

**City of Enumclaw
1339 Griffin Avenue
Enumclaw, Washington 98022**

**City Council Regular Session
City Hall Council Chambers
July 26, 2021, 7:00pm**

1. CALL TO ORDER AND FLAG SALUTE:

Mayor Molinaro called the meeting to order at 7:00 p.m. and led the Pledge of Allegiance. Mayor Pro Tem LaFleur announced that all Councilmembers were present.

ATTENDANCE:

Councilmembers Corrie Koopman Frazier, Kael Johnson, Thomas Sauvageau, Hoke Overland, Beau Chevassus, Anthony Wright, and Chance LaFleur were present. Also, present were Mayor Jan Molinaro, City Administrator Chris Searcy, City Attorney Mike Reynolds, Deputy City Clerk Jessica Rose, Public Works Director Ed Hawthorne, Community Development Director Chris Pasinetti, Finance Director Chris Anderson, Police Chief Tim Floyd, and Information Services Director Joe Nanavich and Technician Nick Fuller.

2. ADJUSTMENTS TO THE AGENDA:

Mayor added to Announcements 4.A.2 Thank you

Council consensus to approve agenda as adjusted.

3. MOTION TO APPROVE MINUTES:

A. Council Minutes, 7/12/21

**LAFLEUR MOVED TO APPROVE THE JULY 12, 2021, MINUTES AS PUBLISHED.
WRIGHT SECONDED. MOTION CARRIED 7-0.**

4. ANNOUNCEMENTS AND PRESENTATIONS:

A. ANNOUNCEMENTS

1. Coffee with the Mayor, Monday, August 2, 9:00 a.m. – 10:00 a.m., City Hall Council Chambers
2. Thank You – Mayor thanked all the Councilmembers who served during 2020, current Councilmembers, the city staff, and local businesses for all their hard work in keeping businesses vibrant during COVID. They all deserve to share the community appreciation.

Mayor read the announcements.

B. PRESENTATIONS

1. Introduction of New Police Employees by Chief Tim Floyd

Floyd explained that typically when the Police Department hires new employees, they do in-person introductions at the Council meeting but were behind before COVID started and will be catching up over the next few meetings.

1. Mary Qualls, Communications Officer

Qualls grew up in the Snoqualmie Valley area. She worked in the medical field for 10 years in the Seattle/Bellevue area. She joined the Enumclaw Police Department as a Communications

Officer in 2019. She is currently working on her associate degree with an end goal to obtain her bachelor's and master's degree in Business. Qualls is looking forward to the future and working together with everyone.

2. Tyler Ewalt, Corrections Officer

Ewalt is originally from Bend, OR. He spent 10 years in the US Navy before deciding to move to Bonney Lake with his family. He has recently received a coin of excellence for saving an inmate back in March. Ewalt is glad to be here and to meet everyone.

3. Anna Brandt, Corrections Officer

Brandt is originally from Iowa where she coached high school girls. She joined the Iowa Army National Guard and was deployed to Iraq, where she was promoted as Sergeant. She relocated to WA state in 2019 and worked at the King County Juvenile Detention Center for the last year, before transferring to the Enumclaw Police Department. Brandt is happy to meet everyone and looking forward to working at the city.

4. Colyn McCall, Police Officer

McCall was born in Enumclaw and raised in Buckley. He moved to Spanaway and graduated from High School. He became a certified black belt instructor and worked at State Farm. He decided to follow in the footsteps of his father and uncle to work in law enforcement. After applying to several police departments, he was hired by the Enumclaw Police Department in 2019. At the end of the last school year, he became the School Resource Officer. McCall stated it was an opportunity to work for the Enumclaw Police Department and with its amazing staff. He is looking forward to many more years with the City.

C. PUBLIC HEARING AND MEETING ANNOUNCEMENTS

1. 2021 Comp Plan Amendments, Monday, August 9, 2021, 7:00 p.m., City Hall Council Chambers

Mayor noted the Public Hearing.

