructure includes details about all city facilities, and is not released by the County unless the City chooses to disclose this information. She said in addition to the mitigation plan, the City needs to develop and maintain its own continuity of operations and government plans. She said the City must continually review and revise its Hazard Mitigation Plan every five years.

Ms. Schurr explained the process going forward, and asked the Council for authorization to submit the plan to FEMA for approval. She said once her agency receives a response from FEMA (probably in September 2010), the Council can vote on a Resolution to adopt the plan. She asked Councilmembers and staff to contact her any time with questions about continuity planning or the draft plan. Councilmembers thanked Ms. Schurr for presenting the information.

7:08:21

D. Council Open Discussion:

Utility Rates: Councilmember Rackley said he would like the Council to discuss the city’s rebate program in depth. City Administrator Morrison said he can provide more information for the Council’s discussion at the next workshop. Deputy Mayor Swatman said the Council can help reduce fees by reducing the number of proposed projects on the CIP plan project list.

Property Development: Councilmember Hamilton said a resident asked him about a property that appears to be under development in the City. Director Voodich said the property owner is clearing and grading the property in question, and has plans to grow an orchard.

Corliss Property Logging: Councilmember Hamilton asked when the Corliss property, which lies outside City limits and was recently logged, will be replanted. Director Vodopich said he will ask for a timeline from the owner and report back.
Safe Routes to School Meeting: Councilmember Carter attended the Safe Routes to School open house event on Saturday, June 12th. She said staff presented great informational materials and she has seen a positive response from citizens and in the newspaper.

Upcoming Events: Councilmember Carter said staff from Bonney Lake and Sumner will compete in a fundraiser softball game supporting Relay for Life. The game is on Saturday, June 26th at 2:30 p.m. at Allan Yorke Park. She said residents can find information on events, city cost-saving measures, projects, and other updates in the Bonney Lake Reporter, available in the Courier-Herald Newspaper and online.

Reed Property Tour: Councilmember Carter asked when the Council will tour the newly purchased Reed property. City Administrator Morrison said the tour will probably be scheduled prior to a regular Workshop date in July.

Midtown Plan: Councilmember Carter said the Planning Commission plans to discuss the Midtown Plan element at its July 7th meeting, which she plans to attend. She said Councilmembers can send her input to include in the discussion.

Fennel Creek: Councilmember Carter said Cindy James from the Department of Ecology contacted Councilmembers and City staff about setting up a group to discuss reducing fecal coliform bacteria levels in Fennel Creek, but had not received a sufficient response. Public Works Director Grigsby asked Councilmember Carter to send the information to him so he can reply. He said based on his understanding, the Department of Ecology’s main areas of concern are located in the County, and in Bonney Lake the major issues relate to the use of fertilizers near the creek and leaky septic systems.

Cascadia: Councilmember Lewis said the Pierce County Planning Commission plans to discuss several projects related to the Cascadia Development at their June 22, 2010 Meeting at 8:30 a.m. He said these projects may be of interest to the City, and suggested someone attend.

Phone System: Deputy Mayor Swatman said at the last Finance Committee meeting, he asked staff to provide more information on quotes submitted by vendors for the City’s new phone system, but had not yet received it. Administrative Services Director/City Clerk Harwood Edvalson said he would make sure the information is forwarded.

Nuisance Ordinance: Deputy Mayor Swatman asked if the Public Safety Committee has discussed a complaint made by Maryanne Zukowski about the City’s nuisance code. Councilmember Hamilton said he will include this discussion on the committee’s next meeting agenda.

Countwide Flood Control District: Deputy Mayor Swatman asked if City can comment on the proposed Flood Control District before it comes before the Boundary Review Board (BRB). City Administrator Morrison said if the City is interested in being removed from the new district, now is the time to submit comments. He said the draft mitigation plan presented earlier in the evening can be presented as one piece of evidence to the BRB. Councilmembers asked for more information on the
options to request a boundary revision. Councilmember Hamilton said he would not oppose a Flood Control District if it charged different areas more or less based on their risk level. Deputy Mayor Swatman said if even portions of Bonney Lake were removed from the proposed district, it would still save City taxpayer’s money.

Panther Day: Mayor Johnson said Sonic Drive-In has offered to donate a free drink to each Bonney Lake High School student who shows their ASB card on Panther Day, June 21st. He said he hopes other businesses will make similar offers in future years.

Senior Projects: Mayor Johnson said an area Eagle Scout did a lot of work at Camp Corliss, located outside the City, shortly before the area was clear cut. The Mayor said he is working to identify locations in Bonney Lake that scout troops can use now that Camp Corliss is no longer available.

Pierce Transit: Mayor Johnson said he attended the Pierce Transit Board meeting on Monday, June 14th, and heard testimony about whether to propose a ballot measure to raise bus rates. He said most attendees were from the County and lived outside the core areas in downtown Tacoma. He said he plans to vote against fee increases, and is frustrated that Pierce Transit represented employees do not seem to think their benefits should be cut to reduce costs.

Eastown Updates: Mayor Johnson said he sent a letter to Compass Pointe requesting a response by June 14th, but had not yet received a response. He said there has been no movement on the Eastown sewer lift station so far. He said he was approached by former Councilmember David Bowen with an option to locate the lift station on his property and staff are reviewing the option. He said unless Councilmembers have objections, he plans to move forward with studying the new site.

Deputy Mayor Swatman expressed concern that Compass Pointe is still working on a plan simultaneously and staff time will be wasted. Mayor Johnson said he feels that the City has done all it can to keep the lift station plans moving forward and gave the developers plenty of time, but now it is time to try another option.

Public Works Director Grigsby presented a map to Council showing the proposed location and direction of sewer flows to adjacent properties in Eastown. He said the sewage lines would run under SR 410 at the Faust property, at the future planned road 266th Ave E. He said the Faust Trust administrator and property owner located North of Mr. Bowen’s property is receptive to the idea. He said he has received easements from other property owners, and only two property owners have expressed reluctance to sign easements so far. He added that Eastown LLC has not yet submitted an acceptable, completed easement for their property. Mayor Johnson said he will keep Councilmembers informed of any future updates.

E. Review of Council Minutes: June 1, 2010 Workshop and June 8, 2010 Meeting Draft Minutes.

The minutes were forwarded to the June 22, 2010 Meeting for action as presented.

F. AB10-74 – Ordinance D10-74 – An Ordinance Of The City Of Bonney Lake, Pierce County, Washington, Amending Chapter 15.28 BLMC.
City Attorney Dionne asked for input from Council for the proposed sign code ordinance. Deputy Mayor Swatman asked that the final version that comes before Council be a clean copy with all changes incorporated. Councilmember Hamilton said the ordinance does not address the desire of community groups to advertise their events, or the concerns brought forward by the Chamber of Commerce. City Attorney Dionne said the proposed ordinance only clarifies code enforcement issues, and does not include language specific to civic groups or commercial entities. He said that under the code, any entities promoting a service or business must do so on-site. Councilmember Carter asked for clarification about real estate signs. Director Vodopich said the current code says open house signs can be posted from “dawn to dusk” and was changed to “during daylight hours” in the proposed ordinance. City Attorney Dionne said this language can be amended if Council wishes. He emphasized that the ordinance is intended to clarify code enforcement for staff members. The proposed ordinance was forwarded to the June 22, 2010 Meeting for Council action.

IV. Executive Session: None.

V. Adjournment:

At 7:44 p.m. Councilmember Rackley moved to adjourn the workshop. Councilmember Carter seconded the motion.

Motion approved 6 – 0.

Harwood T. Edvalson, CMC
City Clerk

Neil Johnson, Jr.
Mayor

Items submitted to the Council Workshop of June 15, 2010:

- City of Bonney Lake – “Bowen Property Lift Station Concept” – Public Works Director Dan Grigsby.
I. CALL TO ORDER – Mayor Neil Johnson, Jr. called the meeting to order at 7:00 p.m.

A. Flag Salute: Mayor Johnson led the audience in the Pledge of Allegiance.

B. Roll Call:
Administrative Services Director/City Clerk Harwood Edvalson called the roll. In addition to Mayor Neil Johnson, Jr., elected officials attending were Deputy Mayor Swatman, Councilmember Laurie Carter, Councilmember Dan Decker, Councilmember Mark Hamilton, Councilmember Donn Lewis, Councilmember Randy McKibbin and Councilmember Jim Rackley.

[Staff members in attendance were City Administrator Don Morrison, Public Works Director Dan Grigsby, Chief Financial Officer Al Juarez, Community Development Director John Vodopich, Community Services Director Gary Leaf, Building Official Jerry Hight, City Attorney Jim Dionne, Administrative Services Director/City Clerk Harwood Edvalson and Records & Information Specialist Susan Duis.]

C. Announcements, Appointments and Presentations:
1. Announcements: None.
2. Appointments: None.
3. Presentations:
      Mayor Johnson proclaimed Wednesday, June 30, 2010 as “Paint the Town Purple Day” in support of Relay for Life. He invited citizens to participate in upcoming fundraisers on June 26, 2010, including a charity softball game between City of Bonney Lake and City of Sumner employees at 2:30 p.m. at Allan Yorke Park. Councilmember Rackley will umpire the game. In addition, Applebee’s Restaurant in Bonney Lake will donate 15% of their proceeds to the local Relay for Life team on June 26 between 4:00 and 7:00 p.m.

