

CITY OF SPOKANE



REGARDING CITY COUNCIL MEETINGS

City Council's standing committee meetings, Briefing Sessions, Legislative Sessions and study sessions are held in City Council Chambers – Lower Level of City Hall, 808 W. Spokane Falls Blvd.

City Council Members, City staff, presenters and members of the public have the option to participate virtually via WebEx during all meetings, with the exception of Executive Sessions which are closed to the public. Call in information for the March 25, 2024, meetings is below. All meetings will be streamed live on Channel 5 and online at <https://my.spokanecity.org/citycable5/live> and <https://www.facebook.com/spokanecitycouncil>.

WebEx call in information for the week of March 25, 2024:

3:30 p.m. Briefing Session: 1-408-418-9388; access code: 249 250 76017; password: 0320

6:00 p.m. Legislative Session: 1-408-418-9388; access code: 248 885 63067; password: 0320

Thursday Study Session: 1-408-418-9388; access code: 249 143 67432; password: 0320

To participate in public comment (including Open Forum):

Testimony sign-up is open beginning at 5:00 p.m. on Friday, March 22, 2024, and ending at 6:00 p.m. on Monday, March 25, 2024, via the online testimony sign-up form link which can be accessed by clicking <https://forms.gle/Vd7n381x3seaL1NW6> or in person outside council chambers beginning at 8:00 a.m. on March 25, 2024. You must sign up by 6:00 p.m. to be called on to testify. (If you are unable to access the form by clicking the hyperlink, please copy and paste the link address into your browser window.) Instructions for participation are provided on the form when you sign up.

The open forum is a limited public forum; all matters discussed in the open forum shall relate to the affairs of the City and not relating to the current or advance agendas, pending hearing items, or initiatives or referenda in a pending election. "Affairs of the city" shall include (i) matters within the legislative, fiscal or regulatory purview of the city, (ii) any ordinance, resolution or other official act adopted by the city council, (iii) any rule adopted by the city, (iv) the delivery of city services and operation of city departments, (v) any act of members of the city council, the mayor or members of the administration, or (vi) any other matter deemed by the council president to fall within the affairs of the city, which determination may be overridden by majority vote of the council members present. Individuals speaking during the open forum shall address their comments to the council president and shall maintain decorum as laid out in Rule 2.15 (Participation by Members of the Public in Council Meetings).

**CITY COUNCIL MEETINGS
RULES – PUBLIC DECORUM**

Strict adherence to the following rules of decorum by the public will be observed and adhered to during City Council meetings, including open forum, public comment period on legislative items, and Council deliberations:

- 1. No Clapping!**
- 2. No Cheering!**
- 3. No Booing!**
- 4. No public outbursts!**
- 5. Two-minute time limit for comments made during open forum, and three-minute time limit on public testimony regarding legislative items!**

In addition, please silence your cell phones when entering the Council Chambers!

Further, keep the following City Council Rules in mind:

Rule 2.2 OPEN FORUM

- A. After the conclusion of all legislative business, the council shall recess briefly and then convene for an open forum, unless a majority of council members vote otherwise. The open forum shall have twenty (20) spaces available. The individuals assigned to the twenty (20) spaces available will be chosen at random, with preference given to individuals who have not spoken at open forum during that calendar month. The council shall conclude open forum after twenty (20) speakers unless a majority of council members vote to allow additional speakers. The city clerk and other staff shall not be required to remain in attendance during the open forum. Nothing in this Rule 2.2 shall be deemed to require open forum or the legislative session to continue after 10:00 p.m., or to require open forum during a council “Town Hall” meeting contrary to Rule 2.14.F.
- B. Members of the public can sign up for open forum beginning no later than 5:00 p.m. on the Friday immediately preceding the legislative session and ending at 6:00 p.m. on the date of the meeting via the virtual testimony form linked in the meeting packet or in person outside council chambers beginning at 8:00 a.m. on the day of the legislative session. Speakers must sign themselves in using a name. Members of the public who are unable to sign up during the sign-up period or who attempt to sign up late will be added to the list of speakers at the discretion of the chair, or their designee. The order of the speakers will be determined at the discretion of the chair, taking into account any special accommodations for persons of limited English proficiency as provided in Rule 2.2.F below. Each speaker shall be limited to no more than two (2) minutes unless a majority of the council members in attendance vote on an alternate time limit.
- C. No action, other than a statement of council members’ intent to address the matter in the future, points of order, or points of information will be taken by council members during an open forum.
- D. The open forum is a limited public forum and all matters discussed in the open forum shall relate to the affairs of the city. “Affairs of the city” shall include (i) matters within the legislative, fiscal or regulatory purview of the city, (ii) any ordinance, resolution or other official act adopted by the city council, (iii) any rule adopted by the city, (iv) the delivery of city services and operation of city departments, (v) any act of members of the city council, the mayor or members of the administration, or (vi) any other matter deemed by the council president to fall within the affairs of the city, which determination may be overridden by majority vote of the council members present. Absent permission of the chair, no person shall be permitted to speak in open forum regarding items on that week’s current agenda or the next week’s advanced agenda, pending hearing items, or initiatives or referenda in a pending election. Legal or personal matters between private parties that do not impact the governance of the City of Spokane are not a permissible topic of open forum testimony.
- E. No person shall be permitted to display visual information during open forum, including but not limited to presentations, videos, or other media; however, members of the public may share this information with the council by emailing them at citycouncil2@spokanecity.org. Individuals speaking during open forum shall address their comments to the council president, and speakers as well as members of the audience shall comply with Rule 2.15 (Participation by Members of the Public in Council Meetings).
- F. Participation of individuals with limited English language proficiency in open forum shall be accommodated to the extent set forth in Rule 2.15.J.

Rule 2.7 SERVICE ANIMALS AT CITY COUNCIL MEETINGS

- A. For purposes of these Rules, only dogs that are individually trained to do work or perform tasks for a person with a disability are recognized as service animals. Dogs or other animals whose sole function is to provide comfort or emotional support do not qualify as service animals under these Rules. Service animals are permitted to accompany people with disabilities in City Council meetings, as well as all areas where members of the public are allowed to go.

- B. Service animals must, at all times while present in a City Council meeting, be harnessed, leashed, or tethered, unless these devices interfere with the service animal's work or the individual's disability prevents using these devices, in which case, the individual must maintain control of the animal through voice, signal, or other effective controls.

Rule 2.15 PARTICIPATION OF MEMBERS OF THE PUBLIC IN COUNCIL MEETINGS

The council encourages public participation in the legislative process. Council meetings shall be conducted in a manner that provides the opportunity for all attendees to hear, see and participate in the proceedings to the extent provided in these Rules and applicable city, state, and federal law. Speech or conduct that disrupts, disturbs, or otherwise impedes the orderly conduct of any council meeting is prohibited. In addition to these general principles governing public participation, the following specific rules apply:

- A. Members of the public may address the council regarding the following items during the council's legislative session: the consent agenda as a whole, all first reading ordinances together (with the exception of first reading ordinances associated with hearings, which shall be taken separately), final readings of regular and special budget ordinances, emergency ordinances, hearing items, special considerations, and other items before the city council requiring council action, except those that are adjudicatory or solely administrative in nature. This rule shall not limit the public's right to speak on issues that are not part of the current or advanced agendas during open forum.
- B. No member of the public may speak without first being recognized for that purpose by the chair. Except for named parties to an adjudicative hearing, a person may be required to sign a sign-up sheet and provide their city of residence as a condition of recognition. Council members must be recognized by the chair for the purpose of obtaining the floor.
- C. Each person speaking in a public council meeting shall verbally identify themselves by name, city of residence, and, if appropriate, representative capacity.
- D. Each speaker shall follow all written and verbal instructions so that verbal remarks are electronically recorded, and documents submitted for the record are identified and marked by the clerk.
- E. Those who wish to provide commentary but do not wish to give verbal comments at the podium may provide written comments to the council via letter or electronic mail.
- F. No person shall be permitted to conduct demonstrations, display banners, hold signs, applaud or boo speakers, use profanity, vulgar language or obscene speech, yell or make comments that attack or verbally insult any individual, or engage in other such disorderly conduct that disrupts, disturbs, or otherwise impedes the orderly conduct of the proceedings.
- G. Standing is permitted so long as doing so maintains compliance with applicable fire codes and the Americans with Disability Act (ADA), does not interfere with reserved seating areas, and does not impede access to entrances and exits to the Council Chambers, aisles, or pathways inside the Council Chambers. Attendees shall be mindful not to obstruct the views of others in Council Chambers when standing.
- H. A speaker asserting a statement of fact may be asked by a council member to document and identify the sources of the factual datum being asserted.
- I. When addressing the council, members of the public shall direct all remarks to the council president, shall refrain from remarks directed personally to any council member or any other individual, and shall confine remarks to the matters that are specifically before the council at that time.
- J. City employees or city officials (including members of city boards and commissions) may participate in public comment, including open forum, providing they are in compliance with the City of Spokane Code of Ethics and they do the following:
 - 1. Announce at the beginning of their testimony that they are there in their personal capacity or their capacity as a member of a relevant board, commission, committee or community group;
 - 2. Protect confidential information, including, but not limited to, confidential financial information and attorney-client communications;
 - 3. Do not use, or be perceived to use, city funds, including giving testimony during paid work time or while in uniform; or city property, including using a city-issued computer or cell phone, in giving testimony.
- K. When any person, including members of the public, city staff, and others, are addressing the council, council members shall observe the same decorum and process as the rules require among the members *inter se*. That is, a council member shall not engage the person addressing the council in colloquy but shall speak only when granted the floor by the council president. All persons and/or council members shall not interrupt one another. The duty of mutual respect and avoiding unlawful harassment set forth in Rule 1.2 and the rules governing debate set forth in *Robert's Rules of Order, Newly Revised*, shall extend to all speakers before the city council. The city council's policy advisor and/or a city attorney shall, with the assistance of council staff, assist the council president to ensure that all individuals desiring to speak shall be identified,