D. COMMUNITY EVENTS

1. *Evenings on Railroad – Concerts in the Park*, Fridays, Starting July 30, 6:00 p.m. – 8:00 p.m., Rotary Park
2. *19th Annual Golf Tournament*, Friday, August 6, 12:00 p.m. – 4:00 p.m., for More Information, Visit <https://www.enumclawchamber.com>
3. *The Moving Wall – Vietnam Veterans Memorial*, August 5 – 8, Open 24 Hours, Southwood Fields
4. *Purple Heart Ceremony* – Saturday, August 7, 10:00 a.m. – 11:00 a.m., Southwood Fields

Mayor noted the events.

5. COMMENTS FROM THE AUDIENCE:

None.

6. PUBLIC HEARING:

- A. Joint Use Parking Lot Agreement, Resolution No. 1727 and Ground Lease on Public Parcel at First Street/Washington Avenue/Railroad Street, Resolution No. 1728

MAYOR OPENED THE PUBLIC HEARING AT 7:13 P.M.

Rose confirmed that the City Clerk's office received no communication from the public regarding the Joint Use Parking Lot Agreement and Ground Lease.

Councilmembers LaFleur, Overland, and Chevassus stated they have received communication from the community that were both for and against the agreements.

Deputy City Clerk Read by Title Only

RESOLUTION NO. 1727

A RESOLUTION OF THE CITY OF ENUMCLAW, KING COUNTY, WASHINGTON AUTHORIZING THE MAYOR TO ENTER INTO AND EXECUTE A JOINT USE AGREEMENT BETWEEN THE CITY OF ENUMCLAW AND THUNDER DOME CAR MUSEUM FOR THE JOINT USE OF A PARKING LOT TO BE LOCATED NORTH OF THE ENUMCLAW LIBRARY AND BORDERS WASHINGTON AVENUE AND RAILROAD STREET PROVIDING FOR DURATION OF AGREEMENT AND ALLOCATION OF COSTS AND RESPONSIBILITIES.

RESOLUTION NO. 1728

A RESOLUTION OF THE CITY OF ENUMCLAW, KING COUNTY, WASHINGTON AUTHORIZING THE MAYOR TO ENTER INTO AND EXECUTE A GROUND LEASE BETWEEN THE CITY OF ENUMCLAW AND THUNDER DOME CAR MUSEUM AND THUNDERING MOUNTAIN, LLC PROVIDING FOR A GROUND LEASE TO THUNDER DOME CAR MUSEUM AND THUNDERING MOUNTAIN, LLC FOR A CERTAIN PARCEL OF REAL ESTATE AT THE INTERSECTION OF RAILROAD STREET AND WASHINGTON AVENUE, SETTING FORTH DURATION AND TERMS OF THE AGREEMENT.

Staff Report:

Searcy stated that back in December 2020, Council had approved resolutions for the Joint Use Agreement and Ground Lease that will give the Mayor authority to execute those agreements at that time. There were several comments of concern from the public, such as the car museum having the ability to use the parking lot exclusively during most weekends, which would negate its peak use during downtown business activities. The City Attorney negotiated some restrictions that would put limits on 12 of those exclusive use opportunities of 48 consecutive hours. This does not change the annual 7-day exclusive period for a much larger event. The majority of the time the parking lot will be there for benefit of the public. Another modification to the agreement was an added clause that if the non-profit organization ceases to operate the car museum, then the underlying LLC can continue to operate the car museum. Recommendation is to repeal the previous resolutions to release the authority on the old agreement to bring forth the new agreements and approve the modifications.

Council Comments:

Thunder Dome was satisfied with the 48-hour limitations for exclusive use opportunities. The parking lot has to be built to city specifications and lighting is included in the code.

Public Comments:

Steve Cadematori, In-City resident, asked if the existing parking lot on Railroad will be extended out to the new parking lot. Mayor reminded Cadematori that this is only a one-way communication.

MAYOR CLOSED THE PUBLIC HEARING AT 7:21 P.M.

7. TABLED BUSINESS:

None

8. COUNCIL COMMITTEE REPORTS:

A. COMMUNITY AND ECONOMIC DEVELOPMENT – Councilmembers Johnson, Chair; Chevassus, Sauvageau

Johnson stated the Committee has not met since their last meeting. The next meeting is scheduled for Monday, August 9, 5:00 p.m. at the Stevenson-Yerxa Building.