      Planning Commission Chair Grant Sulham and Commissioner Brad Doll presented information to the Council on recommended changes to the zoning code. He said the City needs in increase density on buildable
lands per the Growth Management Act. He said the Council applied an R-3 overlay to a portion of the WSU Forest, which requires a minimum of 10 units per acre. He said the Commission unanimously recommended applying a 10-unit minimum to all R-3 zoned areas.

Deputy Mayor Swatman asked about deletion of the 10,000 square foot minimum lot size. Director Vodopich said the intent was to clarify the density in R-2 zoning from 5-9 units. Mayor Johnson said Council would discuss the proposed ordinance in depth at a future Council workshop.

D. Agenda Modifications: Councilmember Rackley asked to move Community Development Issues, Item A. (Resolution 2045) to Consent Agenda, Item F. Councilmember Decker seconded the motion.

Motion to modify the agenda approved 7 – 0.

II. PUBLIC HEARINGS, CITIZEN COMMENTS & CORRESPONDENCE:

A. Public Hearings: None.

B. Citizen Comments:
Katrina Minton-Davis, 19004 107th St E, Bonney Lake, is the co-chair of the Bonney Lake Relay for Life team and thanked the council for their support of Relay for Life fundraisers. She said this year’s Relay for Life event is on July 30-31st.

C. Correspondence: None.

III. COUNCIL COMMITTEE REPORTS:

A. Finance Committee: Deputy Mayor Swatman said the committee met at 5:30 p.m. earlier in the evening. The committee met in the Mayor’s office due to an ongoing jury trial and discussed personnel updates.

B. Community Development Committee: Councilmember Rackley said the committee met on June 21, 2010 and discussed storm water credits and options for including artwork on retaining walls in Downtown and Eastown. The committee forwarded the following items for action on the current agenda: Resolution 2036 and Resolution 2045 (with both bids well below engineer’s estimates), and Resolution 2049 for a greenhouse gas emissions policy. He said AB10-108 and AB10-109, accepting projects as complete, was forwarded to the July 13 Meeting for action.

C. Public Safety Committee: Councilmember Hamilton said the committee has not met since the last Council meeting.

D. Other Reports:
Church Lake Boating Advisory Committee: Councilmember Hamilton said the advisory committee met for the first time on June 21. He said this is a citizen’s
committee, and though Councilmembers are involved in coordinating meetings, they are not voting members. He said the committee had productive initial discussions and identified their primary concerns: safety and noise issues on the lake.

IV. CONSENT AGENDA:

A. Approval of Minutes: June 1, 2010 Council Workshop and June 8, 2010 Council Meeting Minutes.

B. Accounts Payable Checks/Vouchers: Accounts Payable checks/vouchers #58748 thru 58783 (including wire transfer # 60110) in the amount of $82,220.57; Accounts Payable checks/vouchers #58784 thru 58833 (including wire transfer’s #5152010, 6022010) in the amount of $369,187.31; Accounts Payable checks/vouchers #58834 thru 58880 for utility refunds in the amount of $6,416.76.

C. Approval of Payroll: Payroll for June 1-15 2010 for checks 29062-29096 including Direct Deposits and Electronic Transfers in the amount of $418,327.29.

D. AB10-74 – Ordinance 1351 – An Ordinance Of The City Of Bonney Lake, Pierce County, Washington, Amending Chapter 15.28 BLMC.

E. AB10-82 – Resolution 2036 – A Resolution of the City of Bonney Lake, Pierce County, Awarding Fennel Creek Trail and 192nd Avenue Sidewalks Projects Phase 1 contract to Titan Earthwork, LLC.

F. AB10-102 – Resolution 2045 – A Resolution of the City of Bonney Lake, Pierce County, Washington, Awarding the Contract for TWD Intertie S Prairie Road E Waterline Project to Mountain West Construction. (Moved from Community Development Committee Issues, Item A.)

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

Consent Agenda approved 7 – 0.

V. FINANCE COMMITTEE ISSUES: None.

VI. COMMUNITY DEVELOPMENT COMMITTEE ISSUES:

A. AB10-102 – Resolution 2045 – A Resolution of the City of Bonney Lake, Pierce County, Washington awarding the contract for TWD Intertie S Prairie Road E Waterline Project to Mountain West Construction. (Moved to Consent Agenda, Item F.)

Councilmember Decker moved to approve Resolution 2049. Councilmember Lewis seconded the motion.

Director Grigsby explained that the State now requires the City to adopt a greenhouse gas emissions policy in order to apply for funding opportunities.

Resolution 2049 approved 7 – 0.

VII. PUBLIC SAFETY COMMITTEE ISSUES:


Councilmember Decker moved to approve Ordinance 1352. Councilmember Carter seconded the motion.

Councilmember Hamilton thanked Councilmember Carter for her work developing the proposed ordinance, which has been in progress for some time. He said the proposed ordinance increases fees to put Bonney Lake in line with other communities that contract with Metro Animal Services. He noted the importance of micro-chipping pets to help return lost pets to their owners.

Ordinance 1352 approved 7 – 0.

VIII. FULL COUNCIL ISSUES:

A. AB10-98 - Ordinance 1353 - An Ordinance Of The City Of Bonney Lake, Pierce County, Washington, Amending Chapter 15.04, 15.08, And 15.24 Of The Bonney Lake Municipal Code And Ordinance Nos. 700, 711,778,826, 851 And 885, Relating To Adoption Of Revised International Codes Of Building And Related Regulations.

Deputy Mayor Swatman moved to approve Ordinance 1353. Councilmember Rackley seconded the motion.

Deputy Mayor Swatman said the proposed ordinance presented to Council includes an exception for new homes under 5,000 square feet. He said the attachments in the agenda packet include a proposed amendment to remove this exemption. He said he wanted the ordinance to apply to all new construction, without the exemption.

Deputy Mayor Swatman moved to amend Ordinance 1353, Section 15.040.020(B), to delete the language: “with the exception of detached one-family and two-family dwellings under 5,000 square feet”. Councilmember Lewis seconded the motion.
Councilmember Hamilton spoke in favor of keeping an exemption for single-family homes under 5,000 square feet. He said removing the exemption makes Bonney Lake’s code different from others in the East Pierce Fire & Rescue service area, and will increase the cost of building new homes in the City. He said requiring sprinklers is equivalent to doubling traffic impact fees or park impact fees, and in the current economic climate, raising these costs is not practical. He said he feels the originally proposed ordinance allows cities to increase sprinkler requirements, and wait for the building market to improve before requiring them in all new construction. He said he would support lowering the minimum square foot exemption, but not eliminating it.

Councilmember Decker expressed concern that requiring sprinklers will encourage builders to build houses very close together, and spoke against removing the exemption for 5,000 square foot homes. He expressed concern that houses in cottage developments could have a ‘zero-foot’ lot line.

Councilmembers Rackley, Carter, Lewis, and McKibbin spoke in favor of the proposed amendment to remove the exemption for homes under 5,000 square feet. Councilmember Rackley said he does not believe this change will encourage builders to build homes closer together, and requiring sprinklers in all homes eases his concerns about fires spreading in densely built areas. Councilmember Carter said research shows that sprinklers reduce the cost of property damage, injury, and insurance rates, and provide jobs for installers and inspectors. She said sprinklers help stop fires before they spread, and cost about as much as renovations like installing new carpets. Councilmember Lewis said safety is his main concern, and referred to a recent deadly fire in Seattle.

**Motion to amend Ordinance 1353 approved 6 – 1.**

*Councilmember Hamilton voted no.*

Councilmember Hamilton noted that the proposed ordinance adopts the 2009 Washington State Energy Code, but the Governor placed a moratorium on this code due to an ongoing lawsuit and review by the State. He suggested that the Council wait to adopt this portion of the code until issues are resolved at the State level. Building Official Jerry Hight confirmed that the moratorium was put in place last week, meaning the 2006 Energy Code will remain in force for 8 months while the 2009 revisions are being reviewed.

**Councilmember Hamilton moved to strike Section G. from the proposed ordinance. Councilmember Rackley seconded the motion.**

Councilmember Hamilton said striking this section would keep the 2006 code in effect. City Attorney Dionne suggested that rather than striking the section entirely, the Council simply amend this section to change references to the 2009 Energy Code to the 2006 version.

**Councilmember Hamilton revised his motion to amend 15.04.020 (G.) as follows: “The Washington State Energy Code, 2006 Edition, … is adopted by this reference”. Councilmember Rackley seconded the revised motion.**
Motion to amend Ordinance 1353 approved 7 – 0.

Motion to approve Ordinance 1353 as amended approved 6 – 1. Councilmember Hamilton voted no.


Councilmember Rackley moved to approve Ordinance 1354. Councilmember Lewis seconded the motion.

