

**URBAN EXPERIENCE COMMITTEE MEETING
AGENDA FOR
August 12th, 2019
1:15 p.m. – City Council Briefing Center**

The Spokane City Council's Urban Development Committee meeting will be held at **1:15 p.m. on August 12, 2019** in City Council Briefing Center –Lower Level City Hall, 808 West Spokane Falls Boulevard, Spokane, Washington.

The meeting will be conducted in a standing committee format. Because a quorum of the City Council may be present, the standing committee meeting will be conducted as a committee of the whole council.

The meeting will be open to the public, with the possibility of moving or reconvening into executive session only with the members of the City Council and the appropriate staff. No legislative action will be taken. No public testimony will be taken and discussion will be limited to appropriate officials and staff.

AGENDA

I. Call to Order

II. Approval of Minutes

III. Consent Items

- A. Cycle 7 (2017) Traffic Calming Administrative Reserve Increase- Joel Graff
- B. Vacation of Alameda Ct east of Central Ct except the west 100'- Eldon Brown
- C. Vacation of some unused right-of-ways south of the intersection of Cedar and Cheney-
Spokane Rd- Eldon Brown
- D. Byrne JAG 2019 Grant Application- Jennifer Hammond
- E. Nutanix Hyperconverged Server/Storage Infrastructure- Michael Sloon
- F. Impounded and Abandoned RV Disposal Services- Eric Olsen
- G. Historic Preservation Ordinance Update/Housekeepign- Megan Duvall
- H. OPR 2018-0783 Contract Addendum- Upriver Dam 8th Part 12D Independent Consultant
Safety Inspection- Seismic Evaluation by HDR Engineering, Inc- Stephen Burns
- I. Maple Gateway- Dan Buller
- J. Water Loss Interventions & 2018 Water Audit- Jim Sakamoto
- K. Backflow Prevention Devices Annual Value Blanket- Dan Kegley
- L. Geiger Boulevard, Phase I Utilities- Dan Kegley
- M. Garden District PUD Development Agreement- Tami Palmquist
- N. Riverside Commons Project of Citywide Significance and Future Development
Agreement- Teri Stripes
- O. E2SHB 1923 Urban Density, Opportunity for Grant Funding to support actions that
support housing- Heather Trautman

IV. Strategic Plan Session

- A. Library Bond Implementation Update- Andrew Chanse (10 min)
- B. SPS, City, Library, and Parks Umbrella Agreement Update- Rick Romero (5 min)

- C. Olmsted 2.0 land conservancy initiative; Inland NW Land Conservancy- Dave Schaub
Exec Director (10 min)
- D. North Bank Subarea Planning Update- Melissa Wittstruck (10 min)
- E. Wall Street Improvements Planned as part of Central City Line- Karl Otterstrom (10 min)
- F. Renewal of Insurance Coverage- Mike Ormsby (10 min)

V. Staff Reports

- A. Emergency Ordinance for one year interim zoning ordinance- Dean Gunderson (10 min)
- B. Economic Update- Kris Becker and Gavin Cooley (10 min)

VI. Adjournment:

Next Urban Development Committee meeting will be on Monday, September 9th, 2019.

AMERICANS WITH DISABILITIES ACT (ADA) INFORMATION: The City of Spokane is committed to providing equal access to its facilities, programs and services for persons with disabilities. The Spokane City Council Chamber in the lower level of Spokane City Hall, 808 W. Spokane Falls Blvd., is wheelchair accessible and also is equipped with an infrared assistive listening system for persons with hearing loss. Headsets may be checked out (upon presentation of picture I.D.) at the City Cable 5 Production Booth located on the First Floor of the Municipal Building, directly above the Chase Gallery or through the meeting organizer. Individuals requesting reasonable accommodations or further information may call, write, or email Human Resources at 509.625.6363, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or msteinolfson@spokanecity.org. Persons who are deaf or hard of hearing may contact Human Resources through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.

Briefing Paper

Urban Experience Committee

Division & Department:	Engineering Services
Subject:	Cycle 7 (2017) Traffic Calming Administrative Reserve Increase
Date:	8/12/19
Contact (email & phone):	Joel Graff jgraff@spokanecity.org 625-7757
City Council Sponsor:	
Executive Sponsor:	Scott Simmons
Committee(s) Impacted:	
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	This project is in the 6 year street plan
Strategic Initiative:	Innovative Infrastructure
Deadline:	
Outcome: (deliverables, delivery duties, milestones to meet)	For council consideration. Request will be forwarded to the council agenda for approval.
<p>Background/History: <i>Engineering Project #2017046, 047, & 048</i> – Cycle 7(2017) Traffic Calming, is a recently started city wide Traffic Calming project located in the Whitman, East Central, Manito/Cannon Hill, Lincoln Heights, Comstock, 5-Mile Prairie, Emerson/Garfield, Audubon/Downriver, and Northwest neighborhoods.</p> <p>After the pre-construction meeting the Design Engineer found an error on planned Traffic Calming project on Central Avenue in the Northwest neighborhood. One block of Sidewalk and 8 ADA ramps were planned and budgeted for, but were inadvertently left out of the project.</p> <p>The sidewalk and ADA ramps on this Traffic Calming project should be installed this year because they are within the limits of the 2019 Chip Seal project. If the omitted Traffic Calming work is postponed until next year a portion of the new chip seal would be removed and/or damaged to complete the work.</p> <p>We are estimating the additional work will cost approximately \$75,000 and would use most of the Administrative Reserve set aside for the project.</p> <p>Engineering services is requesting an additional \$75,000 to complete this work and to preserve the existing Administrative Reserve to resolve other issues.</p>	

Executive Summary:

- *An error was found on the plan and approximately \$75,000 of sidewalk and ADA ramps were inadvertently omitted from the project.*
- *The omitted work is within the limits of the 2019 Chip Seal project and should be completed this year to minimize the removal and/or potential damage to the Chip Seal project.*
- *Payments have been issue to date for \$0.00. The authorized budget with Administrative Reserve is \$1,191,255.18.*
- *As this is the first order of work an additional \$75,000 is being requested to complete the work and preserve the existing Administrative Reserve to resolve other issues that may arise on the project.*

Budget Impact:

Approved in current year budget? ☒ Yes ☐ No ☐ N/A

Annual/Reoccurring expenditure? ☐ Yes ☒ No ☐ N/A

If new, specify funding source:

Other budget impacts: (revenue generating, match requirements, etc.)

Operations Impact:

Consistent with current operations/policy? ☒ Yes ☐ No ☐ N/A

Requires change in current operations/policy? ☐ Yes ☒ No ☐ N/A

Specify changes required:

Known challenges/barriers:

Briefing Paper (Urban Experience Committee)

Division & Department:	Developer Services
Subject:	Vacation of Alameda Ct east of Central Ct except the west 100'
Date:	August 12, 2019
Contact (email & phone):	Eldon Brown (ebrown@spokanecity.org) 625-6305
City Council Sponsor:	
Executive Sponsor:	Theresa Sanders
Committee(s) Impacted:	Public Infrastructure & Environmental Sustainability
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Section 17G.080.020 of the Spokane Municipal Code and Chapter 35.79 of RCW regarding street vacations.
Strategic Initiative:	
Deadline:	
Outcome: (deliverables, delivery duties, milestones to meet)	Precedes taking this application to a public hearing before City Council
Background/History: The property owner would like to vacate the right-of-way in order to reduce/eliminate trespass, dumping and illegal activities in the RW.	
Executive Summary: <ul style="list-style-type: none"> Community Frameworks would like to fully use the site to accommodate access, parking, and open space area for a proposed affordable housing project. 	
Budget Impact: Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.) Revenue Generating	
Operations Impact: Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Specify changes required: Known challenges/barriers:	

P1904191VACA

W Maxwell Ave

W Sinto Ave

W Sharp Ave

W Boone Ave

N Howard-Wall Aly

N Wall St

N Howard St

N Stevens St

0 60 120 180 Feet



Right-of-way Description:
Alameda Court, east of Center
Court, EXCEPT the west 100'

Legend

 vacation

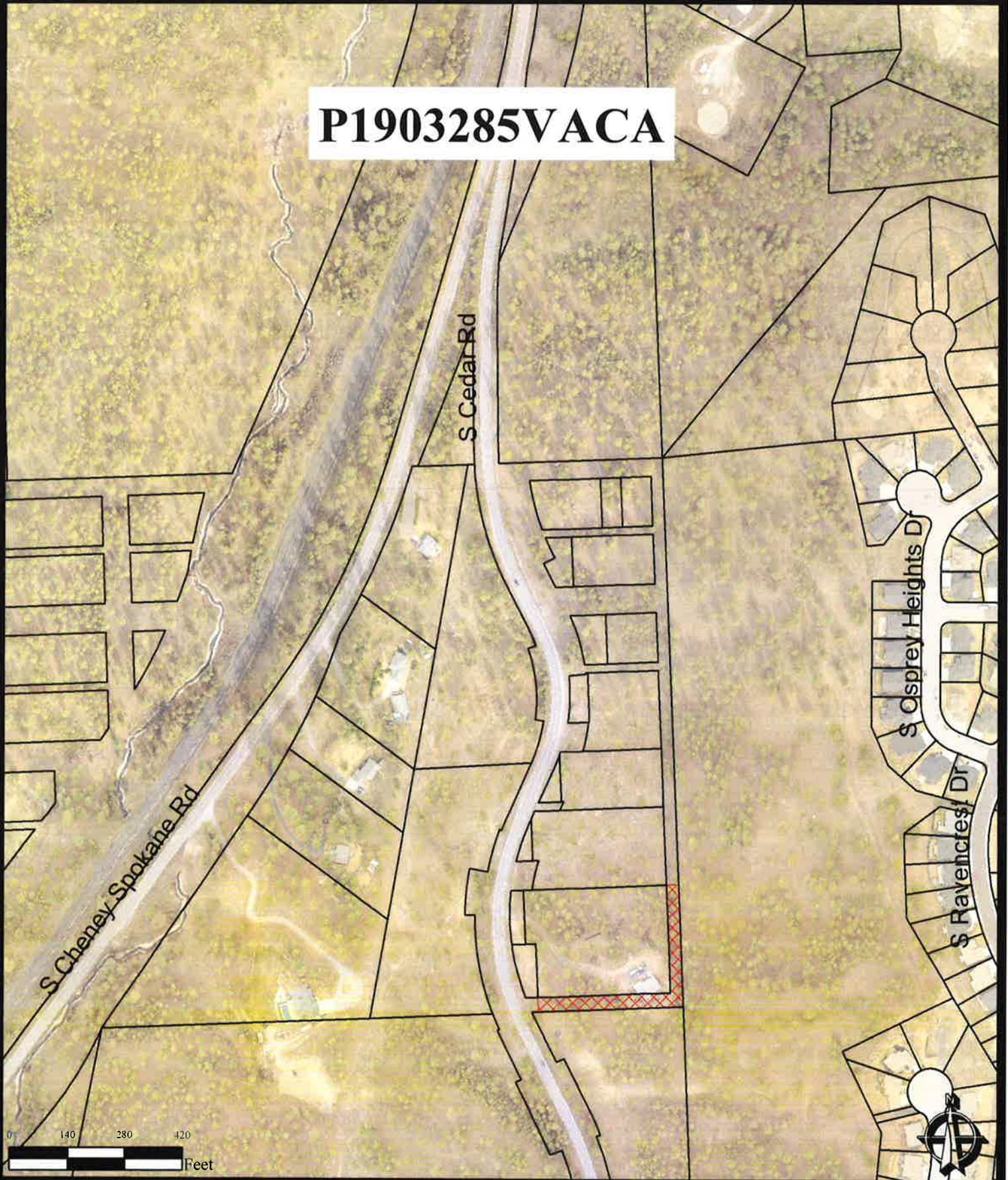
THIS IS NOT A LEGAL INSTRUMENT.
The information shown on this map is compiled
from various sources and is subject to change
without notice. Information shown on this map should
not be used to determine the location of a structure
or relationship to property lines, easements,
utilities, etc.



Briefing Paper (Urban Experience Committee)

Division & Department:	Developer Services
Subject:	Vacation of some unused right-of-ways south of the intersection of Cedar Rd. and Cheney-Spokane Rd.
Date:	August 12, 2019
Contact (email & phone):	Eldon Brown (ebrown@spokanecity.org) 625-6305
City Council Sponsor:	
Executive Sponsor:	Theresa Sanders
Committee(s) Impacted:	Public Infrastructure & Environmental Sustainability
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Section 17G.080.020 of the Spokane Municipal Code and Chapter 35.79 of RCW regarding street vacations.
Strategic Initiative:	
Deadline:	
Outcome: (deliverables, delivery duties, milestones to meet)	Precedes taking this application to a public hearing before City Council
Background/History: The property owner would like to vacate the right-of-ways in order to expand their property.	
Executive Summary: <ul style="list-style-type: none"> These right-of-ways were platted during a time period where a previous version of a non-user statute was in place stating, <i>"Any county road, or part thereof, which has heretofore been or may hereafter be authorized, which remains unopened for public use for the space of five years after the order is made or authority granted for opening the same, shall be and the same is hereby vacated, and the authority for building the same barred by lapse of time."</i> Because of this, staff is recommending that the right-of-ways are vacated at no cost to the applicants. 	
Budget Impact: Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.) Revenue Generating	
Operations Impact: Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Specify changes required: Known challenges/barriers:	

P1903285VACA



Right-of-way Description:
Those portions of un-named
right-of-ways as shown. (Full legal description will
be included in vacation ordinance)

Legend

 vacation

THIS IS NOT A LEGAL DOCUMENT.
The information shown on this map is compiled
from various sources and is subject to change
without notice. Information shown on this map should
not be used to determine the location of facilities
or other conditions on property shown. Use this map
at your own risk.



Briefing Paper

Urban Experience Committee

Division & Department:	Spokane Police Department
Subject:	Byrne JAG 2019 Grant Application
Date:	July 31, 2019
Contact (email & phone):	Jennifer Hammond-625-4056, JIsaacson@spokanepolice.org
City Council Sponsor:	None
Executive Sponsor:	Craig Meidl
Committee(s) Impacted:	Public Safety & Community Health Community
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Strategic Plan and Comprehensive Plan (CFU 1.9)
Strategic Initiative:	Advance Public Safety and Build Sustainable Resources
Deadline:	August 23, 2019
Outcome: (deliverables, delivery duties, milestones to meet)	Approval for the Spokane Police Department to apply jointly with the Spokane County towards the Edward Byrnes-JAG FY2019 Grant
Background/History: <p>Each year, the Department of Justice Solicits Grant applications for the Edward Byrne Memorial Justice Assistance Grant (JAG) Program. The County and City act as Disparate Jurisdictions and must share the monies. In 2011, the City and County entered into the MOU OPR 2011-0729 on how to apply and split the money each year. The monies are to be split equally and the fiscal agent of the grant is allowed an additional 10% of the joint money.</p> <p>The Spokane Police Department in collaboration with the Spokane County Sheriff's Office wishes to submit a request for funding for a joint proposal under the Edward Byrne Memorial Justice Assistance Grant (JAG) Program. A grant application will be submitted in total for \$139,432, which will be split as follows: City - \$76,867.60 and County - \$62,744.40.</p> <p>The CITY would like to use the \$76,687.60 for Joint Law Enforcement Programs to support the purchase of an estimated Ten (10) Ballistic Shields at an estimated cost of \$20,000, with the remaining funding going towards Red Dot Sights and other equipment to be determined.</p> <p>The COUNTY will have \$62,744.40 to utilize for their approved projects to be determined.</p>	
Executive Summary: <ul style="list-style-type: none"> Approval for the Spokane Police Department to apply jointly with the Spokane County towards the Edward Byrnes-JAG FY2019 Grant Total Grant-\$139,432: City-\$76,687.60 & County-\$62,744.40 Supports Strategic Plan in Advancing Public Safety and developing Sustainable Resources by relying upon efficient funding from the DOJ. Supports Comprehensive Plan CFU 1.9- Public Safety Capital Funding Plans This funding helps to support capital requirements without negative impact on staffing or service. 	
Budget Impact: Approved in current year budget? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A	

Annual/Reoccurring expenditure? ☒ Yes ☐ No ☐ N/A

If new, specify funding source:

Other budget impacts: (revenue generating, match requirements, etc.) No match requirement

Operations Impact:

Consistent with current operations/policy? ☒ Yes ☐ No ☐ N/A

Requires change in current operations/policy? ☐ Yes ☒ No ☐ N/A

Specify changes required:

Known challenges/barriers: Tight Deadline-Application needs submitted 8/23/19

Briefing Paper

Urban Experience Committee

Division & Department:	Innovation and Technology Services Division
Subject:	Nutanix Hyperconverged Server/Storage Infrastructure
Date:	August 12, 2019
Author (email & phone):	Michael Sloon, msloon@spokanecity.org , 625-6468
City Council Sponsor:	
Executive Sponsor:	Eric Finch and Michael Sloon
Committee(s) Impacted:	Urban Experience Committee
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	ITSD – Nutanix Hyperconverged Server/Storage Infrastructure purchase and annual support Utilizing Budget Account # 5310-73100-94000-56409
Strategic Initiative:	Urban Experience
Deadline:	September 1, 2019
Outcome: (deliverables, delivery duties, milestones to meet)	Purchase, installation, training and support

Background/History:

The City's current storage platform for virtual servers and files is rapidly approaching end of life and will no longer be supported by the vendor. This purchase will upgrade the storage and attached servers.

Executive Summary:

- Hardware purchase and 5 years annual support of new Nutanix server/storage infrastructure from Structured Communications Systems, Inc.
- Requesting \$406,038.66 including tax for the hardware purchase, annual support and training on new platform. Pricing is utilizing GSA Schedule 70, Contract #GS-35F-0119Y.
- Term is September 1, 2019 – August 31, 2024
- This purchase will significantly reduce annual support costs compared to the current hardware.

Budget Impact:

Approved in current year budget? ☒ Yes ☐ No

Annual/Reoccurring expenditure? ☒ Yes ☐ No (Beginning 2024)

If new, specify funding source: Capital replacement funds available on hardware being replaced.

Other budget impacts: (revenue generating, match requirements, etc.)

Operations Impact:

Consistent with current operations/policy? ☒ Yes ☐ No

Requires change in current operations/policy? ☐ Yes ☒ No

Specify changes required:

Known challenges/barriers:

Briefing Paper (Urban Experience Committee)

Division & Department:	Police
Subject:	Impounded and Abandoned RV Disposal Services
Date:	7/30/2019
Contact (email & phone):	Eric Olsen eolsen@spokanepolice.org 835-4505
City Council Sponsor:	
Executive Sponsor:	
Committee(s) Impacted:	
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	
Strategic Initiative:	
Deadline:	
Outcome: (deliverables, delivery duties, milestones to meet)	Procurement of extended funding for Impounded and Abandoned RV Disposal Services.
<u>Background/History:</u> <p>The current Impounded and Abandoned RV Disposal Services contract was funded for \$100,000 for two years until the end of the year 2020 with \$50,000 planned for each year. The current spending on the contract is outpacing the current funding and the contract needs amendment in order to keep up on the demand of usage.</p> <p>It was designed to provide a means of removing abandoned and junk RV's from the various neighborhoods within the City of Spokane in order to reduce crime, reduce solid waste, reduce blight and improve the quality of life for residents. During the short tenure of this contract, more than 40 abandoned and junk RV's have been removed from public streets. Several have been claimed and the valid owners identified, but the majority have been processed as solid waste after failing to be claimed.</p>	
<u>Executive Summary:</u> <ul style="list-style-type: none"> • <i>Our current contract with Evergreen State Towing is funded to \$50,000 for calendar year 2019 and encompasses services for Police, Parking Enforcement and Code Enforcement. Initial estimates were for approximately 50 RV's that met the criteria.</i> • <i>Projected expenses currently exceed what was in the adopted expenditure budget for 2019 and it is estimated the initial estimate could easily double.</i> • <i>Current expenditures under this contract are \$46,881 that leaves only \$3118 on July 18th, 2019 to fulfil the contract through the end of the year</i> • <i>Requested expenditure increase of an additional \$100,000 would allow the expenditure of the additional funds towards the purchase of contracted services, allowing police, parking and code enforcement to continue processing junk/abandoned RV's in a timely manner.</i> 	
<u>Budget Impact:</u> <p>Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>Annual/Reoccurring expenditure? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>If new, specify funding source: 1460-21200-21710-54201-Parking Fund</p> <p>Other budget impacts: (revenue generating, match requirements, etc.)</p>	
<u>Operations Impact:</u> <p>Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A</p>	

Specify changes required:
Known challenges/barriers:

Briefing Paper

Urban Experience Committee

Division & Department:	NBS, Historic Preservation
Subject:	Historic Preservation Ordinance Update/Housekeeping
Date:	7/29/19
Author (email & phone):	Megan Duvall, mduvall@spokanecity.org 625-6543
City Council Sponsor:	CM Kinnear
Executive Sponsor:	NBS Division
Committee(s) Impacted:	Urban Experience
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Spokane Municipal Code 17D.100
Strategic Initiative:	
Deadline:	Would like to have the update done as soon as possible.
Outcome: (deliverables, delivery duties, milestones to meet)	Updated SMC that better aligns with other parts of the code.
<p><u>Background/History:</u></p> <p>Councilmember Kinnear underwent an extensive revision and public process of the Historic Preservation ordinance in 2017-18. Now that the Historic Preservation Department has worked with the Browne's Addition Neighborhood Council to create a large historic district, we discovered (working alongside Legal and Planning) that there were a few areas of the revised SMC 17D.100 that needed additional measures in order to align with other areas of the SMC:</p> <p>The following changes to SMC 17D.100 are proposed (full track changes document included):</p> <ul style="list-style-type: none"> • Housekeeping changes to noticing requirements throughout the chapter for alignment with existing noticing requirements within the City. • The Secretary of the Interior's Standards for Rehabilitation were codified in 17D.100.100 E and listed out in 17D.100.280 D 1-10. • A table (17D.100-1) was added to provide guidance for when a Certificate of Appropriateness application and approval is needed, and what level of review is necessary (administrative or full Spokane Historic Landmarks Commission). • 17D.100.210 Certificates of Appropriateness – Procedure: <ul style="list-style-type: none"> • Added notification of the neighborhood council in which the property is located. • Added a 14-day Administrative Review Decision of an application. • Changed the order of the commission review procedure to make more sense chronologically. • Revised notice and open public comment period to 14 days to be closed at the end of the public hearing. • Added 17D.100.215 for vesting of project permits. • 17D.100.330 Project Permit Exclusion – this allows the City Council to find that the certificates of appropriateness required under chapter 17D.100 warrant a review process different from that provided in state law which requires all permit activity to be reviewed under one action. <p>These ordinance changes have gone through the Plan Commission hearing process as well as review by the Spokane Historic Landmarks Commission. The Plan Commission process included three separate workshops and a final hearing on June 12, 2019 as well as submittal to the Commerce</p>	

Department and a SEPA document. The P.C. voted 8-0 to accept these amendments to the SMC 17D.100. *(Plan Commission deliberations also included the creation of an historic district overlay zone in Browne's Addition which is dependent of the vote of property owners within the proposed district. That will be taken up separately from this ordinance revision after the voting period has concluded and the SHLC will make a final recommendation to City Council).*

Executive Summary:

This revision mainly deals with housekeeping measures to better align the Historic Preservation portion of the Spokane Municipal Code to other parts of the SMC. Depending upon the vote of property owners within the Browne's Addition Historic District Overlay Zone proposal, we will bring that portion of the ordinance to the City Council in a separate action in late August/early September.

Budget Impact:

Approved in current year budget? ☐ Yes ☐ No
Annual/Reoccurring expenditure? ☐ Yes ☐ No

If new, specify funding source: This is an ordinance revision only and does not have budget impacts.

Operations Impact:

Consistent with current operations/policy? x Yes ☐ No
Requires change in current operations/policy? x Yes ☐ No

Specify changes required: Ordinance revision as shown in attached document.

Known challenges/barriers:

ORDINANCE NO. C - _____

An ordinance relating to historic preservation procedures; amending SMC sections 17D.100.040, 17D.100.080, 17D.100.100, 17D.100.200, 17D.100.210, 17G.050.310 and 17G.060.070, adopting new SMC sections 17D.100.025, 17D.100.215, and 17D.100.330 and repealing SMC 11.19.270.

WHEREAS, the City and Spokane County find that the establishment of a landmarks commission with specific duties to recognize, protect, enhance and preserve those buildings, districts, objects, sites and structures which serve as visible reminders of the historical, archaeological, architectural, educational and cultural heritage of the City and County is a public necessity; and

WHEREAS, the City Council adopted Ordinance No. C-35580 on February 12, 2018 whereby the City Council recodified the City's Historic Preservation Ordinance, part of which included the process for the formation of local historic districts; and

WHEREAS, in processing the recent application for the adoption of the Browne's Addition Local Historic District, staff from the Historic Preservation Office, the Planning and Development Services and the Legal Department compiled proposed amendments to the procedures relating to historic preservation contained in Title 17D and Title 17G, which are contained in this ordinance;

Now, Therefore,

The City of Spokane does ordain:

Section 1. That there is adopted a new section 17D.100.025 to Chapter 17D.100 SMC to read as follows:

17D.100.025 Compatibility of Historic Standards with Title 17 Development Standards

- A. All property designated by the City as a historic landmark or that is located within a historic district that has been designated by the City pursuant to this chapter, shall be subject to all of the controls, standards, and procedures set forth in Title 17 SMC, including those contained in this chapter, applicable to the area in which it is presently located, and the owners of the property shall comply with the mandates of this Title 17 SMC in addition to all other applicable Spokane

Municipal Code requirements for the area in which such property is located. In the event of a conflict between the application of this chapter and other codes and ordinances of the City, the more restrictive shall govern, except where otherwise indicated.

- B. Coordination with Underlying Zoning. In certain cases, application of the development standards, including those for height, bulk, scale, and setbacks, may conflict with historic preservation standards or criteria and result in adverse effects to historic landmarks or properties located in historic districts. In such cases, properties subject to design review and approval by the Landmarks Commission shall be exempted from the standards that conflict with the Landmarks Commission's application of the historic preservation standards adopted in this chapter. The issuance of a certificate of appropriateness for final design by the Landmarks Commission shall include specific references to any conflicts between the historic standards and those in Title 17 SMC generally, and specifically request the appropriate exemptions.

Section 2. That SMC 17D.100.040 is amended to read as follows:

17D.100.040 Procedure - Preliminary Designation

- A. Public hearings of the commission are publicly advertised. Staff causes notice, containing the time, place and date of the hearing and a description of the location of the property in nonlegal language, to be mailed to all property owners of record, and in the case of a proposed historic district, to the owners of property within the proposed historic district, by publication in a newspaper of general circulation, and to be advertised in the legal newspaper of the board or council, as appropriate, at least thirty (30) days prior to the hearing. For proposed historic districts, ((No)) no later than thirty (30) days prior to the hearing, staff shall cause the posting of a sign containing the notice provisions of this section to be posted ~~((at the property, or in the case of district,))~~ at a central location within the proposed district.
- B. At a publicly advertised hearing, the commission takes testimony concerning the nomination and formulates a recommendation as to the designation. The commission may decide to:
1. recommend approval of designation of the property or district to the council or board as appropriate; or
 2. recommend denial of designation of the property or district to the council or board as appropriate; or
 3. defer the consideration of the nomination to a continued public hearing, if necessary.

Section 3. That SMC 17D.100.080 is amended to read as follows:

17D.100.080 Procedure - Appeal of Preliminary Designation

- A. The commission's recommendation may be appealed to the Hearing Examiner pursuant to SMC 17G.050.310 by filing with an appeal with the Hearing Examiner's office with a copy to the HPO.
- B. An appeal may only be filed (i) by an owner of record whose property is the subject of the preliminary designation decision or, (ii) in the case of historic district designations, on petition of at least 25% of the owners of property located within the proposed historic district.
- C. An appeal filed under this section may only be accepted if it is filed within ~~((thirty (30)))~~ fourteen (14) days of the execution of the findings of fact set forth in SMC 17D.100.050.
- D. An appeal filed under this section must state the grounds upon which the appeal is based, such as procedural irregularities or a clear error of law.
- E. Appeals filed pursuant to this section are reviewed by the Hearing Examiner on a closed record; that is, in rendering a decision, the Hearing Examiner may only take into consideration the written record of the commission's deliberations, factual findings, and preliminary designation. No additional evidence shall be considered by the Hearing Examiner on appeal.
- F. The Hearing Examiner may either affirm the preliminary designation or remand the matter to the commission for further proceedings.

Section 4. That SMC 17D100.100 is amended to read as follows:

17D.100.100 Property Management and Design Standards - Agreement

- A. In the case of individual properties, in order for the preliminary designation to become final and the property to be designated as an historic landmark, the owner(s) must enter into appropriate management standards as recommended by the commission for the property under consideration. If the owner does not enter into a management agreement, the preliminary designation does not become final and the property is not listed on the Spokane historic register.
- B. In the case of a historic district, ((The)) the proposed ((management and)) design standards and guidelines shall only be effective if a majority of the owners of properties located within the boundaries of the proposed historic district sign a petition, on a form prescribed by the HPO, seeking the formation of the proposed historic district, under the management standards applicable to the district as a whole, within the sixty (60) day consideration period. Following the expiration of the sixty (60) day consideration period, the HPO shall report to the commission concerning the number of properties within the proposed district and the number of signatures contained on the petition. If the HPO determines that the petition contains the requisite number of signatures, the commission shall set the property management and design standards for the district. For purposes of this requirement, "owners of property" includes owners of units within a condominium association.

- C. If the commission finds that both the requisite number of signatures are present on the petition and that the ~~((property management and))~~ design standards and guidelines should be set for the district, the historic district shall be designated as such on the official City zoning map by the use of an historic district overlay zone. The Commission shall, pursuant to SMC 17D.100.050, forward its findings to the City Council for adoption of the appropriate legislation to adopt the historic district overlay zone as part of the official zoning map. Non-contributing resources within the overlay zone are subject to administrative ~~((and/))~~ or commission review for significant alterations and demolition, including the resulting replacement structures, consistent with the requirements of the design standards and guidelines. No less than every five (5) years, the commission shall review and consider amendments to the design standards and guidelines for each district established under this section and forward its findings and recommendations to the City Council for adoption.
- D. The property management agreement for individual properties and the design standards and guidelines for historic districts are not applicable to the public right of way.
- E. Local historic district design standards and guidelines are intended to provide guidance for decision making by both the property owner when undertaking work within a local historic district and the historic preservation officer and commission when issuing certificates of appropriateness in the district. Local historic district design standards and guidelines are not development regulations but are instead used to assist the HPO and commission making decisions in accordance with the Secretary of Interior's Standards for Rehabilitation. Final decisions of the HPO or the commission are based on the Secretary of Interior Standards for Rehabilitation (Department of Interior regulations, 36 CFR 67). The Standards for Rehabilitation pertain to historic buildings of all materials, construction types, sizes, and occupancy and encompass the exterior, related landscape features and the building's site and environment as well as attached, adjacent, or related new construction. The Standards for Rehabilitation are to be applied to specific rehabilitation projects in a reasonable manner, taking into consideration economic and technical feasibility.

Section 5. That SMC 17D.100.200 is amended to read as follows:

17D.100.200 Certificates of Appropriateness - When Required

- A. A certificate of appropriateness is required prior to the issuance of any permit for the following activities:
1. Demolition of a Spokane Register historic landmark or a contributing resource located within an historic district (National or Spokane Register);
 2. Relocation of an historic landmark or a contributing resource located within an historic district;
 3. any work that affects the exterior appearance of an historic landmark;

4. any work that significantly affects the street-facing façade of a building located within an historic district; and
 5. development or new construction located within the designated boundaries of an historic district.
 6. The HPO may administratively approve certificate of appropriateness applications for non-contributing resources within historic districts in consultation with the Design Review Committee of the Commission.
- B. ~~((The HPO may exempt ordinary repairs and maintenance from the permit requirements of this section if the work does not involve a change in design, material or exterior treatment or otherwise affect the exterior appearance.))~~

Exemptions. The following activities do not require a certificate of appropriateness or review by the HPO or the Commission.

1. Ordinary repair and maintenance activities, including emergency measures, which do not affect significant historic features.
 2. Ordinary repairs and maintenance which do not alter the appearance of a significant feature and do not utilize substitute materials.
 3. Repairs to or replacement of utility systems if such work does not alter a significant feature.
- C. Table 17D.100-1 sets forth the list of the types of work that are reviewed by the full commission, types of work that can be approved administratively and types of work that are exempt from the requirement of a certificate of appropriateness.

Section 6. That SMC 17D.100.210 is amended to read as follows:

17D.100.210 Certificates of Appropriateness - Procedure

- A. Any application for an action which requires a certificate of appropriateness under this chapter or which may be within the scope of agreed management standards under this chapter must meet minimum submittal requirements established by the HPO. Prior to taking action on the application, the official responsible for processing the application shall request review of the action by the commission. For non-contributing resources within a local register historic district, an administrative approval may be considered.
- B. The requests for review and issuance of a certificate of appropriateness and any supplemental information shall be transmitted by the HPO to the commission, the property owner or applicant, the neighborhood council where the property is located and interested parties of record at least fourteen (14) days prior to the next scheduled meeting of the commission. The review of requests for certificate of appropriateness which may be approved by the HPO are deemed to be ministerial permits. The HPO shall issue the administrative decision within fourteen (14) days after receipt of the application. The review of requests for certificates of appropriateness which are approved by the landmarks commission are subject to the timeline and procedures contained in this section.