appropriately recognized, and provided the opportunity to speak. All persons attending city council meetings or city council sponsored meetings shall refrain from harassing other attendees or risk being removed and/or prohibited from attending future meetings.

- L. The city council intends to fully comply with chapter 18.11 SMC, Language Access in Municipal Proceedings. Rules regarding participation of individuals in council proceedings, including legislative sessions and open forum, shall be deemed amended to conform to any Language Access Plan adopted by the council pursuant to SMC 18.11.030. Except as otherwise provided in an adopted Language Access Plan, individuals with limited English language proficiency are encouraged to contact the council office director at least five (5) days prior to a scheduled legislative session for assistance with the signing up to testify or to arrange translation or interpretation assistance.
- M. City council legislative sessions are regularly video and audio recorded and available online (<https://vimeo.com/spokanecitycouncil>). Members of the public may also photograph or film council proceedings so long as doing so maintains compliance with applicable fire codes and the Americans with Disability Act (ADA), does not interfere with reserved seating areas, and does not impede access to entrances and exits to the Council Chambers, aisles, or pathways inside the Council Chambers. Attendees shall be mindful not to obstruct the views of others in Council Chambers when photographing or recording. No flash photography or other lighting is permitted.
- N. RCW 42.17A.555 generally prohibits the use of city facilities for electioneering. Therefore, no person may use the council meeting or facilities for the purpose of assisting a campaign for election of any person to any office, or for the promotion of or opposition to any ballot proposition. In this context, the term “facilities” includes council chambers, the council gallery and the speaking opportunities available through the public comment and open forum procedures set forth in these rules.