Mayor Johnson noted the Council discussed this proposed ordinance in depth during the previous workshop.

Motion approved 7 – 0.

Mayor Johnson congratulated Building Official Jerry Hight for receiving his ‘Master Code Professional’ certification recently.

IX. EXECUTIVE SESSION: None.

X. ADJOURNMENT:

At 7:37 p.m., Councilmember Rackley moved to adjourn the meeting. Councilmember Lewis seconded the motion.

Motion approved 7 – 0.

Harwood Edvalson, CMC
City Clerk

Neil Johnson
Mayor

Items submitted to the Council Meeting of June 22, 2010: None.
# City of Bonney Lake, Washington
## City Council Agenda Bill (C.A.B.) Approval Form

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<th>Department / Staff Contact:</th>
<th>Workshop / Meeting Date:</th>
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<td>Exec / Don Morrison</td>
<td>06 Jul 2010</td>
<td>AB10-112</td>
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<td>Annexation of a Portion of the CUGA</td>
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<th>Proposed Motion:</th>
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<td>A RESOLUTION OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, DECLARING A PROPOSED ANNEXATION TO BE IN THE BEST INTEREST AND GENERAL WELFARE OF THE CITY AND CALLING FOR AN ELECTION IN THE TERRITORY PROPOSED FOR ANNEXATION.</td>
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<th>Administrative Recommendation:</th>
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<td>Move to July 13 Regular meeting for passage, or hold a public hearing prior to acting on the Resolution.</td>
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<th>Background Summary:</th>
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<td>This action would begin the official process of annexing CUGA Subareas 1, 2, and 3 into the City, and culminates a study and communications process that has been ongoing for the past two or more years. As proposed and if approved, the annexation would go on the ballot sometime between February and May 2011, with an anticipated effective date of January 1, 2012. There are many steps that need to be completed along the way.</td>
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### BUDGET INFORMATION:

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<table>
<thead>
<tr>
<th>Budget Explanation:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special election cost would be approximately $4.00 per registered voter in the area, or an estimated $14,784. There would also be staff time involved, and a nominal cost to file the BRB Notice of Intent.</td>
</tr>
</tbody>
</table>

### COMMITTEE/BOARD REVIEW:

<table>
<thead>
<tr>
<th>Subcommittee Review Date:</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission/Board Review Date:</td>
<td>-</td>
</tr>
<tr>
<td>Hearing Examiner Date:</td>
<td></td>
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</tbody>
</table>

### COUNCIL ACTION:

<table>
<thead>
<tr>
<th>Workshop Date(s):</th>
<th>Public Hearing Date(s):</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 6, 2010</td>
<td>Tabled To Date:</td>
</tr>
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</table>

### Signatures:

<table>
<thead>
<tr>
<th>Director Authorization</th>
<th>Mayor</th>
<th>Date City Attorney Reviewed</th>
</tr>
</thead>
<tbody>
<tr>
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</table>
RESOLUTION NO. 2050

A RESOLUTION OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, DECLARING A PROPOSED ANNEXATION TO BE IN THE BEST INTEREST AND GENERAL WELFARE OF THE CITY AND CALLING FOR AN ELECTION IN THE TERRITORY PROPOSED FOR ANNEXATION.

WHEREAS, the City Council commissioned an annexation study of the Comprehensive Urban Growth Area (CUGA) adjacent to the Southern border of the City; and

WHEREAS, there appears to be significant interest from the residents of the area to annex into the City of Bonney Lake; and

WHEREAS, the requirements of 43.21 C RCW, the State Environmental Policy Act, are being complied with by the City's Department of Community Development in respect to the annexation;

NOW THEREFORE, the City Council of the City of Bonney Lake, Washington hereby resolves as follows:

Section 1. It is hereby determined that the best interests and general welfare of the City of Bonney Lake would be served by the annexation of the unincorporated territory contiguous to the City, the boundaries of which territory are described and shown on Attachment "A", and by this reference thereto incorporated herein as if fully set forth.

Section 2. The proposed annexation shall be submitted to the electorate of the territory sought to be annexed together with a proposition that all property within the area annexed shall, upon annexation, be assessed and taxed at the same rate and on the same basis as the property of the City of Bonney Lake is assessed and taxed to pay for a proportion of any outstanding bonded indebtedness of the City.

Section 3. The population of the proposed annexation area is estimated at 7,055, and the number of those residents who are registered voters is estimated at 3,696.

Section 4. The holding of said election shall be contingent upon the Pierce County Boundary Review Board’s approval of the boundary of the proposed annexation, and the Pierce County Council setting the date for submission of the annexation proposal at a special election anticipated to be held some time between February and May, 2011, with an anticipated effective date of January 1, 2012, should the annexation be placed on the ballot and subsequently approved by the voters.

Section 5. If by the date of the annexation election the city council has amended the City’s comprehensive plan and zoning map to include the area proposed to be annexed pursuant to RCW 35.13.177 - .178, said plan and zoning regulations will be simultaneously effective at the time of annexation.

Section 6. The City will pay the cost of the annexation election.
PASSED BY THE CITY COUNCIL this _____ day of July, 2010.

__________________________
Neil Johnson, Jr., Mayor

ATTEST:

__________________________
Harwood T. Edvalson, City Clerk

APPROVED AS TO FORM:

__________________________
James J. Dionne, City Attorney
THOSE PORTIONS OF SECTIONS 3, 4, 9, 10, 15, 16, 21, AND 22, ALL IN TOWNSHIP 19 NORTH, RANGE 5 EAST, W.M., PIERCE COUNTY, WASHINGTON, DESCRIBED AS