B. COMMUNITY SERVICES – Councilmembers Wright, Chair; Koopman Frazier, Sauvageau

Koopman Frazier stated the Committee met Monday, July 19. They discussed the Fee Amendment resolution, the 5% increase at the pool, Garrett Park Irrigation, which was \$20,000 under budget. The next meeting is scheduled for Monday, August 16 at 5:00 p.m. in the Council conference room at City Hall.

C. FINANCE – Johnson, Chair; Overland, Koopman Frazier

Johnson stated the Committee has met on Monday, July 26. They discussed the upcoming budget season. The next meeting is scheduled for Monday, August 9, at 6:30 p.m. in the Finance Department.

D. PUBLIC SAFETY – Councilmembers LaFleur, Chair; Chevassus, Sauvageau

LaFleur stated the Committee last met on Monday, July 19. They discussed the charity signs that are part of tonight's agenda, the jail reopening plan, body camera discussion, summary of the 2020 annual crime report, 2022 jail rates, memorial wall traffic impact plan. They also discussed the legislative update. It is advised that if Council receives communication regarding on what officers can or can't do, that they need to refer those to the police department. The next meeting is scheduled for Monday, August 16, 6:00 p.m. at the Police Department.

E. PUBLIC WORKS – Councilmember Wright, Chair; LaFleur, Overland

Wright stated the Committee last met on Monday, July 26. They discussed the Myrtle Avenue replacement from Cole to Wells, which they received an estimate on as well as a verification on TBD funds being used for the concrete replacement, but not for the sidewalk replacement that came in over \$200,000. This will be a decision package for 2022. Way finding signs, which originally approved for \$2,500, will be over \$20,000. They are attempting to find ways to lower the costs by finding specific locations and using existing poles. This will also be a decision package for 2022, which will also include google way point for parking. This will tag the parking lots, along with their operation times so it can be found through Google search. The bid award for gas utility cost of service, will be done by UFS at \$23,000. Committee recommends Council to increase the gas utility fund budget by \$26,453 for the gas rate study. The masonry rehabilitation contract has a change order of \$10,000 to repair the bricks on the front steps. There

is a possible \$2,000 savings if they can loosen the rail instead of taking it out. They discussed the I&I Repair Reimbursement Program that will reimburse citizens who repair their I&Is. This pilot program will cost the city a total of \$250,000 to reimburse the homeowners but could cost 3 quarters of a million dollars if done through the City. Other discussions included the library parking lot, advance notice of an annexation of 6 parcels for a new sewer lift station by McHugh, which will allow them to vacate 3 existing sewer lift stations, and 2022 vehicle replacements. There is a sewer main that needs to be repaired off Highway 410, which can be fixed either by running a new main or use a liner on the inside. They are still waiting on estimates for those repairs. They also received an update on natural gas supply costs, which are going up. They have two hedges that they would like to make.

WRIGHT MOVED TO AUTHORIZE ADMINISTRATION TO PURCHASE 25% OF THE AVERAGE GAS LOAD FOR THE PERIOD OF NOVEMBER 2025 THROUGH MARCH 2026 AT THE PRICE OF \$3.65 PER DECATHERM OR BETTER AND TO AMEND THE OPERATIONAL AGENCY AGREEMENT WITH IGI RESOURCES INCORPORATED. OVERLAND SECONDED. MOTION PASSED 7-0.

WRIGHT MOVED TO AUTHORIZE ADMINISTRATION TO PURCHASE 75% OF THE AVERAGE GAS LOAD FOR THE PERIOD OF APRIL 2025 THROUGH OCTOBER 2025 AT THE PRICE OF \$2.60 PER DECATHERM OR BETTER. OVERLAND SECONDED. MOTION PASSED 7-0.

The next meeting is scheduled for Monday, August 9, 5:30 p.m. in the Council conference room at City Hall.

F. CHAMBER OF COMMERCE – Johnson Liaison; Sauvageau, Alternate

Sauvageau stated the Chamber Board met on Wednesday, July 14. They were notified that they received a \$18,854 grant from Association of Washington Business. As well as a \$25,000 grant awarded from King County Council member Reagan Dunn to help offset the costs of events that were cancelled due to COVID. Future events that are coming:

- Golf Tournament, August 6th
- Bingo Night, August 21st
- Fall Beer Walk, September 18th
- Downtown Trick or Treat, October 31st
- Fall Wine Walk, November 13th
- Small Business Weekend, November 27th & 28th
- Hometown Holiday Drive Through, December 11th – 13th
- Holiday Parade, December 4th

The next meeting is scheduled for Friday, August 6, 9:00 a.m. at the Enumclaw Golf Club.