- C. At its next scheduled meeting, the commission reviews the request and decides whether to issue a certificate of appropriateness. The commission transmits its findings to the property owner or applicant, the neighborhood council and interested parties of record. If the commission is unable to process the request, the commission may extend the time for its determination.
- D. The commission reviews the request for certificates of appropriateness under the following procedure:

1. The applicant for a certificate of appropriateness must provide to the commission drawings of the proposed work, photographs of the existing building or structure and adjacent properties, information about the building materials to be used, and any other information requested by the HPO or commission.
2. In making a decision on an application, the commission uses the Secretary of the Interior's Standards for Rehabilitation, historic district design standards and other general guidelines established and adopted by the commission. In adopting and using standards, the commission does not limit new construction to any one architectural style but seeks to preserve the character and integrity of the landmark or the historic district through contemporary compatible designs.

~~((4))~~3. The HPO reviews each application, certifies it complete and, within seven (7) days of certification, causes notice of application to be provided to the property owner or applicant, the neighborhood council and interested parties of record. The notice of application shall be provided electronically to the e-mail on record or by mail if there is no e-mail address. After the notice of application has been given, a public comment period is provided until the commission closes the public comment period upon completion of the public hearing. The purpose of the public comment period is to provide the opportunity for public review and comment on the application. Comments on the application will be accepted at or any time prior to the closing of the record of the open-record public hearing.

~~((2))~~4. ~~((At the close of the public comment period, the HPO consults with the commission regarding a date and time for public hearing.))~~ At least ~~((fifteen (15)))~~ fourteen (14) days prior to the public hearing, the officer causes notice of hearing to be provided, which shall consist of notification to the property owner or applicant and interested parties of record of the date and time of the public hearing before the commission.

~~((3))~~5. Commission review.

- a. The HPO makes a written report regarding the application to the commission, ensures that the application is sent to appropriate other City departments, coordinates their review of the application

and assembles their comments and remarks for inclusion in the report to the commission as appropriate. The report of the HPO contains a description of the proposal, a summary of the pertinent Secretary of the Interior's Standards for Rehabilitation, findings and conclusions relating to those standards and a recommendation. If the recommendation is for approval with conditions, the report also identifies appropriate conditions of approval. At least ten (10) days prior to the scheduled public hearing, the report is filed with the commission as appropriate and copies are mailed to the applicant and the applicant's representative. Copies of the report are also made available to any interested person for the cost of reproduction. If a report is not made available as provided in this subsection, commission may reschedule or continue the hearing, or make a decision without regard to any report.

- b. The commission makes a decision regarding the application within ten (10) days of the date the record regarding the application is closed. The time for decision may be extended if the applicant agrees. In making the decision, the commission may approve, approve with conditions, or deny the permit application. The decision is in writing.

((4))6. Within seven (7) days of making the decision, the permit authority causes a notice of decision to be provided to the property owner or applicant, the neighborhood council and interested parties of record.

~~((5. The applicant for a certificate of appropriateness must provide to the commission drawings of the proposed work, photographs of the existing building or structure and adjacent properties, information about the building materials to be used, and any other information requested by the HPO or commission.~~

~~6. In making a decision on an application, the commission uses the Secretary of the Interior's Standards for Rehabilitation, historic district design standards and other general guidelines established and adopted by the commission. In adopting and using standards, the commission does not limit new construction to any one architectural style but seeks to preserve the character and integrity of the landmark or the historic district through contemporary compatible designs.))~~

Section 7. That there is adopted a new section 17D.100.215 to Chapter 17D.100 SMC to read as follows:

17D.100.215 Vesting Project Permits

A complete application for a project permit that is entitled to vesting under Washington law and that is subject to a certificate of appropriateness shall be considered under the

land use codes and other land use control ordinances in effect on the date a complete application for a certificate of appropriateness as set forth in chapter 17D.100 SMC is submitted to the HPO, provided that a complete project permit application is filed within one hundred eighty days of the landmark commission's final decision.

Section 8. That there is adopted a new section 17D.100.330 to Chapter 17D.100 SMC to read as follows:

17D.100.330 Project Permit Exclusion

Pursuant to RCW 36.70B.140, and subject to SMC 17D.100.025, the City Council finds that the certificates of appropriateness required under this chapter warrant a review process different from that provided in RCW 36.70B.060 through 36.70B.080 and 36.70B.110 through 36.70B.130 and Chapter 17G.060 SMC, and hereby excludes such certificates of appropriateness from the review processes provided for therein.

Section 9. That SMC 17G.050.310 is amended to read as follows:

17G.050.310 Right of Appeal

- A. The applicant or a person with standing as defined in chapter 17A.020 SMC may appeal to the hearing examiner a decision of the director of planning services, engineering services, the building official, the responsible official under SEPA as provided in SMC 17G.060.210 and the landmarks commission related to applications for certificate of appropriateness and determination of eligibility under Chapter 17D.100 SMC ((17D.040.230)) by filing with the permit application department a written appeal within fourteen days of the date of the written decision. For purposes of this section, the neighborhood council in which the property to which the decision being appealed is located shall have standing, subject to the neighborhood council demonstrating that it adhered to established bylaws in making the decision to bring the appeal.
- B. The applicant, a person with standing, or a City department may appeal decisions of the hearing examiner as provided in SMC 17G.060.210.

Section 10. That SMC 17G.060.070 is amended to read as follows:

17G.060.070 Application Requirements

- A. Application requirements for Type I, II, and III project permit applications shall contain the following:

1. Predevelopment meeting summary as provided in SMC 17G.060.050(B), if required in Table 17G.060-3.
 2. Application documents provided by the department specifically including:
 - a. General application;
 - b. Supplemental application;
 - c. Environmental checklist, if required under chapter 17E.050 SMC;
 - d. Filing fees as required under chapter 8.02 SMC;
 - e. A site plan drawn to scale showing:
 - i. property dimensions;
 - ii. location and dimensions of all existing and proposed physical improvements;
 - iii. location and type of landscaping;
 - iv. walkways and pedestrian areas;
 - v. off-street parking areas and access drives;
 - vi. refuse facilities; and
 - vii. significant natural features, such as slopes, trees, rock outcrops including critical areas.
 - f. Required number of documents, plans, or maps (as set forth in the application checklist);
 - g. Written narrative identifying consistency with the applicable policies, regulations, and criteria for approval of the permit requested;
 - h. Other plans, such as building elevations, landscaping plans, or sign plans, which are determined by the permitting department to be necessary to support the application; and
 - i. Additional application information may be requested by the permitting department and may include, but is not limited to, the following:
 - i. geotechnical studies,
 - ii. hydrologic studies,
 - iii. critical area studies,
 - iv. noise studies,
 - v. air quality studies,
 - vi. visual analysis, and
 - vii. transportation impact studies.
 3. A certificate of appropriateness if required by chapter 17D.100 SMC.
- B. The following Type II and III applications shall meet the requirements in this subsection in addition to the provisions of subsection (A) of this section:
1. Shoreline – Substantial Development Permit, Conditional Use Permit and Variance.
 - a. Name, address, and phone number of the applicant.
The applicant should be the owner of the property or the primary proponent of the project and not the representative of the owner or primary proponent.

- b. Name, address, and phone number of the applicant's representative if other than the applicant.
- c. Name, address, and phone number of the property owner, if other than the applicant.
- d. Location of the property.
This shall, at a minimum, include the property address and identification of the section, township and range to the nearest quarter, quarter section or latitude and longitude to the nearest minute.
- e. Identification of the name of the shoreline (water body) with which the site of the proposal is associated.
- f. General description of the proposed project that includes the proposed use or uses and the activities necessary to accomplish the project.
- g. General description of the property as it now exists, including its physical characteristics and improvements and structures.
- h. General description of the vicinity of the proposed project, including identification of the adjacent uses, structures and improvements, intensity of development and physical characteristics.
- i. A site development plan consisting of maps and elevation drawings, drawn to an appropriate scale to depict clearly all required information, photographs and text which shall include:
 - i. the boundary of the parcels(s) of land upon which the development is proposed;
 - ii. the ordinary high-water mark of all water bodies located adjacent to or within the boundary of the project. This may be an approximate location, provided that for any development where a determination of consistency with the applicable regulations requires a precise location of the ordinary high-water mark, the mark shall be located precisely and the biological and hydrological basis for the location as indicated on the plans shall be included in the development plan. Where the ordinary high-water mark is neither adjacent to or within the boundary of the project, the plan shall indicate the distance and direction to the nearest ordinary high-water mark of a shoreline;
 - iii. existing and proposed land contours. The contours shall be at intervals sufficient to accurately determine the existing character of the property and the extent of proposed change to the land that is necessary for the development. Areas within the boundary that will not be altered by the development may be indicated as such and contours approximated for that area;
 - iv. a delineation of all wetland areas that will be altered or used as a part of the development;

- v. the dimensions and locations of all existing and proposed structures and improvements, including but not limited to: buildings, paved or graveled areas, roads, utilities, material stockpiles or surcharge, and stormwater management facilities;
 - vi. an inventory of the existing vegetation on the proposed project site, including the location, type, size, and condition, pursuant to SMC 17E.060.240, Shoreline Vegetation Inventory;
 - vii. a landscape plan prepared and stamped by a licensed landscape architect, registered in the state of Washington;
 - viii. where applicable, plans for development of areas on or off the site as mitigation for impacts associated with the proposed project shall be included;
 - ix. quality, source and composition of any fill material that is placed on the site, whether temporary or permanent;
 - x. quantity, composition and destination of any excavated or dredged material;
 - xi. vicinity map showing the relationship of the property and proposed development or use to roads, utilities, existing developments, and uses on adjacent properties;
 - xii. where applicable, a depiction of the impacts to views from existing residential uses;
 - xiii. on all variance applications, the plans shall clearly indicate where development could occur without the approval of a variance, the physical features and circumstances of the property that provide a basis for the request, and the location of adjacent structures and uses.
2. Certificate of Compliance.
 - a. Site plan is to be prepared by a licensed surveyor; and
 - b. Copies of building permits or other data necessary to demonstrate the building was erected in good faith and all reasonable efforts comply with the code.
 3. Plans-in-lieu of Compliance.
 - a. Alternative development plan designed in conformance with the applicable development regulations; and
 - b. A written narrative of how the proposed development plan is superior, or more innovative, or provides greater public benefit.
 4. Preliminary Plat, Short Plat, and Binding Site Plan.
As provided in chapter 17G.080 SMC.
 5. PUD.
 - a. Profiles of any structures more than one story, shown in relation to finished grade.
 - b. Location, dimension, and boundary of proposed open space.

- c. Site plan demonstrating compliance with chapter 11.19 SMC including signs, off-street parking, structure height, building coverage, yards, density, screening, buffering, and lighting.
- 6. Skywalk.
 - a. A legal description of airspace to be occupied.
 - b. Architectural and engineering plans.
 - c. Artist's rendering of the proposed skywalk; and
 - d. Written narrative of the access for the public from the street, other buildings, and other skywalks.
- 7. Floodplain – Floodplain Development Permit and Variance.
As provided in chapter 17E.030 SMC.

Section 11. That SMC 11.19.270 is repealed.

PASSED BY THE CITY COUNCIL ON _____, 2019.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date

Briefing Paper

Urban Experience Committee

Division & Department:	Public Works - Water Department - Upriver
Subject:	OPR 2018-0783 Contract addendum - Upriver Dam 8th Part 12D Independent Consultant Safety Inspection - Seismic Evaluation – by HDR Engineering, Inc.
Date:	July 25, 2019
Author (email & phone):	Stephen Burns, 509-742-8154, sburns@spokanecity.org
City Council Sponsor:	
Executive Sponsor:	Dan Kegley
Committee(s) Impacted:	PIES
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Water Department Upriver Dam Regulatory Compliance Budget
Strategic Initiative:	
Deadline:	December 2019
Outcome: (deliverables, delivery duties, milestones to meet)	Seismic evaluation of five reinforced earth enclosures of Upriver Dam facilities to satisfy a portion of 18 CFR Part 12.
Background/History: Every five years, the City is required to provide FERC with a Part 12D Safety Inspection Report of the city's hydroelectric facility. This will be the eighth report for Upriver Dam. The report and accompanying engineering evaluation and inspection of Upriver Dam must be in accordance with FERC Guidelines, and 18 CFR Part 12, Subpart D, of the Commission's regulations. HDR Engineering, Inc. is performing the inspection via winning Request for Qualifications #4496-18 issued on September 25, 2018 resulting in contract OPR 2018-0783. During preliminary review of Upriver documents in preparation for the inspection and Potential Failure Modes Analysis, FERC Project Engineers discovered that additional information is needed to complete an evaluation of the site. Additional scope and fee need to be added to OPR 2018-0783 for a seismic deformation analysis of five reinforced earth enclosure sections using pseudo-dynamic methods and the latest seismic ground motions developed for the site by the USGS.	
Executive Summary: <ul style="list-style-type: none"> Existing contract OPR 2018-0783 has executed at \$90,900. Cost of this addendum is \$15,000 All elements of the contract and addendum must be completed by December 2019. Funding is planned from one source: <ul style="list-style-type: none"> - Water Department Upriver Dam Regulatory Compliance Budget 	
Budget Impact: Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Annual/Reoccurring expenditure? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impact: Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Specify changes required: Known challenges/barriers:	



City of Spokane

CONTRACT ADDENDUM

Title: **UPRIVER DAM, EIGHTH PART 12D
SAFETY INSPECTION REPORT**

This Contract Addendum is made and entered into by and between the **City of Spokane** as ("City"), a Washington municipal corporation, and **HDR ENGINEERING, INC.**, whose address is 928 108th Avenue, NE, Suite 1300, Bellevue, Washington 98004 as ("**Consultant**").

WHEREAS, the parties entered into an Agreement for the preparation of the Upriver Dam Eighth Part 12D Safety Inspection Report; and

WHEREAS, additional work has been requested, thus the original Contract needs to be formally amended by this written document; and

-- NOW, THEREFORE, in consideration of these terms, the parties mutually agree as follows:

1. CONTRACT DOCUMENTS.

The Contract, dated December 12, 2018, any previous amendments, addendums and / or extensions / renewals thereto, are incorporated by reference into this document as though written in full and shall remain in full force and effect except as provided herein.

2. EFFECTIVE DATE.

This Contract Addendum shall become effective on July 22, 2019.

3. ADDITIONAL WORK.

The Scope of Work in the original Contract is expanded to include the following additional Work:

Additional Analysis is Required by FERC for the Part 12D Inspection Report

4. COMPENSATION.

The City shall pay an additional amount not to exceed **FIFTEEN THOUSAND AND NO/100 DOLLARS (\$15,000.00)** for everything furnished and done under this Contract Addendum. This is the maximum amount to be paid under this Addendum, and shall not be exceeded without the prior written authorization of the City, memorialized with the same formality as the original Contract and this Addendum document.

IN WITNESS WHEREOF, in consideration of the terms, conditions and covenants contained, or attached and incorporated and made a part, the parties have executed this Contract Addendum by having legally-binding representatives affix their signatures below.

CONSULTANT

By  7/26/19
Signature Date

Patrick Haley, P.E.
Type or Print Name
Vice President
Title

Attest:

City Clerk

CITY OF SPOKANE

By _____
Signature Date

Type or Print Name

Title

Approved as to form:

Assistant City Attorney

Attachments that are part of this Agreement:

Additional Scope of Work document

U2019-154



July 17, 2019

Stephen Burns, P.E.
Water and Hydroelectric Superintendent
2701 N Waterworks St.
Spokane, WA 99212

Dear Steve,

Please find attached the HDR's proposal for Seismic Deformation Analysis of Reinforced Earth Enclosure Sections at the Upriver Dam. These services are proposed to be completed under HDR and the City's current contract – Upriver Dam 8th Part 12D Safety Inspection Report (Department Contract No. OPR# 2018-0783).

Please let me know if you have any questions (206) 495-5951, keith.moen@hdrinc.com.

Sincerely,
HDR Engineering

A handwritten signature in blue ink that reads "Keith Moen".

Keith Moen
Project Manager

Background

The Upriver Dam is located in Spokane, Washington, and construction was completed in 1937. The project include two powerhouses: Powerhouse No. 1 has a capacity of 6 MW and Powerhouse No. 2 has a capacity of 11.7 MW. The reinforced concrete spillway includes eight tainter gates each 17 feet high by 26 feet wide. Abutting the spillway on the right bank is a reinforced earth enclosure wall. An upstream training wall on the right bank channels flows to the spillway. On the left bank, located between the spillway and fuse plug, another reinforced earth wall is located. There are a total of five reinforced earth closure sections at Upriver. The City of Spokane (City) is required to provide Federal Energy Regulatory Commission (FERC) with a Part 12D Safety Inspection Report for Upriver Dam and HDR is currently performing services for the Eighth Part 12D Report for Upriver Dam. The Part 12D Report and accompanying Potential Failure Modes Analysis (PFMA) evaluation on the condition of Upriver Dam must be in accordance with FERC Part 12D Guidelines and 18CFR Part 12, Subpart D, of the Commission's regulations. During a preliminary review of the Upriver Dam documents in preparation for the inspection and PFMA review, it was discovered that additional engineering information was needed to complete an evaluation of the project.

Scope of Services

Task 1: Seismic Deformation Analysis of Reinforced Earth Enclosure Sections

OBJECTIVE

Perform seismic deformation analyses for each of the five reinforced earth enclosure sections using pseudo-dynamic methods and the latest seismic ground motions developed for the site in accordance with FERC Engineering Guidelines.

HDR SERVICES

HDR will analyze seismic stability of the closure sections using pseudo-dynamic methods and the latest ground motions for the dam in accordance with FERC Engineering Guidelines.

CLIENT RESPONSIBILITIES

The City will provide any additional documents, beyond those already provided for the Consultant's Safety Inspection and Part 12D report, if needed.

ASSUMPTIONS

- Approximately three weeks of review time will be sufficient for the City.
- A single draft review will be sufficient for the City.

DELIVERABLES

- Draft Engineering Report
- Final Engineering Report
- Incorporate report findings into PFMA Addendum

Task 2: Prepared Detailed Report

A detailed report will be developed for this task, which will include the results of the data review, descriptions of the methods and procedures used in developing the stability analyses, and an evaluation of the results. Pertinent electronic input and output files and references to analysis software, in accordance with FERC recommendations contained in Chapter 14 of the Engineering Guidelines, will be included. A calculation package will be included as an appendix to the report.

Schedule

A detailed task schedule will be developed in collaboration with the City. A preliminary schedule is shown below and was based on dates to complete the work, time to review the results and incorporate into the PFMA process:

July 31, 2019 – Begin data gathering and analysis

September 12, 2019 – Complete analysis

September 30, 2019 – Provide draft report to City for comments

October 16, 2019 – Receive Comment from City

October 31, 2019 – Provide final report to City

Estimated Fees and Disbursements

Compensation for proposed services will be billed on a Time and Materials basis. The total fee for these services is not to exceed \$15,000, unless mutually agreed upon by HDR and the Client.

Terms and Conditions

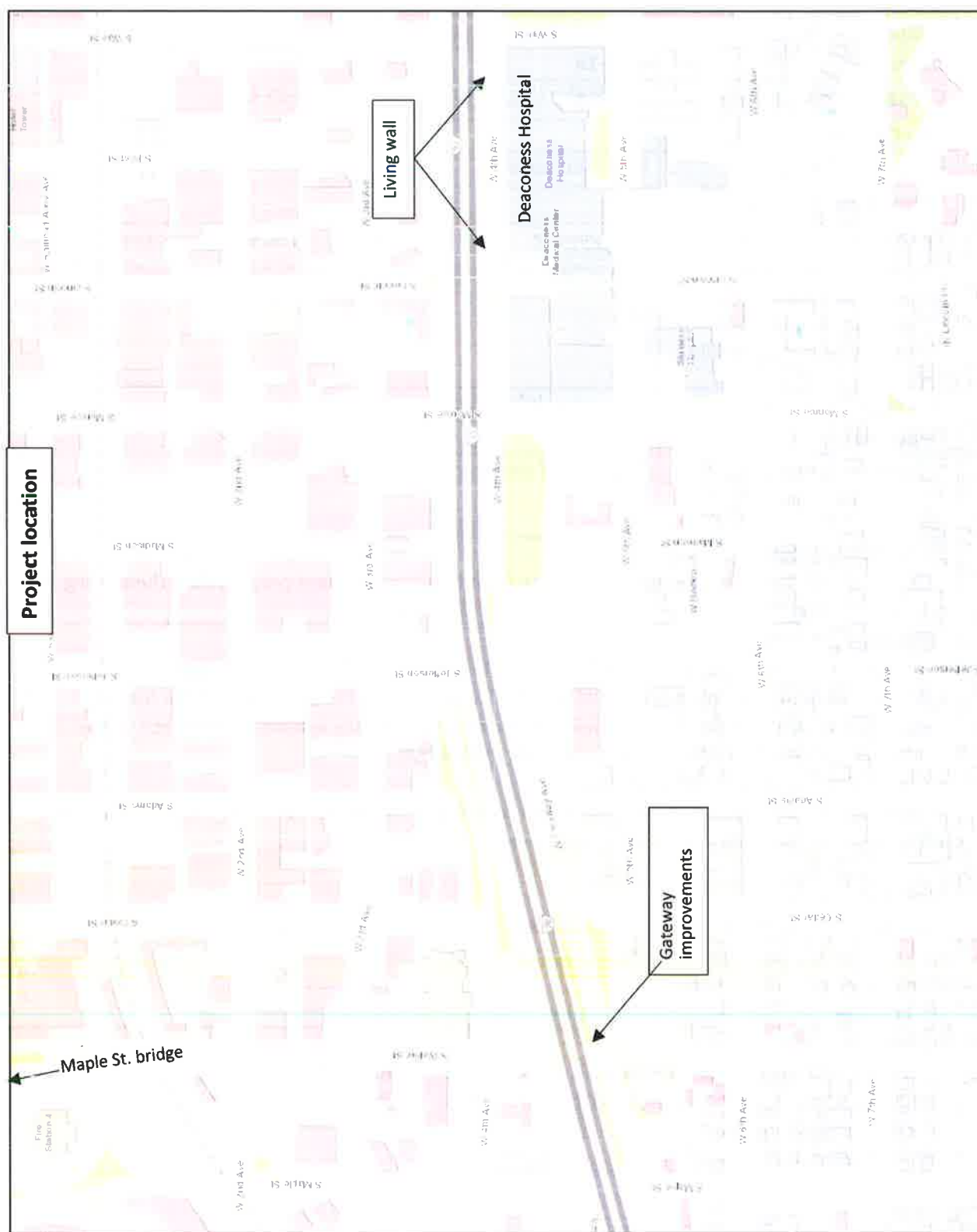
These services are proposed to be completed under HDR and the City's current contract – Upriver Dam 8th Part 12D Safety Inspection Report (Department Contract No. OPR# 2018-0783).

This proposal is valid for sixty (60) work days from the date of submission. Thereafter, it may be subject to change.

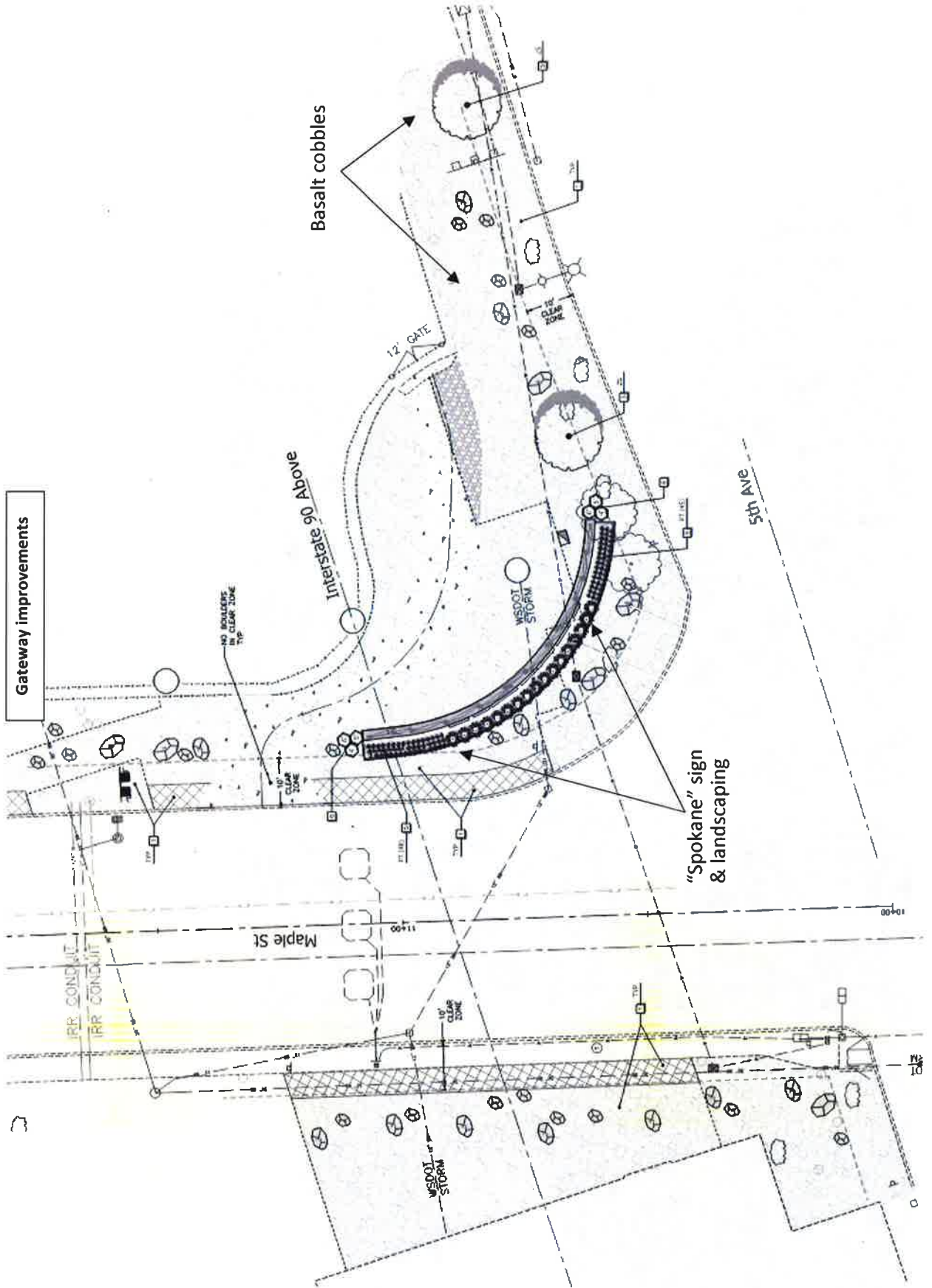
Briefing Paper

Urban Experience

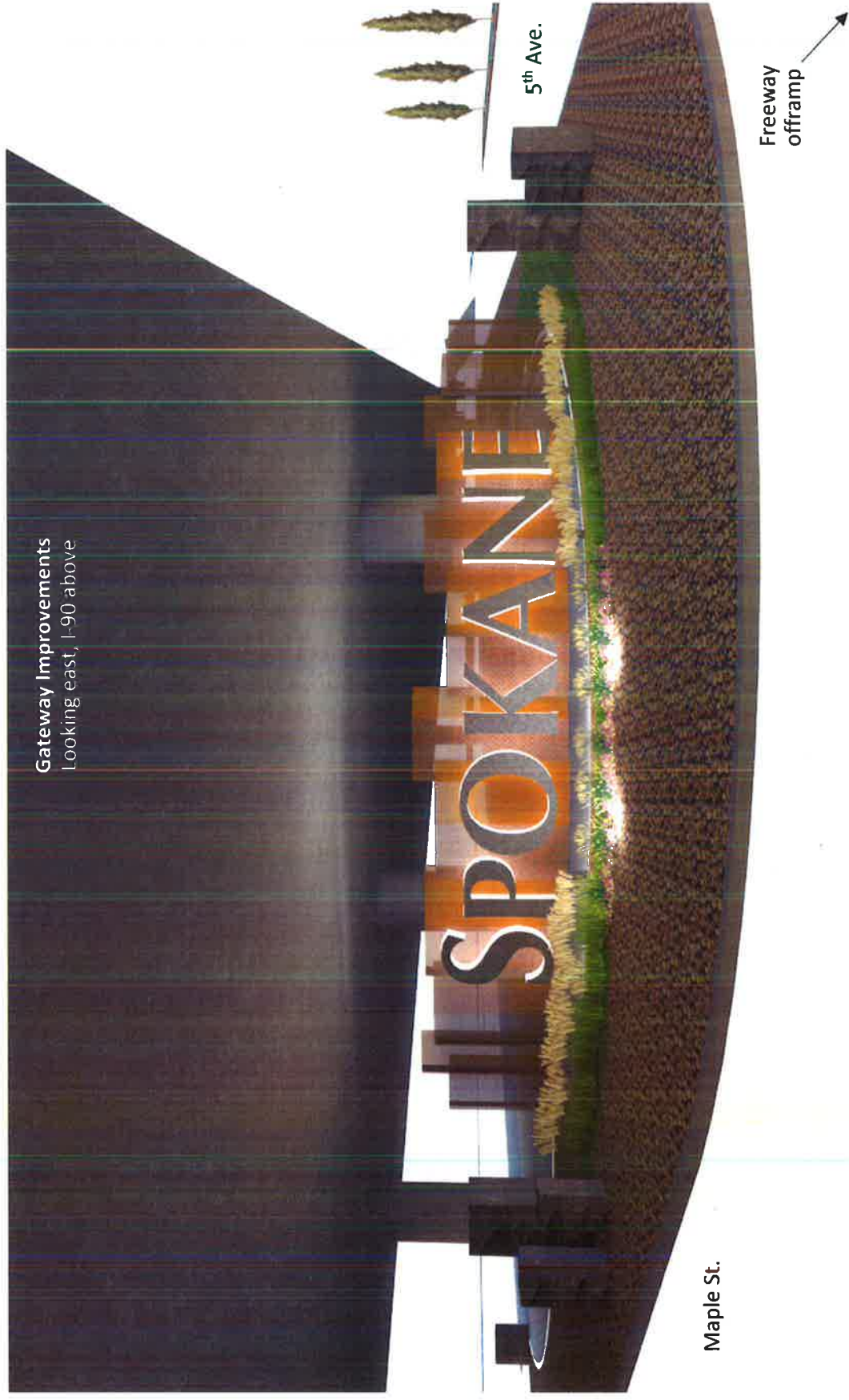
Division & Department:	Public Works, Engineering
Subject:	Maple Gateway
Date:	8-12-18
Contact (email & phone):	Dan Buller (dbuller@spokanecity.org 625-6391)
City Council Sponsor:	
Executive Sponsor:	Scott Simmons
Committee(s) Impacted:	PIES
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	This project is discussed in Fast Forward Spokane Downtown Plan
Strategic Initiative:	Innovative Infrastructure
Deadline:	
Outcome: (deliverables, delivery duties, milestones to meet)	Approval of construction contract
Background/History:	
<ul style="list-style-type: none"> • This project is the third gateway to Spokane from I-90 improvement project, the others being Lincoln St. and Division St. 	
Executive Summary:	
<ul style="list-style-type: none"> • The proposed project upgrades the Maple St. off-ramp from I-90 as shown below. • Also included in the project is installation of a “living wall” on the south side of the freeway opposite Deaconess Hospital. The living wall consists of trellises installed on the face of the I-90 structure upon which vines will be grow. See exhibit below. • Construction is planned in fall 2019. • The project is paid with a SIP loan and small contribution from WSDOT and Deaconess Hospital. • This work will be done with lane closures only. 	
Budget Impact:	
Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impact:	
Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Specify changes required: Known challenges/barriers:	



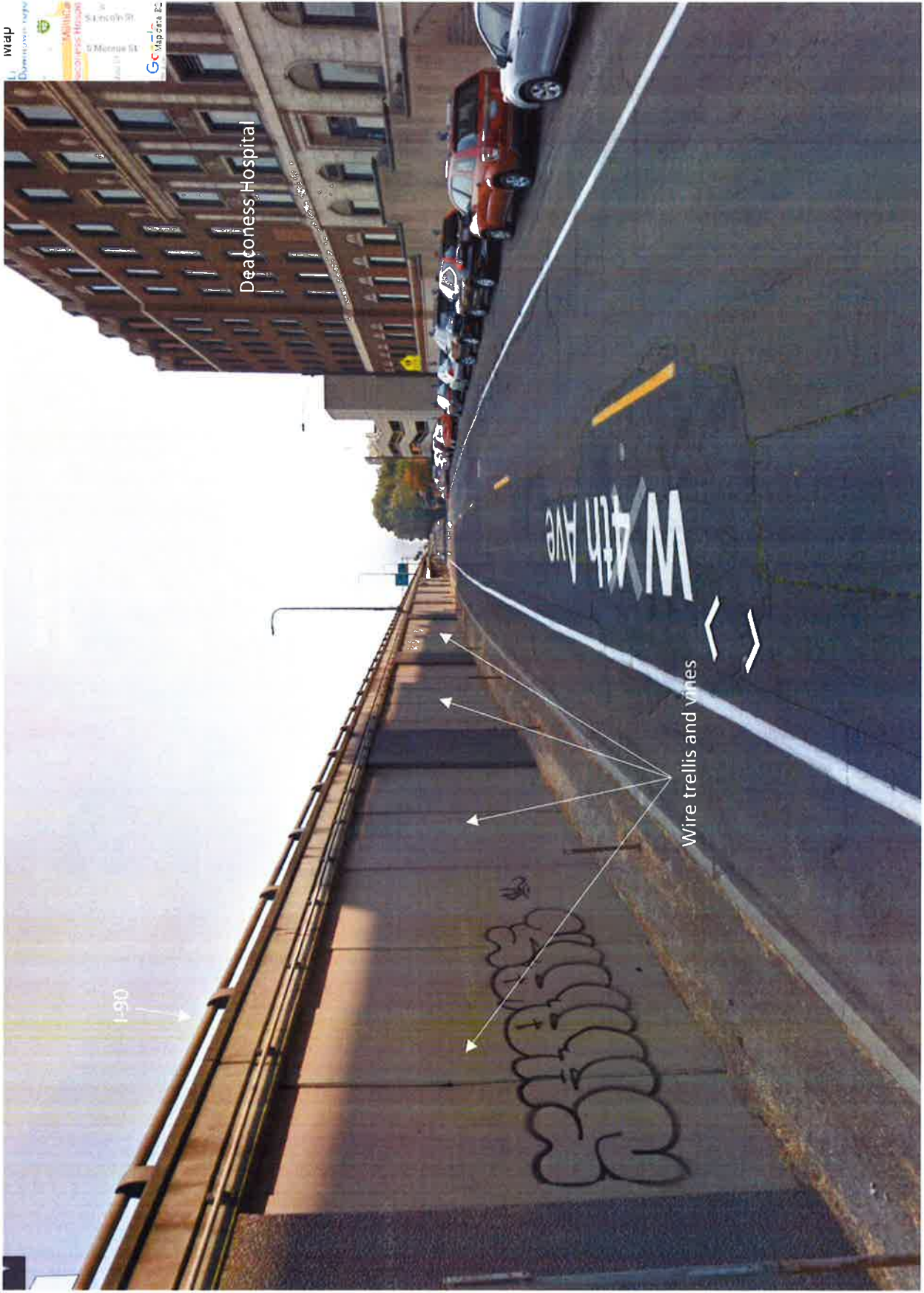
Gateway improvements



Gateway Improvements
Looking east, I-90 above



Maple St.