BEGINNING AT AN ANGLE POINT IN THE CORPORATE LIMITS OF THE CITY OF BONNEY LAKE AS DEFINED BY WARD 4, ORDINANCE NO. 1223 OF SAID CITY, SAID POINT BEING THE INTERSECTION OF THE NORTHERLY RIGHT-OF-WAY MARGIN OF SOUTH PRAIRIE ROAD EAST WITH THE EAST LINE OF GOVERNMENT LOT 4 IN THE NORTHWEST QUARTER OF SAID SECTION 3; THENCE SOUTHEASTERLY ALONG SAID CORPORATE LIMITS AND SAID NORTHERLY MARGIN TO THE WESTERLY RIGHT-OF-WAY MARGIN OF 214TH AVENUE EAST, ALSO BEING AN ANGLE POINT IN SAID CORPORATE LIMITS; THENCE LEAVING SAID CORPORATE LIMITS, SOUTH ALONG THE WESTERLY MARGIN OF SAID 214TH AVENUE EAST TO THE NORTH LINE OF THE PLAT OF YOUNG AT HEART IN THE SOUTHEAST QUARTER OF SAID SECTION 10, SAID PLAT RECORDED UNDER RECORDING NUMBER 9403170419, RECORDS OF SAID COUNTY; THENCE EAST ALONG SAID NORTH LINE AND CONTINUING ALONG SAID MARGIN TO THE NORTHEAST CORNER OF SAID PLAT, ALSO BEING THE EAST LINE OF SAID SOUTHEAST QUARTER; THENCE CONTINUING ALONG SAID WESTERLY MARGIN, SOUTH ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER AND THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 15 TO THE SOUTHEAST CORNER OF PRAIRIEWOOD P.D.D., RECORDING NUMBER 8008210248, RECORDS OF SAID COUNTY; THENCE WEST ALONG THE SOUTH LINE OF SAID P.D.D., 30 FEET, MORE OR LESS, TO THE NORTHEAST CORNER OF A STRIP OF LAND CONVEYED TO PIERCE COUNTY BY DEED, RECORDING NUMBER 2031075, RECORDS OF SAID COUNTY; THENCE SOUTH ALONG THE WEST LINE OF SAID STRIP AND ITS SOUTHERLY PROJECTION TO THE SOUTH RIGHT-OF-WAY MARGIN OF 144TH STREET EAST IN THE NORTHEAST QUARTER OF SAID SECTION 22; THENCE WEST ALONG SAID SOUTHERLY MARGIN TO THE NORTHWEST CORNER OF PARCEL 6 AS SHOWN ON RECORD OF SURVEY, RECORDING NUMBER 200712135006, RECORDS OF SAID COUNTY; THENCE LEAVING SAID SOUTHERLY MARGIN, SOUTH ALONG THE WEST LINE OF SAID PARCEL 6 TO THE NORTH LINE OF PARCEL 3 OF SAID SURVEY; THENCE WEST ALONG SAID NORTH LINE TO THE EAST LINE OF PARCEL 1 OF SAID SURVEY; THENCE NORTH ALONG SAID EAST LINE TO THE NORTHEAST CORNER OF SAID PARCEL 1, ALSO BEING THE SOUTHERLY MARGIN OF SAID 144TH STREET EAST; THENCE WEST ALONG SAID SOUTHERLY MARGIN AND ITS WESTERLY PROJECTION TO THE WEST RIGHT-OF-WAY MARGIN OF 198TH AVENUE EAST AS SHOWN ON THE PLAT OF COLUMBIA VISTA AT CASCADIA PHASE 1, RECORDING NUMBER 200806115002, RECORDS OF SAID COUNTY; THENCE NORTH ALONG SAID WESTERLY MARGIN TO THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE
NORTHEAST QUARTER OF SAID SECTION 16; THENCE WEST ALONG SAID SOUTH LINE OF SAID SUBDIVISION TO THE SOUTHWEST CORNER THEREOF; THENCE NORTH ALONG WEST LINE OF SAID SUBDIVISION TO THE NORTHWEST CORNER THEREOF, SAID CORNER BEING COMMON TO THE NORTHWEST CORNER OF THE PLAT OF CEDAR RIDGE ESTATES DIVISION 2, RECORDING NUMBER 200412225007, RECORDS OF SAID COUNTY; THENCE NORTH ALONG THE WEST LINE OF THE EAST HALF OF THE EAST HALF OF SAID SECTION 9 TO THE SOUTHEAST CORNER OF THE PLAT OF BONNEY LAKE MANOR, RECORDING NUMBER 9207010322, RECORDS OF SAID COUNTY, ALSO BEING A POINT ON THE CORPORATE LIMITS OF SAID CITY AS DEFINED BY WARD 4 OF SAID ORDINANCE NO. 1223; THENCE NORTH ALONG SAID CORPORATE LIMITS AND THE EAST LINE OF SAID PLAT TO THE NORTHEAST CORNER OF SAID PLAT, ALSO BEING THE NORTHWEST CORNER OF THE PLAT OF COUNTRY HIGHLANDS DIVISION 2, RECORDING NUMBER 910050251, RECORDS OF SAID COUNTY; THENCE CONTINUING ALONG SAID CORPORATE LIMITS, EAST ALONG THE NORTH LINE OF LAST SAID PLAT TO THE NORTHEAST CORNER THEREOF; THENCE CONTINUING ALONG SAID CORPORATE LIMITS, SOUTH ALONG THE EAST LINE OF SAID PLAT TO THE SOUTHWEST CORNER OF LOT 4 OF LARGE LOT SUBDIVISION, RECORDING NUMBER 1590, RECORDS OF SAID COUNTY; THENCE CONTINUING ALONG SAID CORPORATE LIMITS, EAST ALONG THE SOUTH LINE OF SAID LOT 4 TO THE SOUTHEAST CORNER THEREOF, ALSO BEING THE NORTHWEST CORNER OF LOT 4 OF SHORT PLAT, RECORDING NUMBER 79-706, RECORDS OF SAID COUNTY; THENCE CONTINUING ALONG SAID CORPORATE LIMITS, SOUTH ALONG THE WEST LINE OF SAID SHORT PLAT TO THE SOUTHWEST CORNER OF LOT 2 OF SAID SHORT PLAT; THENCE CONTINUING ALONG SAID CORPORATE LIMITS, EAST ALONG THE SOUTH LINE OF SAID LOT 2 TO THE SOUTHEAST CORNER THEREOF AND THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 4; THENCE CONTINUING ALONG SAID CORPORATE LIMITS, SOUTH ALONG THE EAST LINE OF SAID SECTION 4 TO THE NORTHERLY RIGHT-OF-WAY MARGIN OF 112TH STREET EAST; THENCE CONTINUING ALONG SAID CORPORATE LIMITS, EAST ALONG SAID NORTHERLY MARGIN TO THE SOUTHWEST CORNER OF THE PLAT OF CEDAR RIDGE, RECORDING NUMBER 9003150404, RECORDS OF SAID COUNTY; THENCE CONTINUING ALONG SAID CORPORATE LIMITS, NORTH ALONG THE WEST LINE OF SAID PLAT TO THE NORTHWEST CORNER THEREOF, BEING THE SOUTHEAST CORNER OF THE PLAT OF WILDERNESS RIDGE DIVISION 1, RECORDING NUMBER 9105160438, RECORDS OF SAID COUNTY; THENCE CONTINUING ALONG SAID CORPORATE LIMITS, WEST ALONG THE SOUTH LINE OF LAST SAID PLAT, TO THE SOUTHEAST CORNER OF TRACT 'A' OF SAID PLAT; THENCE CONTINUING ALONG SAID CORPORATE LIMITS, NORTH ALONG THE EAST LINE OF SAID TRACT 'A' TO THE NORTHEAST CORNER THEREOF; THENCE CONTINUING ALONG SAID CORPORATE LIMITS, WEST ALONG THE NORTH LINE OF SAID TRACT 'A' TO THE NORTHWEST CORNER THEREOF AND A POINT ON THE WEST LINE OF SAID SECTION 3; THENCE CONTINUING ALONG SAID CORPORATE LIMITS, NORTH ALONG SAID WEST LINE TO THE WEST QUARTER CORNER OF SAID SECTION 3, ALSO BEING THE NORTHWEST CORNER OF THE PLAT OF WILDERNESS RIDGE DIVISION 2, RECORDING NUMBER 9112180517, RECORDS OF SAID COUNTY; THENCE CONTINUING ALONG SAID CORPORATE LIMITS, EAST ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 3 TO THE EASTERLY RIGHT-OF-WAY MARGIN OF 200TH AVENUE COURT EAST; THENCE
CONTINUING ALONG SAID CORPORATE LIMITS, NORTHERLY ALONG SAID EASTERLY MARGIN TO THE NORTHERLY RIGHT-OF-WAY MARGIN OF 104TH STREET EAST; THENCE CONTINUING ALONG SAID CORPORATE LIMITS, EASTERLY ALONG SAID NORTHERLY MARGIN TO THE WEST LINE OF LOT 88 OF THE PLAT OF WILDERNESS RIDGE DIVISION 3, RECORDING NUMBER 9210220264, RECORDS OF SAID COUNTY; THENCE CONTINUING ALONG SAID CORPORATE LIMITS, NORTH ALONG THE WEST LINE OF SAID LOT 88 TO THE NORTHWEST CORNER THEREOF; THENCE CONTINUING ALONG SAID CORPORATE LIMITS, EAST ALONG THE NORTH LINE OF SAID PLAT TO THE EAST LINE OF THE WEST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 3; THENCE CONTINUING ALONG SAID CORPORATE LIMITS, NORTH ALONG SAID EAST LINE TO THE NORTHERLY RIGHT-OF-WAY MARGIN OF SOUTH PRAIRIE ROAD EAST AND THE POINT OF BEGINNING.
City of Bonney Lake, Washington  
City Council Agenda Bill (C.A.B.) Approval Form

| Department / Staff Contact: Exec / Don Morrison |
| Workshop / Meeting Date: 06 Jul 2010 |
| Ordinance Number: |
| Resolution Number: 2051 |
| Agenda Bill Number: AB10-113 |
| Councilmember Sponsor: |

**Agenda Subject:** Public Safety and Other Staffing for CUGA Annexation

**Proposed Motion:** A RESOLUTION OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, STATING ITS INTENT TO PLAN FOR PUBLIC SAFETY AND OTHER STAFFING NEEDS IN ANTICIPATION OF THE ANNEXATION OF CERTAIN PORTIONS OF THE CUGA, AS CONTAINED IN RESOLUTION NO. 2050.

**Administrative Recommendation:** Approve as written

**Background Summary:** The City Council commissioned an annexation study of the Comprehensive Urban Growth Area (CUGA) adjacent to the Southern boarder of the City. City staff have analyzed public safety and other staffing needs based on reliable models in relation to the dispatched call history to the area. In order to properly plan services to the annexation area, the Council desires to outline preliminary budget targets for public safety and other staffing levels that could be provided to the area upon annexation.

**BUDGET INFORMATION:**

<table>
<thead>
<tr>
<th>Budget Amount</th>
<th>Required Expenditure</th>
<th>Budget Impact</th>
<th>Budget Balance</th>
</tr>
</thead>
</table>

Budget Explanation: See attached

**COMMITTEE/BOARD REVIEW:**

- Subcommittee Review Date: 
- Commission/Board Review Date: 
- Hearing Examiner Date:

**COUNCIL ACTION:**

- Workshop Date(s): July 6, 2010
- Meeting Date(s): 
- Public Hearing Date(s): 
- Tabled To Date:

**Signatures:**

- Director Authorization
- Mayor
- Date City Attorney Reviewed
RESOLUTION NO. 2051

A RESOLUTION OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, STATING ITS INTENT TO PLAN FOR PUBLIC SAFETY AND OTHER STAFFING NEEDS IN ANTICIPATION OF THE ANNEXATION OF CERTAIN PORTIONS OF THE CUGA, AS CONTAINED IN RESOLUTION NO. 2050.