G. SOUND CITIES ASSOCIATION (SCA) - Councilmember LaFleur, Liaison

LaFleur stated that SCA met on Wednesday, July 14th. They discussed Metro plan updates and SCA guiding principles. A discussion on county-wide planning policies, due to a letter received from south King County cities voicing concern over concentration of poverty within their areas. GMPC's discussion on ensuring jurisdictions are doing their part to meet affordable housing. Other discussion included clean water plans, solid waste rates and fees, levies, and round table. The next meeting is scheduled for Wednesday, August 11, at 7:00 p.m. via Zoom.

H. TOURISM ADVISORY BOARD (TAB) - Councilmember Johnson, Liaison; Chevassus, Alternate

Johnson stated that TAB has not met since their last meeting. The next meeting is scheduled for Tuesday, August 3, 9:00 a.m. at The Local.

I. ENUMCLAW EXPO AND EVENTS ASSOCIATION (EEEE) BOARD - Councilmember Wright, Liaison

Wright stated that EEEA has not met since their last meeting. The King County Fair has reached about 60,000 people in attendance, which is doubled from pre-Covid. News coverage, including radio stations, The Bull and The Wolf, gave a large amount of airtime and sponsorship that helped out. By Sunday morning, the ride vendor had sold a quarter of a million dollars in ride bracelets and tickets. By the end of the day when the Fair closed, they had sold 329,000 on ride tickets. This does not include concessions or games. As financials go, the Fair had doubled to tripled the amount they brought in pre-Covid and they are still counting. The next meeting is scheduled for Tuesday, August 17, 6:00 p.m. at the Expo Center.

9. CONSENT AGENDA:

A. VOUCHER AND PAYROLL CERTIFICATION

1. Accounts Payable Vouchers #193052-193279 - \$1,459,612.78; Void Check #s
2. June 2021 Payroll Voucher #28982 - \$2,560.00; Payroll Direct Deposits - \$541,729.55; Payroll Tax and Benefits - \$548,228.6
3. ACH & Wire Transactions - \$161,208.97

B. PROJECT ACCEPTANCE

1. Garrett Park Irrigation

C. PROFESSIONAL SERVICE CONTRACT

1. Gas Rate Study

LAFLEUR MOVED TO APPROVE THE CONSENT AGENDA. WRIGHT SECONDED. MOTION CARRIED 7-0.

10. GENERAL BUSINESS:

A. RESOLUTIONS

1. Resolution No. 1724 – Fee Schedule Amendment

Deputy City Clerk Read by Title Only

RESOLUTION NO. 1724

A RESOLUTION OF THE CITY OF ENUMCLAW, KING COUNTY, WASHINGTON AMENDING RESOLUTION NO. 1693 TO AMEND FEES IN THE COMMUNITY DEVELOPMENT AND PARKS DEPARTMENTS.

Staff Report:

Pasinetti stated that there are 4 amendments to the planning department fee schedule. The first amendment is the pre-application meeting fees. During Covid, pre-application meetings were done virtually that were successful, and would like to continue to offer this option. In-person

meetings are \$100, so they want to offer virtual meetings for \$50 as incentive. The next amendment is the 5% Technology fee. The city expends quite a bit of funds for permit programs, such as the permit tracks program and plan review program. The third amendment is the final short plat fee. This is similar to a long plat, but they are administratively reviewed and approved, and they do not collect a fee. The final amendment is zoning verification letter fee. Lenders send in large packets that have zoning verification questions that have to be answered, which takes staff time to do. The fee will be the hourly rate of the staff to complete this task. It is recommended to approve the Resolution No. 1724.

Larson stated that the Citizens Advisory Committee for the pool from 2018 recommended to Council to increase fees at the pool annually. For the last 3 years the pool has increased fees by 28%. The fee changes show a 5% increase that they will do annually until they get to a point where it will no longer be needed.