Rule 2.16 PUBLIC TESTIMONY REGARDING LEGISLATIVE AGENDA ITEMS – TIME LIMITS

- A. Members of the public can sign up to give testimony beginning no later than 5:00 p.m. on the Friday immediately preceding the legislative session and ending at 6:00 p.m. on the date of the meeting via the online testimony sign-up form linked in the meeting packet or in person outside council chambers beginning at 8:00 a.m. on the day of the legislative session. Speakers must sign in using a name. Members of the public who are unable to sign up during the sign-up period or who attempt to sign up late will not be added to the list of speakers. The order of the speakers shall be determined at the discretion of the chair.
- B. The city council shall take public testimony on all matters included on its legislative agenda as described at Rule 2.15(A), with those exceptions stated in Rule 2.16(B). Public testimony shall be limited to the final council action, except that public testimony shall be allowed at the first reading of ordinances. Public testimony shall be limited to three (3) minutes per speaker. The chair, absent a majority vote of the council, has the authority to lower the three (3) minutes per speaker time limit by announcing the new, lower time limit at the legislative session. The chair may allow additional time if the speaker is asked to respond to questions from the council. Public testimony and consideration of an item may be extended to a subsequent meeting by a majority vote of the council. Testimony on a legislative item deferred to a future date certain shall be taken on the future date, unless testimony on the date of deferral is allowed by the Council President.
- C. No public testimony shall be taken on oral amendments to consent or legislative agenda items, votes to override a mayoral veto, or solely procedural, parliamentary, or administrative matters of the council.
- D. Public testimony will be taken on consent and legislative items that are moved to council’s regular briefing session or study session unless a majority of council votes otherwise during the meeting in which the items are moved.
- E. For legislative or hearing items that may affect an identifiable individual, association, or group, the following procedure may be implemented at the discretion of the council president:
 - 1. Following an assessment by the chair of factors such as complexity of the issue(s), the apparent number of people indicating a desire to testify, representation by designated spokespersons, etc., the chair shall, in the absence of objection by the majority of the council present, impose the following procedural time limitations for taking public testimony regarding legislative matters:
 - a. There shall be up to fifteen (15) minutes for staff, board, or commission presentation of background information, if any.
 - b. The designated representative of the proponents of the issue shall speak first and may include within their presentation the testimony of expert witnesses, visual displays, and any other reasonable methods of presenting the case. Up to thirty (30) minutes may be granted for the proponent’s presentation. If there be more than one designated representative, they shall allocate the allotted time between or among themselves.
 - c. Following the presentation of the proponents of the issue, three (3) minutes shall be granted for any other person not associated with the designated representative of the proponents who wishes to

Speak on behalf of the proponent's position.

- d. The designated representative, if any, of the opponents of the issue shall speak following the presentation of the testimony of expert witnesses, visual displays, and any other reasonable methods of presenting the case. The designated representative(s) of the opponents shall have the same amount of time which was allotted to the proponents.
 - e. Following the presentation by the opponents of the issue, three (3) minutes shall be granted for any other person not associated with the designated representative of the opponents who wishes to speak on behalf of the opponents' position.
 - f. Up to ten (10) minutes of rebuttal time may be granted to the designated representative for each side, the proponents speaking first, the opponents speaking second.
2. In the event the party or parties representing one side of an issue has a designated representative and the other side does not, the chair shall publicly ask the unrepresented side if they wish to designate one or more persons to utilize the time allotted for the designated representative. If no such designation is made, each person wishing to speak on behalf of the unrepresented side shall be granted three (3) minutes to present their position, and no additional compensating time shall be allowed due to the fact that the side has no designated representative.
 3. In the event there appears to be more than two groups wishing to advocate their distinct positions on a specific issue, the chair may grant the same procedural and time allowances to each group or groups, as stated previously.
 4. In the event that the side for which individuals wish to speak is not identified, those wishing to give testimony shall be granted three (3) minutes to present their position after all sides have made their initial presentations and before each side's rebuttal period.
- F. The time taken for staff or council member questions and responses thereto shall be in addition to the time allotted for any individual or designated representative's testimony.
 - G. No person shall be permitted to display visual information during their testimony, including but not limited to presentations, videos, or other media; however, members of the public may share this information with the council by emailing them at citycouncil2spokanecity.org.
 - H. In addition to in-person or remote verbal testimony, testimony may also be submitted by mail to City Council Office, Spokane City Hall, 808 W. Spokane Falls Blvd., Spokane, WA, 99201, by email to all council members, or via the contact form on the council's website.¹

¹ <https://my.spokanecity.org/citycouncil/members/>

THE CITY OF SPOKANE



ADVANCE COUNCIL AGENDA

MEETING OF MONDAY, MARCH 25, 2024

MISSION STATEMENT

**TO DELIVER EFFICIENT AND EFFECTIVE SERVICES
THAT FACILITATE ECONOMIC OPPORTUNITY
AND ENHANCE QUALITY OF LIFE.**

MAYOR LISA BROWN

COUNCIL PRESIDENT BETSY WILKERSON

COUNCIL MEMBER JONATHAN BINGLE

COUNCIL MEMBER MICHAEL CATHCART

COUNCIL MEMBER PAUL DILLON

COUNCIL MEMBER KITTY KLITZKE

COUNCIL MEMBER LILI NAVARRETE

COUNCIL MEMBER ZACK ZAPPONE

**CITY COUNCIL CHAMBERS
CITY HALL**

**808 W. SPOKANE FALLS BLVD.
SPOKANE, WA 99201**

LAND ACKNOWLEDGEMENT

We acknowledge that we are on the unceded land of the Spokane people. And that these lands were once the major trading center for the Spokanes as they shared this place and welcomed other area tribes through their relations, history, trade, and ceremony. We also want to acknowledge that the land holds the spirit of the place, through its knowledge, culture, and all the original peoples Since Time Immemorial.