WHEREAS, the City Council commissioned an annexation study of the Comprehensive Urban Growth Area (CUGA) adjacent to the Southern border of the City; and

WHEREAS, the City Council has adopted Resolution No. 250 proposing to annex a portion of the CUGA; and

WHEREAS, in order to plan for adequate police protection and other services to the area, the Council desires to outline initial public safety related and other staffing levels that may be required to serve the area upon annexation;

NOW THEREFORE, the City Council of the City of Bonney Lake, Washington hereby resolves as follows:

Section 1. It is the intent of the City Council to make advance plans for police protection, code enforcement and other services to the annexed area. In order to estimate the number of positions that may be required to serve the area, staffing models, based on studies, may be developed to provide a data base from which preliminary budget planning for the annexation area can be developed. The Council hereby recognizes the staffing model attached hereto as Appendix “A” to serve as a basis to establish police patrol staffing for the City and any newly annexed areas. While it is recognized that the City Council sitting at the time the area is annexed will have authority to approve and/or modify the City budget in order to serve the newly annexed area, it is the intent of Council to plan for initial police staffing increases as listed below. Should post-annexation dispatched calls for service indicate a need for a modified police response, staffing will be adjusted as provided by the model based on actual post-annexation experience:

Planned New Public Safety Personnel Hired and in Place by Annexation Effective Date:

<table>
<thead>
<tr>
<th>Number</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Code Enforcement Officer (may be housed in PD or CD Department)</td>
</tr>
<tr>
<td>1</td>
<td>Community Service Officer (CSO) or Records Clerk</td>
</tr>
<tr>
<td>3</td>
<td>Police Officers (any combination of patrol, traffic, or investigation as needed)</td>
</tr>
<tr>
<td>1</td>
<td>Police Commander (Lt., Capt., or Asst. Chief)</td>
</tr>
</tbody>
</table>

Section 2. It is the intent of the City Council to develop a complete annexation area staffing plan for all City services as part of the 2011-2012 Biennial Budget process, and to actually adopt such a plan prior to, or as part of, the adoption of the 2012 Mid-Biennial Budget Amendment, should the Annexation be approved as proposed.
PASSED BY THE CITY COUNCIL this _____ day of July, 2010.

______________________________
Neil Johnson, Jr., Mayor

ATTEST:

______________________________
Harwood T. Edvalson, City Clerk

APPROVED AS TO FORM:

______________________________
James J. Dionne, City Attorney
Appendix "A" to Resolution No. 2051

CUGA Police Patrol Staffing Model

<table>
<thead>
<tr>
<th>ELEMENT</th>
<th>Hours</th>
<th>Standard/Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Generated Workloads</td>
<td></td>
<td>2,268 Pierce County Dispatch Records CUGA Subareas 1,2,3</td>
</tr>
<tr>
<td>2009 CUGA Calls for Service (CFS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Required Police Time to Handle CFS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary Unit Handling Time</td>
<td>1,058</td>
<td>28 Min. Ave. (includes statement taking)</td>
</tr>
<tr>
<td>Backup Unit Time</td>
<td>397</td>
<td>50% Rate 75% of Time</td>
</tr>
<tr>
<td>Report Writing</td>
<td>278</td>
<td>Ave. 45 Min. @ 35% of CFS</td>
</tr>
<tr>
<td>Transport and Booking</td>
<td>30</td>
<td>90 minutes @5% of CFS</td>
</tr>
<tr>
<td>Total Hours Required for Calls For Service</td>
<td>1,763</td>
<td>Annual Patrol Hours Required</td>
</tr>
<tr>
<td>Proactive Self Initiated Officer Activity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hours Required @ 15% of Shift</td>
<td>467</td>
<td>Hours available for proactive policing</td>
</tr>
<tr>
<td>Hours Required @ 30% of Shift</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hours Required @ 45% of Shift</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hours Needed to Respond + 30% Time for Proactive Activity</td>
<td>2,230</td>
<td></td>
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<tr>
<td>Patrol Officer Availability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Hours Scheduled</td>
<td>2,080</td>
<td></td>
</tr>
<tr>
<td>Less Leave and Training Time</td>
<td>416</td>
<td>Standard 20% of Gross Hours Available</td>
</tr>
<tr>
<td>Less Hours for Court, Meals, Meetings, Misc.</td>
<td>104</td>
<td>Standard 5% of Gross Hours Available</td>
</tr>
<tr>
<td>Net Annual Hours in Service</td>
<td>1,558</td>
<td></td>
</tr>
<tr>
<td>Min. Total Patrol Officers Required to Handle CUGA Calls</td>
<td>1.13</td>
<td>Patrol Staffing Only; Doesn’t include investigations, traffic, etc.</td>
</tr>
<tr>
<td>Total Officers Required to Handle Calls + Proactive Patrol</td>
<td>1.43</td>
<td></td>
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</tbody>
</table>

Average annual calls for service in bedroom communities such as the CUGA (little or no commercial area) are around .35 per capita; .55 per capita in a mixed community such as Bonney Lake with significant commercial area and major highway; According to the number of dispatched CFS, the CUGA had a .30 per capita CFS rate, which is in the normal range for its community type.

Source: Matrix Consulting Group Police Staffing Model
## CUGA Annexation
### Draft Staffing Plan - First Year

<table>
<thead>
<tr>
<th>DEPARTMENT STAFFING</th>
<th>Staff</th>
<th>Salary</th>
<th>Benefits</th>
<th>Labor Cost</th>
<th>Supplies</th>
<th>Services</th>
<th>Equipment</th>
<th>Total C&amp;M</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Police</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police Commander</td>
<td>1</td>
<td>84,000</td>
<td>30,240</td>
<td>114,240</td>
<td>7,997</td>
<td>11,424</td>
<td>8,000</td>
<td>141,661</td>
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<tr>
<td>Police Officer/Investigator</td>
<td>3</td>
<td>58,800</td>
<td>21,168</td>
<td>239,904</td>
<td>16,793</td>
<td>23,990</td>
<td>36,000</td>
<td>316,688</td>
<td>Annualized equipment costs</td>
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<tr>
<td>Community Service Officer</td>
<td>1</td>
<td>48,000</td>
<td>17,280</td>
<td>66,280</td>
<td>4,570</td>
<td>6,528</td>
<td>600</td>
<td>76,978</td>
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<tr>
<td>Records Clerk</td>
<td>0</td>
<td>39,600</td>
<td>14,256</td>
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<td>0</td>
<td>0</td>
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<tr>
<td><strong>Public Works</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Eng Tech/Asst Engineer</td>
<td>1</td>
<td>64,200</td>
<td>23,112</td>
<td>87,312</td>
<td>6,112</td>
<td>8,731</td>
<td>2,000</td>
<td>104,155</td>
<td>Annualized equipment costs</td>
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<td>Administrative Specialist</td>
<td>1</td>
<td>33,000</td>
<td>11,880</td>
<td>44,880</td>
<td>3,142</td>
<td>4,488</td>
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<td>54,510</td>
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<td>Maintenance Worker I</td>
<td>5</td>
<td>36,000</td>
<td>12,960</td>
<td>244,800</td>
<td>17,136</td>
<td>24,480</td>
<td>10,000</td>
<td>296,416</td>
<td>Street &amp; Stormwater</td>
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<td><strong>Community Development</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Planner</td>
<td>0</td>
<td>48,000</td>
<td>17,280</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1 if permit activity rebounds</td>
</tr>
<tr>
<td>Asst GIS Tech</td>
<td>1</td>
<td>45,600</td>
<td>16,416</td>
<td>62,016</td>
<td>4,341</td>
<td>6,202</td>
<td>2,000</td>
<td>74,559</td>
<td>Convert temp to regular</td>
</tr>
<tr>
<td>Administrative Specialist</td>
<td>0</td>
<td>33,000</td>
<td>11,880</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1 if permit activity rebounds</td>
</tr>
<tr>
<td>Building Inspector</td>
<td>0</td>
<td>48,000</td>
<td>17,280</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1 when Plateau 465 develops</td>
</tr>
<tr>
<td>Asst. Eng. - Dev. Review</td>
<td>0</td>
<td>64,200</td>
<td>23,112</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1 when Plateau 465 develops</td>
</tr>
<tr>
<td>Code Enforcement Officer</td>
<td>1</td>
<td>48,000</td>
<td>17,280</td>
<td>65,280</td>
<td>4,570</td>
<td>6,528</td>
<td>2,000</td>
<td>78,378</td>
<td>May be assigned to PD</td>
</tr>
<tr>
<td><strong>Community Services</strong></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Administrative Specialist</td>
<td>0.5</td>
<td>33,000</td>
<td>11,880</td>
<td>22,440</td>
<td>1,571</td>
<td>2,244</td>
<td>1,000</td>
<td>27,255</td>
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<tr>
<td>Senior Center Aide</td>
<td>0.5</td>
<td>26,400</td>
<td>9,504</td>
<td>17,952</td>
<td>1,257</td>
<td>1,795</td>
<td>1,000</td>
<td>22,004</td>
<td></td>
</tr>
<tr>
<td>Parks/Fac Maintenance Worker</td>
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<td>36,000</td>
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Equipment Costs are annualized over life of equipment.
## REVENUE TABLE I

### CUGA Annexation Study

### Annual Revenue Estimates

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<td><strong>SubTotal Annual General Revenues</strong></td>
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### Fees Restricted to Stormwater Use

| Stormwater Fees                                       | $344,000         |

### Fees Restricted to Capital Use

| Real Estate Excise Tax                                 | $410,000         |
| Park Impact Fees (6)                                   | $50,558          |
| Transportation Impact Fees (7)                         | $68,731          |
| Gas Tax                                                | $138,699         |
| **SubTotal Restricted Revenues**                       | **$667,988**     |

### Total Revenues

1: Est. sales tax from taxable destination based sales in annexation area
2: Assume TPU agrees to utility tax imposed in service area
3: Utility tax on area in City water service area; Plus est. 5% franchise fee if Tacoma agrees to fee
4: No sewer utility tax until area has sewers installed
5: Normal infill development only, plus remodels. See appendix "X" for Plateau 465 estimate
6: Assumes 17 units per year at $2974 PIF Rate; Excludes 465 & Cascadia
7: Assumes 17 units per year at $4,043 TIF Rate

Subareas 1, 2, and 3 only. Cascadia excluded.
Agenda Subject: Adopting densities in R-2 and a minimum density in R-3

Proposed Motion: AN ORDINANCE OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, UPDATING R-2 AND R-3 ZONING

Administrative Recommendation:

Background Summary: R-3 zoning currently has no required minimum density. Pierce County's buildable lands consistency report of 2009 recommended that the City adopt a minimum density to ensure that this zone be developed in a manner that would help the city meet it's population and housing goals. The attached recommended draft proposes a minimum density of 10 units per net acre.