Briefing Paper

Urban Experience Committee

Division & Department:	Public Works, 4100 Water & Hydroelectric Services
Subject:	Water Loss Interventions & 2018 Water Audit
Date:	12 August 2019
Author (email & phone):	Jim Sakamoto, jsakamoto@spokanecity.org , x7854
City Council Sponsor:	---
Executive Sponsor:	---
Committee(s) Impacted:	PIES
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Funding for this contract was included in the annual Water & Hydroelectric Services department budget.
Strategic Initiative:	Innovative Infrastructure, Urban Experience
Deadline:	---
Outcome: (deliverables, delivery duties, milestones to meet)	This contract will support development of efficient, real water loss reduction strategies. The goal is to account for and reduce current real and apparent loss.
Background/History: <i>Black & Veatch was selected through the City's Architect & Engineer (A&E) Roster based on their familiarity with the City's previous audits and their experience in distribution system management and American Water Works Association (AWWA) audit methods.</i>	
Executive Summary: <ul style="list-style-type: none"> Award Recommended to Black & Veatch Corporation (Overland Park, KS) for \$74,500.00 (including tax) Consultant chosen through the City's Architect & Engineer (A&E) Roster 	
Budget Impact: Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If new, specify funding source: N/A Other budget impacts: N/A	
Operations Impact: Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Specify changes required: --- Known challenges/barriers: ---	

Briefing Paper

Urban Experience Committee

Division & Department:	Public Works, 4100 Water & Hydroelectric Services
Subject:	Backflow Prevention Devices – Annual Value Blanket
Date:	12 August 2019
Author (email & phone):	Dan Kegley, dkegley@spokanecity.org , x7821
City Council Sponsor:	---
Executive Sponsor:	---
Committee(s) Impacted:	PIES
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Funding for this order is included annually in the Water & Hydroelectric Services department budget.
Strategic Initiative:	Innovative Infrastructure, Urban Experience
Deadline:	The existing value blanket for these products expired August 1, 2019.
Outcome: (deliverables, delivery duties, milestones to meet)	This order supports the competitive procurement of backflow prevention devices on an as-needed basis for new construction and the replacement of obsolete devices over a one (1) year period.
Background/History: Bid #4366-17 for Backflow Prevention Devices was publicly solicited in the May 2017. Five (5) bids were received. Award was correspondingly recommended to Keller Supply (Spokane, WA) as the low responsive, responsible bidder for an annual value blanket. The value blanket was renewed in 2018 at a five (5) percent cost increase, which was negotiated down from ten (10) percent. This renewal is proposed at an increase just under two (2) percent, which is negotiated down from seven (7) percent. In light of the pricing fluctuation of raw materials and increased tariffs, staff considers a two (2) percent increase to be very reasonable. This represents the second renewal at mutual consent; two (2) annual renewal options remain.	
Executive Summary: <ul style="list-style-type: none"> • Award Recommended to Keller Supply (Spokane, WA) for \$125,000.00 (including tax) annually • Two (2) percent cost increase negotiated down from seven (7) percent • Original Bid #4366-17 	
Budget Impact: Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Annual/Reoccurring expenditure? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If new, specify funding source: N/A Other budget impacts: N/A	
Operations Impact: Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Specify changes required: --- Known challenges/barriers: ---	

Briefing Paper

Urban Experience Committee

Division & Department:	Public Works, 4100 Water & Hydroelectric Services
Subject:	Geiger Boulevard, Phase I Utilities
Date:	12 August 2019
Author (email & phone):	Dan Kegley, dkegley@spokanecity.org , x7821
City Council Sponsor:	---
Executive Sponsor:	Scott Simmons
Committee(s) Impacted:	PIES
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	By completing this work in conjunction with the current project timeline, the City estimates a savings of \$20,000.00 in material costs. Funding for this purchase will come from Integrated Capital Management.
Strategic Initiative:	Innovative Infrastructure, Urban Experience
Deadline:	This product is needed to support work already in progress, anticipated for completion in the second week of September 2019.
Outcome: (deliverables, delivery duties, milestones to meet)	This order supports the competitive procurement of pipe and accessories needed for the City to complete water service taps within the Geiger Boulevard project.
<p>Background/History: On 7/30/2019, department personnel received notice of products required to support work already in process on Geiger Boulevard. On 7/31, RFQ #5136-19 was issued through the City's electronic bidding portal to support procurement of the known parts. The project closed to bidding on Monday 8/5 and three (3) bids were received. Award correspondingly proceeded to the low bidder for \$48,611.33. On Tuesday 8/6, department staff learned additional product would be needed to support this project, meaning the full value of the material would, undoubtedly, exceed Council threshold. RFQ#5143-19 was issued to compete the balance of product required. At the time of this writing, the request is scheduled to close Monday 8/12. Award will be recommended to the lowest responsive, responsible bidder. The additional product is estimated not to exceed \$60,000.00, bringing the total project purchase not to exceed \$110,000.00.</p> <p>If approval of this purchase were delayed and City personnel were unable to complete installation in line with the contractor's current timeline, different parts would be required and the estimated material cost would be increased by at least \$20,000.00.</p>	
<p>Executive Summary:</p> <ul style="list-style-type: none"> Total Value of Materials Required: Not to Exceed \$110,000.00 Initial Material Purchased through RFQ#5136-19 for \$48,611.33 Balance of Material to be Awarded through RFQ#5143-19 – Estimated Not to Exceed \$60,000.00 	
<p>Budget Impact:</p> <p>Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If new, specify funding source: N/A</p> <p>Other budget impacts: N/A</p>	
<p>Operations Impact:</p> <p>Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Specify changes required: ---</p> <p>Known challenges/barriers: ---</p>	

Briefing Paper

Urban Experience Committee

Division & Department:	DSC, Business & Development
Subject:	Garden District PUD Development Agreement
Date:	August 12, 2019
Author (email & phone):	Tami Palmquist, Planner, 625-6157, tpalmquist@spokanecity.org
City Council Sponsor:	Council President Stuckart
Executive Sponsor:	Follow up to Resolution
Committee(s) Impacted:	Urban Experience
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment:	Strategic Plan: Planning for Growth; Available Housing Comprehensive Plan: Housing Chapter
Strategic Initiative:	Urban Experience: Increase housing availability and diversity
Deadline:	Agreement should be in place prior to accepting Final PUD application
Outcome: (deliverables, delivery duties, milestones to meet)	Developer and the City acknowledge that construction of the Public Improvements and the right-of-way dedications will: (i) support development of the Project that will provide additional housing in Spokane, (ii) promote economic development as contemplated by RCW 35.21.703, (iii) encourage further private development to include increasing the fair market value of real property within the area, and (iv) is consistent with and carries out the purposes of RCW 36.70B.170.
<p>Background/History: The City of Spokane Hearing Examiner granted preliminary approval of a plat and planned unit development (PUD) in order to allow construction of 236 residential units and 38,000 square feet of office, retail, and other commercial uses on approximately 24.59 acres of land, as set forth in the Findings, Conclusions, and Decision dated January 15, 2019, File No. Z18-598PPUD. Following an appeal of the Preliminary Approval to the Spokane City Council, the City Council approved certain modifications of the Preliminary Approval, as set forth in the Modification of the Hearing Examiner's Findings of Fact, Conclusions of Law and Decision, dated May 20, 2019. The modifications included Greenstone's commitment to complete certain improvements to Crestline Street between 34th and 37th, an area that is outside the boundaries of project. These improvements generally include narrowing Crestline Street between 24th and 37th to a 27 foot road section with a six foot planting strip and a six foot sidewalk on the west side of the street, and installation of a bump-out on Crestline Street at 34th as a traffic calming measure which will narrow the crossing to 24 feet. In return for Greenstone's commitment to complete these improvements to Crestline Street, the City has agreed to reimburse Greenstone for its costs in completing those improvements, not to exceed \$200,000.00, out of funds dedicated in Resolution 2019-0013 for Spokane Public Schools: Hamblen Elementary- install sidewalks on one side of Crestline- 34th-37th, \$200,000.</p>	
<p>Executive Summary: The Development Agreement includes the terms of public improvements that will be constructed in the public ROW:</p> <ul style="list-style-type: none"> • The Developer will narrow Crestline between 34th and 37th to a 27-foot road section with a six foot planting strip and a six foot sidewalk on the west side of the street • The Developer will install a bump-out on Crestline at 34th as a traffic calming measure • The Developer will repair private irrigation systems and fences effected by the Public Improvements, and trees in the right of way will be addressed in accordance with Spokane's Urban Forestry program, and extend private irrigation systems as appropriate to irrigate the planting strip. 	

- The City will reimburse Developer for its costs in completing these improvements to Crestline in an amount not to exceed \$200,000.00

Budget Impact:

Approved in current year budget? ☐ Yes ☒ No

Annual/Reoccurring expenditure? ☐ Yes ☒ No

If new, specify funding source:

Other budget impacts: (revenue generating, match requirements, etc.)

Operations Impact:

Consistent with current operations/policy? ☐ Yes ☐ No

Requires change in current operations/policy? ☐ Yes ☐ No

Specify changes required:

Known challenges/barriers:

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is between the CITY OF SPOKANE, a Washington State municipal corporation, as "City", and GREENSTONE CORPORATION, a Washington corporation, as "Developer", collectively referred to as the "Parties".

Recitals

A. Developer owns property located near the corner of Southeast Blvd and E 29th Avenue, in Spokane, Washington (the "Property"). A legal description of the Property is set forth in Exhibit A.

B. The City of Spokane Hearing Examiner Pro Tem granted preliminary approval of a plat and planned unit development (PUD) in order to allow construction of 236 residential units and 38,000 square feet of office, retail, and other commercial uses on approximately 24.59 acres of land, as set forth in the Findings, Conclusions, and Decision dated January 15, 2019, File No. Z18-598PPUD (the "**Project**" or "**Preliminary Approval**").

C. Following an appeal of the Preliminary Approval to the Spokane City Council, the City Council approved certain modifications of the Preliminary Approval, as set forth in the Modification of the Hearing Examiner's Findings of Fact, Conclusions of Law and Decision, dated May 20, 2019 ("**Modified Approval**").

D. Condition No. 8 of the Modified Approval requires the Developer to make certain improvements and dedications for the public benefit (the "**Public Improvements**"). The Public Improvements generally include narrowing Crestline Street between 34th and 37th to a 27-foot road section with a six foot planting strip and a six foot sidewalk on the west side of the street, and the installation of a bump-out on Crestline Street at 34th Avenue as a traffic calming measure, which will narrow the crossing to 24 feet. Developer will also dedicate right-of-way for future improvements to E 29th Avenue.

E. Developer and the City acknowledge that construction of the Public Improvements and the right-of-way dedications will: (i) support development of the Project that will provide additional housing in Spokane, (ii) promote economic development as contemplated by RCW 35.21.703, (iii) encourage further private development to include increasing the fair market value of real property within the area, and (iv) is consistent with and carries out the purposes of RCW 36.70B.170. The City has further determined that the Public Improvements are compatible and consistent with countywide planning policies, the City's Comprehensive Plan, development regulations adopted pursuant to Chapter 36.70A RCW, and Title 17 of the Spokane Municipal Code.

F. Pursuant to other provisions of state law, including Chapter 39.89 RCW relating to community revitalization financing, and RCW 82.02.050-.090 relating to certain development impact fees, Washington cities are authorized to participate in the cost of financing public improvements where the cities' participation will encourage private investment in the surrounding area and are further authorized, pursuant to Chapter 36.70B RCW, to enter into development agreements that obligate a party to fund or provide infrastructure.

G. Development Agreements are specifically authorized by RCW 36.70B.170-.210 as a proper exercise of the City's police power.

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions set forth herein, and for other good and valuable consideration, including the significant public benefits that are anticipated as a result of Developer's construction of the Public Improvements, the parties agree:

1. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise required:

(a) "Applicable Rules" means those provisions set forth in the City of Spokane Comprehensive Plan and Title 17 of the Spokane Municipal Code. Applicable Rules shall not include any requirements set forth in any of the following: the Americans With Disabilities Act, Chapter 19.27 RCW – the State Building Code, and building, fire, plumbing or electrical codes explicitly adopted by the City, and fees (to include utility connection fees) associated with the development of land.

(b) "Subsequent Project Approvals" means all approvals required by law or City policy after approval of this Agreement to construct the Public Improvements including, but not limited to, clearing and grading permits, building permits and occupancy permits (as applicable), as defined by state law and local ordinance.

2. Construction of Public Improvements.

(a) Developer Covenants. Developer shall diligently perform and fully complete development and construction of the Public Improvements according to the Modified Approval and approved plans and permits, and in compliance with the Applicable Rules, and any Subsequent Project Approvals required to complete the Public Improvements. Subsequent Project Approvals shall be made pursuant to the Applicable Rules and this Agreement. Developer shall obtain all required permits prior to commencing construction of the Public Improvements. Except as expressly set forth herein, this Agreement shall not be construed as a waiver of any of the conditions of development or use of the Property set forth in the Preliminary or Modified Approval, nor shall this Agreement relieve Developer from Developer's obligations to comply with rules and regulations applicable to the Property and Developer's development of the Project, and to secure such authorizations and permits as may be imposed as a condition of any work being performed on the Property. Provided, further, the parties agree, as provided for in RCW

36.70B.170(4), that the City reserves the authority, regardless of the definition of Applicable Rules in this Agreement, to impose new or different regulations during the term of this Agreement to the extent required by a serious threat to the public health and safety.

(b) Public Benefits. As provided in the Modified Approval, Developer will make significant public dedications and investment in public infrastructure to include the Public Improvements, as well as utilities and other improvements, all of which will provide a public benefit to the City's residents and visitors.

(c) Reservations of Authority. Notwithstanding any other provision of this Agreement, the following shall apply to the development of the Public Improvements, provided however, that nothing in this Agreement shall diminish Developer's rights for vesting by submission of a complete building permit application pursuant to RCW 19.27.095.

(i) Procedural regulations which are not substantive relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure.

(ii) Regulations governing construction standards and specifications as follows: the Washington State Building Code, Uniform Plumbing Code, National Electrical Code, and International Fire Code as may be amended except as they relate to standards modified by the City in the Approval.

(iii) Taxes, fees or assessments (including mitigation fees) which apply uniformly throughout the City or within a defined area of benefit which includes the Property.

3. Term. This Agreement shall commence on the date it is fully executed by the Developer and the City and shall be deemed terminated and of no further effect upon the earlier of (i) mutual agreement of the parties, or (ii) December 31, 2021.

4. Public Improvements. In addition to improvements within the boundary of the Project, the Project will include the following Public Improvements within the public right-of-way, which Developer hereby covenants and agrees to complete:

4.1 Developer shall narrow Crestline Street between 34th Avenue and 37th Avenue to a 27-foot road section with a six foot planting strip and a six foot sidewalk on the west side of the street. The east curb line shall be maintained and the street shall be narrowed on the west side of the right of way. All per City of Spokane standards and plans and specifications approved by the City.

4.2 Developer shall install a bumpout on Crestline Street at 34th Avenue as a traffic calming measure, which will narrow the Crestline crossing to 24 feet.

4.3 In connection with completing the Public Improvements to Crestline, the Developer will repair private irrigation systems and fences effected by the Public Improvements, and trees in the right of way will be addressed in accordance with Spokane's Urban Forestry program. The Developer will extend private irrigation systems as appropriate to irrigate the planting strip. The Developer shall also provide notice to homeowners two weeks prior to start of construction to remove any flowerbeds, gardens, landscaping, plantings or perennial shrubs that could be negatively impacted by construction of the Public Improvements, but Developer shall not be responsible to pay for removal or replacement of these items.

5. Construction of the Public Improvements. Developer shall cause the Public Improvements to be completed, in their entirety. The costs of the Public Improvements include but are not limited to costs of design, construction, permitting (which includes inspection and review fees from the City), insurance, bonds, professional fees (including attorney fees) and other reasonable costs incurred in the performance of this Agreement. The City shall not be responsible for design, construction, permitting and any other costs with respect to the Public Improvements in excess of the NTE Amount set forth in Section 6 below.

(a) Developer shall engage engineers or other professionals to design the Public Improvements in a manner consistent with the procedures and requirements set forth in Exhibit B.

(b) All subcontractors (or a general contractor in lieu of multiple subcontractors) awarded a contract for work performed on the Public Improvements shall be selected by Developer or by a project manager on Developer's behalf as provided in Exhibit B.

(c) As a condition of the City's liability for or payment of any amounts to Developer pursuant to this Agreement, payment for all labor in connection with the Public Improvements shall be on the basis of the State Prevailing Wage for each appropriate job classification. Developer shall pay or cause to be paid to all workers, laborers and mechanics employed to perform the construction of the Improvements not less than the prevailing rates of wages, as may then be determined by the Washington State Department of Labor and Industries for the particular craft in the particular geographic area. All payments for labor will be based on approved Affidavit of Wages Paid. Developer and any of its contractors/subcontractors involved in constructing the Public Improvements shall, as a condition of the City's payment to Developer of any amounts under this Agreement, comply with the following: Developer and all contractors and subcontractors will submit a "Statement of Intent to Pay Prevailing Wages" certified by the industrial statistician of the Department of Labor and Industries, prior to any payments and each voucher claim submitted by a contractor or subcontractor for payment on a project estimate shall state that the prevailing wages have been paid in accordance with the "Statement(s) of Intent to Pay Prevailing Wages" on file with the City. Upon completion of the Public Improvements, the contractor and subcontractors must submit an "Affidavit of Wages Paid" certified by the industrial statistician.

(d) In all contracts for the Public Improvements, Developer shall require contractors, or the general contractor and its subcontractors, to maintain all project information, records, and documents for a period of not less than six years from the date of Developer's final acceptance of the work, and the City shall have a right to direct audit of such information, records, and documents.

(e) Developer shall obtain payment and performance bonds to, respectively, guarantee payment of laborers, suppliers, materialmen, taxes and penalties and performance of the Public Improvements as generally set forth in RCW Chapter 39.08 (the "**Bonds**"). The Bonds shall be issued in an amount equal to the agreed amount to be paid for the Public Improvements and list the City of Spokane as obligee. In the event of a default (defined herein) by the Developer (including its contractor retained to construct the Improvements), Obligee may execute on the Bonds for the purpose of paying amounts due pursuant to RCW 39.08.010 and causing the Public Improvements to be completed using the bond proceeds and any other funds available to the City pursuant to this Agreement.

(f) Upon completion of the Public Improvements, Developer shall provide the City an accounting of the actual costs associated with the Public Improvements in a form determined by Developer consistent with its cost accounting practices and approved by the City as compatible with the requirements of the Washington State Auditor for audit purposes. The City shall within thirty (30) calendar days after receipt of the cost accounting, notify Developer in writing whether the City accepts, denies or requests modification of the accounting; providing, however, that in the event Developer does not receive a timely written response from the City within such time, then the actual costs associated with the Public Improvements shall be conclusively deemed accepted and approved. In the event the City refuses to accept any portion of the Public Improvements or denies or requests modification to the accounting, the City shall specify the basis for the decision and the City and Developer shall timely, diligently, and in good faith, attempt to resolve the matter expeditiously. In the event that on the date designated for payment and reimbursement there is not resolved and if within ninety (90) calendar days of City receipt of notification there remain unresolved any issues relating to actual costs, then the City shall pay to Developer the actual costs requested by Developer for the Public Improvements less the amounts unresolved, which shall be placed in an interest bearing escrow set aside account designated by Developer. The amount in dispute shall then be submitted to binding arbitration, using the services and subject to the rules of the Judicial Arbitration and Mediation Service. If an arbitrator determines that Developer prevails in the accounting dispute, Developer shall be entitled to immediate disbursement of the escrow set aside and interest accrued therein, in the amount determined by the arbitrator. Notwithstanding the foregoing, in no case shall the City's payment obligation to the Developer exceed the NTE Amount.

6. City Payment to Developer. In consideration of the significant public benefits anticipated to result from Developer's construction of the Public Improvements, subject to the terms and conditions of this agreement, and following Developer's completion of the Public Improvements, the City shall pay Developer an amount not to exceed TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) (the "NTE Amount") out

of funds dedicated by the City in Resolution 2019-0013 towards the following: Spokane Public Schools: Hamblen Elementary – Install sidewalks on one side of Crestline – 34th – 37th, \$200,000. The actual payment amount will be based upon the costs shown in Developer's accounting for the Public Improvements submitted to the City, but shall not exceed the NTE Amount. The City will make payments to Developer, within sixty (60) days after the receipt of Developer's accounting, subject to the City's approval of the completed Public Improvements as substantially in accord with City standards, and subject to compliance with the terms of this agreement. Without limiting any of the foregoing, Developer's accounting shall be subject to review by the City's Engineering Services Department for the purpose of confirming reasonable prices for materials, equipment rentals and labor.

7. Inspection of Cost Records. Developer and its contractors and subcontractors shall keep available for inspection by City representatives the cost records and accounts pertaining to this agreement.

8. Actual Material Costs. The City's payment for any/all materials or equipment rentals under this agreement shall be on the basis of the actual cost incurred by Developer, its contractors and subcontractors, without any mark up. All payments for materials will be based on approved quantities as verified by City inspectors, and receipt of actual and verified material payment by Developer, its contractors and subcontractors, as the case may be.

9. Indemnity & Hold Harmless. Developer shall indemnify, defend, and hold the City, its officers, agents, and employees harmless from all loss and liability for any claim by any person, or for any injury or property damage resulting from, or by reason of, this Agreement and/or the construction of the Public Improvements, unless caused directly or indirectly by any condition that preexisted this agreement, or the City's negligence or intentional misconduct.

To the extent necessary to enforce Developer's indemnification obligations hereunder, Developer hereby agrees to waive immunity under Title 51 RCW. This provision has been specifically negotiated.

Developer's Initials

City's Initials

10. Insurance. At all times prior to City's approval of the completed Public Improvements, Developer shall cause to be maintained in force at Developer's own expense, each insurance noted below.

(a) Commercial general liability insurance with a combined single liability limit of not less than \$1,000,000 each occurrence and \$2,000,000 aggregate for Bodily Injury and Property Damage. It shall include, at least, Independent Contractors, Products and

Completed Operations, Contractual Liability and Personal Injury Liability for the indemnity provided under this agreement. It shall provide that the City, its officers, employees, contractors, agents, and such other persons or entities as the City may designate are additional insureds, but only with respect to the construction of the Public Improvements.

(b) There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without 30 days written notice from Developer or its insurer(s) to the City.

(c) Developer shall require any contractor working on the Public Improvements pursuant to this agreement to carry and maintain, at no expense to City: (a) comprehensive general liability insurance, including contractor's liability coverage, contractual liability coverage, completed operations coverage, broad form property damage endorsement and contractor's protective liability coverage, to afford protection, with respect to personal injury, death or property damage of not less than \$1,000,000 per occurrence, combined single limit/\$2,000,000 aggregate; (b) comprehensive automobile liability insurance with limits for each occurrence of not less than \$1,000,000 with respect to personal injury or death and \$500,000 with respect to property damage; and (c) Worker's Compensation or similar insurance in form and amounts required by law.

(d) All the insurance required under this agreement shall be written as primary policies, not contributing with and not supplemental to the coverage that City may carry.

(e) Developer shall furnish its insurance carriers with a copy of this agreement to insure proper coverage. As evidence of the insurance coverages required by this agreement, Developer shall furnish acceptable insurance certificates to the City at the time this agreement is executed. The certificates shall specify all of the parties who are additional insured, will include applicable policy endorsements, and will include the 30-day cancellation clause. If Developer fails to perform any of its obligations under this Section 10, the City may perform the same and may deduct such expenditures from its reimbursements to Developer under this agreement. The City makes no representations that the types or amounts of coverage required to be carried by Developer pursuant to this Section are adequate to protect Developer. If Developer believes that any of such insurance coverage is inadequate, Developer will obtain, at Developer's sole cost and expense, such additional insurance coverage as Developer deems appropriate.

11. Additional Terms.

(a) Waiver. No officer, employee, agent or otherwise of either party has the power, right or authority to waive any of the conditions or provisions of this agreement. No waiver of any breach of this agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this agreement or a law shall be taken and construed as cumulative, that is, in addition to every other remedy provided herein or by law. Failure of either party to enforce at any time any of the provisions of this agreement or to require at any time performance by the other of any provision hereof, shall in no way

be construed to be a waiver of such provisions, nor in any way affect the validity of this agreement or any part hereof, or the right of the party entitled to performance to hereafter enforce each and every such provision. Either party's failure to insist upon the strict performance of any provision of this agreement or to exercise any right based upon breach hereof or the acceptance of any performance during such breach, shall not constitute a waiver of any right under this agreement.

(b) Modification. No modification or amendment to this agreement shall be valid until the same is reduced to writing, in the form of an amendment, and executed with the same formalities as this present agreement.

(c) Assignment. Neither party may assign or transfer in whole or in part, its interest in this agreement without the express written consent of the other party.

(d) Compliance with Laws. The Parties hereto specifically agree to observe federal, state and local laws, ordinances and regulations, to the extent that they may have any bearing on either providing any money under the terms of this agreement or the services actually provided under the terms of this agreement. This agreement shall not be construed or interpreted as a waiver of any conditions or requirements applicable to the Project. The City reserves the right to impose new or different regulations to the extent required by a serious threat to public health and safety.

(e) Nondiscrimination. No individual shall be excluded from participation in, denied the benefit of, subjected to discrimination under, or denied employment in the administration of or in connection with this agreement because of age, sex, race, color, religion, creed, marital status, familial status, sexual orientation, national origin, honorably discharged veteran or military status, the presence of any sensory, mental or physical disability, or use of a service animal by a person with disabilities.

(f) Anti-Kickback. No officer or employee of the Parties, having the power or duty to perform an official act or action related to this agreement, shall have or acquire any interest in this agreement, or have solicited, accepted or granted a present or future gift, favor, service, or other thing of value from or to any person involved in this agreement.

(g) Notices. All notices called for or provided for in this agreement shall be in writing and must be served on any of the Parties either personally, by certified mail, or email (with written confirmation of successful transmission and the time and date thereof) to, either the respective parties or their attorneys at the addresses stated below. Notices sent by certified mail shall be deemed served when deposited in the United States mail, postage prepaid.

To the Developer:

Greenstone Corporation
Attn: Jim Frank
1421 N. Meadowwood Lane, #200
Liberty Lake, WA 99019
jfrank@greenstonehomes.com

To the City:

City of Spokane

Attn:

808 W. Spokane Falls Boulevard
Spokane, WA 99201

(h) Venue Stipulation. This agreement has and shall be construed as having been made and delivered in the State of Washington, and the laws of the State of Washington shall be applicable to its construction and enforcement of this agreement or any provision hereto shall be instituted only in the courts of competent jurisdiction within Spokane County, Washington.

(i) Headings. The article headings in this agreement have been inserted solely for purposes of convenience and ready reference. In no way do they purport to, and shall not be deemed to, define, limit, or extend the scope or intent of the articles to which they appertain.

(j) All Writings Contained Herein. This agreement contains all the terms and conditions agreed upon by the Parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind any of the Parties hereto. The Parties have read and understand all of this agreement, and now state that no representation, promise, or agreement not expressed in this document has been made to induce the Parties to execute the same.

(k) Relationship of the Parties. The Parties intend that an independent contractor relationship will be created by this agreement. The City is interested only in the results that could be achieved and the conduct and control of all work and services provided by Developer will be solely with Developer. No agent, employee, servant or otherwise of Developer hereto shall be deemed to be an employee, agent, servant, or otherwise of the City for any purpose, and the employees of Developer are not entitled to any of the benefits that the City provides for City employees. Developer will solely and entirely be responsible for its acts and the acts of its agents, employees, servants, subcontractors, or otherwise, during the performance of this agreement. Nothing herein shall create a contractual relationship or privity between the City and any contractors engaged by Developer.

[Signature Page Follows]

Dated: _____

CITY OF SPOKANE

By: _____

Title: _____

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Dated: _____

GREENSTONE CORPORATION

By: _____

Its: _____

Exhibit A

Legal Description of Property

Exhibit B

PROCUREMENT PROCESS SUMMARY

1. Selection of Engineering Team.

(a) Developer shall obtain engineering services from persons and firms through a written request that describes the general scope and nature of the Improvement. The request shall seek Statement of Qualifications/Proposals ("**Proposals**") for the engineering services. The Developer shall evaluate the Proposals submitted by firms, conduct discussions with one or more firms regarding the required services, and select the most highly qualified firm.

(b) Developer shall retain the selected firm to prepare design documents for the Improvements.

2. Construction Services.

Following completion of the design documents, the developer shall solicit bids from contractors/subcontractors to construct the Improvements. Contractors/subcontractors who submit the lowest responsible bids, based upon the reasonable discretion of the Developer, shall be selected for the work. The Developer may self-perform work provided the Developer provides the work at costs equal to or below bid amounts received from contractors/subcontractors.

3. Prevailing Wages and Retainage.

Prevailing wages shall be paid to laborers, and a 5% retainage shall be withheld from the NTE Amount according to state law.

RESOLUTION NO. _____

A RESOLUTION APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY AND GREENSTONE CORPORATION

A. Developer owns property located near the corner of Southeast Blvd and E 29th Avenue, in Spokane, Washington (the "Property"). A legal description of the Property is set forth in Exhibit A.

B. The City of Spokane Hearing Examiner Pro Tem granted preliminary approval of a plat and planned unit development (PUD) in order to allow construction of 236 residential units and 38,000 square feet of office, retail, and other commercial uses on approximately 24.59 acres of land, as set forth in the Findings, Conclusions, and Decision dated January 15, 2019, File No. Z18-598PPUD (the "**Project**" or "**Preliminary Approval**").

C. Following an appeal of the Preliminary Approval to the Spokane City Council, the City Council approved certain modifications of the Preliminary Approval, as set forth in the Modification of the Hearing Examiner's Findings of Fact, Conclusions of Law and Decision, dated May 20, 2019 ("**Modified Approval**").

D. Condition No. 8 of the Modified Approval requires the Developer to make certain improvements and dedications for the public benefit (the "**Public Improvements**"). The Public Improvements generally include narrowing Crestline Street between 34th and 37th to a 27-foot road section with a six foot planting strip and a six foot sidewalk on the west side of the street, and the installation of a bump-out on Crestline Street at 34th Avenue as a traffic calming measure, which will narrow the crossing to 24 feet. Developer will also dedicate right-of-way for future improvements to E 29th Avenue.

E. Developer and the City acknowledge that construction of the Public Improvements and the right-of-way dedications will: (i) support development of the Project that will provide additional housing in Spokane, (ii) promote economic development as contemplated by RCW 35.21.703, (iii) encourage further private development to include increasing the fair market value of real property within the area, and (iv) is consistent with and carries out the purposes of RCW 36.70B.170. The City has further determined that the Public Improvements are compatible and consistent with countywide planning policies, the City's Comprehensive Plan, development regulations adopted pursuant to Chapter 36.70A RCW, and Title 17 of the Spokane Municipal Code.