Floyd stated that based on their jail rate study, there is a need to increase the daily rates and phase them in to maximize the benefit of the taxpayers while also keeping Enumclaw jail as a marketable housing alternative compared to bigger facilities. It is recommended for 2022 to increase the daily rates to \$90 per day for contracted agencies and \$110 per day for agencies without a contract.

Committee Report:

Public Safety Committee stated even with the rate increase, the jail will still not be recouping the costs for overhead.

Community and Economic Development Committee is in favor of the changes to the Planning Department's Fee changes.

Council Comments:

None

Council Action:

JOHNSON MOVED TO APPROVE RESOLUTION NO. 1724, FEE SCHEDULE AMENDMENT. WRIGHT SECONDED. MOTION CARRIED 7-0.

2. Resolution No. 1725 – Authorize Repeal Resolution No. 1697, Joint Use Agreement with Thunder Dome

Deputy City Clerk Read by Title Only

RESOLUTION NO. 1725

A RESOLUTION OF THE CITY OF ENUMCLAW, KING COUNTY, WASHINGTON AUTHORIZING THE REPEAL OF RESOLUTION #1697 WHICH AUTHORIZED THE EXECUTION OF A JOINT USE AGREEMENT BETWEEN THE CITY OF ENUMCLAW AND THUNDER DOME CAR MUSEUM.

Staff Report:

Searcy stated that with the modifications to the agreements, the original resolutions that gave the Mayor authority to execute the agreements should be repealed. It is recommended to repeal

Resolutions No. 1697 and 1698 to remove the original authority and focus on the modified agreements.

Committee Report:

None

Council Comments:

None

Council Action:

LAFLEUR MOVED TO APPROVE RESOLUTION NO. 1725, AUTHORIZE REPEAL RESOLUTION NO. 1697, JOINT USE AGREEMENT WITH THUNDER DOME. WRIGHT SECONDED. MOTION CARRIED 7-0.

3. Resolution No. 1726 – Authorize Repeal Resolution No. 1698, Ground Lease Agreement with Thunder Dome

Deputy City Clerk Read by Title Only

RESOLUTION NO. 1726

A RESOLUTION OF THE CITY OF ENUMCLAW, KING COUNTY, WASHINGTON AUTHORIZING THE REPEAL OF RESOLUTION #1698 WHICH AUTHORIZED THE EXECUTION OF A GROUND LEASE AGREEMENT BETWEEN THE CITY OF ENUMCLAW AND THUNDER DOME CAR MUSEUM.

Staff Report:

Searcy gave the staff report during Resolution No. 1725.

Committee Report:

None

Council Comments:

It is an unusual transaction to repeal resolutions. This was to set forth the historical record, giving reason as to why this was done.

Council Action:

WRIGHT MOVED TO APPROVE RESOLUTION NO. 1726, REPEAL RESOLUTION NO. 1698, GROUND LEASE AGREEMENT WITH THUNDER DOME. JOHNSON SECONDED. MOTION CARRIED 7-0.

4. Resolution No. 1727 – Authorize Joint Use Agreement with Thunder Dome

Deputy City Clerk Read by Title Only

RESOLUTION NO. 1727

A RESOLUTION OF THE CITY OF ENUMCLAW, KING COUNTY, WASHINGTON AUTHORIZING THE MAYOR TO ENTER INTO AND EXECUTE A JOINT USE

City Council Regular Meeting

July 26, 2021

Page 8 of 14

AGREEMENT BETWEEN THE CITY OF ENUMCLAW AND THUNDER DOME CAR MUSEUM FOR THE JOINT USE OF A PARKING LOT TO BE LOCATED NORTH OF THE ENUMCLAW LIBRARY AND BORDERS WASHINGTON AVENUE AND RAILROAD STREET PROVIDING FOR DURATION OF AGREEMENT AND ALLOCATION OF COSTS AND RESPONSIBILITIES.

Staff Report:

Searcy stated that the delay from the original agreement was due to a concern of the Thunder Dome's Civil Engineer on the design of the stormwater system and how it could potentially infiltrate the soil. The soil tests to meet the stormwater design manual couldn't take place until April.

Committee Report:

None

Council Comments:

The question that was asked by the audience during the public hearing was answered. The two parking lots are adjoined and will have a smooth connection between the two. The north end of the parking by Railroad will provide access to the new parking area.