R-2 is the only zone that currently has minimum lot sizes rather than densities. To make the code consistent, the Planning Commission recommends that densities be adopted for this zone as well. Density is calculated by taking the gross acreage, subtracting out acreage of critical areas, critical area buffers, streets, stormwater facilities, utility tracts, and public parks that will exist upon completion of the development, and dividing the remainder by the proposed density. Parcels in R-2 that meet the density of 5 to 9 units per acre would be at least 4,840 square feet and at most 8,540 square feet.

BUDGET INFORMATION:

<table>
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<th>Budget Amount</th>
<th>Required Expenditure</th>
<th>Budget Impact</th>
<th>Budget Balance</th>
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</table>

Budget Explanation:

COMMITTEE/BOARD REVIEW:

Subcommittee Review Date:  -
Commission/Board Review Date: Planning Commission -
Hearing Examiner Date: -

COUNCIL ACTION:

Workshop Date(s): 06 July 2010  Public Hearing Date(s): 04 Nov 2009
Meeting Date(s): 22 June 2010  Tabled To Date:

Signatures:

Director Authorization  Mayor  Date City Attorney Reviewed
John P. Vodopich, AICP  

Page 47 of 60
ORDINANCE NO. D10-111

AN ORDINANCE OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, UPDATING R-2 AND R-3 ZONING

WHEREAS, The purpose of this ordinance is to adopt a minimum density in the R-3 zone as recommended by the Pierce County Buildable Lands report, replace lot size requirements in the R-2 zone, and allow zero lot line development in R-3; and

WHEREAS, the State Environmental Policy Act was complied with through the issuance of a DNS on October 14, 2009; and

WHEREAS, the Planning Commission conducted a public hearing on November 4, 2009; and

WHEREAS, the Planning Commission issued a recommendation for passage of this Ordinance on May 19, 2010; and

WHEREAS, a letter informing the Washington state department of Commerce was mailed on October 15, 2009, more than 60 days ago informing it about the possible adoption of this ordinance;

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

Section 1. BLMC Chapter 18.04.200 is hereby amended to read as follows:

18.04.200 “T”.
“Tower” means any structure that is designed and constructed primarily for the purpose of supporting one or more antennas, including self-supporting lattice towers, guy towers, or monopole towers. The term encompasses personal wireless service facilities including radio and television transmission towers, microwave towers, common-carrier towers, cellular telephone towers or personal communications services towers, alternative tower structures, and the like.
“Townhouse” or “Townhome” means a type of attached dwelling in a row of at least three such units in which each unit has its own front and rear access to the outside, no unit is located over another unit, and each unit is separated from any other unit by one or more vertical common fire-resistant walls.
“Toxic or noxious matter” is any solid, liquid, or gaseous matter or any combination of these containing properties which by their nature tend to impair the health and safety or welfare of individuals or to be destructive of property.
“Tract of land,” see “Lot.”
“Trailer” means a prefabricated living unit of less than 550 square feet in floor area capable of being moved by towing upon the public roads and highways. (Ord. 746 § 19, 1997; Ord. 740 § 2, 1997).
Section 2. BLMC Chapter 18.16.020 is hereby amended to read as follows:

18.16.020 Uses permitted outright.

The following uses are permitted in an R-2 zone, subject to the off-street parking requirements, bulk regulations and other provisions and exceptions set forth in this code:

A. Residential Uses.
   1. Single-family residence;
   2. Duplexes (two-family residences);
   3. Accessory dwelling units.
   4. Townhouses;

B. Educational Uses.

1. Elementary schools.

C. Cultural, Religious, Recreational, and Entertainment Uses.

1. Parks, opens space and trails;
2. Churches of less than 250 seats; provided the requirements of BLMC 18.22.040 are met.

D. Resource Management Uses.

1. Agriculture and orchards;
2. Forestry and tree farms;
3. Raising of livestock, small animals and fowl; provided the requirements of BLMC 18.22.060 are met.

E. Transportation, Communication, Utilities.

1. Public utility facility; provided the requirements of BLMC 18.22.050 are met;
2. Wireless communications facilities are permitted as principal or accessory uses provided the requirements of Chapter 18.50 BLMC are met. (Ord. 1137 § 3, 2005; Ord. 747 § 1, 1997; Ord. 746 § 3, 1997; Ord. 740 § 5, 1997).

Section 3. BLMC Chapter 18.16.050 is hereby amended to read as follows:

18.16.050 Setback and bulk regulations.

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

A. Minimum Lot Areas. Density shall be a minimum of 5 and a maximum of 9 dwelling units per net acre
   1. For a single-family residence, modular or manufactured home on a single lot: 8,600 square feet;
   2. For a duplex residence: 10,000 square feet

B. Minimum lot width: 55 feet.

C. Minimum front setback: 20 feet from the right-of-way line, except State Highway 410 where the setback shall be 55 feet from the right-of-way line. In areas where existing right-of-way is insufficient, additional setback may be required by the public works director.

D. Minimum side yard: five feet, with a total of 15 feet required for both side yards.

E. Minimum Rear Setback.
   1. Residence: 20 feet;
   2. Separated garage or accessory building: 10 feet;
   3. Boathouse, if approved: no rear yard setback.
F. Maximum height: 35 feet above grade.

G. Maximum lot coverage by impervious surfaces shall be 60 percent. (Ord. 1302 § 2, 2009; Ord. 1099 § 18, 2005; Ord. 740 § 5, 1997).

Section 4. A new Section of Chapter 18.02 is hereby added to read as follows:

18.02.110 Rounding of Fractions of Dwelling Units

The number of dwelling units allowed on the subject property is determined by dividing the net area of the subject property by the number of permitted dwelling units. When this results in a fraction, the number of permitted dwelling units will be rounded up to the next higher whole number of units if the fraction is at least two-thirds. If the fraction is less than two-thirds, the number of permitted dwelling units will be rounded down to the next lower whole number of units.

Section 5. BLMC Chapter 18.18.010 is hereby amended to read as follows:

18.18.010 General intent.

This zone is intended to provide appropriately located areas for multifamily living at densities from 10 to 20 units per acre to meet the needs of households with a variety of income levels and lifestyles. They are further intended to protect the public health, safety and general welfare by assuring access to arterial or collector roads and transit, and the provision of adequate utility services, public facilities and amenities necessary to assure the comfort and enhance the lifestyles of their occupants. (Ord. 1250 § 2, 2007; Ord. 740 § 6, 1997).

Section 6. BLMC Chapter 18.18.050 is hereby amended to read as follows:

18.18.050 Setback and bulk regulations.

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

A. Minimum lot area shall be determined by yard setbacks, parking, landscaping and open space requirements.

B. Density shall be a minimum of 10 and a maximum of 20 units per net acre for multifamily residential uses, exclusive of public rights-of-way. Exception: Within the transit-oriented development (TOD) overlay residential density shall be at least 10 units per net acre as “net acre” is defined in BLMC 18.04.140 and there shall be no density limit.

C. Minimum lot width: 40 feet. Exception: There is no minimum lot width for developments within the transit-oriented development overlay.

D. Minimum front setback: 15 feet from the right-of-way; provided, that a greater setback may be required from streets with inadequate rights-of-way at the discretion of the public works director.

E. Minimum side yard setback: five feet, with a total side yard setback of 15 feet for both side yards. Exception: Townhouse development may have zero side yard setbacks provided, that the end units of a group have a minimum of 5 and a total of 20 feet for
both yards regardless of whether the yards are considered side, front or rear. Lots internal to a development within the transit-oriented development overlay may have zero side yard setback provided the development is capable of meeting the applicable design standards.

EF. Minimum rear setback is 20 feet; provided, that a separated garage may be built within 10 feet of the rear property line.