F. Pursuant to other provisions of state law, including Chapter 39.89 RCW relating to community revitalization financing, and RCW 82.02.050-.090 relating to certain development impact fees, Washington cities are authorized to participate in the cost of financing public improvements where the cities' participation will encourage private investment in the surrounding area and are further authorized, pursuant to

Chapter 36.70B RCW, to enter into development agreements that obligate a party to fund or provide infrastructure.

G. Development Agreements are specifically authorized by RCW 36.70B.170-.210 as a proper exercise of the City's police power.

H. Pursuant to RCW 36.70B.200, the City held a public hearing with respect to consideration and approval of this Development Agreement.

NOW, THEREFORE - - it is hereby resolved by the Spokane City Council;

1. The foregoing recitals and the contents of the attached Development Agreement are hereby adopted as the Council's findings in support of this Resolution.
2. The Development Agreement is hereby approved and the Mayor is hereby authorized to execute it on behalf of the City.

ADOPTED by the Spokane City Council this _____ day of _____, 20____.

City Clerk

Approved as to form:

Assistant City Attorney

Exhibit 1

Development Agreement

Briefing Paper

Urban Experience Committee

Division & Department:	Business & Neighborhood Services, Planning & Development
Subject:	Riverside Commons Project of Citywide Significance and future Development Agreement
Date:	8/12/2019
Contact (email & phone):	Teri Stripes, tstripes@spokanecity.org, X6597
City Council Sponsor:	Ben Stuckart
Executive Sponsor:	Gavin Cooley
Committee(s) Impacted:	Urban Experience and Finance
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Aligns with the Strategic Plan by providing investment in a project of citywide significance.
Strategic Initiative:	Urban Experience – Projects of Citywide Significance Incentive
Deadline:	8/12/2019
Outcome: (deliverables, delivery duties, milestones to meet)	Provide strategic investment for eligible public improvement costs related to the redevelopment of the Riverside Commons Project in the Downtown Target Area.
<p>Background/History: Riverside Commons applied for a development incentive pursuant to the City's Projects of Citywide Significance Incentive Policy. Based on the findings of public benefits expected to result from the Project, Staff is recommend that the Project Review Committee recommend a financial incentive to be awarded to the Project and applied to eligible public improvement costs related to the Project, as outlined in Admin 0650-16-02. Council will be asked to approve the Development Agreement following the Project Review Committee's recommendation of this incentive of \$106,865. The Committee's scoring and recommendation is within the allowable limits. Reasoning and reimbursement of the final incentive is clearly defined in the attached Staff Report and Development Agreement.</p>	
<p>Executive Summary:</p> <ul style="list-style-type: none"> Staff has completed the Project Review Committee's review, scoring, and recommendation of incentive amount for the Development Agreement. Staff has prepared a Development Agreement for Council Approval with Spokane Riverside Partners LLC setting terms and conditions under which the incentive will be applied. The Project will cause both direct and indirect public benefits and can reasonably be expected to stimulate economic growth and create new jobs. The Project will provide increased sales and property tax revenues. Other indirect benefits of housing and retail sales in the surrounding area are anticipated The City's incentive will be applied on a reimbursement basis to only the eligible public realm improvements. 	
<p>Budget Impact:</p> <p>Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>If new, specify funding source:</p> <p>Other budget impacts: (revenue generating, match requirements, etc.)</p>	
<p>Operations Impact:</p> <p>Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A</p>	

Specify changes required:
Known challenges/barriers:

Exhibit A

Parcel Number: 35184.0917
Site Address: 214 W RIVERSIDE AVE
HAVERMALE ADD L21-22 B5

Parcel Number: 35184.0918
Site Address: 206 W RIVERSIDE AVE
HAVERMALE ADD L23-24 B5

Parcel Information



Parcel Number: 35184.0918

Data As Of: 5/9/2019

Site Address: 206 W RIVERSIDE AVE

Parcel Image

35184.0918

206 W RIVERSIDE AVE



Owner Name: STERLING SAVINGS ASSOCIATION

Taxpayer Name: STERLING SAVINGS ASSN BR 001

Address: 111 N WALL ST, SPOKANE, WA, 99201-0609

Address: 111 N WALL ST, SPOKANE, WA, 99201-0609

Site Address

Parcel Type	Site Address	City	Land Size	Size Desc.	Description	Tax Year	Tax Code Area	Status
R	206 W RIVERSIDE AVE	SPOKANE	14200	Square Feet	General Office	2019	0014	Active

Assessor Description

HAVERMALE ADD L23-24 B5

Appraisal

Parcel Class	Appraiser	Neighborhood Code	Neighborhood Name	Neighborhood Desc	Appraiser Name	Appraiser Phone
61 Service - Finance	120	500700	AS700		Elizabeth	477-5916

Assessed Value

Tax Year	Taxable	Total Value	Land	Dwelling/Structure	Current Use Land	Personal Prop.
2019	442,300	442,300	319,500	122,800	0	0
2018	436,100	436,100	319,500	116,600	0	0
2017	428,900	428,900	312,400	116,500	0	0
2016	420,600	420,600	312,400	108,200	0	0
2015	419,800	419,800	312,400	107,400	0	0

Characteristics

Commercial/ Structure	Appraiser	Year Built	Year Remodeled	Main Floor Size	Number of Floors
BANK	66	1994	0	1,045	1
Commercial Canopy	66	1994	0	2,760	
Commercial Canopy	66	1994	0	270	
Paving	66	1994	0	24,300	

Land Number	Soil ID	Acreage	Sq Ft	Frontage	Depth	Lot(s)
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Land Number	Soil ID	Acreage	Sq Ft	Frontage	Depth	Lot(s)
1	CO17	0.33	14,200	0	142	0

Sales

Sale Date	Sale Price	Sale Instrument	Excise Number	parcel
01/10/1995	190,000.00	COMMERCIAL SALE		35184.0918

Property Taxes

Taxes are due April 30th and October 31st

Total Charges Owning: \$2,641.04

Tax Year	Charge Type	Annual Charges	Remaining Charges Owning
	Total Taxes for 2019	5,282.08	2,641.04
2019	A/V Property Tax	5,275.25	2,637.63
2019	Soil Conservation Principal CNSV1	5.03	2.51
2019	Weed Control Principal WCWEED1	1.80	0.90
	Total Taxes for 2018	6,060.16	0.00
2018	A/V Property Tax	6,053.33	0.00
2018	Soil Conservation Principal CNSV1	5.03	0.00
2018	Weed Control Principal WCWEED1	1.80	0.00
	Total Taxes for 2017	5,852.38	0.00
2017	A/V Property Tax	5,845.55	0.00
2017	Soil Conservation Principal CNSV1	5.03	0.00
2017	Weed Control Principal WCWEED1	1.80	0.00
	Total Taxes for 2016	5,865.75	0.00
2016	A/V Property Tax	5,858.92	0.00
2016	Soil Conservation Principal CNSV1	5.03	0.00
2016	Weed Control Principal WCWEED1	1.80	0.00

Tax Receipts

Tax Year	Receipt Number	Receipt Date	Receipt Amount
2019	7940388	04/26/2019	2,641.04
2018	7653756	10/19/2018	3,030.08
2018	7605220	05/02/2018	3,030.08
2017	7387416	10/30/2017	2,926.19
2017	7106837	04/19/2017	2,926.19
2016	6905902	10/13/2016	2,932.88
2016	6847946	05/02/2016	2,932.87

Disclaimer

We are pleased to give you online access to the Assessor's Office and Treasurer's Office property tax and valuation information. While we make every effort to produce and publish the most current and accurate information possible, portions of this information may not be current or correct. Neither Spokane County, the Assessor, nor the Treasurer makes any warranty, express or implied, with regard to the accuracy, reliability, or timeliness of

information in this system, and shall not be held liable for losses caused by using this information. Any person or entity that relies on any information obtained from this system, does so at his or her own risk. Please feel free to contact us about any error you discover or to give comments and suggestions. Call the Assessor's Office at (509) 477-3698 or the Treasurer's Office at (509) 477-4713.

RCW 42.56.070 (9) prohibits the release of lists of individuals requested for commercial purposes. The requester expressly represents that no such use of any such list will be made by the user or its transferee(s) or vendee(s). I understand, acknowledge, and accept the statements above, and agree to adhere to the prohibitions listed in RCW 42.56.070 (9).

Parcel Information



Parcel Number: 35184.0917

Site Address: 214 W RIVERSIDE AVE

Data As Of: 5/9/2019

Parcel Image

35184.0917
214 W RIVERSIDE AVE



Owner Name: STERLING SAVINGS ASSOCIATION
Address: 120 N WALL ST, SPOKANE, WA, 99201-0637

Taxpayer Name: STERLING SAVINGS ASSN BR 001
Address: 111 N WALL ST, SPOKANE, WA, 99201-0609

Site Address

Parcel Type	Site Address	City	Land Size	Size Desc.	Description	Tax Year	Tax Code Area	Status
R	214 W RIVERSIDE AVE	SPOKANE	14200	Square Feet	General Office	2019	0010	Active

Assessor Description

HAVERMALE ADD L21-22 B5

Appraisal

Parcel Class	Appraiser	Neighborhood Code	Neighborhood Name	Neighborhood Desc	Appraiser Name	Appraiser Phone
61 Service - Finance	120	500700	AS700		Elizabeth	477-5916

Assessed Value

Tax Year	Taxable	Total Value	Land	Dwelling/Structure	Current Use Land	Personal Prop.
2019	319,500	319,500	319,500	0	0	0
2018	319,500	319,500	319,500	0	0	0
2017	312,400	312,400	312,400	0	0	0
2016	312,400	312,400	312,400	0	0	0
2015	312,400	312,400	312,400	0	0	0

Characteristics

Land Number	Soil ID	Acreage	Sq Ft	Frontage	Depth	Lot(s)
1	CO17	0.33	14,200	0	142	0

Sales

Sale Date	Sale Price	Sale Instrument	Excise Number	parcel
12/30/1994	185,000.00	COMMERCIAL SALE		35184.0917

Property Taxes

Taxes are due April 30th and October 31st

Total Charges Owning: \$1,908.74

Tax Year	Charge Type	Annual Charges	Remaining Charges Owning
Total Taxes for 2019		3,817.47	1,908.74
2019	A/V Property Tax	3,810.64	1,905.32
2019	Soil Conservation Principal CNSV1	5.03	2.52
2019	Weed Control Principal WCWEED1	1.80	0.90
Total Taxes for 2018		4,441.68	0.00
2018	A/V Property Tax	4,434.85	0.00
2018	Soil Conservation Principal CNSV1	5.03	0.00
2018	Weed Control Principal WCWEED1	1.80	0.00
Total Taxes for 2017		4,284.58	0.00
2017	A/V Property Tax	4,257.75	0.00
2017	Soil Conservation Principal CNSV1	5.03	0.00
2017	Weed Control Principal WCWEED1	1.80	0.00
Total Taxes for 2016		4,358.53	0.00
2016	A/V Property Tax	4,351.70	0.00
2016	Soil Conservation Principal CNSV1	5.03	0.00
2016	Weed Control Principal WCWEED1	1.80	0.00

Tax Receipts

Tax Year	Receipt Number	Receipt Date	Receipt Amount
2019	7940389	04/26/2019	1,908.73
2018	7653756	10/19/2018	2,220.84
2018	7605220	05/02/2018	2,220.84
2017	7387417	10/30/2017	2,132.29
2017	7106838	04/19/2017	2,132.29
2016	6905902	10/13/2016	2,179.27
2016	6847947	05/02/2016	2,179.26

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RCW 42.56.070 (9) prohibits the release of lists of individuals requested for commercial purposes. The requester expressly represents that no such use of any such list will be made by the user or its transferee(s) or vendee(s). I understand, acknowledge, and accept the statements above, and agree to adhere to the prohibitions listed in RCW 42.56.070 (9).

Riverside Commons

Projects of Citywide Significance

Staff Report and Recommendation

July 3, 2019



Staff

Teri Stripes
Planning Services
Economic Development Section

Applicant

Spokane Riverside Partners, LLC
225 W. Main Ave. #200
Spokane, WA 99201

Owner:
Spokane Riverside Partners, LLC
225 W. Main Ave. #200
Spokane, WA 99201

Introduction

The City of Spokane's Projects of Citywide Significance program is designed to help incent and encourage significant private development projects that add lasting value to the City and achieve measurable positive impacts by bringing new livable wage jobs, generating tax revenue, and advancing the community's visions. The program was created by Spokane City Council, Resolution 2015-0101 and follows the Projects of Citywide Significance Incentive Policy administrative procedures contained within City of Spokane Administrative Policy and Procedure, Admin 0650-16-02.

Project Description

The Riverside Commons project is a proposed redevelopment project in eastern downtown consisting of a six story mixed-use building with 104 residential units and 7,200SF +/- of restaurant/retail space. The project is described in the application and related attachments as a market rate project with amenities such as a restaurant, coffee shop, retail (7,200SF). At six stories, the Riverside Commons project will be taller than many of the buildings in the immediate vicinity and will provide opportunities for views in all directions. Due to its location within the downtown and the East Downtown Historic District, and because the development will require demolition of an existing structure, elements of the project will have to be reviewed by the Historic Landmarks Commission as well as the Design Review Board.

Location & Context

The Riverside Commons project will be developed on two parcels of 28,400 square feet (0.65 acre) parcel located at the northwest corner of Brown and Riverside. The parcels contain a non-historic (or contributing) low-rise building that was developed as a bank.

The project site and surrounding area are located in an area commonly referred to as the "East End" of downtown and is in the west end of the University District. Surrounding area includes the revitalized the East/West Main area, Community Building, Main Market and is considered on the route to the "Medical District" and onto the new Martin Luther King Jr Way into the University District.

The area is attracting increased interest and there have been a significant number of new investments, both public and private. The project will be served by STA's Central City Line, bus rapid transit improvements which will be completed in 2021. The Riverside Commons project will be one of the first ground-up mixed use residential buildings constructed in the area in many years and will be both a leader in and proof of concept for transit supported development along the CCL route through downtown Spokane.

Other Incentive Awards or Programs Available to the Project

The Riverside Commons Building, by virtue of its location in the Downtown Spokane Target Investment Area is eligible for and could receive City incentives in addition to the Projects of Citywide Incentive. The following provides a summary of these incentives which combined could total up to **\$1,370,238** of additional incentive benefit value. When known actual values (jobs, retail sales, utility use) are used.

However, because they are unknown at this time staff has used the best available information to estimate the value of the incentives to the project.

The additional incentives may include:

- Multifamily Tax Exemption (MFTE) –provides a property tax exemption for 8 or 12 years on new multifamily housing units. For a 104 unit project, the owner could realize a savings of approximately **\$1,200,000** over the 8 years the property is enrolled (using an assumed value of \$121,094 per dwelling unit – the actual value may be more or less as determined by the Spokane County Assessor and whether the project ultimately qualifies for the 8 or 12 year exemption.
- The General Facility Charge (GFC) Waivers - waives system development charges for new sewer and water connections –benefit value is dependent on size and number of new or upgraded connections. Example: Multi-family 6-inch water tap **\$18,108** plus sewer tap **\$35,265**;
- The Urban Utility Installation Program - provides up to **\$10,000** for water and/or sewer line upgrades associated with redevelopment of a vacant land.

Financial Partnership Portfolio Evaluation Matrix

Project Based Incremental Revenue

This category measures the project's contribution to City revenue and potential return on investment. To receive any points in this category, a project must generate a three-year total incremental revenue value of at least \$250,000. Projects with between \$250,000 and \$499,999 in three-year total incremental revenue receive 15 points. The three-year total incremental City revenue resulting from the project is estimated at \$468,649. Therefore, **15 points are awarded to the project in this category.**

Job Creation

Using industry standards, based upon the proposed use and size, staff has estimated that overall 36 jobs are likely to be provided. Seven of which will likely have salaries at or above living wage (>130% median per capita income evaluation criteria (Mean for Spokane: food service \$13.05/hr and Management \$49.67/hr). Resulting in **12 points being awarded in the Job Creation category.**

Comp Plan, Design and the Environment

The project qualifies under the following criteria:

- | | |
|----------------------------------------|----------|
| • Housing | 5 points |
| • Low Impact Development Standards | 5 points |
| • Mixed Income | 5 points |
| • Blight Removal | 5 points |
| • Neighborhood or Subarea improvements | 5 points |
| • Mixed Use development | 5 points |

Total Category Score:

30 points

Industry Cluster Advancement

The proposed use is not a part of an identified priority industry cluster. **The resulting category score is 0 points.**

Geographic Priority Areas

The project is located in the Downtown Target Incentive Area. **The resulting category score is 10 points.**

Special Considerations Bonus

None.

Total Project Matrix Score: 67 points.

Incentive Value Calculations

The project's total matrix score (67 points) and 3-year revenue return to the City (\$468,649) are used to calculate the incentive value for the project as shown in the Table I below. By scoring in the middle category (55 to 69 points) the project warrants a base incentive of \$60,000 plus 10% of the three-year revenue (\$46,865) for a total incentive value of **\$106,865**.

Table I. Matrix Score

Values-Based Score	67
Revenue (3-Year)	\$ 468,649

Point Score:	Base Incentive	ROI Multiplier	ROI-Based Incentive	Total Incentive
85+	\$100,000	20%	\$93,730	\$193,730
70	\$80,000	15%	\$70,297	\$150,297
55	\$60,000	10%	\$46,865	\$106,865
40	\$40,000	5%	\$23,432	\$63,432
<40	\$0	0%	\$0	\$0

Recommendation

Staff finds that the project will provide significant community and public benefits as described in the application and supplemental materials and therefore as a project of Citywide Significance warrants the City's investment of \$106,865 towards public improvements pursuant to the Projects of Citywide Significance Incentive Policy.

When considered with the other incentives or assistance, the project may have already received or could receive in the future including the 8 year MFTE exemption, GFC waivers and the Urban Utility Installation program incentives which have been estimated to provide a benefit value of up to \$1,263,373, the total incentive package for the project is estimated at **\$1,370,238**, which is equivalent to 5% of the \$30 million project construction cost.

Next Steps

This recommendation will be forwarded to the Project Review Committee who will review the recommendation and make a final determination of project score and level of financial partnership eligibility. Based on that determination, staff will brief City Council at an Urban Experience committee meeting and prepare a development agreement setting forth the terms and conditions under which the financial incentive value will be applied to eligible public improvements costs related to the project.

The final development agreement will be forwarded to the Spokane City Council for approval by resolution and signature by the Mayor. The determination of financial incentive value and corresponding development agreement shall have no force or affect whatsoever unless and until the development agreement is approved by the Spokane City Council and signed by the Mayor.

Authority

**City of Spokane Administrative Policy and Procedure, Admin 0650-16-02
Projects of Citywide Significance Incentive Policy**

Section 5.0 Policy: Individual projects which include new investment and physical improvements to real property which equal or exceed \$5 million in value can provide significant City wide public benefits. Such public benefits include: bringing new living wage jobs to the community; generating new property, sales and utility tax revenues; improving the community through the advancement or implementation of existing community plans including the Comprehensive Plan and neighborhood plans; protecting or improving the environment and conserving natural and historic resources; advancing State and regional industry cluster growth and regional economic development plans; and investing in targeted investment areas such as downtown Spokane, identified centers and corridors and target investment areas identified in the City's Economic Development strategy. In order to provide for an equitable and transparent process for the use

of financial incentives to encourage investments which provide significant public benefits to the City as described above, the Spokane City Council has adopted Resolution 2015-0101 which provides for an evaluation matrix allowing evaluation of a project's public benefits which are reasonably likely to accrue as a result of successful completion and intended operation of the project. The evaluation will be made using the standardized evaluation matrix attached as exhibit "A" hereto in accordance with the policies and procedures described herein.

Procedure

6.1 Application: Application for a financial incentive will be made on forms provided by the City of Spokane and shall contain all information and details required and necessary for a review of the project and evaluation of the public benefits associated thereto.

6.2 Determination of Qualification: Within 10 business days of receipt of a complete application, the Staff Technical Support Team will evaluate the application and make a determination that: the project is a qualified project with a public benefit and may be considered for a financial incentive; that additional information is needed to make the determination; or, that the project does not qualify for a financial incentive under this program. Such determination will be made in writing.

6.3 Evaluation of Qualified Projects: Qualified projects will be forwarded to the Project Review Committee for evaluation according to the evaluation matrix. The committee members will be provided copies of the application and any supplemental information provided by the applicant and a technical memorandum prepared by the Staff Technical Support Team. The report will include analysis of the project application and assessment of the public benefits that may result. Each project review committee member will use the application and technical memorandum to score the project against the evaluation matrix. The committee member's total scores will be summed and divided by the number of committee members providing a score to determine the project's average and final score.

6.4 Determination of Financial Incentive Value: The project's total score and other relevant data will be used to determine the financial incentive value based on the annually adopted project funding schedule and subject to availability of funds at the time of award. Determination of financial incentive value is not a guarantee of availability of funds or of an actual cash value of a project's eligible public improvement costs. Once a determination of financial incentive value is made, the determination and project score are final.

6.5 Development Agreement: Upon completion of the determination of financial incentive value, the project proponent and Staff Technical Support Team shall prepare a development agreement setting forth the terms and conditions under which the financial incentive value will be applied to eligible public improvements costs related to the project.

6.6 City Council Approval: The determination of financial incentive value and corresponding development agreement shall have no force or effect whatsoever unless and until the development agreement is approved by the Spokane City Council and signed by the Mayor.

Riverside Commons Building Project

PROJECT REVIEW COMMITTEE RECOMMENDATION

Evaluation Matrix Score: 67

Incentive Value: \$106,865

Pursuant to the Projects of Citywide Significance Incentive Policy, the Project Review Committee, hereby:

- ☐ Accepts and concurs with the staff recommendations, evaluation matrix score and determination of financial incentive value, and adopts these recommendations as our own findings for the reasons stated.
- ☐ Accepts and concurs with the staff recommendations, evaluation matrix score and determination of financial incentive value, and adopts these recommendations as our own findings for the reasons stated, with the following modifications:


Project Review Committee Members:


Ben Stuckart, City Council President

7/15/19
Date:


Candace Mumm, City Council

7/15/19
Date:


Rick Romero, Office of the Mayor

7/15/19
Date:

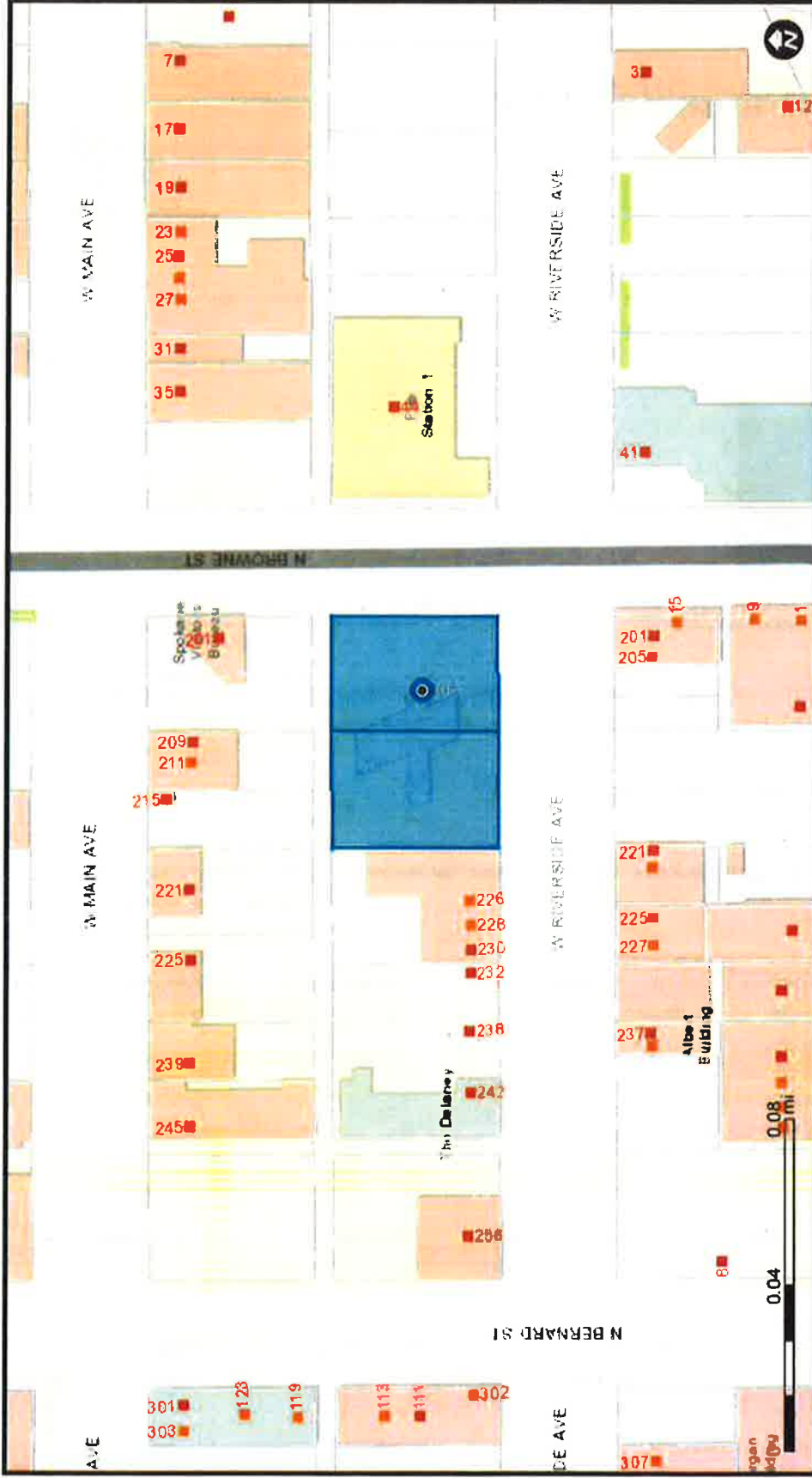

Gavin Cooley, Chief Financial Officer

7/15/19
Date:





cc: Heather Trautman, Director, Planning
Applicant

<div> <div>\$</div> <div>Projects of Citywide Significance</div> </div>		Financial Partnership Portfolio Evaluation		Points Possible	Score
Project Based Incremental Revenue					
City Property Tax, Sales Tax (Retail and Construction), Utility Taxes, Utility Revenues					
Incremental Revenue:					
3 year total incremental revenue:					
Exceeds \$1 million - 30 points					
Between \$750,000 and \$999,999 - 25 points					
Between \$500,000 and \$749,999 - 20 points					
Between \$250,000 and \$499,999 - 15 points					
\$468,649					15
Max group score possible			30		15
Job Creation					
Number of new jobs					
Greater than 100 - 10 points					
75 to 99 - 8 points					
50 to 74 - 6 points					
25. to 49 - 4 points		Thirty six positions			
1 to 24 - 2 points					
Living Wage Job creation Multiplier (>130%Median Per Capita Income)					
80% to 100% of new jobs - 6X					
60% to 79% of new jobs - 5X					
40% to 59% of new jobs - 4X					
20% to 39% of new jobs - 3X		Seven positions			12
10% to 19% of new jobs - 2X					
Less than 10% of new jobs - 1X					
Mean for Spokane: food service \$13.05/hr and Management \$49.67/hr					
Max group score possible			60		12
Comp Plan, Design and the Environment					
Brownfield redevelopment - 5 points					
Innovative or exemplary site design - 5 points					
Design includes enhanced public amenities - 5 points					
Project Includes Neighborhood or Sub-Area Improvements - 5 points					5
Incorporation of Low Impact Development standards - 5 points					5
Incorporation of adopted green building standards -5 points					
Transit Oriented Development - 5 points					
Mixed Use Development - 5 - Points					5
Mixed Income Development - 5 points					5
Historic Preservation - 5 points					
Adaptive reuse - 5 points					
Blight removal - 5 points					5
Housing - 5 points					5
Max group score possible			65		30
Industry Cluster Advancement					
Manufacturing - 10 points					
Aerospace/Aviation - 10 points					
Technology (Biotech, medical, IT, etc) - 10 points					
Tourism - 10 points					
Max group score possible			10		0
Geographic Priority Areas					
Located in a C&C or Downtown - 10 points			10		
Located in a target investment area - 10 points					
Infill location with existing infrastructure capacity - 10 points					
Max group score possible			10		10
TOTAL SCORE POSSIBLE			175		67
"Special Considerations" Bonus - 10 points					
(Can be added to total score when warranted in consideration of special public benefit factors not addressed above.)					
Per capita income \$27,682 est. \$13/hr. (ACS 2017)					
130% of per capita income is \$35,987 annually and approximately \$17.5/hour					

Riverside Commons CoS Map



Legend

-  City of Spokane Boundary
-  Secondary Parcel
-  Address Point
-  Primary

City of Spokane GIS



THIS IS NOT A LEGAL DOCUMENT:
The information shown on this map is compiled from various sources and is subject to constant revision. Information shown on this map should not be used to determine the location of facilities in relationship to property lines, section lines, streets, etc.

Parcel Information



Parcel Number: 35184.0917

Site Address: 214 W RIVERSIDE AVE

Data As Of: 5/9/2019

Parcel Image



Owner Name: STERLING SAVINGS ASSOCIATION
Address: 120 N WALL ST, SPOKANE, WA, 99201-0637

Taxpayer Name: STERLING SAVINGS ASSN BR 001
Address: 111 N WALL ST, SPOKANE, WA, 99201-0609

Site Address

Parcel Type	Site Address	City	Land Size	Size Desc.	Description	Tax Year	Tax Code Area	Status
R	214 W RIVERSIDE AVE	SPOKANE	14200	Square Feet	General Office	2019	0010	Active

Assessor Description

HAVERMALE ADD L21-22 B5

Appraisal

Parcel Class	Appraiser	Neighborhood Code	Neighborhood Name	Neighborhood Desc	Appraiser Name	Appraiser Phone
61 Service - Finance	120	500700	AS700		Elizabeth	477-5916

Assessed Value

Tax Year	Taxable	Total Value	Land	Dwelling/Structure	Current Use Land	Personal Prop.
2019	319,500	319,500	319,500	0	0	0
2018	319,500	319,500	319,500	0	0	0
2017	312,400	312,400	312,400	0	0	0
2016	312,400	312,400	312,400	0	0	0
2015	312,400	312,400	312,400	0	0	0

Characteristics

Land Number	Soil ID	Acreage	Sq Ft	Frontage	Depth	Lot(s)
1	CO17	0.33	14,200	0	142	0

Sales

Sale Date	Sale Price	Sale Instrument	Excise Number	parcel
12/30/1994	185,000.00	COMMERCIAL SALE		35184.0917

Property Taxes

Taxes are due April 30th and October 31st

Total Charges Owing: \$1,908.74

Tax Year	Charge Type	Annual Charges	Remaining Charges Owing
	Total Taxes for 2019	3,817.47	1,908.74
2019	A/V Property Tax	3,810.64	1,905.32
2019	Soil Conservation Principal CNSV1	5.03	2.52
2019	Weed Control Principal WCWEED1	1.80	0.90
	Total Taxes for 2018	4,441.88	0.00
2018	A/V Property Tax	4,434.85	0.00
2018	Soil Conservation Principal CNSV1	5.03	0.00
2018	Weed Control Principal WCWEED1	1.80	0.00
	Total Taxes for 2017	4,264.58	0.00
2017	A/V Property Tax	4,257.75	0.00
2017	Soil Conservation Principal CNSV1	5.03	0.00
2017	Weed Control Principal WCWEED1	1.80	0.00
	Total Taxes for 2016	4,358.53	0.00
2016	A/V Property Tax	4,351.70	0.00
2016	Soil Conservation Principal CNSV1	5.03	0.00
2016	Weed Control Principal WCWEED1	1.80	0.00

Tax Receipts

Tax Year	Receipt Number	Receipt Date	Receipt Amount
2019	7940389	04/26/2019	1,908.73
2018	7653756	10/19/2018	2,220.84
2018	7605220	05/02/2018	2,220.84
2017	7387417	10/30/2017	2,132.29
2017	7106838	04/19/2017	2,132.29
2016	6905902	10/13/2016	2,179.27
2016	6847947	05/02/2016	2,179.26

Disclaimer

We are pleased to give you online access to the Assessor's Office and Treasurer's Office property tax and valuation information. While we make every effort to produce and publish the most current and accurate information possible, portions of this information may not be current or correct. Neither Spokane County, the Assessor, nor the Treasurer makes any warranty, express or implied, with regard to the accuracy, reliability, or timeliness of information in this system, and shall not be held liable for losses caused by using this information. Any person or entity that relies on any information obtained from this system, does so at his or her own risk. Please feel free to contact us about any error you discover or to give comments and suggestions. Call the Assessor's Office at (509) 477-3688 or the Treasurer's Office at (509) 477-4713.

RCW 42.56.070 (9) prohibits the release of lists of individuals requested for commercial purposes. The requester expressly represents that no such use of any such list will be made by the user or its transferee(s) or vendee(s). I understand, acknowledge, and accept the statements above, and agree to adhere to the prohibitions listed in RCW 42.56.070 (9).