As we take a moment to consider the impacts of colonization may we also acknowledge the strengths and resiliency of the Spokanes and their relatives. As we work together making decisions that benefit all, may we do so as one heart, one mind, and one spirit.

We are grateful to be on the shared lands of the Spokane people and ask for the support of their ancestors and all relations. We ask that you recognize these injustices that forever changed the lives of the Spokane people and all their relatives.

We agree to work together to stop all acts of continued injustices towards Native Americans and all our relatives. It is time for reconciliation. We must act upon the truths and take actions that will create restorative justice for all people.

Adopted by Spokane City Council on the 22nd day of March, 2021
via Resolution 2021-0019

BRIEFING AND LEGISLATIVE SESSIONS

The Briefing Session is open to the public, but will be a workshop meeting. Discussion will be limited to Council Members and appropriate Staff and Counsel. The Legislative Session is also open to the public and public comment will be taken on Legislative Session items, except those that are adjudicatory or solely administrative in nature. Following the conclusion of the Legislative Agenda, an Open Forum will be held unless a majority of Council Members vote otherwise. Please see additional Open Forum information that appears at the end of the City Council agenda.

SPOKANE CITY COUNCIL BRIEFING SESSIONS (BEGINNING AT 3:30 P.M. EACH MONDAY) AND LEGISLATIVE SESSIONS (BEGINNING AT 6:00 P.M. EACH MONDAY) ARE BROADCAST LIVE ON CITY CABLE CHANNEL FIVE AND STREAMED LIVE ON THE CHANNEL FIVE WEBSITE. THE SESSIONS ARE REPLAYED ON CHANNEL FIVE ON THURSDAYS AT 6:00 P.M. AND FRIDAYS AT 10:00 A.M.

ADDRESSING THE COUNCIL

- No member of the public may speak without first being recognized for that purpose by the Chair. Except for named parties to an adjudicative hearing, a person may be required to sign a sign-up sheet and provide their city of residence as a condition of recognition. Council Members must be recognized by the chair for the purpose of obtaining the floor.
- Each person speaking at the public microphone shall verbally identify themselves by name, city of residency and, if appropriate, representative capacity.
- Each speaker shall follow all written and verbal instructions so that verbal remarks are electronically recorded, and documents submitted for the record are identified and marked by the Clerk. (If you are submitting letters or documents to the Council Members, please provide a minimum of ten copies via the City Clerk. The City Clerk is responsible for officially filing and distributing your submittal.)
- In order that evidence and expressions of opinion be included in the record and that decorum befitting a deliberative process be maintained, no modes of expression including but not limited to demonstrations, banners, signs, applause, profanity, vulgar language, or personal insults will be permitted. To prevent disruption of council meetings and visual obstruction of proceedings, members of the audience shall remain seated during council meetings.
- A speaker asserting a statement of fact may be asked to document and identify the source of the factual datum being asserted.
- When addressing the Council, members of the public shall direct all remarks to the Council President, and shall confine their remarks to the matters that are specifically before the Council at that time or, if speaking during Open Forum, shall confine their remarks to affairs of the city.
- City staff may participate in public comment, including open forum, providing they are in compliance with the City of Spokane Code of Ethics and they follow the steps outlined in the City Council Rules of Procedure.

SPEAKING TIME LIMITS: Unless the time limit is adjusted by a majority vote of the Council, each person addressing the Council shall be limited to a two-minute speaking time during Open Forum and a three-minute speaking time for other matters. The chair may allow additional time if the speaker is asked to respond to questions from the Council. Public testimony and consideration of an item may be extended to a subsequent meeting by a majority vote of the Council. Note: No public testimony shall be taken on amendments to consent or legislative agenda items, or solely procedural, parliamentary, or administrative matters of the Council, including veto overrides.