FG. Minimum setback to a single-family residential zone: 20 10 feet from required landscape buffer for buildings having an entrance or exit facing the landscape buffer. Exception: Buildings taller than 35 feet shall increase the setback by one foot from any single-family residential zone for every one foot of building height increase over 35 feet. For example, a proposed building of 50 feet shall be set back at least 35 feet from any single-family zone (20 feet plus 15 extra feet for the height increase over 35 feet).

GH. Maximum height: 35 feet; provided, that the director(s), with the concurrence of the fire chief of Pierce County Fire Protection District No. 22, may approve buildings up to four stories tall if adequate provision is made for fire protection.


Section 7. If any portion of this Ordinance shall be invalidated by a court of competent jurisdiction, the remainder shall remain in full force and effect.

Section 8. This Ordinance shall take effect thirty (30) days after its passage, subject to prior approval by the Mayor and prior publication for five days as required by law.

PASSED by the City Council and approved by the Mayor this ______ day of __________________, 2010.

__________________________
Neil Johnson, Mayor

ATTEST:

Harwood T. Edvalson, CMC, City Clerk

APPROVED AS TO FORM:

__________________________
James J. Dionne, City Attorney
Memo

Date : May 19, 2010
To : Mayor and City Council
From : Grant Sulham, Planning Commission Chair
CC :
Re : Changes to R-2 and R-3 zoning

BACKGROUND

When the Planning Commission began discussion of possible updates to the R-3 zoning in 2009, one of the stated reasons for doing so was to adopt minimum density standards. This change was recommended by Pierce County in their 2008 Buildable Lands Consistency Evaluation. The recommendation was based on the fact that Bonney Lake was found to have insufficient residential capacity at the time and that the City had overestimated the density at which R-3 would be built out.

In December 2009 an R-3 overlay was adopted by Council that requires a minimum of 10 units per acre, however, the overlay only applies to the R-3 zoned area of the WSU Forest at this time. In order to fully comply with Pierce County’s recommendation, the Planning Commission recommends that that all R-3 zoning have a minimum density of 10 units per acre.

The attached ordinance also addresses the issue of zero lot lines for townhouses in R-3 as well as development in R-3 adjacent to single family.

In order to make R-2 consistent with the R-1 and R-3, the attached draft ordinance would replace the lot size requirements of R-2 with density requirements. It would also codify rounding of decimals in density calculations.

The Planning Commission recommends that the City Council adopt the ordinance as drafted.
Memo

To: Mayor and Council
From: Don Morrison, City Administrator
Date: June 30, 2010
Re: Impact Fee Options

As shown on the attached, a number of cities have reduced impact fees as an economic incentive during the recession. The final article attached argues that TIF reductions may not be an effective incentive as there appears to be little correlation between impact fees and economic activity (other factors such as location and financing seem to outweigh the marginal costs of impact fees in building decisions). I do believe, however, that we compete with Sumner, Buckley, Puyallup and Enumclaw for market share in East Pierce County (15 minute market drive time), and that we do need to price our impact fees in line with those cities to be more competitive in our immediate market.

If the Council chooses not to tinker with the TIF rates themselves, at least there should be some consideration of various ways to make compliance easier. A few suggestions are listed below:

1. **Timing of Payment.** From the building industry's point of view, it is preferable for the impact fee amount to be determined at the earliest possible time (i.e. development agreement or plat map recordation) but, A. to fall due and payable at the latest possible time (i.e. certificate of occupancy) for residential and commercial, or B. be deferred until the sale, and then a lien placed if not paid at closing, or C. tie the fee payment to some other benchmark that would be collectible and enforceable.

2. **Credits.** Credits should also apply when there is a change in existing land use. For example, if a land use is changed from residential to commercial, or a lesser intense commercial use to a more intensive commercial use, there will be an impact due to increased traffic. But the impact fees should not be based on the total number of trips generated by the commercial use but on the net increase in trips. This would not apply to new development on raw land, but only apply when there is a change of existing use from less to more intense.

3. **Increase Impact Fee Threshold.** It is the City’s definition of development that triggers impact fees. Currently, development doesn’t occur until the permit valuation of the project exceeds $15,000. This allows for minor conversions and remodels of existing buildings without TIF being triggered. This could be raised to $25,000-$50,000 or some other threshold amount. That would make it easier for an existing business to relocate within the City without having to pay a new TIF that may otherwise keep them from relocating, or worse drive them out of town entirely.
4. **Property Tax Rebates for Commercial Projects.** We have a sales tax rebate option for new retail businesses that can meet certain sales targets. We have nothing for new service related businesses. Some cities are granting TIF rebates to new businesses and using a portion of the newly generated property taxes generated to help fund the rebates. This may work for businesses as the property tax on commercial properties generally covers all general government services, and then some. It is not the case with single family residences.

5. **Irrevocable Letter of Credit.** Impact fee payments could be deferred until the building is sold or occupied. An irrevocable letter of credit or some other financial mechanism could be used to guarantee future payment when the developer has sold the project and is in a better position repay the impact fee. This is a common means to guarantee completion of subdivision improvements and could be used for the payment of impact fees and/or SDC charges as well.

6. **Deed in Trust.** Deed in trust or escrow conveying real estate to the city. In other words, the City would assume an ownership interest in the property until the impact fees and/or SDC fees were paid in full.
Cities Dump Fees To Bolster Building In Recession

By John Miller

MERIDIAN, Idaho — Developer Frank Varriale hoped his plans to build shops, apartments and a hotel in this sprawling Boise suburb would have become reality by now. Instead, about the only things standing on his land are knee-high wheat and corn.

But the city has taken steps to help revitalize those projects by eliminating what are commonly known as “impact fees” — charged by municipalities nationwide to pay for the additional services that come with increased development, such as schools, sewer lines and roads.

Meridian is among a growing list of hard-hit communities across the country that are lowering or suspending impact fees. Measures have been debated in Washington state, Texas, New Mexico, New Hampshire, California and elsewhere. Florida made it easier for residential developers to challenge fees; Arizona lawmakers are considering freezing them.

Cities are increasingly realizing that they need to eliminate as many deterrents to development as possible during the economic slump, and the impact fee are among them.

“They want business to come here,” Varriale said.

Average 2008 fees were $1,520 in Texas; California’s average was $19,536, up 38 percent from 2004 excluding sewer and water fees, according to a 185-city survey by Duncan Associates, an Austin, Texas-based planning consultancy.

The trend to suspend or lower fees has prompted debate over whether spurring a construction resurgence is more important than forcing new businesses or residents to pay upfront for services, or if these communities are laying the groundwork for haphazard development and higher taxes for current residents.

In Arizona, the Home Builders Association of Central Arizona argued for a three-year moratorium on impact fees after the state’s construction industry shed 100,000 jobs. The League of Arizona Cities and Towns argued that the proposal would leave towns unable to cover road, sewer and water systems bonds.

State lawmakers are considering a compromise two-year freeze, though the issue is still undecided.

Cities such as Queen Creek, a Phoenix suburb whose population has risen from 4,000 to 24,000 since 2000, could have been forced to tap deeper into its $19 million budget to make $4.7 million in annual bond payments had the measure passed, said Marnie Schubert, a city spokeswoman.

Though growth has slowed, there are still 176 new homes or commercial buildings going in this year; each one pays about $16,000 in impact fees.

“We basically had to build a community from scratch,” Schubert said. “Impact fees have been essential.”
More Cities Offer Incentives to Spur Development
By: Rachel Z. Azoff

An increasing number of cities are reducing or suspending impact fees; implementing tax rollbacks; and offering additional incentives in a desperate attempt to stimulate development activity.

The rollback of impact fees—which municipalities often require developers to pay in order to cover the costs of expanded infrastructure and public services—is the most common tool used by cities to spur development. Cities are open to the idea because they have little to lose: Few new building permits mean they aren't receiving much money from developers in the first place. “This summer, there has been a lot of activity, notably in Georgia, Florida, and California,” says Thais Austin, infrastructure and public finance specialist for the Washington, D.C.-based National Association of Home Builders. “Once one community starts cutting impact fees, it’s easier to make the case. After one city has done it and the world hasn’t fallen apart, the level of comfort increases.”

Most recently, at the end of July, Loveland, Colo.’s city council voted to roll back the city’s capital expansion fees for developers of multifamily housing and duplexes by about 25 percent. Certain expansion fees were not reduced, while nine others were lowered by 61 percent. The net effect is to reduce the fees on a multifamily unit from about $23,000 to about $17,000, according to the city council.

But Ed McMahon, a senior resident fellow at the Washington, D.C.-based Urban Land Institute, doesn’t think reduced impact fees will translate into increased development activity. “I don’t think these rollbacks will produce much new development. The reason development is not taking place has little, if anything, to do with development impact fees,” McMahon says. “It has to do with the marketplace; it has to do with the lack of financing.”

El Paso Gets Creative

The city of El Paso, Texas, recently announced its latest in a string of incentives to encourage development and accommodate the estimated 67,000 new troops and dependents heading to Fort Bliss over the next two years. In late July, the El Paso City Council approved a program that will offer developers a five-year break on city property taxes if they build complexes with more than 150 units. (Multifamily Executive reported on other incentive programs in El Paso earlier this year.)