Parcel Information



Parcel Number: 35184.0018
 Site Address: 206 W RIVERSIDE AVE

Data As Of: 5/9/2019

Parcel Image



Owner Name: STERLING SAVINGS ASSOCIATION
 Address: 111 N WALL ST, SPOKANE, WA, 99201-0609

Taxpayer Name: STERLING SAVINGS ASSN BR 001
 Address: 111 N WALL ST, SPOKANE, WA, 99201-0609

Site Address

Parcel Type	Site Address	City	Land Size	Size Desc.	Description	Tax Year	Tax Code Area	Status
R	206 W RIVERSIDE AVE	SPOKANE	14200	Square Feet	General Office	2019	0014	Active

Assessor Description

HAVERMALE ADD L23-24 B5

Appraisal

Parcel Class	Appraiser	Neighborhood Code	Neighborhood Name	Neighborhood Desc	Appraiser Name	Appraiser Phone
61 Service - Finance	120	500700	AS700		Elizabeth	477-5916

Assessed Value

Tax Year	Taxable	Total Value	Land	Dwelling/Structure	Current Use Land	Personal Prop.
2019	442,300	442,300	319,500	122,800	0	0
2018	438,100	438,100	319,500	116,600	0	0
2017	428,900	428,900	312,400	116,500	0	0
2016	420,800	420,800	312,400	108,200	0	0
2015	419,800	419,800	312,400	107,400	0	0

Characteristics

Commercial/ Structure	Appraiser	Year Built	Year Remodeled	Main Floor Size	Number of Floors
BANK	66	1994	0	1,045	1
Commercial Canopy	66	1994	0	2,760	
Commercial Canopy	66	1994	0	270	
Paving	66	1994	0	24,300	

Land Number	Soil ID	Acreage	Sq Ft	Frontage	Depth	Lot(s)
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Land Number	Soil ID	Acreage	Sq Ft	Frontage	Depth	Lot(s)
1	CO17	0.33	14,200	0	142	0

Sales

Sale Date	Sale Price	Sale Instrument	Excise Number	parcel
01/10/1995	190,000.00	COMMERCIAL SALE		35184.0918

Property Taxes

Taxes are due April 30th and October 31st

Total Charges Owning: \$2,641.04

Tax Year	Charge Type	Annual Charges	Remaining Charges Owning
	Total Taxes for 2019	5,282.08	2,641.04
2019	A/V Property Tax	5,275.25	2,637.63
2019	Soil Conservation Principal CNSV1	5.03	2.51
2019	Weed Control Principal WCWEED1	1.80	0.90
	Total Taxes for 2018	6,060.16	0.00
2018	A/V Property Tax	6,053.33	0.00
2018	Soil Conservation Principal CNSV1	5.03	0.00
2018	Weed Control Principal WCWEED1	1.80	0.00
	Total Taxes for 2017	5,852.36	0.00
2017	A/V Property Tax	5,845.55	0.00
2017	Soil Conservation Principal CNSV1	5.03	0.00
2017	Weed Control Principal WCWEED1	1.80	0.00
	Total Taxes for 2016	5,865.75	0.00
2016	A/V Property Tax	5,858.92	0.00
2016	Soil Conservation Principal CNSV1	5.03	0.00
2016	Weed Control Principal WCWEED1	1.80	0.00

Tax Receipts

Tax Year	Receipt Number	Receipt Date	Receipt Amount
2019	7940388	04/26/2019	2,641.04
2018	7853756	10/19/2018	3,030.08
2018	7605220	05/02/2018	3,030.08
2017	7387416	10/30/2017	2,926.19
2017	7106837	04/19/2017	2,926.19
2016	6905902	10/13/2016	2,932.88
2016	6847946	05/02/2016	2,932.87

Disclaimer

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information in this system, and shall not be held liable for losses caused by using this information. Any person or entity that relies on any information obtained from this system, does so at his or her own risk. Please feel free to contact us about any error you discover or to give comments and suggestions. Call the Assessor's Office at (509) 477-3666 or the Treasurer's Office at (509) 477-4713.

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From: [Kevin Edwards](#)
To: [Stripes, Teri](#)
Subject: Re: Projects of Citywide Significance Incentive
Date: Wednesday, June 12, 2019 11:42:35 AM

Looks good to me. Thanks

Kevin Edwards
Hawkins Edwards, Inc.
[225 W. Main Ste. 200](#)
[Spokane, WA 99201](#)
C: [509-939-8828](#)
k.edwards@me.com
* Sent from Phone

On Jun 12, 2019, at 11:29 AM, Stripes, Teri <tstripes@spokanecity.org> wrote:

Kevin, I want to explain some of the assumptions and industry standards, I'm using in the economic positioning of your project.

For the restaurant/bar space I've used ICC Mall's Sales per square foot and halved it for a standalone building (see attached). So for your project I estimate the Restaurant sales at \$268.5 PSF - I'm also using the entire 7,200 sqft in the calculations because the methodology takes into account both the front-of-house (FOH) and back-of-house (BOH) operations. So annual restaurant sales of \$1,933,200.

For the Restaurant Employees
200 seats
50 = 4 tops
FOH Staff per shift 10
BOH staff per shift 4
Support & Management staff 4

And I'm assuming two shifts so 36 employees in total. The mean wages for Spokane: food service \$13.05/hr and Management \$49.67/hr. I'm assuming an 80:20 ratio on management/chefs and servers so seven employees above the Living Wage Job creation Multiplier (>130%Median Per Capita Income).

I'm waiting on estimates on utility use of a comparable structure and then I'll be able to finalize my analysis.

However, I wanted to provide you will the Sales/sqft calculation and the employee estimates to see if this is an acceptable methodology for you or if you have something else you'd like me to consider.

Let me know,
Thanks
Teri

P.S. Choose Spokane ChooseSpokane.org

Teri Stripes | City of Spokane | Planning & Development Services
509.625.6597 | fax 509.625.6013 | tstripes@spokanecity.org

"I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel." ~Maya Angelou

-----Original Message-----

From: Stripes, Teri <tstripes@spokanecity.org>
Sent: Monday, May 20, 2019 8:03 AM
To: Kevin Edwards <k.edwards@me.com>
Subject: RE: Projects of Citywide Significance Incentive

Yep, we are good. I'll use industry standards when I work on the economic positioning — thank you.

Teri Stripes | City of Spokane | Planning & Development Services
509.625.6597 | fax 509.625.6013 | tstripes@spokanecity.org

From: Kevin Edwards [k.edwards@me.com]
Sent: Friday, May 17, 2019 1:56 PM
To: Stripes, Teri
Subject: Re: Projects of Citywide Significance Incentive

Teri, did you get everything you needed from me on the CWSI?

Thanks,

Kevin Edwards
Hawkins Edwards, Inc.
225 W. Main Ste. 200
Spokane, WA 99201
C: 509-939-8828
k.edwards@me.com<<mailto:k.edwards@me.com>>
www.HawkinsEdwardsInc.com<<http://www.HawkinsEdwardsInc.com/>>

On May 16, 2019, at 11:47 AM, Stripes, Teri
<tstripes@spokanecity.org<<mailto:tstripes@spokanecity.org>>> wrote:

I met with Dean Pape yesterday—very positive about the project. Let me know when you think you may have some of the additional details, I request.

Thanks

Teri

P.S. Choose Spokane ChooseSpokane.org<<https://www.choosespokane.org/>>

<image001.jpg>

Teri Stripes | City of Spokane | Planning & Development Services
509.625.6597 | fax 509.625.6013 |

tstripes@spokanecity.org <<mailto:tstripes@spokanecity.org>>

<image002.png> <<http://www.spokanecity.org/>> <image003.png>

<<http://facebook.com/cityspokane>> <image004.png>

<<http://twitter.com/spokanecity>>

"I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel." ~Maya Angelou

From: Stripes, Teri

Sent: Thursday, May 9, 2019 9:35 AM

To: 'Kevin Edwards' <k.edwards@me.com> <<mailto:k.edwards@me.com>>>

Cc: Economic Development Contacts

<eraedc@spokanecity.org> <<mailto:eraedc@spokanecity.org>>>

Subject: RE: Projects of Citywide Significance Incentive

No, but thank you. If you can send me your pro forma or estimates on your projected utility costs, property taxes, retail sales projection, etc.. It will give me some actual projections to use in the analysis instead of using industry standards.

P.S. How are you #hackingwashington <<http://www.hackingwashington.com/>>?

<image001.jpg>

Teri Stripes | City of Spokane | Planning & Development Services
509.625.6597 | fax 509.625.6013 |

tstripes@spokanecity.org <<mailto:tstripes@spokanecity.org>>

<image002.png> <<http://www.spokanecity.org/>> <image003.png>

<<http://facebook.com/cityspokane>> <image004.png>

<<http://twitter.com/spokanecity>>

"I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel." ~Maya Angelou

From: Kevin Edwards <k.edwards@me.com> <<mailto:k.edwards@me.com>>>

Sent: Thursday, May 9, 2019 9:12 AM

To: Stripes, Teri <tstripes@spokanecity.org> <<mailto:tstripes@spokanecity.org>>>

Cc: Economic Development Contacts

<eraedc@spokanecity.org> <<mailto:eraedc@spokanecity.org>>>

Subject: Re: Projects of Citywide Significance Incentive

Importance: High

Teri,

So in summary, you want me to fill out the scoring sheet to the best of my knowledge correct?

Let me know. Thanks,

Kevin Edwards
Hawkins Edwards, Inc.
225 W. Main Ste. 200

Spokane, WA 99201

C: 509-939-8828

k.edwards@me.com<<mailto:k.edwards@me.com>>

www.HawkinsEdwardsInc.com<<http://www.hawkinsedwardsinc.com/>>

On May 9, 2019, at 7:49 AM, Stripes, Teri

<tstripes@spokanecity.org<<mailto:tstripes@spokanecity.org>>> wrote:

<Parkview West Agree, title, staff report, reco.pdf>

<U.S. Mall Sales Productivity_SA61dd9bab20170428100745.pdf>

**CITY OF SPOKANE —
PLANNING & DEVELOPMENT SERVICES DEPARTMENT
Application for Citywide Significant Incentives**

NOTE TO APPLICANT: Please answer each question completely. If more space is needed, attach additional paper. If you have any questions about this application, do not understand the questions, or need additional information regarding regulations or policies of the City of Spokane, city staff will be happy to assist you.

Applicant: Spokane Riverside Partners, LLC Relation to Property Owner Member
Applicant's Address 225 W. Main Ave. #200 Spokane, WA 99201
Applicant's Phone # 509-939-8828 Applicant's email address k.edwards@me.com
Property Owner(s) Spokane Riverside Partners, LLC
Property Owner's Mailing Address 225 W. Main Ave. #200 Spokane, WA 99201
Will the existing owners be the owner/operator of the property and/or business following construction ☒ yes ☐ no
If not, who is the project being developed for? _____
Property Address: 206 W. Riverside Ave. Parcel number(s): 35184.0918 & 35184.0917
Legal Description (Attach additional sheets if needed): _____

PROJECT INFORMATION

Project Name: Riverside Commons Date Application Completed: _____
☒ New Construction: # of square feet: 128,000 # of stories 6
[] Rehabilitation of Existing Structure: # existing square feet: _____ # additional square feet added: _____
What was the prior use? Bank Branch How many prior employees? _____
Were there prior retail sales? N/A
Type of development ☐ Manufacturing ☐ Office ☐ Retail ☐ Housing ☒ Mixed use ☐ Other
Other description See Attached Renderings & Site Plan
If retail or mixed use with retail, do you have a verifiable estimate on the projected annual retail sales? ☐ yes ☒ no
If yes, what is the estimate and how can it be verified? _____

If no, provide an average annual sales per square foot estimate, using published industry data for the retail sector nearest to the type proposed. "ICSC - Shopper Spending and Sales/Sqft - Annual Report" www.icsc.org What is that estimate? Do not know at this time what exact ground floor retail uses will be, but will be food and restaurant related hopefully, maybe small coffee shop.

Estimated total expenditures in the rehabilitation or construction of the entire project: \$ 30,000,000 +/-
Description of project(s)' basic features and any other unique features that relate to the evaluation matrix criteria (Attach additional sheets if necessary): 104 Unit apartment (student housing) project with ground floor retail.

Est. Construction to begin (date) 2020 +/- Construction completion 18 months from start.
☒ "Before" photos provided electronically. ☐ Site and building plans provided electronically

Will the construction of the project be phased? ☒ no ☐ yes If yes, what will be constructed in each phase and when?

JOB CREATION

How many fulltime permanent employment positions will the project create? (list the fields and the number of jobs in each field)
Do not know at this time.

What will be the hourly and/or annual wages of each position be? If you don't have verifiable job and wage information for the business(s) to be located in the project, then use the latest published data from the Washington State Employment Securities Department Occupational Employment and Wage Estimates for the Spokane MSA.

<https://fortress.wa.gov/esd/employmentdata/reports-publications/occupational-reports/occupational-employment-and-wage-estimates>.

AFFIRMATION

Initial each statement below:

KE As owner(s) of the property described in this application, I hereby declare under penalty of perjury under the laws of the State of Washington that this application for Incentives and any accompanying documents have been examined by me and that they are true, correct, and complete to the best of my knowledge.

KE The applicant acknowledges that completing and submitting this application is not a guarantee of any specific financial incentive.

KE This application will be used by staff to determine if a project meets the definition of a "Project of Citywide Significance." Additional information may be required for review of project qualifications for incentives.

KE Any incentive that the applicant may receive will require a Development Agreement between the Applicant and the City that will not be valid until it is approved by City Council and signed by the Mayor.

KE Following the approval of the Development Agreement, the original is required to be recorded at the County. At that time, the recording fees for the filing and recording of "Development Agreement" will need to be paid to the City of Spokane by the Applicant.

Signed at Spokane, Washington, this 30 day of April, 2019.

Signature(s) of all Owner(s) and Contract Purchaser(s)

KE

Member of LLC

Project of Citywide Significance: A single private development project which entails the development, construction or physical improvement to real property located within the City of Spokane which equals or exceeds \$5 million in value, not including the value of the property itself, for which there is evidence that such project will provide significant public benefits as such term is defined in the Administrative Policy adopted by Council Resolution 2016-0036.

For Staff Use Only:

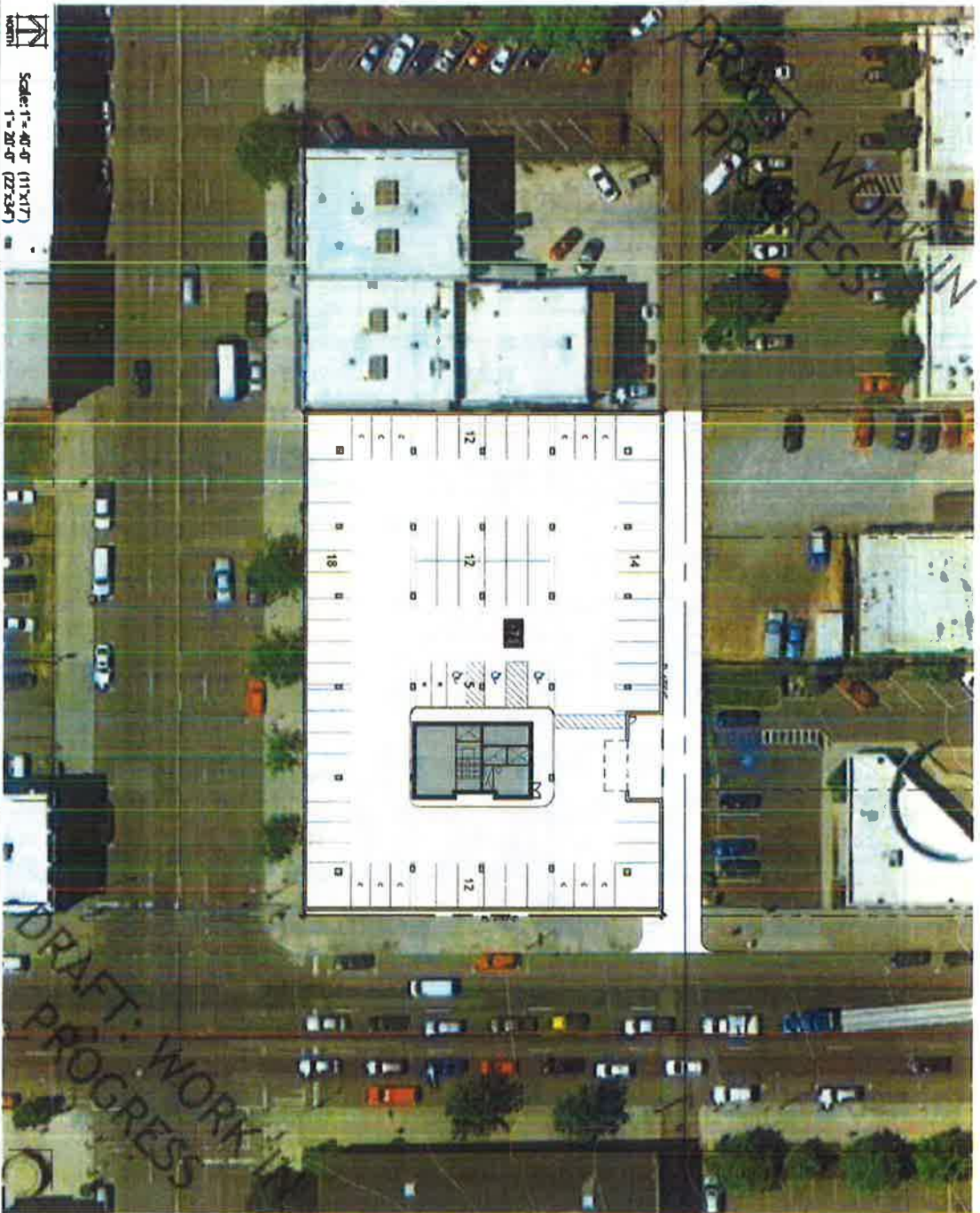
- | | |
|-----------------------------------------------------------------------------------|----------------------------------------------------------------------|
| <input type="checkbox"/> Application signed by owner(s) and contract purchaser(s) | <input type="checkbox"/> Site/Building plans received electronically |
| <input type="checkbox"/> Before photos received electronically | <input type="checkbox"/> Zoning |
| <input type="checkbox"/> GIS Map | <input type="checkbox"/> Right-of-way requirements |
| <input type="checkbox"/> Utility requirements | <input type="checkbox"/> SEPA |
| <input type="checkbox"/> Study requirements | <input type="checkbox"/> Taxable value |
| <input type="checkbox"/> Assessed value | <input type="checkbox"/> State and Federal incentives |
| <input type="checkbox"/> Plan/District implementation | <input type="checkbox"/> Age of existing structures |



Concept Rendering

Upmqua Mixed-Use

214 W. Riverside, Spokane - WA 99201 | BWA, 17-319 | Schematic Design | September 26, 2018



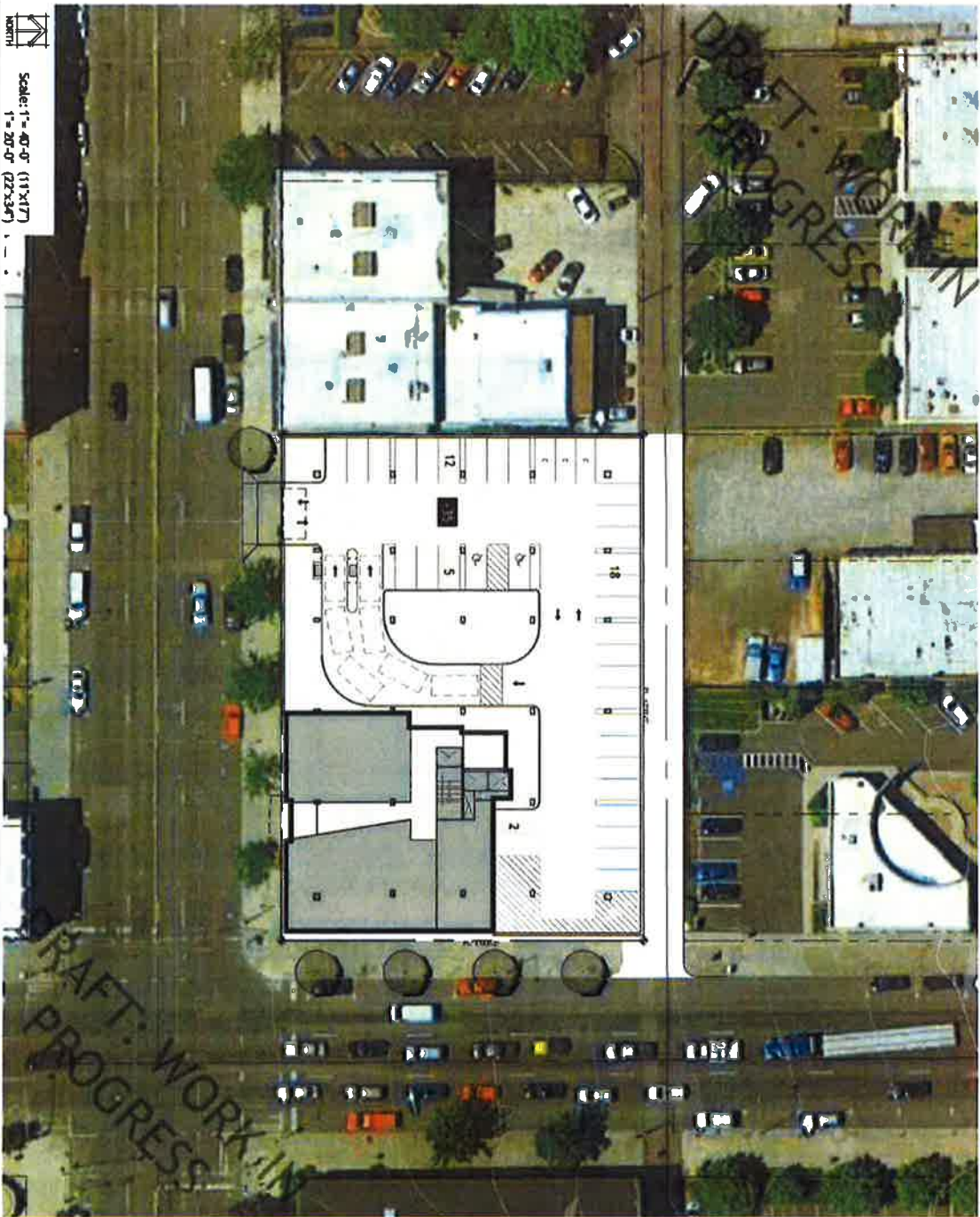
Scale: 1" = 40'-0" (11'x17")
1" = 20'-0" (22'x34")

0 Concept Site Plan: Lower Level

Upmqua Mixed-Use
214 W. Riverside, Spokane - WA 99201 | BWA 17-319 | Schematic Design | September 28, 2018

NOTES:
1. The property configuration and building items shown above is a composite of public information.
2. Property configuration, property area and boundaries are approximate.
3. The site and/or building shown is subject to change following boundary, building and zoning code analysis.

DRAFT: WORK IN PROGRESS



Scale: 1" = 40'-0" (11X17)
1" = 20'-0" (22X34)
NORTH

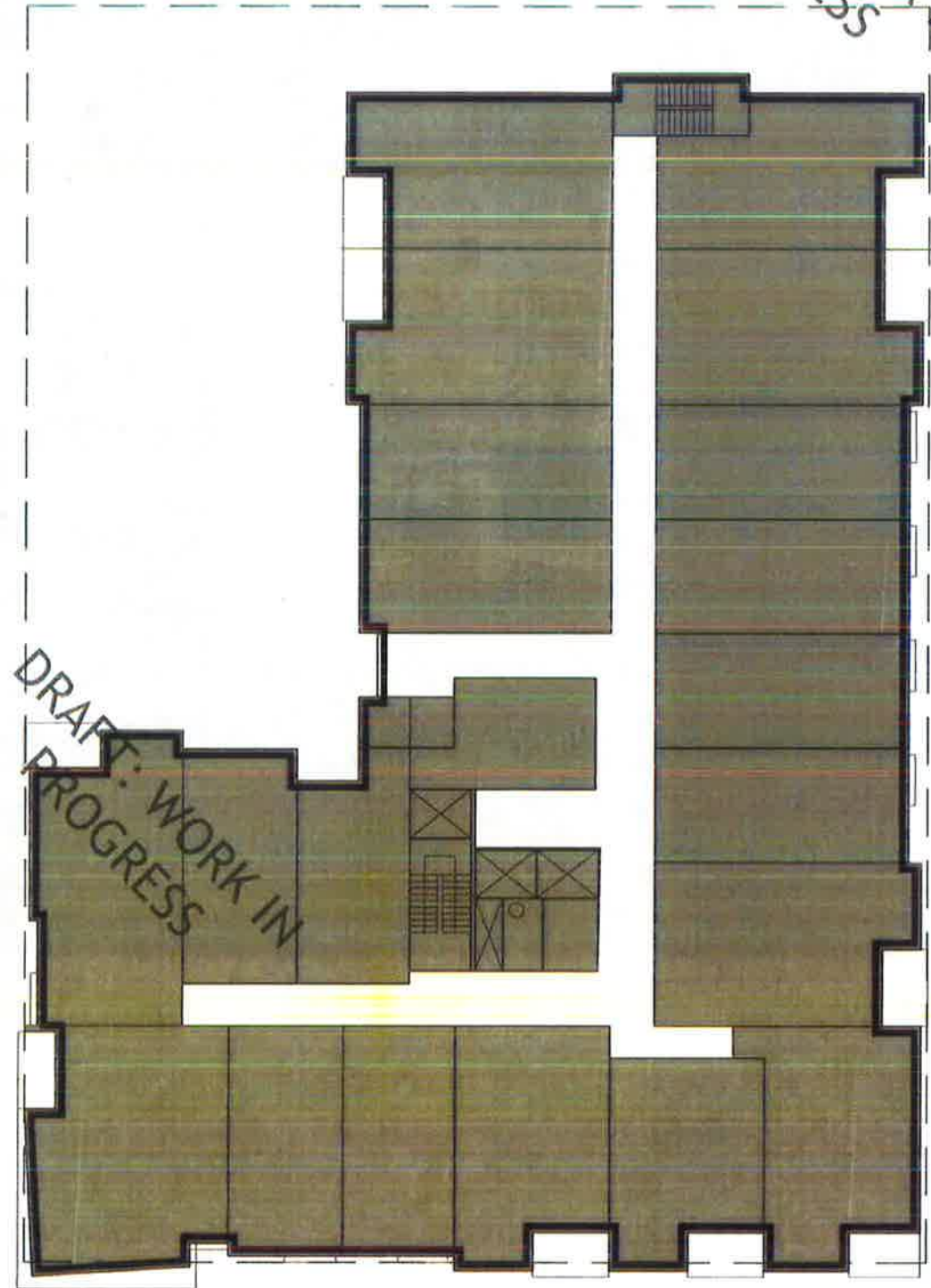
1 Concept Site Plan: Street Level

Upnqua Mixed-Use

214 W. Riverside, Spokane - WA 99201 | BWA: 17-319 | Schematic Design | September 28, 2018

- NOTES:
1. Property configuration and building form shown above is a composite of public information.
 2. Property configuration, property lines and boundaries are approximate.
 3. A complete site plan should be prepared by a licensed civil engineer prior to any work.
 4. The information shown is subject to change during schematic design and design development.

DRAFT: WORK IN
PROGRESS



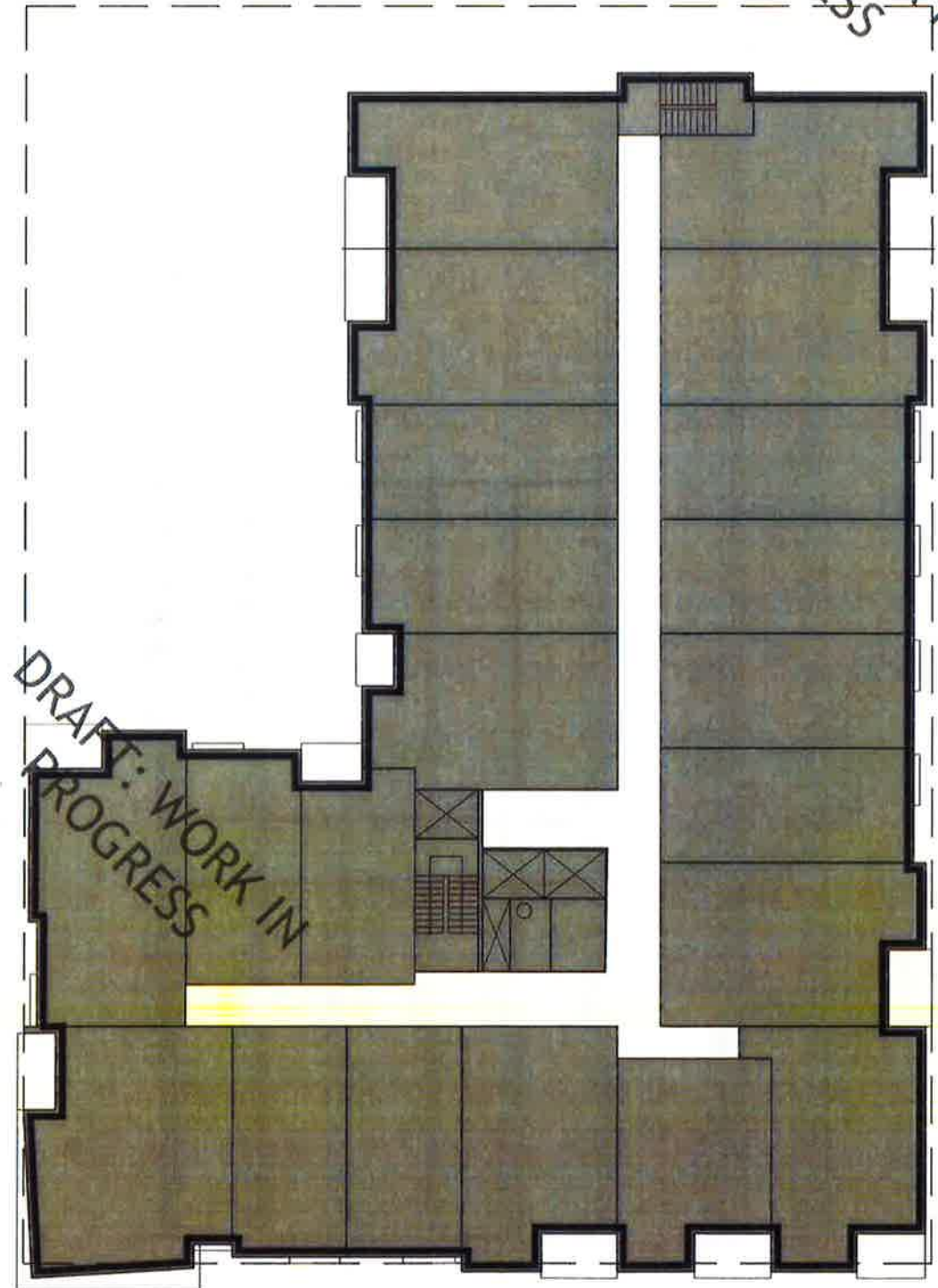
Scale: 1" = 40'-0" (11'x17")
1" = 20'-0" (22'x34")

R1

Concept Floor Plan: 1st Residential Level

Upnqua Mixed-Use
214 W. Riverside, Spokane - WA 99201 | BWA, 17-2-19 | Schematic Design | September 28, 2018

DRAFT: WORK IN
PROGRESS



DRAFT: WORK IN
PROGRESS

DRAFT: WORK IN PROGRESS



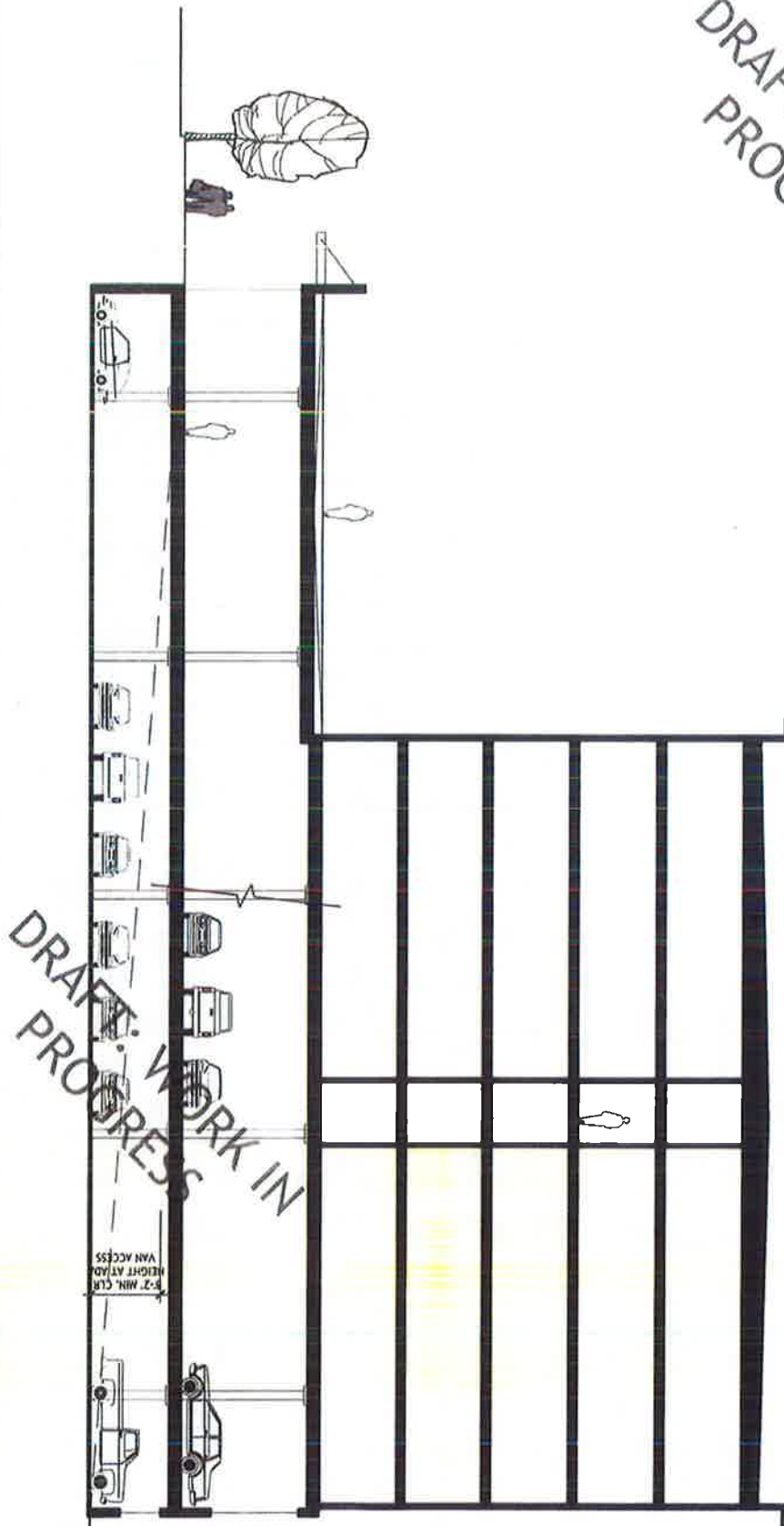
Scale: 1" = 40'-0" (11'x17")
1" = 20'-0" (22'x34")

R2 Concept Floor Plan: Typ. 2nd thru 5th Residential Levels
Upmqua Mixed-Use

274 W. Riverside, Spokane - WA 99201 | BWA 17-319 | Schematic Design | September 28, 2018

B M A BERNARDO MILLS
ARCHITECTS P.C.