CITY COUNCIL AGENDA: The City Council Advance and Current Agendas may be obtained prior to Council Meetings by accessing the City website at <https://my.spokanecity.org/citycouncil/documents/>.

BRIEFING SESSION

(3:30 p.m.)

(Council Chambers Lower Level of City Hall)
(No Public Testimony Taken)

ROLL CALL OF COUNCIL

INTERVIEWS OF NOMINEES TO BOARDS AND COMMISSIONS

COUNCIL OR STAFF REPORTS OF MATTERS OF INTEREST

ADVANCE AGENDA REVIEW (Staff or Council Member briefings and discussion)

APPROVAL BY MOTION OF THE ADVANCE AGENDA

CURRENT AGENDA REVIEW (Presentation of any new background information and discussion of any adjustments)

EXECUTIVE SESSION

(Closed Session of Council)

(Executive Session may be held or reconvened during the 6:00 p.m. Legislative Session)

LEGISLATIVE SESSION

(6:00 P.M.)

(Council Reconvenes in Council Chamber)

PLEDGE OF ALLEGIANCE

WORDS OF INSPIRATION AND SPECIAL INTRODUCTIONS

ROLL CALL OF COUNCIL

PROCLAMATIONS AND SALUTATIONS

REPORTS FROM COMMUNITY ORGANIZATIONS

ANNOUNCEMENTS

(Announcements regarding Changes to the City Council Agenda)

NO BOARDS AND COMMISSIONS APPOINTMENTS

CONSENT AGENDA

The consent agenda consists of purchases and contracts for supplies and services provided to the city, as well as other agreements that arise (such as settlement or union agreements), and weekly claims and payments of previously approved obligations and biweekly payroll claims against the city. Any agreement over \$50,000 must be approved by the city council. Typically, the funding to pay for these agreements has already been approved by the city council through the annual budget ordinance, or through a separate special budget ordinance. If the contract requires a new allocation of funds, that fact usually will be indicated in the summary of the contract in the consent agenda.

Unless a council member requests that an item be considered separately, the council approves the consent agenda as a whole in a single vote. The public is welcome to testify on matters listed in the consent agenda, but individual testimony is limited to three minutes for the entire consent agenda.

REPORTS, CONTRACTS AND CLAIMS

RECOMMENDATION

- | | | |
|---|----------------|----------------------|
| <p>1. Pre-approval to purchase four electric vehicles as available within budget, which may include vehicles similar to Ford Mach E, Ford Lightning, Chevrolet Bolt, or other cost-effective and usable vehicles that become available—not to exceed \$200,000 (incl. tax). (Council Sponsors: Council Members Zappone, Bingle, and Klitzke)
Rick Giddings</p> | <p>Approve</p> | <p>OPR 2024-0212</p> |
| <p>2. Special Counsel Contract Amendment No. 5 with Craig Trueblood and K&L Gates, LLP (Seattle, WA) to provide legal advice and counsel regarding environmental matters for the Wastewater Management Department—additional \$50,000. Total contract amount: \$243,100. (Council Sponsor: Council Member Bingle)
Elizabeth Schoedel</p> | <p>Approve</p> | <p>OPR 2018-0252</p> |
| <p>3. Contract Renewal 4 of 4 with Desimone Consulting Group (Seattle, WA) for federal lobbying services from January 1, 2024, through December 31, 2024. (Council Sponsors: Council Members Zappone, Klitzke, and Bingle)
Erik Poulsen</p> | <p>Approve</p> | <p>OPR 2020-0506</p> |
| <p>4. Interlocal Agreement with the Washington State Department of Transportation (WSDOT) to address homeless encampments on WSDOT right-of-way—\$845,000 Revenue. (Council Sponsors: Council Members Klitzke, Bingle, and Zappone)
Luis Garcia</p> | <p>Approve</p> | <p>OPR 2024-0213</p> |