Council Action:

JOHNSON MOVED TO APPROVE RESOLUTION NO. 1727, AUTHORIZE JOINT USE AGREEMENT WITH THUNDER DOME. WRIGHT SECONDED. MOTION CARRIED 7-0.

5. Resolution No. 1728 – Authorize Ground Lease Agreement with Thunder Dome

Deputy City Clerk Read by Title Only

RESOLUTION NO. 1728

A RESOLUTION OF THE CITY OF ENUMCLAW, KING COUNTY, WASHINGTON AUTHORIZING THE MAYOR TO ENTER INTO AND EXECUTE A GROUND LEASE BETWEEN THE CITY OF ENUMCLAW AND THUNDER DOME CAR MUSEUM AND THUNDERING MOUNTAIN, LLC PROVIDING FOR A GROUND LEASE TO THUNDER DOME CAR MUSEUM AND THUNDERING MOUNTAIN, LLC FOR A CERTAIN PARCEL OF REAL ESTATE AT THE INTERSECTION OF RAILROAD STREET AND WASHINGTON AVENUE, SETTING FORTH DURATION AND TERMS OF THE AGREEMENT.

Staff Report:

Searcy stated that even though these agreements are separate and can be independent of one another, the ground lease is really contingent on the parking lot use agreement. This follows the same timeline.

Committee Report:

None

Council Comments:

Development of the property will be approved through Council for the use and design. They will have to follow all City guidelines and the Council will have input on the development of the property. A period of time is needed for the building to be built and get a business going before a lease payment is determined. After that period of time lapses, then a MII Appraiser will appraise the value of the ground lease. The numerical value from that appraisal is what the City will get as a lease payment for the duration, plus the escalation clauses that are contained within it. To clarify, there is no potential tenant or construction plans at this time. The lot is potentially going to be built once it is approved, but the corner lot is still vacant. After three years, the agreement will lapse if the lot is not used. The Council can then decide to renew or cancel the agreement.

Council Action:

JOHNSON MOVED TO APPROVE RESOLUTION NO. 1728, AUTHORIZE GROUND LEASE AGREEMENT WITH THUNDER DOME. SAUVAGEAU SECONDED. MOTION CARRIED 7-0.

B. GENERAL ITEMS

1. Routine Reports

a. Routine Reports

1. Community Development: Building Permits; City Planning
2. Parks: Aquatics; Cultural Programs; Parks; Recreation
3. Police
4. Public Works: Facilities; Equipment Rental; Solid Waste; Gas; Line Maintenance, Streets; Wastewater; Water
5. 2nd Quarter Plateau Outreach ministries

Mayor noted.

II. UNFINISHED BUSINESS:

A. Multi-Family Tax Exemption

LAFLEUR RECUSED HIMSELF FROM THIS DISCUSSION DUE TO PERSONAL CONFLICT.

Staff Report:

Searcy stated that this was previously brought up to introduce the concept of the multi-family tax exemption and information that the Council might need. The planning commission had also not completed their recommendation at that time but has done so since then.

Pasinetti stated that the multi-family tax exemption was part of the 2021 work plan. Council had asked the planning commission to review the implementation of the tax exemption with the city. His report included the following points:

- What is the multi-family tax exemption?
 - o Cities that qualify may establish a tax exemption program to stimulate the construction of multi-family housing within designated areas.
 - o To encourage multifamily housing development in designated “residential target areas” within a city or urban growth area.