DRAFT: WORK IN
PROGRESS



DRAFT: WORK IN PROGRESS

S1 Concept Building Section

Upmqua Mixed-Use
214 W. Riverside, Spokane - WA 99201 | BWA, 17.519 | Schematic Design | September 28, 2018

Briefing Paper

Urban Experience Committee

Division & Department:	Neighborhood & Planning, Business Developer Services
Subject:	E2SHB 1923 Urban Density, Opportunity for Grant Funding to support actions that support housing
Date:	August 12, 2019
Author (email & phone):	Tirrell Black, Planner tblack@spokanecity.org 509-625-6185
City Council Sponsor:	Council President Stuckart
Executive Sponsor:	
Committee(s) Impacted:	This item at City Council/Plan Commission Study Session Aug 15, 2019
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment	Strategic Plan: Planning for Growth; Grow Targeted Areas; Available Housing Comprehensive Plan: Housing Chapter
Strategic Initiative:	Urban Experience: Increase Housing Quality and Diversity
Deadline:	Commerce Grant Opportunity estimated deadline is September 30, 2019; Grant application not yet available (8/5/19)
Outcome: (deliverables, delivery duties, milestones to meet)	Grant of up to \$100,000. For planning action items (2) or a Housing Action Plan. Action/project completion must occur by April 1, 2021.
<p>Background/History: During the last legislative session, a bill was passed that encourages cities to address their ability to provide housing by increasing urban residential capacity.</p> <p>E2SHB 1923 provides grant funding for cities over 20,000 population to implement at least two of listed legislative actions in the bill, or to develop a housing action plan. Grant funding can be in the amount of \$100,000.</p>	
<p>Executive Summary:</p> <ul style="list-style-type: none"> On July 15, 2019 Commerce issued a memorandum that outlines the List of Actions (cities must pick two) and describes the alternative available to cities which is to develop a Housing Action Plan. This memo is attached and available at www.commerce.wa.gov/serving-communities/growth-management/growth-management-grants. Commerce is expecting that grant applications will be available in August with a due date of September 30, 2019. There may be a second round of funding later in the year, if funds are available. If cities accept these grant funds (up to \$100,000.) action must occur by April 1, 2021. E2SHB1923 protects cities from certain legal appeals under SEPA or legal challenges under GMA when they adopt any of the actions specified in the new law to accommodate urban capacity. Adoption of either of these grant funding opportunities will likely affect the Plan Commission's and Planning Department Work Programs for 2020 and 2021. <p>Another outcome of E2SHB 1923 is that every two years, the Washington Center for Real Estate Research at the University of Washington will produce a study that compiles housing supply and affordability metrics for each city with a population of 10,000 or more planning under GMA. The initial study must be completed by October 14, 2020.</p>	
<p>Budget Impact:</p> <p>Approved in current year budget? No</p> <p>Annual/Reoccurring expenditure? No</p> <p>If new, specify funding source: Grant Funding from Commerce, no match required.</p> <p>Other budget impacts: May require staff time in excess of grant</p>	

BRIEFING PAPER
City of Spokane Neighborhood & Planning Services
Urban Experience
August 12, 2019

Subject

During the last legislative session, a bill was passed that encourages cities to address their ability to provide housing by increasing urban residential capacity. **E2SHB 1923** provides grant funding for cities over 20,000 population to implement at least two of listed legislative actions in the bill, or to develop a housing action plan. Grant funding can be in the amount of \$100,000.

Background

- On July 15, 2019 Commerce issued a memorandum that outlines the List of Actions (cities must pick two) and describes the alternative available to cities which is to develop a Housing Action Plan. This memo is attached and available at www.commerce.wa.gov/serving-communities/growth-management/growth-management-grants.
- Commerce is expecting that grant applications will be available in August with a due date of September 30, 2019. There may be a second round of funding later in the year, if funds are available.
- If cities accept these grant funds (up to \$100,000.) action must occur by April 1, 2021.
- E2SHB1923 protects cities from certain legal appeals under SEPA or legal challenges under GMA when they adopt any of the actions specified in the new law to accommodate urban capacity.
- Adoption of either of these grant funding opportunities will likely affect the Plan Commission's Work Program for 2020 and 2021.

Another outcome of E2SHB 1923 is that every two years, the Washington Center for Real Estate Research at the University of Washington will produce a study that compiles housing supply and affordability metrics for each city with a population of 10,000 or more planning under GMA. The initial study must be completed by October 14, 2020.

Process:

- This information was provided to the Plan Commission as an informational item on July 10 and July 24, 2019. The Plan Commission made a motion to recommend to the City Council to pursue a Housing Action Plan as the priority. They also identified four actions from Item #1 that they believe should be considered by the city:
 - Authorize at least one duplex, triplex, or courtyard apartment on each parcel in one or more zoning districts that permit single-family residences.
 - Authorize attached ADU on all parcels where lot is at least 3200 sq. ft....
 - Authorize a duplex on each corner lot within all zoning districts that permitting single-family residences
 - Authorize a minimum net density of six dwelling units/acre in all residential zones.
- If the City decides to accept a grant from Commerce to move forward with either option, acceptance of a grant will occur through City Council action.
 - This was briefed at Study Session on August 1, 2019
 - , staff anticipate updating this item at the August 12 and/or September 9 Urban Experience committee meeting.
- Grant application deadline is currently set for September 30, 2019 (according to MRSC)

Staff Contact: Tirrell Black, Principal Planner, 509-625-6500 tblack@spokanecity.org

Additional and Related Information:

- The WA state legislature page has the full text of the bill [E2SHB 1923](#).
- [Department of Commerce Growth Management Planning for Housing webpage](#) has a recently released [Housing Memo: Issues Affecting Housing Availability and Affordability](#).
- Another bill passed by the legislature this year is [HB 1406](#) Encouraging Investments in affordable and supportive housing.

Attachments:

Please note: Most of these attachments were not available for the Plan Commission to review. Expect more updates on this new grant opportunity.

- MRSC article on E2SHB 1923 dated July 26, 2019.
- Commerce Memo: E2SHB 1923 Grant Opportunity Overview (rev. 7-9-19)
- Commerce FAQ on E2SHB 1923 (dated 7-26-19)
- Commerce 2019 Housing Bills for Planners (June 19 2019)

New Bill Provides Incentives for Washington Cities to Increase Residential Capacity

July 26, 2019 by [Steve Butler](#)

Category: [Housing](#), [New Legislation and Regulations](#), [Development Regulations and Zoning](#)



Most people would agree that affordable housing is a major issue throughout the state of Washington. There is much less agreement, however, on what is needed to address this problem. Recognizing this quandary, the Washington Legislature passed a bill ([E2SHB 1923](#)) to help address the affordable housing issue, which was signed by the Governor and takes effect on July 28, 2019 (with one provision that became effective on July 1, 2019).

While it doesn't have the mandates included in the original version, E2SHB 1923 is intended to encourage more residential development capacity and increase local governments' emphasis on affordable housing by providing both monetary and non-monetary incentives to do so. The bill focuses primarily on cities with populations of more than 20,000, with those cities needing to take formal action — as outlined in the bill — by April 1, 2021, in order to participate.

Why Your City Should Participate

E2SHB 1923 outlines two major incentives to induce cities to participate; funding and protection against State Environmental Policy Act (SEPA) and/or Growth Management Act (GMA) appeals in certain cases.

Planning grants

Eligible cities may receive up to \$100,000 in grant funds from the Washington Department of Commerce if they commit to adopting at least two actions that are intended to increase local residential capacity (which are summarized in this blog post) *or* if they develop a Housing Action Plan. Again, cities will need to act by April 1, 2021. [Applications](#) for the grant funds will be available in mid-August and right now are expected to be **due by September 30, 2019!**

Protection against SEPA and GMA appeals in certain cases

Cities adopting the actions specified in the new law (except for adoption of a subarea plan) will not be subject to SEPA appeal. The same protection applies to GMA-related appeals to the Growth Management Hearings Boards for any comprehensive plan amendments or development regulations related to the 12 regulatory actions listed in E2SHB 1923. Both provisions apply to relevant actions taken between July 28, 2019 and April 1, 2021.

What Your City Must Do to Participate

Cities are eligible for the planning grants and “safe harbor” appeal provisions described above if they adopt two or more of twelve actions listed in the legislation, and which can be broken into Local Regulatory Changes (nine total) and/or SEPA-Related Changes (three total).

Local regulatory changes

1. Increase development capacity to 50 units per acre or more near commuter or light rail stations (for a designated area of at least 500 acres).
2. Increase development capacity to 25 units per acre or more near high frequency bus stops (for a designated area of either: 250+ acres for cities with less than 40,000 population or 500+ acres for cities with populations over 40,000).
3. Allow a duplex, triplex, or courtyard apartment on all parcels in a zoning district where single-family homes are permitted.
4. Allow cluster zoning or lot size averaging in all zoning districts where single-family homes are permitted.
5. Expand allowances for accessory dwelling units (ADUs) with specific code provisions that extend beyond what is currently required by Washington State law.
6. Establish a form-based code.
7. Allow a duplex on all corner lots in single-family zones.
8. Establish the optional maximum thresholds under the short subdivision process.
9. Establish a minimum net density of six dwelling units per acre.

SEPA-related changes

1. Develop and adopt a subarea plan, using the “planned action” provisions, for an area that is designed as a mixed-use or urban center or leverages proximity to a major transit stop, transit infrastructure, or regional center.
2. Develop and adopt a SEPA planned action that includes residential or mixed-use development.
3. Use the SEPA infill exemption authority to increase categorical exemption thresholds for residential, mixed-use, or commercial development in areas that do not meet the planned density.

A local government needs to commit to adopting at least two of the items listed above by April 1, 2021 in order to participate in the grant program.

Housing Action Plan: Another Eligible Activity

A city that develops and adopts a Housing Action Plan may also apply for a state grant. Such a plan must “encourage construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes” and should undertake the following tasks:

- Quantify existing and project housing needs for all income levels;
- Develop strategies to increase the supply of housing and variety of housing types;
- Analyze population and employment trends, with documentation of projections;
- Consider strategies to minimize displacement of low-income residents;
- Review and evaluate the current element adopted pursuant to [RCW 36.70A.070](#);
- Provide for broad participation and input from all interested parties; and
- Include a schedule of implementation programs and actions.

Other Notable Aspects of the Bill

The bill provides several useful definitions related to housing costs. The term “affordable housing” is clearly defined as “residential housing whose monthly costs, including utilities other than telephone, do not exceed 30% of the monthly income of a household,” and then it draws clear distinctions between renters and homeowners. For **rental housing, the targeted monthly income level is defined as 60%** of the county median household income, adjusted for household size. For **owner-occupied housing, the level is 80%** of the county median household income once adjusted for household size.

In addition, there are specific percentages for what constitutes low, very low, and extremely low-income households, as the table below demonstrates:

Definition	Median Household Income (MHI)
Low-income household	less than 80% of the MHI
Very low-income household	less than 50% of the MHI
Extremely low-income household	less than 30% of the MHI

E2SHB 1923 also contains a number of other provisions, including:

- A reduction in local residential parking requirements for developments with good transit service that house very low-income or extremely low-income households, seniors, or people with disabilities;
- An exemption from SEPA appeals related to transportation impacts for residential and mixed-use developments;
- A ban on prohibiting “permanent supportive housing” in areas where multi-family housing is allowed; and
- For cities with a population greater than 5,000, a SEPA appeal exemption for developments that sets aside or requires the low-income household occupancy of at least 10% of its dwelling units.

For more details about E2SHB 1923 and the associated state grant program, please read the [Increasing Residential Building Capacity - E2SHB 1923 Grant Opportunity Overview](#), which was prepared by the Washington State Department of Commerce’s Growth Management Services-Local Government Division.

MRSC is a private nonprofit organization serving local governments in Washington State. Eligible government agencies in Washington State may use our free, one-on-one [Ask MRSC service](#) to get answers to legal, policy, or financial questions.



About Steve Butler

Steve joined MRSC in February 2015. He has been involved in most aspects of community planning for over 30 years, both in the public and private sectors. He received a B.A. from St. Lawrence University (Canton, New York) and a M.S. in Urban and Regional Planning from the University of Wisconsin-Madison. Steve has served as president of statewide planning associations in both Washington and Maine, and was elected to the American Institute of Certified Planner's College of Fellows in 2008.

[VIEW ALL POSTS BY STEVE BUTLER](#) ▶



Increasing Residential Building Capacity E2SHB 1923 Grant Opportunity Overview

Growth Management Services Local Government Division

E2SHB 1923 (2019) encourages all cities planning under the Growth Management Act (GMA) to adopt actions to increase residential building capacity. Cities are especially encouraged to increase residential building capacity in areas that have supportive transportation and utility infrastructure, and are served with frequent transit service. Cities are also encouraged to prioritize the creation of affordable, inclusive neighborhoods and to consider the risk of residential displacement, particularly in neighborhoods with communities at high risk of displacement.

This bill provides a total \$5,000,000 in grants assistance, prioritized by the legislature for cities over 20,000 in population. A city may receive up to \$100,000 in grant funds for:

1. taking at least two of the actions to increase residential building capacity listed below,
or
2. developing a housing action plan.

Commerce will reach out directly to eligible cities to apply for the funding. Those cities will be asked to complete a survey about eligible actions, specifically if they already have them, and for which ones they intend to apply for funding. Commerce will use the information to make decisions about the grant program. Applications will be available in August. In the meantime, we recommend that eligible jurisdictions work with decision makers to review the list of eligible activities below, and decide which ones they may pursue for funding. If your city has not received notification of the survey, please contact Paul Johnson at (360) 725-3048 or paul.johnson@commerce.wa.gov.

After the first round of grants, if funding allows, Commerce may consider accepting and funding applications from cities with a population of less than 20,000 if the actions proposed will result in significant housing capacity or regulatory streamlining.

Commerce contacts:

Dave Andersen, GMS Managing Director / Project Lead, (509) 434-4491

Paul Johnson, GMS Grants Coordinator, (360) 725-3048

Email: dave.andersen@commerce.wa.gov and paul.johnson@commerce.wa.gov

Activities eligible for E2SHB 1923 funding

1. Select at least two of the actions listed below:

- a) *Increase residential density near commuter or light rail stations to 50 dwelling units per acre. Designated areas should be at least 500 acres in size.***

This may be done in the form of a sub-area plan or rezoning within a designated area in response to or anticipation of commuter or light rail stations. Special attention should be paid to prioritize bicycle, pedestrian, and transit access to station areas. Regulations should require *no more than an average of one on-site parking space per two bedrooms* in multifamily areas.

- b) *Increase residential density along high frequency transit corridors to 25 dwelling units per acre. Designated areas should be at least 250 acres for cities with a population of less than 40,000 people, or 500 acres for cities with a population over 40,000.***

This may be done in the form of a sub-area plan or rezoning along a transit corridor in response to or in anticipation of high frequency transit corridors. *High frequency transit service is defined as bus service at least four times per hour, at least 12 hours per day.* Rezones should include higher density residential development within a 10- to 15-minute walk of transit stops, with special attention to considerations for road crossings to transit service. Regulations should require *no more than an average of one on-site parking space per two bedrooms* in multifamily areas.

- c) *Authorize at least one duplex, triplex, or courtyard apartment on each parcel in one or more zoning districts that permit single-family residences unless a city documents a specific infrastructure or physical constraint that would make this requirement unfeasible for a particular parcel.***

This option would allow much more diversity in housing stock within single family zoning districts. Documentation of specific infrastructure or physical constraints should go beyond whether sewer or other services currently exist at the location. Documentation should describe how specific geographic features of the land, such as water bodies or critical areas make it extremely difficult to develop, or serve isolated parcels with urban services.

- d) *Authorize cluster zoning or lot size averaging in all zoning districts that permit single-family residences;***

Cluster zoning is a zoning method in which development density is determined for an entire specified area, rather than on a lot-by-lot basis. Within the specified cluster

zone, a developer can exercise greater flexibility in designing and placing structures, as long as the total density requirement is met.

Lot size averaging allows the size of individual lots within a development to vary from the zoned maximum density, provided that the average lot size in the development as a whole meets that maximum. Housing can then be developed on lots smaller than otherwise permitted in a zone, allowing for greater densities in some areas and more diversity throughout the development.

These tools can be especially useful in lands encumbered by critical areas or other constraints that point to a more flexible approach.

- e) ***Authorize attached accessory dwelling units (ADUs) on all parcels containing single-family homes where the lot is at least 3,200 square feet in size, and permit both attached and detached ADUs on all parcels containing single-family homes, provided lots are at least 4,356 square feet in size. Qualifying city ordinances or regulations may not provide for on-site parking requirements, owner occupancy requirements, or square footage limitations below 1,000 square feet for the accessory dwelling unit, and must not prohibit the separate rental or sale of accessory dwelling units and the primary residence. Cities must set applicable impact fees at no more than the projected impact of the accessory dwelling unit. To allow local flexibility, other than these factors, accessory dwelling units may be subject to such regulations, conditions, procedures, and limitations as determined by the local legislative authority, and must follow all applicable state and federal laws and local ordinances.***

All jurisdictions planning under the GMA over 20,000 in population and all counties over 125,000 in population are already required to allow accessory dwelling units (ADUs) in single family zones.¹ To be eligible for funding under E2SHB 1923, eligible jurisdictions must adopt an ADU ordinance that is consistent with these specifications for lot size, unit size, no parking requirement, no owner occupancy requirement, reduced impact fees, and subsequent separate sale of separate units. Beyond these items, local governments may choose to waive utility connection fees, building or permit fees, or address design. For more information please review [MRSC's guidance](#) on this topic, except that the 1994 CTED ADU guidance is superseded by these requirements.

- f) ***Adopt a subarea plan pursuant to RCW 43.21C.420.***

Cities with populations over 5,000 may adopt optional elements of comprehensive plans of development regulations that apply within subareas for areas that are either:

- a. Areas designated as mixed use or urban centers in a land use or transportation plan adopted by a regional transportation planning organization; or

¹ See RCW 36.70A.400 and RCW 43.63A.215(3) (laws of 1993)

- b. Areas within one half mile of a major transit stop, zoned for an average minimum density of 15 units per gross acre. A major transit stop is defined as a stop on a high capacity transportation service funded under RCW 81.104, commuter rail stops, stops on rail or fixed guideways, stops on bus rapid transit routes or routes that run on high occupancy vehicle lanes; or stops for a bus or other transit mode providing fixed route service at intervals of at least thirty minutes during the peak hours of operation.

The plan must be accompanied by an environmental impact statement (EIS) assessing and disclosing the probable significant adverse environmental impacts. Any development proposed within 10 years of the EIS, which is consistent with the plan and regulations may not be challenged under SEPA.²

g) Adopt a planned action pursuant to RCW 43.21C.440(1)(b)(ii).

A planned action is an adopted plan and environmental review on a sub-area within an urban growth area, consistent with a comprehensive plan adopted under the Growth Management Act. The plan and environmental review are completed before projects are proposed. Project-level significant impacts must be addressed in a State Environmental Policy Act (SEPA) document, unless the impacts are specifically deferred for consideration at the project level. The SEPA document may be a determination of non-significance (DNS), a mitigated determination of significance (MDNS), or an environmental impact statement EIS). To be eligible for funding, the planned action area should:

- Contain mixed use or residential development; and
- Encompasses an area that is within one-half mile of a major transit stop; or will be within one-half mile of a major transit stop no later than five years from the date of the designation of the planned action. Major transit stop means a commuter rail stop, a stop on a rail or fixed guideway or transitway system, or a stop on a high capacity transportation service funded or expanded under chapter 81.104 RCW.

For more information see <http://mrsc.org/Home/Explore-Topics/Planning/Land-Use-Administration/Planned-Action.aspx>

h) Adopt an infill exemption under RCW 43.21C.229 for residential or mixed-use development

This section allows for exemptions from SEPA evaluation if the city or county's applicable comprehensive plan was previously subjected to environmental analysis and if the local government considers the specific probable adverse environmental impacts of the proposed action and determines they are adequately addressed by the development regulations or other requirements.

² See RCW 43.21C.420 (amended by E2SHB 1923, laws of 2019)

Such an exemption categorically exempts government action related to development proposed to fill in an urban growth area, where current density and intensity of use in the area is lower than called for in the goals and policies of the applicable comprehensive plan and the development is either (i) Residential development, (ii) Mixed-use development, or (iii) Commercial development up to 65,000 square feet, excluding retail development. It does not exempt government action related to development that is inconsistent with the applicable comprehensive plan or would exceed the density or intensity of use called for in the comprehensive plan.

- i) *Adopt a form-based code in one or more zoning districts that permit residential uses. "Form-based code" means a land development regulation that uses physical form, rather than separation of use, as the organizing principle for the code;***

The purpose of a form-based code is to control the size and bulk of buildings, instead of regulating by the number of units. This can help a local government encourage development that meets the desired community character, but encourages a greater number of units of a given parcel, as the number of units are not restricted. For more information see mrsc.org/Home/Explore-Topics/Planning/Development-Types-and-Land-Uses/Form-Based-Codes.aspx.

- j) *Authorize a duplex on each corner lot within all zoning districts that permit single-family residences.***

A duplex on a corner lot can have the advantage of looking like a single-family housing unit with a front-facing door on each corner. This approach can add density in single-family areas without appearing to add a traditional duplex, but provides the benefit of additional smaller units which can be more affordable.

- k) *Allow for the division or redivision of land into the maximum number of lots through the short subdivision process provided in chapter 58.17 RCW;***

RCW 58.17.020(6) defines a short subdivision as "the division or re-division of land into four or fewer lots, tracts, parcels, sites, or divisions for the purpose of sale, lease, or transfer of ownership. However, the legislative authority of any city or town may by local ordinance increase the number of lots, tracts, or parcels to be regulated as short subdivisions to a maximum of nine. This applies in all cities and for counties within urban growth areas. By increasing the number of lots in short plat, more development may be permitted by the quicker short plat process, which can be processed administratively, rather than the longer subdivision process, which generally requires approval of the legislative body. Local governments may also wish to review RCW 58.17.100 which allows for delegation of final plat approval to the planning commission or staff rather than going back to council.

- l) Authorize a minimum net density of six dwelling units per acre in all residential zones, where the residential development capacity will increase within the city.***

This option is applicable where net density in residential zones is less than six dwelling units per acre. Net density is the gross acreage minus public right of ways, divided by the number of units. Where areas are encumbered by critical areas, clustering can help achieve the target density.

2. Cities may instead adopt a Housing Action Plan

The goal of any such housing plan must be to encourage construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes, including strategies aimed at the for-profit single-family home market. The housing action plan should:

- (a) Quantify existing and projected housing needs for all income levels, including extremely low-income households, with documentation of housing and household characteristics, and cost-burdened households; and c) Analyze population and employment trends, with documentation of projections;***

Data should document the type and age of housing within the community, and the demographics of the households within the communities. It should look across income segments and identify how many households in each income segment are paying more than 30 percent of their income for housing costs. The analysis should also project population demographics and income levels for the planning period and identify the types and densities of housing that are needed for housing suitable and affordable for all demographic and economic segments. This analysis should specifically consider multifamily and attached housing types. For more information see WAC 365-196-410.

- (b) Develop strategies to increase the supply of housing, and variety of housing types, needed to serve the housing needs identified in (a) of this subsection;***

Data gathered in the previous section should point to the types of housing that should be allowed by local zoning, and the types of incentives and regulations that will be needed to encourage the development of appropriate housing affordable to all income segments of the community. Trade-offs in parking requirements, setbacks, and open space considerations may be reviewed as they affect the yield in housing. Strategies to encourage and support the development of subsidized housing, such as fee waivers and free land should be considered, along with options for creating more

housing. For a full menu of strategies, see www.ezview.wa.gov (Affordable Housing Planning Resources). Policy actions can be evaluated on the whether they are short term, or long term, how effective they are, or whether they have a fiscal impact.

(d) Consider strategies to minimize displacement of low-income residents resulting from redevelopment;

Economic displacement occurs where low-income residents are forced out of traditional low-cost areas as redevelopment occurs and rents rise. Strategies to minimize displacement include preserving existing affordable housing, encouraging greater housing development, including, but not limited to affordable housing (so more housing is available for all income segments), using collective ownership of housing, engaging existing residents in identifying strategies, and taking a broader look using regional rather than localized strategies. For more information consider US Department of Housing and Urban Development (HUD) resources such as: www.huduser.gov/portal/sites/default/files/pdf/DisplacementReport.pdf

(e) Review and evaluate the current housing element adopted pursuant to RCW 36.70A.070, including an evaluation of success in attaining planned housing types and units, achievement of goals and policies, and implementation of the schedule of programs and actions;

The housing element of the comprehensive plan should be evaluated for how well development is implementing policies, specifically whether the community is on track to accommodate the portion of the countywide population allocated to the community within the planning period, and whether the housing types are affordable to all economic segments. If these metrics are not met, new comprehensive plan policies should be proposed to support zoning that allow the size and types of housing that can be affordable to most economic segments of the population. Policies may also encourage or incentivize the development of subsidized affordable housing. Action strategies or housing metrics can help the plan stay on track over time.

(f) Provide for participation and input from community members, community groups, local builders, local realtors, nonprofit housing advocates, and local religious groups; and

Broad participation from all parts of the community can help to understand and communicate the housing need. Members of the public can provide information and perspective on how the community can meet the state requirements to plan for housing affordable to all economic segments.

(g) Include a schedule of programs and actions to implement the recommendations of the housing action plan.

The housing action plan should cumulate in a broad array of potential programs and actions that the jurisdiction has committed to pursue, or can partner with other organizations to implement. The actions should include an update to policies in the comprehensive plan, along with actions to update regulations to implement selected strategies. The schedule should include a timeline for actions and funding, if required to implement the plan.

Actions protected from appeal

If adopted between July 28, 2019, and April 1, 2021, ordinances, amendments to development regulations, and other nonproject actions taken by a city are not subject to administrative or judicial appeal under the State Environmental Policy Act (SEPA).³ This excludes the adoption of a sub-area plan adopted pursuant to RCW 43.21C.420.

In addition, any action taken by a city prior to April 1, 2021 to amend their comprehensive plan, or adopt or amend ordinances or development regulations to enact any of the twelve actions to increase residential building capacity is not subject to appeal to the Growth Management Hearings Boards.⁴

³ E2SHB 1923, Section 1(3)

⁴ E2SHB 1923, Section 1 (4)



Department of Commerce

Increasing Residential Building Capacity E2SHB 1923 Grant Opportunity Overview

**Growth Management Services
Local Government Division**

Frequently Asked Questions (FAQs)

E2SHB 1923 provided \$5 million to increase residential building capacity. Commerce developed the E2SHB 1923 Funding Opportunity Interest survey for the 53 GMA cities, over 20,000 in population, which are prioritized to receive the funding under the bill. The survey includes questions about the various eligible activities and which options these cities are likely to pursue if they apply for grant funding. A grant application will be finalized and released after the survey results are analyzed by Commerce.

The following questions about this new grant opportunity have been received by Commerce. We have compiled these questions below, with answers, based on our analyses of the legislation, housing technical assistance, and our development of the grant program to date.

QUESTIONS RELATED TO THE SURVEY AND TIMELINES

1. When will the grant application be available?

Commerce is developing a formal grant application following the completion of the survey. Applications will be sent on August 15, 2019, to the person designated as lead staff in the survey. Applications will be due to Commerce September 30, 2019.

2. How much detail are you expecting in the survey comment boxes for code citations. Is there a word or letter count that we need to comply with?

Title and section citations of the city code are sufficient. We are looking for enough information to find the applicable section of your city code. Survey Monkey sets a limit of 100 characters for a single line of text.

- 3. We would like your feedback on answering a survey question with “we will likely use our grant funding to implement this measure.” At this point in the process, staff have evaluated which items we would qualify for, but the Mayor, and other decision makers have oversight over the work program for our department. Given your very short timeline, we would prefer to answer any that are possible.**

That is an excellent approach. You won't be tied to survey responses. Identify those options in the bill you have already done, which options you probably won't be doing, and the action items you think your jurisdiction may be pursuing under the grant.

- 4. What was the effective date of HB 1923?**

July 28, 2019.

- 5. How long will a city have to spend its funds once awarded? When are the start and end dates?**

Section 1(6) of the bill states that funding may be provided in advance of, and to support adoption of policies or ordinances consistent with this section. A city may start documenting expenses on specific tasks from the effective date of the bill, which is July 28, 2019, but funding is available only if a grant is awarded. Billing may occur only after there is a signed contract, which we expect to occur in November 2019. The end of the contract period will be June 30, 2021, however, eligible actions must be taken (adopted) by April 1, 2021 to receive full funding, and all deliverables must be submitted by June 15, 2021.

- 6. How will applications be selected for funding through the grant selection process?**

Commerce will use the survey to develop a strategy to award funds across eligible jurisdictions and consistent with level of effort. Eligible applications will be scored consistent with scoring criteria, which will be part of the application.

QUESTIONS ABOUT GRANT FUNDING

1. **The survey used the word “alternatively” but the text of E2SHB 1923 suggests that a city could apply for both if desired.**

Section 1 (Subsections 6 & 7) of the bill provide criteria for funding applications. Section 1(6) states that a city over 20,000 population that takes at least two of the listed actions can apply for \$100,000, and may apply for more if the action demonstrates extraordinary potential to increase housing supply and streamline regulations. Section 1(7) states that a cities can apply for up to \$100,000 to develop a housing action plan. Section 1(8) says that Commerce shall establish grant amounts to ensure all cities can receive some level of grant support. As there are 53 eligible jurisdictions and only \$5 million available, Commerce recommends a city choose one or the other option, or a combination for a maximum ask of \$100,000, demonstrating the level of effort required for each action, unless they can make a case for extraordinary potential.

2. **What sort of documentation might you be looking for to support an application for a grant that exceeds \$100,000?**

An eligible city may request more than \$100,000 for applications that demonstrate “*extraordinary potential to increase housing supply or regulatory streamlining,*” such as the following:

- A single jurisdiction proposing at least two of the activities and explaining how these actions demonstrate extraordinary potential to increase housing supply or regulatory streamlining (does not include a housing action plan).
- Transit corridor planning with multiple jurisdictions and tribes, if applicable. Documentation would include the extraordinary increase in capacity or streamlining from working together.
- Housing action plans that cross multiple jurisdictions, and are coordinators for consistency. Documentation would include the extraordinary increases in capacity or streamlining as a result of working together.
- Jurisdictions eligible for the first round of funding may apply with ineligible jurisdictions for activities such as regional housing action plans or subarea plans that may cross jurisdictional boundaries, including into unincorporated UGAs. However, funding for ineligible partners may be available at a significantly reduced amounts.

Commerce is still developing final grant application criteria, and the survey results will assist further. Examples of documentation may include the following: If city proposes to adopt actions to increase capacity, it may provide a rough estimate of number of additional units that may be produced over the 20-year period as a result of these actions, including the assumptions you used in the estimate, and how these numbers are extraordinary, compared to existing plans and regulations, or to other similar jurisdictions. If a city proposes permit streamlining, documentation may include an estimate of the number and percentage of units that the proposed tool(s) may potentially streamline within the jurisdiction, and how this might be extraordinary compared to normal course of business or other similar jurisdictions.