Atlanta-based developer Place Properties, for one, plans to take advantage of these new tax incentives. “I think the underlying significance of these new incentives is the message it sends not just to developers but to capital providers that there is money to be made in new construction in El Paso,” says Trevor Tollett, the firm’s development manager for the El Paso market. “This is important in today’s environment where a lot of the capital is either sitting on the sidelines trying to make sense of the market or hunting for distressed assets.”
Impact fees: A vote of confidence for economic growth?

by Joel R. Theis and Richard D. Giardina

A n unpopular reaction is often the result any time a local government attempts to increase its funding of infrastructure by raising fees, taxes, etc. The implementation or increasing of impact fees is no different. However, while generally opposed by developers and home-builders, impact fees are typically supported by current citizens. That is because impact fees shift the cost burden associated with new facilities to new residents. For this and other reasons, impact fees are a widely used infrastructure-funding source that has been opposed by developers as a deterrent to economic growth.

Growth brings to the community increased property and sales tax revenues, and jobs that further contribute to the demand for government-provided services. Although there are many who oppose impact fees under the premise that they limit or restrict growth and economic development, there is little empirical or quantitative evidence to support this conclusion. In fact, there is some evidence that impact fees can act as a precursor or impetus to growth, especially if implemented appropriately and with careful consideration of their application.

This article provides a summary of two relatively current research documents on the question of whether impact fees deter growth.

Impact fees and economic growth

A report by The Milken Institute1 ranked the largest 200 cities and metropolitan areas based on economic growth. The report does not measure specific business costs or cost-of-living components. Instead, it focuses on outcomes such as job creation, wage and salary levels, and technology growth.

Each year, Milken's report lists factors that were associated with cities that had strong growth. These factors include: government employment, service-based industries, healthcare related services, and population-driven growth. One can deduce from this report the following: if an area has the resources and cultural amenities to meet the demands of new citizens, then businesses will locate in such areas provided their employment needs are met and key resources are available at a reasonable price.

One of the requisites for growth, therefore, is to understand what types of entities can best be supported by a location, and making the location attractive by providing the appropriate services.

In order to assess whether there may be a correlation between impact fees and growth, a comparison was made of impact fees in the top three highest and lowest ranked cities. The results of these comparisons are summarized in Table 1. Comparisons shown in Table 1 include fees for parks and recreation, water, sewer, roads, and schools.

In addition, a comparison was made of impact fees for the three cities that moved up in ranking the most, to the cities that moved down in ranking the most. Based on these results, there appears to be no clear correlation between high impact fees and low growth, or low impact fees and high growth. Furthermore, discerning which characteristics led to growth is not simple, as one might expect. The reader is referred to the Milken report for the detailed explanations that contribute to a community's growth.

The topic of whether impact fees impede growth has also recently been researched by the Brookings Institute2 which found that rather than impede growth, impact fees may serve as a catalyst for growth, or at least do not deter growth. In their study, 67 counties in Florida were analyzed using a quantitative approach designed to assess the association of impact fees with job growth. The results indicate that there was no direct correlation there or implied cause-and-effect relationship.

Thus, there is little evidence that impact fees significantly influence an entity deciding on where to locate. The recent evidence uncovered for this article seems to support this conclusion, and is consistent with the Brookings Institute findings. Specifically, impact fees can send a message that a community is planning for and securing the financing of infrastructure to meet the demands of new development.

continued next page

Table 1: Residential Impact Fees

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<th>Category of Growth (1)</th>
<th>Fees (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Three in Growth</td>
<td></td>
</tr>
<tr>
<td>Fayetteville, AK</td>
<td>$50</td>
</tr>
<tr>
<td>Las Vegas, NV</td>
<td>$9,043</td>
</tr>
<tr>
<td>Fort Meyers-Cape Coral, FL</td>
<td>$6,805-$10,523</td>
</tr>
<tr>
<td>Bottom Three in Growth</td>
<td></td>
</tr>
<tr>
<td>Flint, MI</td>
<td>$50</td>
</tr>
<tr>
<td>Youngstown-Warren, OH</td>
<td>$0-$2,496</td>
</tr>
<tr>
<td>Gary, IN</td>
<td>$50</td>
</tr>
<tr>
<td>Three Most Improved</td>
<td></td>
</tr>
<tr>
<td>Savannah, GA</td>
<td>$1,000</td>
</tr>
<tr>
<td>Des Moines, IA</td>
<td>$1,668</td>
</tr>
<tr>
<td>Newburgh, PA-NY</td>
<td>$50</td>
</tr>
<tr>
<td>Three Greatest Decline</td>
<td></td>
</tr>
<tr>
<td>Santa Cruz-Watsonville, CA</td>
<td>$4,556-$31,099</td>
</tr>
<tr>
<td>Boston, MA</td>
<td>$0</td>
</tr>
<tr>
<td>Portland-Vancouver, OR-WA</td>
<td>$5,748-$8,888</td>
</tr>
</tbody>
</table>

(2) Fees for parks and recreation, water, sewer, roads, and schools as tabulated by RGA.
Where to locate

What factors do businesses consider when deciding where to locate?
A review of the literature and various news media suggests that any number
of factors could influence an entity’s decision to choose a given area or
city. Yet, no definitive surveys have been uncovered.

High priority characteristics of a relocation or expansion decision might focus on proximity to competitors and transportation, both of which may be a higher priority than the cost-of-living or one-time relocation costs. Some of the factors entities consider in choosing a location involve infrastructure and associated services such as those listed in Table 2. The factors influencing a relocation or expansion decision are often business specific. However, it is likely that any number of the factors listing in Table 2 would take higher priority than the impact fees that might be paid, but it is difficult to determine which ones, if any, consistently rank higher than the others.

In short, financial timing considerations and how businesses balance many objectives influence their decisions on where to locate. These considerations include the current economic environment and business activity.

Advantages of impact fees

One of the advantages of impact fees is the credibility and fairness aspect that can coincide with the process associated with developing impact fees. Fairness can be ascribed to impact fees by carefully identifying the facilities that growth will require, and calculating the fees from reasonable cost estimates so that those paying the fee receive “value” for the promised service (e.g., parks, roadways, and utilities). In contrast, implementing sales taxes or property taxes to finance “growth-related” facilities, often shifts cost responsibility based on factors other than who the facilities were constructed for (i.e., property value or sale volume).

Credibility is gained with impact fees through a public approval process that relies on demonstrating how the costs of growth are determined. City councils and county boards can be shown through a properly conducted impact fee calculation who pays how much and why. Whereas, in the case of implementing a sales tax to pay for new facilities needed to meet growth, only general correlations can be made between who pays and who benefits from the facilities. As such, with impact fees there is a link between cost causation and revenue; links typically not found in sales and property taxes.

While it can be difficult as a public finance director to win favorability by marshaling an effort to obtain more revenue from those viewed as bringing “growth and prosperity” to the community (i.e., developers and homebuilders), there are clear advantages associated with impact fees. These include:

- Impact fees are a one-time payment, not a recurring payment like most taxes.
- Impact fees are often not noticeable to the end-user (in many instances the fee, in part or in whole, is paid by the land owner, developer or home builder), but when they are, they can have clear purposes and can be supported by a comprehensive impact fee study.
- Impact fees are targeted for specific projects, and are restricted to funding those projects from a separately managed fund.
- Considering the alternative sources of funding, there is less chance of biases and inequities if impact fees are used.

Conclusion

In summary, with careful planning, impact fees can provide the funding source to maintain service levels in a growing community. They represent an affordable one-time entrance fee into a highly desirable place in which to live and conduct business.

They can also be encouraging for certain types of entities in terms of providing a funding source for infrastructure. In this way, instead of being viewed as a deterrent to growth, impact fees may actually support growth.

Notes

Reprinted from Colorado GFOA Footnotes, December 2003

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Table 2: Influential factors for choosing a locality

<table>
<thead>
<tr>
<th>Business Environment</th>
<th>Resources</th>
<th>Public Services</th>
<th>Governmental Policies and Regulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>State and local taxes</td>
<td>Educational institutions</td>
<td>Parks and recreation</td>
<td>Business activity related regulations</td>
</tr>
<tr>
<td>Cost-of-living</td>
<td>Natural resources</td>
<td>Water and wastewater services</td>
<td>Growth and development policies</td>
</tr>
<tr>
<td>Competition/business Location</td>
<td>Financial resources</td>
<td>Public transportation</td>
<td>Environmental regulations</td>
</tr>
<tr>
<td>Geographic location</td>
<td>Police and fire protection</td>
<td>Zoning restrictions</td>
<td></td>
</tr>
<tr>
<td>Workforce characteristics</td>
<td>Information technology services</td>
<td>Air, water, and land transportation access</td>
<td>Health services</td>
</tr>
<tr>
<td>Social, recreational, and cultural amenities</td>
<td></td>
<td>Electric power</td>
<td></td>
</tr>
</tbody>
</table>

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