- Cities may offer an 8- and/or 12-year property tax exemption on the value of the residential improvements for four or more units of multifamily housing. The 12-year exemption requires owners to offer at least 20 percent of the units as income and rent restricted housing.
- Comprehensive Plan Goals and Policies
 - Housing Element: Policy 1.1 – promote opportunities for affordable homeownership through appropriate zoning code provisions and incentives. Goal H-3 – Allow various densities and diverse housing types for a variety of needs including senior, affordable, and disability housing.
- Encourage increased residential opportunities and stimulate the construction of new multifamily housing and rehabilitate existing vacant and underutilized buildings for multifamily housing.
- Items that would be in the Ordinance
 - Designated target areas would be all areas that allow multifamily housing
 - Grants a property tax exemption for the value of new housing construction, conversion, and rehabilitation improvements from ad valorem property tax.
 - Two types of exemptions: 8-year and/or 12-year exemption with a requirement of 20% of the units to be sold or rented to low and moderate-income households.
- Residential Target area
 - State law requires that they are in all R-4 zones, CB1, CB2, & GO within the mixed-use overlay zone, and properties with existing multi-family structure that qualify for the program.
- Implementation
 - Applicants are required to apply. Staff will conditionally certify applicants within 90 days.
 - Final certificate upon completion. Staff will issue final certificate within 30 days.
 - Cities must report annually by December 31st of each year to the Department of Commerce. The report must include:
 - The number of tax exemption certificates granted
 - The total number and type of units produced or to be produced
 - The number and type of units produced or to be produced meeting affordable housing requirements
 - The actual development cost of each unit produced
 - The total monthly rent or total sale amount of each unit produced
 - The income of each renter household at the time of initial occupancy and the income of each initial purchaser of owner-occupied units at the time of purchase for each of the units receiving a tax exemption and a summary of these figures for the city or county
 - The value of the tax exemption for each project receiving a tax exemption and the total value of tax exemptions granted.

Planning Commission recommends not to adopt at this time. The first reason is the implementation of the program would place additional burden on the Planning Department due to the need for reporting and monitoring. The second reason is the program would shift the taxes to the rest of the property within this city and this could burden the property owners. Thirdly, the legislature is likely going to make changes in the future to the program that the City Council could consider reviewing this at a later date when the State is completed with amendments.

Anne Fritzel, Senior Planner, from Department of Commerce joined via Microsoft Teams to provide insight on the program. Within the last year there were 100 eligible jurisdictions for the program, where about 50 of them did offer the program and 25 of those issued certificates. With the changes to the legislation, the program is now available to all jurisdictions with the option of the 12-year program and a new 20-year program, where 25% of the units are to be affordable for a 99-year period. There is now staffing at the Department of Commerce to fully manage the program, analyze the numbers, provide hands-on technical assistance to local governments, assess the adopting ordinance and contracts with developers, and set up an auditing program. There is a legislative study that has been set that requires a comprehensive review of the program, which is in addition to a study the Joint Legislative Audit Review Committee did in 2019. There is a desire around the communities that have this program to hang onto it and see it as a substantial source of an incentive to encourage multi-housing developments. As an example, City of Olympia did not have many multi-family developments and with this program, they have had 7 projects within the last 5 years. The reduction is an average of \$2,000 per unit. If Enumclaw has 5,000 households, per unit it is very little per year. The more units that are authorized into the program, the more savings it would cost. There is one issue with program, which is the tax savings and tax shift. Under the current law, the assessor has to assess the project's improvements as they are being developed. The idea was that the new developments will not affect the budget, but as soon as the tax exemption period is over, it is added to the tax roll. This is not how it currently works, because of the interim assessment of value, this is a tax shift that is shared among the other taxpayers. Communities set the income standards, which are low and moderate incomes, according to household size. It can be decided to use the County's area medium income (AMI), which is very high, or the City's AMI. They have done some research, which shows that in some cases where the AMI in a County is higher than the City's, the rent may not be as much of a savings to the tenant, which may not be a benefit to the City. The City can decide where the area is, set the income levels from 80% and down, which program (8-year, 12-year, or 20-year), and whether or not to continue the tax exemption past its term.

The following discussion took place from Council asking Anne additional questions:

- It was understood that the average \$400,000 home would pay roughly \$10 a year for the taxes on a \$15 million project.
- There is another state program that is the low-income housing tax programs that have a tax exemption for 40 or 50-years. However, the multi-family tax exemption is one of the few programs that uses private money.
- The definition within the growth management act that affordable housing is when a person is paying no more than 30% of your income for rent or mortgage and utilities.
- The multi-family tax exemption program divides incomes into three parts: very low income is up to 50%, low income is up to 80%, and moderate is up to 115%. The 12-year program is for low to moderate income.
- Cities that have issued certificates have been for units ranging from 24 to 300 units per project, but certificates can be issued to projects as low as 4-unit projects.