For jurisdictional activities, a single application should be submitted by a jurisdiction eligible for the first round of funding.

- 3. If a city has a population of only 5,000 residents, which is below the established threshold of 20,000, are there any opportunities for that city to join with neighboring cities who may, together, have a combined population equal to or greater than the minimum population threshold?**

No, not in the first round. The legislature prioritized this funding first for cities of over 20,000 population, as these hold the greatest potential for increasing residential capacity. After first-round applications have been scored and funds awarded, and if funds are still available, Commerce may seek applications from smaller cities.

- 4. Is it still \$100,000 limit if a city applies with an adjacent jurisdiction?**

Cities with over 20,000 population may combine their funds and apply jointly for up to \$100,000 each for activities under this grant.

- 5. HB 1923 says that an eligible jurisdiction must be “*planning to take at least two actions...between the effective date of this section and April 1, 2021...*” That states an intent. If we were to apply for a grant with the intent of completing that work and moving the ordinance to city council for action prior to 4/21 but the political process pushes the adoption beyond that date, does this imply that the city has to pay the state back?**

No, we do not anticipate providing an advance that would need to be paid back, but rather, we will likely structure the grant based on similar performance based grants, with scope of work milestones and deliverables completed in order to receive scheduled

payments, including the final deliverable(s). Commerce anticipates the grant contract end date will coincide with the end of the state fiscal year, June 30, 2021. Therefore, final grant payment, as a percentage of the overall grant award, may be contingent on submittal of an adopted action as the final deliverable. We anticipate the final amount will be 30 percent of the total grant award.

QUESTIONS ABOUT GRANT ACTIVITIES

- 1. If we have already started an eligible activity, can we use the funds to complete the activity within the grant timeline?**

Yes, however, the application should clearly document progress to date and detail the tasks that will be carried out using grant funds. If most of the activity is already complete, it may not qualify as one of the two actions required under the bill. In this case, at least two additional activities would be needed to qualify for grant funding.

- 2. One of the actions identified under the bill includes a Housing Action Plan. May grant funds be utilized for a "Housing Assessment Study"?**

Yes, you could apply for this as part of the grant, but it should be part of a much larger package of actions. A "Housing Assessment study" appears to be just the first of seven components of housing action plan defined in the bill. The legislature provided up to \$100,000 for a housing action plan.

- 3. The bill seems a little unclear as to what are the specific expectations and requirements to be considered an acceptable "Housing Action Plan". Is it possible to see a "model" "Housing Action Plan" to better understand the specific requirements of what constitutes a "Housing Action Plan".**

The bill lists a number of steps which must be completed, and best practices suggest a few other steps. Housing action plans must include all elements in the bill to be eligible for funding. Commerce has no model housing action plan. However, many Washington jurisdictions have already adopted housing strategies, such as Tacoma's [Affordable Housing Action Strategy](#) and Wenatchee [Our Valley Our Future](#) action plan, which were considered as models when the bill was adopted.

4. Questions on E2SHB 1923 subsections 1(b): We exceed this amount of acreage in this zoning category with transit – is this for additional acreage?

The language in the bill says 500 acres in one or more areas for larger jurisdictions.

- If you already have a 500-acre sub-area that meets the density and transit frequency in the bill, then you have already completed this option, unless the work will enable additional housing capacity.
- You may do additional planning for an already-designated 500-acre sub-area to meet the density criteria in the bill.

If the transit service does not currently meet the “high quality transit definition, (*bus service at least four times per hour, at least 12 hours per day*)”, then this is not a project that is eligible for funding.

5. Item 1(d) – how is “cluster zoning” and “lot size averaging” defined in an urban definition?

The intent appears to be to remove or reduce the minimum lot size so that a greater variety of lot sizes and housing types could be constructed on a given parcel within an urban growth area.

6. Question 9 (1g) in the survey adds some detail not in the bill. We would like some assistance on that question and determining applicability.

Option 1(g) is to adopt a planned action pursuant to RCW 43.21C.440(1)(b)(ii), being clear that the environmental review does not have to be a full environmental impact statement (EIS). However, to be eligible for funding, the planned action area should:

- Contain mixed use or residential development; and
- Encompass an area that is within one-half mile of “a major transit stop”; or will be within one-half mile of a major transit stop no later than five years from the date of the designation of the planned action.

Subsection 5 of RCW 43.21C.440 was not mentioned in the bill, but it is relevant as it defines “*a major transit stop*” as a commuter rail stop, a stop on a rail or fixed guideway or transitway system, or a stop on a high capacity transportation service funded or expanded under chapter 81.104 RCW.¹

¹ Defined in RCW 43.21C.440(5).

- 7. We recently adopted an ADU ordinance that meets the criteria for such in HB 1923. There is much work yet to do in implementing that ordinance to encourage and support ADU development in the city. Would that be a category of work that would be eligible for the grant?**

The language of the bill states that jurisdictions must “take action” to be eligible for the funding. If the ordinance is already adopted, actions beyond that to directly implement the ordinance, such as creating guidance materials and developing new procedures are likely to eligible activities. We envision that these proposals to implement such activities, in order to receive funding, would need to be clearly outlined in the proposed work program.

Commerce contacts:

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Anne Fritzel, Senior Planner, Project Technical Assistance (360) 725-3064

Paul Johnson, GMS Grants Coordinator, (360) 725-3048

Activities eligible for E2SHB 1923 funding

1. Select at least two of the actions listed below:

- a) *Increase residential density near commuter or light rail stations to 50 dwelling units per acre. Designated areas should be at least 500 acres in size.***

This may be done in the form of a sub-area plan or rezoning within a designated area in response to or anticipation of commuter or light rail stations. Special attention should be paid to prioritize bicycle, pedestrian, and transit access to station areas. Regulations should require *no more than an average of one on-site parking space per two bedrooms* in multifamily areas.

- b) *Increase residential density along high frequency transit corridors to 25 dwelling units per acre. Designated areas should be at least 250 acres for cities with a population of less than 40,000 people, or 500 acres for cities with a population over 40,000.***

This may be done in the form of a sub-area plan or rezoning along a transit corridor in response to or in anticipation of high frequency transit corridors. *High frequency transit service is defined as bus service at least four times per hour, at least 12 hours per day.* Rezoning should include higher density residential development within a 10- to 15-minute walk of transit stops, with special attention to considerations for road crossings to transit service. Regulations should require *no more than an average of one on-site parking space per two bedrooms* in multifamily areas.

- c) *Authorize at least one duplex, triplex, or courtyard apartment on each parcel in one or more zoning districts that permit single-family residences unless a city documents a specific infrastructure or physical constraint that would make this requirement unfeasible for a particular parcel.***

This option would allow much more diversity in housing stock within single family zoning districts. Documentation of specific infrastructure or physical constraints should go beyond whether sewer or other services currently exist at the location. Documentation should describe how specific geographic features of the land, such as water bodies or critical areas make it extremely difficult to develop, or serve isolated parcels with urban services.

- d) *Authorize cluster zoning or lot size averaging in all zoning districts that permit single-family residences;***

Cluster zoning is a zoning method in which development density is determined for an entire specified area, rather than on a lot-by-lot basis. Within the specified cluster

zone, a developer can exercise greater flexibility in designing and placing structures, as long as the total density requirement is met.

Lot size averaging allows the size of individual lots within a development to vary from the zoned maximum density, provided that the average lot size in the development as a whole meets that maximum. Housing can then be developed on lots smaller than otherwise permitted in a zone, allowing for greater densities in some areas and more diversity throughout the development.

These tools can be especially useful in lands encumbered by critical areas or other constraints that point to a more flexible approach.

- e) ***Authorize attached accessory dwelling units (ADUs) on all parcels containing single-family homes where the lot is at least 3,200 square feet in size, and permit both attached and detached ADUs on all parcels containing single-family homes, provided lots are at least 4,356 square feet in size. Qualifying city ordinances or regulations may not provide for on-site parking requirements, owner occupancy requirements, or square footage limitations below 1,000 square feet for the accessory dwelling unit, and must not prohibit the separate rental or sale of accessory dwelling units and the primary residence. Cities must set applicable impact fees at no more than the projected impact of the accessory dwelling unit. To allow local flexibility, other than these factors, accessory dwelling units may be subject to such regulations, conditions, procedures, and limitations as determined by the local legislative authority, and must follow all applicable state and federal laws and local ordinances.***

All jurisdictions planning under the GMA over 20,000 in population and all counties over 125,000 in population are already required to allow accessory dwelling units (ADUs) in single family zones.² To be eligible for funding under E2SHB 1923, eligible jurisdictions must adopt an ADU ordinance that is consistent with these specifications for lot size, unit size, no parking requirement, no owner occupancy requirement, reduced impact fees, and subsequent separate sale of separate units. Beyond these items, local governments may choose to waive utility connection fees, building or permit fees, or address design. For more information please review [MRSC's guidance](#) on this topic, except that the 1994 CTED ADU guidance is superseded by these requirements.

- f) ***Adopt a subarea plan pursuant to RCW 43.21C.420.***

Cities with populations over 5,000 may adopt optional elements of comprehensive plans of development regulations that apply within subareas for areas that are either:

- a. Areas designated as mixed use or urban centers in a land use or transportation plan adopted by a regional transportation planning organization; or

² See RCW 36.70A.400 and RCW 43.63A.215(3) (laws of 1993)

- b. Areas within one half mile of a major transit stop, zoned for an average minimum density of 15 units per gross acre. Section 3 of RCW 43.21C.420 defines “a major transit stop” as a stop on a high capacity transportation service funded under RCW 81.104, commuter rail stops, stops on rail or fixed guideways, stops on bus rapid transit routes or routes that run on high occupancy vehicle lanes; or stops for a bus or other transit mode providing fixed route service at intervals of at least thirty minutes during the peak hours of operation.

The plan must be accompanied by an environmental impact statement (EIS) assessing and disclosing the probable significant adverse environmental impacts. Any development proposed within 10 years of the EIS, which is consistent with the plan and regulations may not be challenged under SEPA.³

g) Adopt a planned action pursuant to RCW 43.21C.440(1)(b)(ii).

A planned action is an adopted plan and environmental review on a sub-area within an urban growth area, consistent with a comprehensive plan adopted under the Growth Management Act. The plan and environmental review are completed before projects are proposed. Project-level significant impacts must be addressed in a State Environmental Policy Act (SEPA) document, unless the impacts are specifically deferred for consideration at the project level. The SEPA document may be a determination of non-significance (DNS), a mitigated determination of significance (MDNS), or an environmental impact statement EIS). To be eligible for funding, the planned action area should:

- Contain mixed use or residential development; and
- Encompasses an area that is within one-half mile of a major transit stop; or will be within one-half mile of a major transit stop no later than five years from the date of the designation of the planned action. Section 5 of RCW 43.21C.440 defines a major transit stop as a commuter rail stop, a stop on a rail or fixed guideway or transitway system, or a stop on a high capacity transportation service funded or expanded under chapter 81.104 RCW.⁴

For more information see <http://mrsc.org/Home/Explore-Topics/Planning/Land-Use-Administration/Planned-Action.aspx>

h) Adopt an infill exemption under RCW 43.21C.229 for residential or mixed-use development

This section allows for exemptions from SEPA evaluation if the city or county's applicable comprehensive plan was previously subjected to environmental analysis and if the local government considers the specific probable adverse environmental

³ See RCW 43.21C.420 (amended by E2SHB 1923, laws of 2019)

⁴ Defined in RCW 43.21C.440(5).

impacts of the proposed action and determines they are adequately addressed by the development regulations or other requirements.

Such an exemption categorically exempts government action related to development proposed to fill in an urban growth area, where current density and intensity of use in the area is lower than called for in the goals and policies of the applicable comprehensive plan and the development is either (i) Residential development, (ii) Mixed-use development, or (iii) Commercial development up to 65,000 square feet, excluding retail development. It does not exempt government action related to development that is inconsistent with the applicable comprehensive plan or would exceed the density or intensity of use called for in the comprehensive plan.

- i) Adopt a form-based code in one or more zoning districts that permit residential uses. "Form-based code" means a land development regulation that uses physical form, rather than separation of use, as the organizing principle for the code;***

The purpose of a form-based code is to control the size and bulk of buildings, instead of regulating by the number of units. This can help a local government encourage development that meets the desired community character, but encourages a greater number of units of a given parcel, as the number of units are not restricted. For more information see mrsc.org/Home/Explore-Topics/Planning/Development-Types-and-Land-Uses/Form-Based-Codes.aspx.

- j) Authorize a duplex on each corner lot within all zoning districts that permit single-family residences.***

A duplex on a corner lot can have the advantage of looking like a single-family housing unit with a front-facing door on each corner. This approach can add density in single-family areas without appearing to add a traditional duplex, but provides the benefit of additional smaller units which can be more affordable.

- k) Allow for the division or redivision of land into the maximum number of lots through the short subdivision process provided in chapter 58.17 RCW;***

RCW 58.17.020(6) defines a short subdivision as "the division or re-division of land into four or fewer lots, tracts, parcels, sites, or divisions for the purpose of sale, lease, or transfer of ownership. However, the legislative authority of any city or town may by local ordinance increase the number of lots, tracts, or parcels to be regulated as short subdivisions to a maximum of nine. This applies in all cities and for counties within urban growth areas. By increasing the number of lots in short plat, more development may be permitted by the quicker short plat process, which can be processed administratively, rather than the longer subdivision process, which generally requires approval of the legislative body. Local governments may also wish to review RCW

58.17.100 which allows for delegation of final plat approval to the planning commission or staff rather than going back to council.

- l) Authorize a minimum net density of six dwelling units per acre in all residential zones, where the residential development capacity will increase within the city.***

This option is applicable where net density in residential zones is less than six dwelling units per acre. Net density is the gross acreage minus public right of ways, divided by the number of units. Where areas are encumbered by critical areas, clustering can help achieve the target density.

2. Cities may instead adopt a Housing Action Plan

The goal of any such housing plan must be to encourage construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes, including strategies aimed at the for-profit single-family home market. The housing action plan should:

- (a) Quantify existing and projected housing needs for all income levels, including extremely low-income households, with documentation of housing and household characteristics, and cost-burdened households; and c) Analyze population and employment trends, with documentation of projections;***

Data should document the type and age of housing within the community, and the demographics of the households within the communities. It should look across income segments and identify how many households in each income segment are paying more than 30 percent of their income for housing costs. The analysis should also project population demographics and income levels for the planning period and identify the types and densities of housing that are needed for housing suitable and affordable for all demographic and economic segments. This analysis should specifically consider multifamily and attached housing types. For more information see WAC 365-196-410.

- (b) Develop strategies to increase the supply of housing, and variety of housing types, needed to serve the housing needs identified in (a) of this subsection;***

Data gathered in the previous section should point to the types of housing that should be allowed by local zoning, and the types of incentives and regulations that will be needed to encourage the development of appropriate housing affordable to all income segments of the community. Trade-offs in parking requirements, setbacks,

and open space considerations may be reviewed as they affect the yield in housing. Strategies to encourage and support the development of subsidized housing, such as fee waivers and free land should be considered, along with options for creating more housing. For a full menu of strategies, see www.ezview.wa.gov (Affordable Housing Planning Resources). Policy actions can be evaluated on the whether they are short term, or long term, how effective they are, or whether they have a fiscal impact.

(d) Consider strategies to minimize displacement of low-income residents resulting from redevelopment;

Economic displacement occurs where low-income residents are forced out of traditional low-cost areas as redevelopment occurs and rents rise. Strategies to minimize displacement include preserving existing affordable housing, encouraging greater housing development, including, but not limited to affordable housing (so more housing is available for all income segments), using collective ownership of housing, engaging existing residents in identifying strategies, and taking a broader look using regional rather than localized strategies. For more information consider US Department of Housing and Urban Development (HUD) resources such as: www.huduser.gov/portal/sites/default/files/pdf/DisplacementReport.pdf

(e) Review and evaluate the current housing element adopted pursuant to RCW 36.70A.070, including an evaluation of success in attaining planned housing types and units, achievement of goals and policies, and implementation of the schedule of programs and actions;

The housing element of the comprehensive plan should be evaluated for how well development is implementing policies, specifically whether the community is on track to accommodate the portion of the countywide population allocated to the community within the planning period, and whether the housing types are affordable to all economic segments. If these metrics are not met, new comprehensive plan policies should be proposed to support zoning that allow the size and types of housing that can be affordable to most economic segments of the population. Policies may also encourage or incentivize the development of subsidized affordable housing. Action strategies or housing metrics can help the plan stay on track over time.

(f) Provide for participation and input from community members, community groups, local builders, local realtors, nonprofit housing advocates, and local religious groups; and

Broad participation from all parts of the community can help to understand and communicate the housing need. Members of the public can provide information and perspective on how the community can meet the state requirements to plan for housing affordable to all economic segments.

(g) Include a schedule of programs and actions to implement the recommendations of the housing action plan.

The housing action plan should cumulate in a broad array of potential programs and actions that the jurisdiction has committed to pursue, or can partner with other organizations to implement. The actions should include an update to policies in the comprehensive plan, along with actions to update regulations to implement selected strategies. The schedule should include a timeline for actions and funding, if required to implement the plan.

Actions protected from appeal

If adopted between July 28, 2019, and April 1, 2021, ordinances, amendments to development regulations, and other nonproject actions taken by a city are not subject to administrative or judicial appeal under the State Environmental Policy Act (SEPA).⁵ This excludes the adoption of a sub-area plan adopted pursuant to RCW 43.21C.420.

In addition, any action taken by a city prior to April 1, 2021 to amend their comprehensive plan, or adopt or amend ordinances or development regulations to enact any of the twelve actions to increase residential building capacity is not subject to appeal to the Growth Management Hearings Boards.⁶

⁵ E2SHB 1923, Section 1(3)

⁶ E2SHB 1923, Section 1 (4)



2019 Housing Bills for Planners

Overview

Several bills passed in the 2019 legislative session that may affect the work of local planners on housing actions.

- E2SHB 1923 provides incentives to larger cities and protections to all Washington cities to adopt a menu of measures to increase affordability. It also adds definitions to the Growth Management Act (GMA) and limits the amount of parking a city may require for senior, disabled and low-income housing.
- SB 5383 enables cities and counties to permit tiny home villages in manufactured home parks.
- SHB 1377 requires cities to provide a bonus density for affordable housing on property owned or controlled by a religious organization.
- HB 1219 extends cities' and counties' ability to use local real estate excise taxes for their own homelessness and housing efforts.
- SHB 1406 allows for a sales tax reversion from the state to cities, which the cities can bond for affordable housing.

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<https://www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/>

1. E2SHB 1923 asks cities to increase residential building capacity

All cities planning under the GMA are encouraged to adopt actions to increase residential building capacity. Cities are especially encouraged to increase residential capacity in areas that have supportive transportation and utility infrastructure, and are served with frequent transit service.¹ Cities are also encouraged to prioritize the creation of affordable, inclusive neighborhoods and to consider the risk of residential displacement, particularly in neighborhoods with communities at high risk of displacement.²

E2SHB 1923 also provides grants and other incentives to encourage adoption of actions to increase housing affordability. Cities over 20,000 in population adopting at least two of 12 specific actions to increase residential building capacity between July 28, 2019³, and April 1, 2021, or a housing action plan, are eligible to apply for up to \$100,000 in the form of a planning assistance grant.⁴ Grant funding is available through the Department of Commerce for the 2019-2021 biennium. For information on the grant program, see www.commerce.wa.gov/serving-communities/growth-management/growth-management-grants/.

2. New definitions added to the Growth Management Act⁵

E2SHB 1923 added the following definitions to GMA. Jurisdictions should ensure that these definitions are included in their codes for reference in any tool they use to address affordable housing, that doesn't also have its own definitions in RCW.

(24) "Affordable housing" means, unless the context clearly indicates otherwise, residential housing whose monthly costs, including utilities other than telephone, do not exceed thirty percent of the monthly income of a household whose income is:

(a) For rental housing, sixty percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States Department of Housing and Urban Development (HUD).

(b) For owner-occupied housing, eighty percent of the median household income adjusted for household size, for the county where the household is located, as

¹ E2SHB 1923 Section 5.

² E2SHB 1923 Section 1(9).

³ The effective date of E2SHB 1923

⁴ E2SHB 1923, Section 1(1, 6, 7, 8). Funding comes from a \$2.50 addition to document recording fees, for a limited time, after which, the funds are to be used for maintenance and operation costs of permanent supportive housing and affordable housing for very low-income and extremely low-income households.

⁵ E2SHB 1923 Section 2

reported by the United States Department of Housing and Urban Development (HUD).

(25) "**Extremely low-income household**" means a single person, family, or unrelated persons living together whose adjusted income is at or below thirty percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States Department of Housing and Urban Development (HUD).

(26) "**Low-income household**" means a single person, family, or unrelated persons living together whose adjusted income is at or below eighty percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States Department of Housing and Urban Development (HUD).

(27) "**Permanent supportive housing**" is subsidized, leased housing with no limit on length of stay, paired with on-site or off-site voluntary services designed to support a person living with a disability to be a successful tenant in a housing arrangement, improve the resident's health status, and connect residents of the housing with community-based health care, treatment, and employment services.

(28) "**Very low-income household**" means a single person, family, or unrelated persons living together whose adjusted income is at or below fifty percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States Department of Housing and Urban Development (HUD).

3. Parking maximums for certain types of development⁶

E2SHB 1923 limits the amount of parking a city may require for low income, senior, and affordable housing for housing units located near high quality transit service. This applies to all units constructed after July 1, 2019.

- (1) For housing units that are affordable to very low-income or extremely low-income individuals, located within 1/4 mile of a transit stop that receives transit service at least four times per hour for twelve or more hours per day, minimum residential parking requirements may be no greater than one parking space per bedroom or .75 space per unit. A city may require a developer to record a covenant that prohibits the rental of a unit subject to this parking restriction for any purpose other than providing for housing for very low-income or extremely low-income individuals. The covenant must address price restrictions and household income limits and policies if the property is converted to

⁶ E2SHB 1923, Section 5.

a use other than for low-income housing. A city may establish a requirement for the provision of more than one parking space per bedroom or .75 space per unit if the jurisdiction has determined a particular housing unit to be in an area with a lack of access to street parking capacity, physical space impediments, or other reasons supported by evidence that would make on-street parking infeasible for the unit.

- (2) *For housing units that are specifically for seniors or people with disabilities, that are located within 1/4 mile of a transit stop that receives transit service at least four times per hour for twelve or more hours per day, a city may not impose minimum residential parking requirements for the residents of such housing units, subject to the exceptions provided in this subsection. A city may establish parking requirements for staff and visitors of such housing units. A city may establish a requirement for the provision of one or more parking spaces per bedroom if the jurisdiction has determined a particular housing unit to be in an area with a lack of access to street parking capacity, physical space impediments, or other reasons supported by evidence that would make on-street parking infeasible for the unit. A city may require a developer to record a covenant that prohibits the rental of a unit subject to this parking restriction for any purpose other than providing for housing for seniors or people with disabilities.*

4. Permanent supportive housing may not be prohibited

A city planning under RCW 35.21 and a code city planning under RCW 35A.21 may not prohibit permanent supportive housing in areas where multifamily housing is permitted.⁷

"Permanent supportive housing" is defined as *subsidized, leased housing with no limit on length of stay, paired with on-site or off-site voluntary services designed to support a person living with a disability to be a successful tenant in a housing arrangement, improve the resident's health status, and connect residents of the housing with community-based health care, treatment, and employment services.*

Local governments should ensure that zoning ordinances include this definition, and do not prohibit this type of housing where multifamily housing is permitted.

⁷ E2SHB 1923 Sections 9 and 10.

5. Appeals of actions implementing E2SHB 1923 are limited, if adopted before April 1, 2021

If adopted between July 28, 2019, and April 1, 2021, ordinances, amendments to development regulations, and other nonproject actions taken by a city are not subject to administrative or judicial appeal under the State Environmental Policy Act (SEPA).⁸ This excludes the adoption of a sub-area plan adopted pursuant to RCW 43.21C.420. Any action taken by a city prior to April 1, 2021 to amend their comprehensive plan, or adopt or amend ordinances or development regulations to enact any of the 12 actions to increase residential building capacity is not subject to appeal to the Growth Management Hearings Boards.⁹

6. Help with data from the Washington Center for Real Estate Research

The **Washington Center for Real Estate Research (WCRER)** at the University of Washington shall produce a report every two years that compiles housing supply and affordability metrics for each GMA city with a population of 10,000 or more.¹⁰ An initial report, due Oct. 15, 2020, will be a compilation of objective criteria relating to development regulations, zoning, income, housing and rental prices, housing affordability programs, and other metrics relevant to assessing housing supply and affordability for all income segments, including the percentage of cost-burdened households. The 2022 report will also include data relating to actions taken by cities under E2SHB 1923. The 2024 report will also include relevant data relating to buildable lands reports prepared under RCW 36.70A.215, where applicable, and updates to comprehensive plans under this chapter. For more information about WCRER, see its web site at <http://realestate.washington.edu/research/wcrer/>

7. Development projects may be protected from SEPA appeal on transportation impacts¹¹

E2SHB 1923 provides an option to protect SEPA decisions from appeal *for impacts to transportation elements of the environment*, when the approved residential, multifamily, or mixed-use project in a GMA city or town is:

- Consistent with the local adopted transportation plan or transportation element of the comprehensive plan, and;

⁸ E2SHB 1923, Section 1(3)

⁹ E2SHB 1923, Section 1 (4)

¹⁰ E2SHB 1923 Section 3

¹¹ E2SHB 1923 Section 6.

- Is subject to locally adopted impact fees and/or traffic and parking impacts are expressly mitigated under another ordinance, and;
- If WSDOT determines the project would not present significant adverse impacts to the state-owned transportation system.

This provision is intended to encourage development within central infill areas because it is less likely to impact the state system. This is an optional process where the local SEPA responsible official or developer may consult with WSDOT regional Development Services offices to obtain a letter of no significant adverse impact to "transportation elements of the environment," which include impacts to transportation systems; vehicular traffic; waterborne, rail, and air traffic; parking; movement or circulation of people or goods; and traffic hazards.

For technical assistance for protecting project applications from appeal based on transportation impact contact the WSDOT Development Services office for your region, or Barb De Ste. Croix, PS&E and Development Services Manager, destecb@wsdot.wa.gov or 360.705.7251.

8. Project appeal exemptions under RCW 43.21C.420 extended¹²

RCW 43.21C.420 was adopted in 2010 with the intent to encourage high-density, compact, in-fill development and redevelopment within existing urban areas in order to further the goals of the GMA, to promote the use of public transit and encourage further investment in transit systems, and to contribute to the reduction of greenhouse gas emissions. RCW 43.21C.420 provides that certain local governments may adopt an optional comprehensive plan element or sub-area plan and regulations within higher density areas, well served by transit, and evaluated by EIS. The deadline for project exemptions from appeal under this section is **extended to July 1, 2029** for a complete application that:

- Is consistent with the optional plan element or subarea plan, and development regulations, and
- Is submitted within locally adopted time frames adopted pursuant to RCW 43.21C.420(5), and
- Sets aside at least 10 percent of the units for low income households pursuant to RCW 43.21C.420 (5)(b)(ii).

¹² E2SHB 1923, Section 7

9. New provisions for tiny homes and tiny home communities

ESSB 5383 (laws of 2019) allows for the regulation of tiny houses with wheels. It allows that cities and towns may regulate tiny home communities and added new definitions to RCW 35.21.

*A **"Tiny house"** and **"tiny house with wheels"** means a dwelling to be used as permanent housing with permanent provisions for living, sleeping, eating, cooking, and sanitation built in accordance with the state building code.*

***"Tiny house communities"** means real property rented or held out for rent to others for the placement of tiny houses with wheels or tiny houses utilizing the binding site plan process in RCW 58.17.035*

The Subdivision Act (RCW 58.17.040) adds tiny houses, or tiny houses with wheels, to the exemption from subdivision for mobile homes.

RCW 35.21.684 is amended to add tiny homes. A city or town may not prevent entry or require the removal of a recreational vehicle or a tiny house with wheels used as a primary residence in manufactured/mobile home communities, except for regulations related to fire, safety, or other regulations related to recreation vehicles, or requires utility hookups to meet state or federal building code standards. If a tiny house with wheels does not have an internal toilet and shower, the manufactured home community must provide toilets and showers.

The land owner of the tiny home community shall make reasonable accommodation of utility hookups for water, power, and sewerage services and comply with all other duties of RCW 59.20. Tenants of tiny house communities are entitled to all rights and subject to all duties and penalties required under RCW 59.20. The Building Code Council must adopt specific standards for tiny houses by December 31, 2019.

10. Bonus density for affordable housing on religious organizations' land

A city planning RCW 35.63, RCW 35A.63, or RCW 36.70A, must allow an increased density bonus consistent with local needs for any affordable housing development of any single-family or multifamily residence located on real property owned or controlled by a religious organization¹³ provided that:

- (a) *The affordable housing development is set aside for or occupied **exclusively by low-income households**;*

¹³ SHB 1377 (laws of 2019).

- (b) The affordable housing development is part of a lease or other binding obligation that requires the development to be used exclusively for affordable housing purposes for **at least fifty years**, even if the religious organization no longer owns the property; and*
 - (c) The affordable housing development does not discriminate against any person who qualifies as a member of a low-income household based on race, creed, color, national origin, sex, veteran or military status, sexual orientation, or mental or physical disability, or otherwise act in violation of the federal fair housing amendments act of 1988.*
- 2) A city may develop policies to implement this section if it receives a request from a religious organization for an increased density bonus for an affordable housing development. An ordinance authorizing the bonus density should include reference to this bill, and possibly RCW 36.70A.540, and should ensure that regulations meet the specifications of this bill.*
- (3) The religious organization developing the affordable housing development must pay all fees, mitigation costs, and other charges required through the development of the affordable housing development. (4) If applicable, the religious organization developing the affordable housing development should work with the local transit agency to ensure appropriate transit services are provided to the affordable housing development.*

For purposes of this section:

- (a) "**Affordable housing development**" means a proposed or existing structure in which one hundred percent of all single-family or multifamily residential dwelling units within the development are set aside for or are occupied by low-income households at a sales price or rent amount that may not exceed thirty percent of the income limit for the low-income housing unit;*
- (b) "**Low-income household**" means a single person, family, or unrelated persons living together whose adjusted income is less than eighty percent of the median family income, adjusted for household size, for the county where the affordable housing development is located; and*
- (c) "**Religious organization**" has the same meaning as in RCW 35.21.915.*

11. New funding options for affordable housing

EHB 1219 amended RCW 82.46.035. This statute allows cities and counties to charge up to a 0.25 percent Real Estate Excise Tax (REET 1) to pay for capital facilities. This statute was amended to renew recent authorization for a city or county required to plan under the GMA to charge a **second 0.25 percent (REET 2)** to be used for *planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of facilities for those experiencing homelessness and affordable housing projects*. Any county choosing to plan under the GMA, and any city within it, may also charge the fee if a majority votes for this charge. These funds may be spent only for housing-related projects after the jurisdiction documents in the capital facilities plans that it has funds during the next two years for capital projects. *Until Jan. 1, 2026, \$100,000 or 25 percent of available funds (but not to exceed \$1,000,000) may be used for housing projects. These limits do not apply for to a county or city that used this revenue to provide housing for the homeless prior to June 30, 2019.*¹⁴

SHB 1406 added a new section RCW 82.14 authorizing city and county legislative bodies to implement a local sales tax, proportionally reducing the state sales tax, to fund affordable and permanent supportive housing. To impose the tax, a county or city legislative authority must adopt a resolution of intent within six months of the effective date of the bill and impose the tax within one year. The tax expires 20 years after the jurisdiction first imposes the tax.

A county or city may use funds on a cash basis or bond against the revenue. The collected revenue or bond issuance may only be used for the following activities:

- Acquiring, rehabilitating, or constructing affordable housing, including new units of affordable housing within an existing structure, or facilities providing supportive housing services to individuals with mental or behavioral disorders; or
- Operations and maintenance costs of new units of affordable or supportive housing.

Counties with a population of 400,000 or less, and cities with a population of 100,000 or less may also use the revenue to provide rental assistance to tenants. There is a somewhat complicated revenue sharing formula in the bill, essentially designed to share the money among cities and counties unless a city adopts a separate local housing or mental health levy. In that case, the city would also receive access to the county's share of revenues generated within their city. If either the city or the county chooses not to access this resource after one year, then the other party may levy the second share of the tax.

¹⁴ <http://lawfilesexternal.wa.gov/biennium/2019-20/Pdf/Bills/Session%20Laws/House/1219.sl.pdf>

For the first 12 months after the effective date of the bill, both cities and counties may access their half of the resources provided by the state by adopting a local sales tax of up to 0.0073 percent. A maximum tax rate of 0.0146% is available to cities levying a “qualifying local tax”. The maximum rate is also available to cities within counties that do not levy the tax and to counties in unincorporated areas and within boundaries of cities that do not levy the tax.