Council Comments:

The following discussion took place:

- According to the 2019 Census Survey, the King County AMI is \$102,000, which 80% of that is roughly \$80,000. The AMI will be higher since it was 2 years ago. It was believed

- that the poverty levels of King County were set at \$78,000 not to long ago.
- From a criminal justice side, there is only the property tax value on the land over the 8-year or 12-year term, but no additional benefits to help cover costs, such as increased traffic that can affect the police department.
 - Since it has been 30 years since apartments have been constructed, one could argue that developers will build for the community since there is a market for it, but not necessarily for affordable housing. If there are developers that could go either way, there is no guarantee that they will use the program if approved.
 - This could be an opportunity to provide options to developers that could build something that the City would approve.
 - Enumclaw has become a popular destination and there is a shortage of apartments versus single family homes.
 - Two large employers were asked what they needed to continue growth and offer jobs in town and their answer was affordable housing, especially apartments.
 - The last large apartment complex that was built in Enumclaw was in 1991. Another set of three to fourplexes were built in early 2000s, but they are not very large in size.
 - Most citizens do not want to see Enumclaw grow any more than it has, but there has to be a balance. Luxury apartments can cost anywhere from \$1,500 to \$2,500 a month, so it needs to be determined what is considered affordable housing and compare that to being able to afford a mortgage.
 - It could be years before the legislature finalize their changes to the program.
 - City can designate residential target areas.
 - Developers already receives large tax incentives through the IRS, so property taxes over the course of 8 years may not persuade them to use the program.
 - Providing options might help shift the housing costs within Enumclaw.
 - The tax shift will also impact other entities, such as the Fire Department and the School District. The School District didn't state whether they were for or against the program, but the Fire Commissioners are against it. The Commissioners are against this, because they would be responding to emergency calls with EMT that won't be paid.
 - An assessor can assess a project anywhere between 10 – 90% completion before it is added to the tax roll and will have varying costs. This is causing some confusion and difficulty in deciding on whether the multi-family tax exemption is good for the City.
 - Impact fees still apply.
 - Varying opinions on what type of affordable housing Council would like to see within the City limits. There are limited options for apartments, including a 2-3 year waiting period for Senior apartments. Developers can still build low-income projects whether or not this program is approved, but at least this will provide options.
 - Developers stated that there are three problems that has been keeping them from developing projects in Enumclaw. The first issue was the developers would like to build more than two-story buildings. Second, they need lot sizes that are at least 20-22 units per acre that would allow them to include amenities. The third issue is the requirement of mixed-use structure, where the first floor has to be a retail floor.
 - Rent is not extremely low, but they are not as high as other areas are. Developers can go where the rent is higher to recoup the costs of developing projects. The multi-family tax exemption may give more incentive to help balance the difference of costs.
 - The workers in Enumclaw should be considered in this decision. If they live outside the

City limits, then they will more than likely spend their income where they live.

Council consensus to have more public comment to help them decide what direction to take. Will discuss again at the next Council meeting, August 9, 2021.

12. NEW BUSINESS:

A. Charity Signage

Chevassus saw a sign in Lakewood that gave a positive message to encourage citizens to stop giving money to panhandlers and to donate to charities instead. After some research, he discovered that several municipalities use this sign. These could potentially lead those who are in need to go to charities for help.

Council Comments:

There is not necessarily a large amount of pan handling, but there are a few that do come through town. There are not exactly any hotspots to hang these signs but could be good for the community. The Enumclaw Police Department are in favor of these signs. There will be a total of seven signs, two at the library, two at QFC, two at Safeway, and one at the Gazebo near the Lee. These will only be hung up temporarily for about a year and will be hung on poles that are already in place. There are no legal ramifications to hang these type of signs since the City gives to two reputable charities.

Council Action:

LAFLEUR MOVED TO MOVE FORWARD ON THE PROPOSED CHARITY SIGNS BROUGHT FORWARD BY COUNCILMEMBER CHEVASSUS. JOHNSON SECONDED. MOTION CARRIES 7-0.

13. EXECUTIVE SESSION:

None

14. ADJOURNMENT:

LAFLEUR MOVED TO ADJOURN THE MEETING. WRIGHT SECONDED. MOTION CARRIED 7-0.

Meeting adjourned at 9:32 p.m.

Respectfully Submitted,

Jessica Rose
Deputy City Clerk

Date Minutes Approved: _____

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Date Minutes Approved: 8/9/21