After the bill has been effective for one year:

- Cities without a qualifying tax may impose a rate of 0.0073 percent.
- A county may impose a rate of 0.0073 percent within the unincorporated areas and the limits of a city that levies this **HB 1406** tax but does not impose a qualifying tax.
- The maximum rate of 0.0146 percent is available to:
 - A city levying a qualifying local tax (in which case a county may not levy the tax within the limits of the city)
 - A county within its unincorporated areas and within the limits of a city that is not levying the **HB 1406** tax.
 - A city that is in a county that has chosen not to levy the **HB 1406** tax

A "qualifying local tax" is defined as the affordable housing levy, property tax levies dedicated to affordable housing, the sales and use tax for housing and related services, or the sales and use tax for chemical dependency and mental health treatment services or therapeutic courts.

12. State contacts

Department of Commerce, Growth Management Services: For technical assistance on planning for housing, contact Anne Fritzel, Senior Planner, Anne.Fritzel@commerce.wa.gov (360) 725-3064 <https://www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/>

Department of Commerce, Community Services and Housing Division: For technical assistance on financial programs, specifically **SHB 1406**, contact Emily Grossman, Housing Policy Lead, emily.grossman@commerce.wa.gov 360.725.2798

WSDOT Development Review: For technical assistance for protecting project applications from appeal based on transportation impact, contact the WSDOT Development Services office for your region, or Barb De Ste. Croix, PS&E and Development Services Manager, destecb@wsdot.wa.gov (360) 705-7251.

<https://www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/>

Department of Ecology, State Environmental Policy Act (SEPA) Assistance: Contact Brendan McFarland (360) 407-6976 bmc461@ecy.wa.gov, Fran Sant Environmental Planner, (360)407.6004 fsan461@ecy.wa.gov
<https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance>

Washington Department of Labor and Industries: For information on inspection and approval of construction of tiny homes on wheels. www.lni.wa.gov/TradesLicensing/FAS/default.asp

Building Code Council: <https://apps.des.wa.gov/SBCC/>

Washington Center for Real Estate Research: <http://realestate.washington.edu/research/wcrer/>

<https://www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/>

Briefing Paper

Urban Experience Committee

Division & Department:	Library
Subject:	Library Bond Implementation Update
Date:	8/2019
Author (email & phone):	Andrew Chanse, achanse@spokanelibrary.org , 444-5305
City Council Sponsor:	Burke
Executive Sponsor:	Andrew Chanse
Committee(s) Impacted:	Urban Experience
Type of Agenda item:	<input type="checkbox"/> Consent <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	http://future.spokanelibrary.org/SPL6%20report%202018-07-10%20DRAFT[4].pdf
Strategic Initiative:	Vision for Renewed Library System (Implementation)
Deadline:	December 2023
Outcome: (deliverables, delivery duties, milestones to meet)	SPL Bond Projects implemented by end of 2023
Background/History: <i>Update on voter approved bond for SPL capital projects</i> <ul style="list-style-type: none"> The various agreements with the School Public Schools and Park Board have been approved by all governing boards. We are working with our community partners to dive into the details of the future recording studio, bookstore and cafe that will be placed in the new Downtown branch. The Shadle team has started preparations to move the branch to the Northtown Town and we are still in schedule for early 2020. Our architects will be in town at the end of August to conduct the next round of design meetings. 	
Executive Summary: <ul style="list-style-type: none"> Updates will be shared on http://future.spokanelibrary.org/ 	
Budget Impact: Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If new, specify funding source: Voter-approved bond fund Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impact: Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Requires change in current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Specify changes required: Staffing levels adjustment Known challenges/barriers: Staffing for new/expanded facilities will need to be addressed. We are currently working on drafts of different tiers of staffing for later discussion with Library Board of Trustees, City Council, and Administration.	

Briefing Paper and Staff Report

Urban Experience Committee

Division & Department:	BDS - Long Range Planning
Subject:	North Bank Subarea Planning Update
Date:	August 12, 2019
Contact (email & phone):	mwittstruck@spokanecity.org
City Council Sponsor:	Lori Kinnear <i>Ben Stuckart, Candace Mumm</i>
Executive Sponsor:	Heather Trautman
Committee(s) Impacted:	Urban Experience
Type of Agenda item:	<input type="checkbox"/> Hearing <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Comprehensive Plan Downtown Plan
Strategic Initiative:	Advance downtown as region's largest and strongest center
Deadline:	Project complete July 2019
Outcome: (deliverables, delivery duties, milestones to meet)	<p>The North Bank subarea process began in early 2019. The project schedule is anticipated to be completed September 2019.</p> <p>The timeline has been adjusted to reflect needed study for several proposed changes; the additional time will yield a better product. Planning deliverables include a guiding policy document and development standards to implement the subarea plan. Public participation has resumed and is supporting moving towards approval process. Recommended strategies are being linked to the Downtown and S. University District planning processes, may become part of the Comprehensive Plan, and amend SMC development standards for the sub-area.</p>

Background

- *Proposed drafts have been received for a Preferred Development Scenario, Action Plan, N River Overlay standards., along with a review of a review of current SMC 17.260.*
- *City staff has presented to W Central and Riverside neighborhood councils, with CA, Logan, and Emerson-Garfield to follow in August. The Technical Team began reviewing recent drafts in late July, and the public Stakeholder Team convened July 29. This feedback will be incorporated into another iteration and will go to Plan Commission workshop August 14.*
- *Key focus areas in the draft documents are: revision to the N River Overlay regulatory boundary, recommended strategies for increasing opportunities for new housing development, and mid-block connections to facilitate N/S and E/W non-automobile transportation choices. Additionally, infrastructure improvements, including extension of Complete Streets designations to support and invite increased bike and pedestrian usage to connect to Central Downtown and surrounding neighborhoods.*
-

Executive Summary

Since the April Urban Experience Update on [North Bank Plan](#)

- *April – June Consultant and city staff work on Regulatory Review, Preferred Development Scenario, Market Assessment, North River Overlay boundaries, Action Plan and Development Standards and accompanying massing modeling for site potential. Neighborhood plans were also reviewed for key issues and projects that intersect with North Bank Subarea.*

Next steps

- The technical team and stakeholder group will meet at least one more time each. They will provide feedback as draft materials are developed, tested, and refined through public participation, and open house opportunities through August-September. A Plan Commission workshop is scheduled August 14 to review draft documents.

The final product will contain a focused and detailed statement of the community's vision for the sub-area, a preferred development scenario that represents the physical expression of that vision, together with an implementation strategy prioritizing new development standards and consisting of recommendations for land use and zoning, along with multimodal connections, open spaces, and economic development strategies. When complete, the new sub-area plan will be adopted and potentially new development standards adopted.

Budget Impact:

Approved in current year budget?

☒

Yes

☐

No

☐

N/A

Annual/Reoccurring expenditure?

☐

Yes

☒

No

☐

N/A

If new, specify funding source:

Other budget impacts: (revenue generating, match requirements, etc.)

Operations Impact:

Consistent with current operations/policy?

☒

Yes

☐

No

☐

N/A

Requires change in current operations/policy?

☒

Yes

☐

No

☐

N/A

Specify changes required:

The proposal represents a change to City code and possibly zoning.

Known challenges/barriers:

Accelerated timeline, significant outreach to many groups, connection to the Downtown planning process.

Attachment:

Briefing Paper

Urban Experience Committee

Division & Department:	Neighborhood & Planning Services
Subject:	Emergency Ordinance providing for up to a one year interim zoning ordinance that would exempt certain types of projects from the Design Review Process to allow time for drafting as needed Design Guidelines for those project types.
Date:	August xx, 2019
Author (email & phone):	Dean Gunderson, (dgunderson@spokanecity.org , x6082)
City Council Sponsor:	
Executive Sponsor:	Heather Trautman
Committee(s) Impacted:	Design Review Board
Type of Agenda item:	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment:	Comprehensive Plan (Chapter 8, Urban Design & Historic Preservation : DP 2.2 Design Guidelines and Regulations), SMC 04.13.015.B Design Review Board, SMC 17G.040.020 Development and Applications Subject to Design Review
Strategic Initiative:	Planning for Growth, Public Amenities
Deadline:	August 2020
Outcome:	New Design Guidelines
Background/History: The City of Spokane has adopted three types of development review criteria that guide development of the built environment. These are generally categorized as <i>Development Standards</i> , <i>Design Standards</i> , and <i>Design Guidelines</i> . <i>Development Standards</i> and <i>Design Standards</i> are generally administered by development services staff, department directors, or the Hearing Examiner depending on the permit application type. Only certain projects types are subject to <i>Design Guidelines</i> and review by the City's Design Review Board. The City has yet to adopt Design Guidelines for a number of project types that triggers the Design Review Board process. Temporarily suspending review of these project types from the Design Review Process will simplify the approval process while the City works to evaluate and adopt amendments to the City's various Design Guidelines and, as needed, the Design Review Process.	
Executive Summary: <ul style="list-style-type: none"> Provide new Design Guidelines for Public Projects or Structures Provide new Design Guidelines for Skywalks Explore relevance for continued Design Review for Shoreline Conditional Use Permits Explore relevance for continued Design Review for Planned Unit Developments 	
Budget Impact: Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input type="checkbox"/> No If new, specify funding source: Other budget impacts: A portion of funds will come from the existing 2019 department budget, the remainder will come from 2020 department budget.	
Operations Impact: Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Specify changes required: Known challenges/barriers: Public outreach	

BRIEFING PAPER – Urban Experience
Neighborhood & Planning Services
August xx, 2019

Subject

Emergency Ordinance providing for up to a one year interim zoning ordinance that would exempt certain types of projects from the Design Review Process to allow time for drafting as needed Design Guidelines for those project types.

Background

The City of Spokane has adopted three types of development review criteria that guide development of the built environment. These are generally categorized as *Development Standards*, *Design Standards*, and *Design Guidelines*.

Development Standards and *Design Standards* are generally administered by development services staff, department directors, or the Hearing Examiner depending on the permit application type. Only certain projects types are subject to *Design Guidelines* and review by the City's Design Review Board.

Impact

The City has yet to adopt Design Guidelines for a number of project types that trigger the Design Review Board process. This creates confusion and frustration for both the project permit applicant and those involved in the Design Review Process. Temporarily suspending review of these project types from the Design Review Process will eliminate these problems while giving the City the time necessary to evaluate and adopt amendments to the City's various Design Guidelines and as needed the Design Review Process.

During this time staff recommends that design review applications for the following project types be suspended for one year (in areas where Design Guidelines have not been adopted):

- Private **Shoreline Conditional Use Permits**,
- Private **Skywalks**,
- Non-municipal **Public Projects or Structures**, and
- **Planned Unit Developments**

Action

Adopt an emergency ordinance suspending for one year Design Review Board review of certain project types to allow time for creating Design Guidelines.

Work Plan

This effort will entail the crafting of new Design Guidelines for certain project types and any necessary amendments to the Design Review Process.

Specifically, the effort will entail writing and adopting Design Guidelines for Public Projects or Structures and Skywalks. It will also review the Design Review Process for these projects to include a threshold & trigger criteria, similar to the criteria used in the downtown.

Work Plan	Estimated Start Date	Estimated Completion Date
Emergency Ordinance	August 2019	August 2020
Develop draft guidelines	July 2019	March 2020
Review/Amend Draft & Environmental Review	April 2020	April 2020
Design Review Board & Plan Commission Recommendation Process	May 2020	June 2020
City Council Adoption	July 2020	August 2020

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SPOKANE, WASHINGTON, ADOPTING AN INTERIM ZONING ORDINANCE SUSPENDING THE REQUIREMENT FOR CERTAIN DEVELOPMENT PERMIT APPLICATIONS TO GO THROUGH THE DESIGN REVIEW PROCESS; AND DECLARING AN EMERGENCY.

WHEREAS, through Chapter 04.13 of the Spokane Municipal Code, the City has established a Design Review Board to ensure that development projects subject to design review are consistent with adopted design guidelines and help to implement the City's Comprehensive Plan; and

WHEREAS, the City of Spokane has adopted three types of development review criteria that guide development of the building environment – (i) Development Standards, (ii) Design Standards, and (iii) Design Guidelines; and

WHEREAS, the focus of the Design Review Board is on ensuring the projects are consistent with Design Guidelines, whereas Development Standards and Design Standards are generally administered by development services staff, department directors, or the hearing examiner, depending on the permit application type; and

WHEREAS, the City has yet to adopt Design Guidelines for a number of project types that trigger the Design Review Process, including private skywalks located outside the downtown, non-municipal public projects or structures, and planned unit developments (the "Exempted Projects"); and

WHEREAS, the City finds that it necessary to develop revised design review regulations to provide the Design Review Board with the necessary tools to (i) improve communication and participation among developers, neighbors, and the City early in the design and siting of new development projects subject to design review, (ii) ensure that projects subject to design review under the Spokane Municipal Code are consistent with adopted design guidelines and help implement the City's comprehensive plan, (iii) advocate for the aesthetic quality of Spokane's public realm, (iv) encourage design and site planning that responds to context, enhances pedestrian characteristics, considers sustainable design practices, and helps make Spokane a desirable place to live, work, and visit, and (v) provide flexibility in the application of development standards as allowed through development standard departures; and

WHEREAS, it is necessary to adopt an interim zoning ordinance the excuses Exempted Projects from the design review process while the City develops such revised design review regulations; and

WHEREAS, pursuant to RCW 36.70A.390, where a city adopts an interim zoning ordinance without holding a public hearing on the proposed interim zoning ordinance, it must hold a hearing on the adopted interim zoning ordinance within at least sixty days of its adoption, whether or not the city has received a recommendation on the matter from the planning commission, and if the city has not adopted findings of fact justifying the interim zoning ordinance before this hearing, it must do so immediately after the public hearing; and

WHEREAS, the interim zoning ordinance may be effective for not longer than six months, but may be effective for up to one year if a work plan is developed for related studies providing for such a longer period, and may be renewed for one or more six-month periods if subsequent public hearings are held and findings of fact are made prior to each renewal; and

WHEREAS, pursuant to WAC 197-11-880, the adoption of this ordinance is exempt from the requirements of a threshold determination under the State Environmental Policy Act; and

WHEREAS, the City Council adopts the foregoing as its findings of fact justifying its adoption of this ordinance; and

WHEREAS, the City Council finds that the interim zoning ordinance imposed by this ordinance is necessary for the protection of the public health, safety, property or peace; now, therefore

THE CITY COUNCIL OF THE CITY OF SPOKANE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Interim Zoning Ordinance Imposed. While this Ordinance is in effect, Spokane Municipal Code Section 17G.040.030 is amended as follows:

Section 17G.040.030 Projects Exempt from Design Review

A. Projects Exempt from Design Review.

1. City Parks.

- a. Maintenance or repair work.
- b. Development or construction that does not increase the size of the park, or substantially change the physical or visual aspect of the park or park structures; and
- c. Playground and recreational use structures that have been reviewed by neighbors through a public process.

2. Streets.

- a. Projects that occur between, and do not change, existing curb lines and do not have a visual or physical impact beyond the existing curb lines.
- b. Projects that have been designed through a multi-departmental process (including review by staff from engineering, urban design, planning, the urban forester, and other applicable advisory or regulatory departments), clearly meet all adopted City policies, and are not requesting a deviation; and
- c. City street projects that deviate from one or more adopted City policies, regulations, or standards but for which mitigation to address the deviation has been agreed to by engineering services, planning services, and any other affected departments through a decision making process based on prioritized criteria and that results in a memorandum of understanding between the affected departments.

3. Utilities.

- a. Underground utilities with no visual or physical impact, and
 - b. Small utility structures of minimal impact that have been reviewed by neighbors through a public process.
4. A federal, state or county project located on a campus that meets one of the following criteria:
- a. more than one hundred fifty feet from a public right-of-way, or
 - b. not visible from a public right-of-way or a shoreline due to an existing permanent structure.

B. Downtown Sidewalk Encroachments Exempt from Design Review.

- 1. Temporary business signs (sandwich or 'A' frame signs) of less than six square feet.
- 2. Standard kiosks for newspapers and pamphlets that are less than three feet high.
- 3. Benches, water fountains, bike racks, and other 'catalog' street furniture when in keeping with the established style, if any, of the existing furniture.
- 4. Street lamps when in keeping with the established 'style,' if any, of the existing street lamps.

5. Traffic and direction signage and lights installed by the City for the safety of pedestrians and motorists.
 6. Street trees when size, spacing, soil volumes, and location are in accordance with the Spokane Municipal Code and sidewalk clearance standards. Please note that species must be selected from the urban forester's approved street tree list and a planting permit must be obtained from the urban forester.
 7. Temporary/seasonal railings for sidewalk café enclosures of a recommended material as noted in the downtown design guidelines.
- C. Building Modifications Exempt from Design Review.
Projects subject to the secretary of the interior's standards for rehabilitation or other historic preservation guidelines established and adopted by the Spokane historic landmarks commission per SMC 17D.040.210, SMC 17D.040.240, or SMC 17D.040.270.
- D. Projects Exempted by Interim Zoning Ordinance No. C
1. private skywalks located outside the downtown.
 2. Non-municipal public projects or structures.
 3. Planned unit developments in areas where the City has not adopted design guidelines.

Section 2. Purpose. The purpose of this interim development regulation is to allow the City adequate time to review and possibly amend its land use regulations to adequately address issues relating to the review of certain development projects subject to design review.

Section 3. Duration of Interim Zoning Ordinance. This Interim Zoning Ordinance shall be in effect for a period of one (1) year, beginning on the date of the adoption of this Ordinance. During this period, the Plan Commission and Design Review Board are directed to develop a work plan to study appropriate design standards and design guidelines for the projects exempted from design review by this ordinance, and are authorized to employ design review experts to assist the commission and board in this regard, subject to such further budgetary and contract approvals as are necessary to facilitate the retention of such experts. The city shall include both the community and key stakeholders in the development of local regulations concerning design review for the affected project types. Public notice and participation in accordance with the City's standard practices should be followed. The Plan Commission, with the concurrence of the Design Review Board, shall return its work plan to the City Council at least two weeks prior to the date of the public hearing scheduled in Section 4 of this Ordinance. In addition, the Plan Commission, with the concurrence of the Design Review Board, shall return its final recommendations to the City Council within one (1) year of the effective date of this Ordinance.

Section 4. Public Hearing on Interim Zoning Ordinance. Pursuant to RCW 36.70A.390, the City Council shall hold a public hearing on this interim zoning ordinance [to be determined by the city clerk and held within the next 60 days]. Immediately after the public hearing, the City Council shall adopt findings of fact on the subject of this interim development regulation, and either justify its continued imposition or cancel the interim development regulation.

Section 5. Dispute Resolution Process. The City will, at the request of a party impacted by the interim zoning ordinance, participate with the party in the informal dispute resolution process.

Section 6. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 7. Declaration of Emergency and Effective Date. This ordinance, passed by a majority plus one of the whole membership of the City Council as a public emergency ordinance necessary for the protection of the public health, public safety, public property, or public peace, shall be effective immediately upon its passage.

Passed by the City Council on _____.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

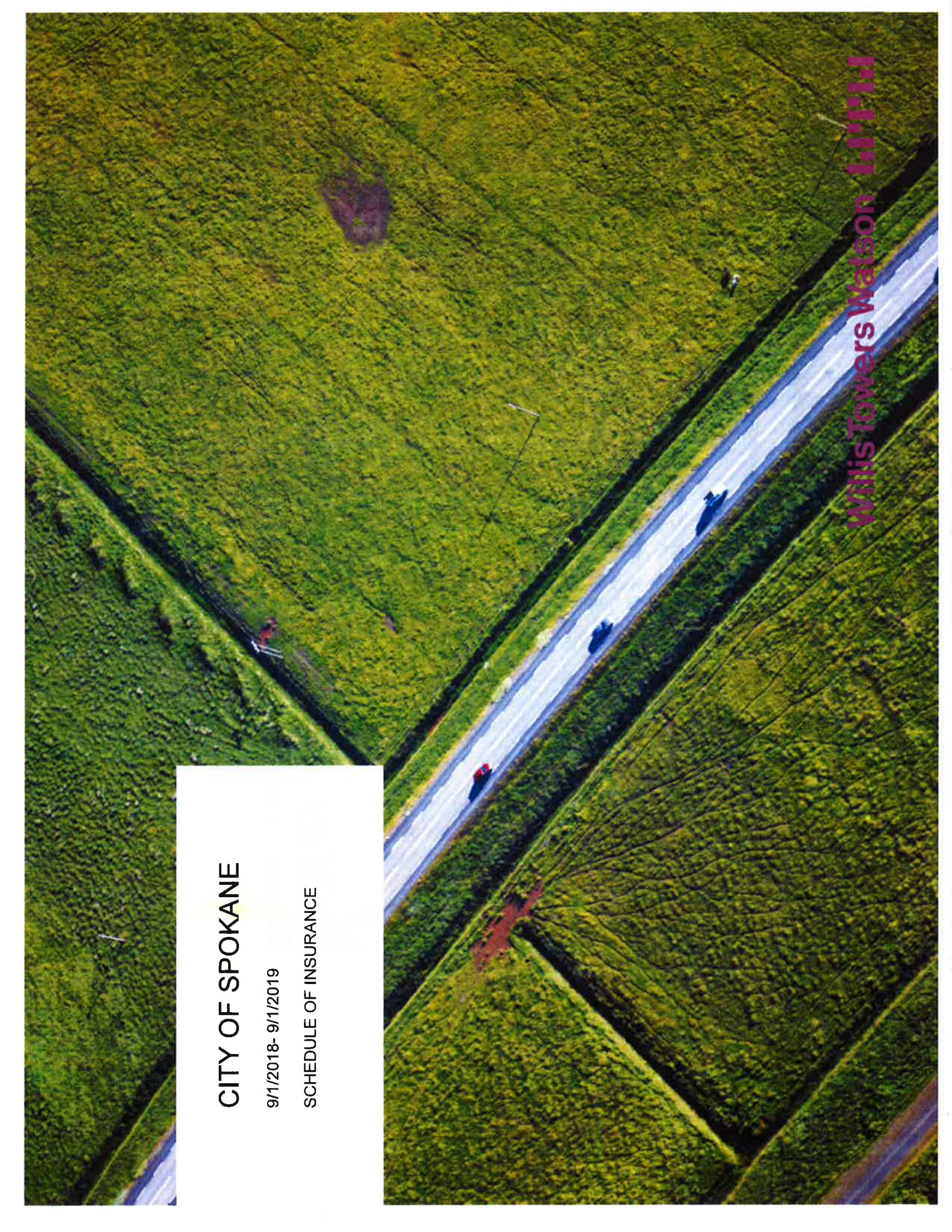
Mayor

Date

Effective Date

Briefing Paper Study Session

Division & Department:	Risk Management
Subject:	Renewal of Insurance Coverage
Date:	August 6, 2019
Author (email & phone):	Mike Ormsby
City Council Sponsor:	Ben Stuckart
Executive Sponsor:	Mike Ormsby
Committee(s) Impacted:	All
Type of Agenda item:	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Budget
Strategic Initiative:	Continued and Sustainable Operations
Deadline:	August 31, 2019
Outcome: (deliverables, delivery duties, milestones to meet)	Renewal of City insurance policies to provide coverage for the next policy year
<u>Executive Summary:</u> Discussion on process for renewing insurance coverage for next year.	
<u>Budget Impact:</u> Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Annual/Reoccurring expenditure? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	
<u>Operations Impact:</u> Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Specify changes required: Known challenges/barriers:	

An aerial photograph showing a two-lane road winding through a vast, green, hilly landscape. The road is light-colored, possibly gravel or dirt, and has a few vehicles on it, including a red car and a blue car. The surrounding fields are lush green with some darker patches, possibly water or different vegetation. The overall scene is rural and scenic.

CITY OF SPOKANE

9/1/2018- 9/1/2019

SCHEDULE OF INSURANCE

Willis Towers Watson 1.1.1.1

CITY OF SPOKANE
Schedule of Insurance
2018-2019

Coverage	Company / Policy	Limits	Term	Premiums
Property: Excluding Upriver Dam, WWTP, WWM, & WTE	The Travelers Insurance Company KTJ-CMB-123D605-9-18	\$150,000,000 Loss Limit Deductible \$1,000,000 EQ, Volcanic Eruption, Landslide & Mine \$1,000,000 Subsidence \$1,000,000 Flood, in any one occurrence \$1,000,000 Any other covered loss \$10,000 Exception: 4001 N Cook, Spokane, WA 1603 North Bell Street, Spokane, WA	9/1/2018 to 9/1/2019	\$151,050
Property: Upriver Dam Hydro Project	Hartford Steam Boiler Specialty Insurance Company - 70% NHX5212007 Princeton Excess & Surplus Lines Ins Co. 30% 58-A3-PP-0000125-06	\$120,000,000 Loss Limit Deductible (In respect of 100% order) \$1,000,000 Per Occurrence Boiler and Machinery \$750,000 Per Occurrence (Flood, Earth Movement, Property)	9/1/2018 to 9/1/2019	HSB \$124,307.00 Premium \$ 2,486.14 SL Tax \$ 124.31 Stamp Fee Princeton \$55,197.00 Premium \$ 1,103.94 SL Tax \$ 55.20 Stamp Fee Total \$183,273.59
Property: Waste-to-Energy Plant	Princeton Excess & Surplus Lines Ins. Co. 25% - Policy #: 58-A3-PP- 0000176-04 HSB Specialty Insurance Company 50% - Policy # NHX 5212069 ACE American Insurance Company (Starr Tech) 25% - Policy # EUT N1 43 25 08 6	Policy Limit \$260,813,498 Property All Risk excluding Equipment Breakdown (excess of deductibles) \$259,813,498 Equipment Breakdown - excess of \$1,000,000. buffer layer excess of deductibles Deductibles \$250,000 Property Damage 720 hrs Business Income Extra Expense (combined with Business Income)	9/1/2018 to 9/1/2019	Princeton \$187,623.00 Premium \$ 4,500 Fees \$ 3,842.46 SL Tax \$ 192.12 Stamp Fee HSB \$155,706.00 Premium \$ 3,269.83 Surplus Lines Ace American Insurance \$66,482.00 Premium Total \$421,615.41

CITY OF SPOKANE
Schedule of Insurance
2018-2019

Coverage	Company / Policy	Limits	Term	Premiums
Property				
Riverside Park Water	Affiliated FM Insurance	\$400,000,000 Total Limit of Liability - Loss Limit	9/1/2018 to	\$194,708
Reclamation Facility	Company	\$100,000,000 Earth Movement	9/1/2019	\$ 7,650 Engineering Fee
Waste Water Plant	TO036	\$50,000,000 Flood		
including WWM		Deductible		Total \$202,358
		\$1,000,000 All Perils except		
		\$1,000,000 Earth Movement		
		\$1,000,000 Flood		
		24 Hrs Qualifying Off Premises Power		
		48 Hrs Qualifying EDP		
Boiler & Machinery:	Liberty Mutual Fire	\$200,000,000 Property Damage except	9/1/2018 to	\$50,700
	Insurance Company	\$1,000,000 Wastewater Treatment Plants and Hydro Facilities	9/1/2019	
	YB2-L9L-467836-018	\$5,000,000 Ordinance or Law		
		Deductible		
		\$25,000 Direct		
		24 Hours Indirect		
Inland Marine:	AGCS Marine Insurance	\$26,097,267 All covered Property in any one Occurrence	9/1/2018 to	\$31,191
Fire Truck Floater	Company	Deductible	9/1/2019	
Risks of direct physical	Policy No. MXI93044289	\$10,000 Minimum (5% Based on the highest valued vehicle)		
loss		\$50,000 Maximum		
Public Entity Excess	Argonaut Insurance	Aggregate Limits:	9/1/2018 to	\$450,663
Liability Policy:	Company	\$20,000,000	9/1/2019	
Bodily Injury, Property	Policy No. 2902063-02	Products/Completed Operations		
Damage, Errors &		Law Enforcement Liability		
Omissions, and		Public Official Liability		
Employee Benefit Liability		Employment Practices Liability		
		Each Occurrence		
		\$10,000,000		
		Products/Completed Operations		
		Law Enforcement Liability		
		Public Official Liability		
		Employment Practices Liability		
		Automobile Liability		
		Retention		
		\$1,250,000		
		Each Occurrence General Liability, Public Officials		
		Liability		
		\$1,500,000		
		Law Enforcement Liability, Employment Practices		
		Liability, Employee Benefits Liability, Automobile		
		Liability		

CITY OF SPOKANE
Schedule of Insurance
2018-2019

Coverage	Company / Policy	Limits	Term	Premiums
Excess Liability \$10M x \$11.5M	The Ohio Casualty Insurance Company Policy #: ECO1959028738	Limits of Liability Wrongful Act (any one occurrence) Products-Completed Operations Hazard Aggregate Errors and Omissions Liability Aggregate Employment Practices Wrongful Acts Aggregate Employee Benefits Wrongful Acts Aggregate	9/1/2018 to 9/1/2019	\$116,165 Premium
		Retained Limit Any one Occurrence or Wrongful Act (each and every)		
Crime:	Great American Insurance Company GVT 124-39-17-00	\$5,000,000 Employee Dishonesty \$5,000,000 Forgery or Altercation \$5,000,000 Inside the Premises \$5,000,000 Outside the Premises \$5,000,000 Computer Fraud \$5,000,000 Money Orders and Counterfeit Paper Currency \$5,000,000 Funds Transfer Fraud Deductible \$50,000 Employee Dishonesty \$50,000 Forgery or Altercation \$50,000 Inside the Premises \$50,000 Outside the Premises \$50,000 Computer Fraud \$50,000 Money Orders and Counterfeit Paper Currency \$50,000 Funds Transfer Fraud \$50,000 Deductible	9/1/2018 to 9/1/2019	\$17,570
Excess Workers' Compensation	Midwest Employers Casualty Policy #: EWC005075	Each Accident Statutory Part 1 – Workers' Comp Part 2 – Employer's Liability Each Employee for Disease Statutory Part 1 – Workers' Comp Part 2 – Employer's Liability Retention: \$1,250,000 (a) Each Accident \$1,250,000 (b) Each Employee for Disease	9/1/2018 to 9/1/2019	\$192,807.00 Rate per wk hr – 0.0426 Estimated wk hrs – 4,525,988
Aviation/Drone Liability	Global Aerospace, Inc. – Various Policy # 9012554	\$500,000 Liability - Each Occurrence \$5,000 Medical Expenses \$500,000 Personal And Advertising Injury Aggregate Limit \$100,000 Fire Legal Liability \$500,000 Non-Owned Aircraft Liability – Each Occurrence \$0 Deductible Hull Damage \$1 Insured Value 5% Deductible	9/12/2018 to 9/12/2019	\$398

CITY OF SPOKANE
Schedule of Insurance
2018-2019

IMPORTANT

PLEASE NOTE:

This summary contains capsule, not comprehensive, descriptions of your insurance policies. It should not be construed to modify in any way the actual terms, conditions, coverages, limitations and exclusions of those policies. Please refer to the appropriate policy for answers to specific coverage questions.

OFFICE OF THE SPOKANE CITY ATTORNEY
CONFIDENTIAL ATTORNEY / CLIENT COMMUNICATION
LEGAL MEMORANDUM

TO: MEMBERS, SPOKANE CITY COUNCIL
FROM: MICHAEL C. ORMSBY AND SALLY STOPHER
SUBJECT: RENEWAL OF CITY INSURANCE POLICIES
DATE: AUGUST 7, 2019

CONFIDENTIALITY NOTICE

THE MATERIAL CONTAINED IN THIS LEGAL MEMORANDUM IS LEGALLY PRIVILEGED AND CONFIDENTIAL, INTENDED ONLY FOR THE USE OF THE INDIVIDUAL(S) TO WHOM IT IS ADDRESSED, AS IS IDENTIFIED ABOVE. IF THE READER OF THIS MEMORANDUM IS NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR DUPLICATION OF THIS MEMORANDUM IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS MEMORANDUM IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE AT (509) 625-6225 AND WE WILL MAKE ARRANGEMENTS TO RETRIEVE IT. THANK YOU.

The current insurance policies for the City of Spokane expire on August 31, 2019. In anticipation of the need to review insurance coverage needs and renew or change coverage, the two of us and Crystal Marchand (prior to her departure) have had a number of meetings internally and conversations with the insurance brokers for the City of Spokane (Willis Towers Watson) discussing City operations and identifying areas for review. As a result of those discussions the City has added Sabotage and Terrorism coverage to our portfolio of insurance.

Since the expiration date of insurance coverage for the City is approaching quickly, (August 31st), the purpose of this memorandum is to provide you the schedule of current insurance the City has, provide background information on what we have been told to expect in premium increases for the next coverage year and the proposed schedule of the process going forward. Attachment 1 to this memorandum is the schedule of insurance the City has in place. Given the complex nature of the portfolio of insurance that the City has in place, it is difficult at this time to estimate premium increases other than in the area of property, where we have been advised to anticipate premium increases in the range of (5) five to (10) ten percent. We will be having a conference call with the brokers on Thursday August 15th, where we will be receiving

their recommendations on where to place our various insurance policies for the coming year, along with the quoted premiums. That information will be compared with current premium payments and that information will be shared with the City Council. We will be attending the Advanced Briefing of the City Council on August 19th and hope to obtain final approval from the City Council for the insurance package at the August 26th meeting.

Should any of you have any questions or concerns, please do not hesitate to contact Mike.

Attachment:

Attachment 1 Schedule of insurance the City has in place