5. Multiple Family Housing Property Tax Exemption Conditional Agreements with: Approve
All
- a. NARP LLC for the future construction of approximately 4 units at Parcel Number 35204.0211, commonly known as 1207 E. Newark Avenue. OPR 2024-0214
 - b. Five Mile Spokane, LLC, for the future construction of approximately 48 units at Parcel Number 26252.0064, commonly known as 7650 N. A Street (also known as 7601 N. Five Mile Rd). OPR 2024-0215
 - c. Cap 31st Avenue Residences, LLC, for the future construction of approximately 96 units at Parcel Number 35331.0017, commonly known as 2402 E. 31st Avenue. OPR 2024-0216
 - d. Grove at Cannon, LLC, for the future construction/renovation of approximately 13 units at Parcel Number 25244.2705, commonly known as 621 S. Cannon Street. OPR 2024-0217
 - e. Jay Higgins/Cheryl Ann Kordner for the future construction of approximately 20 units at Parcel Number 35091.2914, commonly known as 2517 E. Upriver Drive. OPR 2024-0218
 - f. 5115 S. Freya St., LLC, for the future construction of approximately 30 units at Parcel Number 34031.9114, commonly known as 5115 S. Freya Street. OPR 2024-0219
 - g. Garland Acquisitions, LLC, for the future construction of approximately 44 units at Parcel Number 35062.1409, commonly known as 924 W. Garland Avenue. OPR 2024-0220

The Conditional Agreements will ultimately result in the issuances of final certificates of tax exemption to be filed with the Spokane County Assessor's Office post construction. (Council Sponsors: Council Members Bingle, Zappone, and Klitzke)

Amanda Beck

- 6. Report of the Mayor of pending:
 - a. Claims and payments of previously approved obligations, including those of Parks and Library, through _____, 2024, total \$_____, with Parks and Library claims approved by their respective boards. Warrants excluding Parks and Library total \$_____.
 - b. Payroll claims of previously approved obligations through _____, 2024: \$_____.
- 7. City Council Meeting Minutes: _____, 2024.

Approve & Authorize Payments CPR 2024-0002

CPR 2024-0003

Approve All CPR 2024-0013

LEGISLATIVE AGENDA

SPECIAL BUDGET ORDINANCES

(Require Five Affirmative, Recorded Roll Call Votes)

Ordinance C36503 amending Ordinance No. C36467 passed by the City Council November 27, 2023, and entitled, "An Ordinance adopting the Annual Budget of the City of Spokane for 2024, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2024, and providing it shall take effect immediately upon passage," and declaring an emergency and appropriating funds in:

Urban Forestry Fund

- 1) Increase revenue by \$2,000,000
 - A) Of the increased revenue, \$2,000,000 is provided by the United States Department of Agriculture (USDA) and disbursed by the United States Forest Service (USFS) as part of the United States Federal Government’s Inflation Reduction Act.
- 2) Increase appropriation by \$2,000,000
 - A) Of the increased appropriation, \$2,000,000 is provided solely for contractual services procured to plant and maintain trees in economically disadvantaged areas of the City of Spokane.

(This action arises from the need to accept and budget for grant funding from the USDA to plant and maintain trees in economically disadvantaged areas of the City of Spokane.) (Council Sponsors: Council Members Bingle, Zappone, and Klitzke)

Rich Lentz and Katie Kosanke

NO EMERGENCY ORDINANCES

RESOLUTIONS

(Require Four Affirmative, Recorded Roll Call Votes)

- RES 2024-0028 Regarding the approval of year 2025 traffic calming applications and projects to be paid through the Traffic Calming Measures Fund. (Deferred from March 18, 2024, Agenda, during the March 11, 2024, 3:30 p.m. Briefing Session) (Council Sponsors: Council Members Cathcart, Zappone, and Dillon)
Abigail Martin
- RES 2024-0029 Regarding applications to amend the City’s Comprehensive Plan and setting the annual Comprehensive Plan Work Program for 2024. (Council Sponsors: Council Members Bingle, Klitzke, and Zappone)
Kevin Freibott
- RES 2024-0030 Approving settlement of Tatyanna Presnell—\$300,000. (Council Sponsors: Council President Wilkerson and Council Members Bingle and Klitzke)
Michael Piccolo
- RES 2024-0031 Adopting a plan to address the fentanyl and opiate overdose crisis in the City of Spokane and declaring that exigent circumstances exist that demand coordination of resources available between the City of Spokane and the State of Washington, in partnership with community organizations. (Council Sponsors: Council Members Dillon, Zappone, and Bingle)
Council Member Dillon

NO FINAL READING ORDINANCES

FIRST READING ORDINANCES

- ORD C36504 Altering the Lodging Tax Advisory Committee, creating the Lodging Tax Advisory Program; amending sections 04.30.010 and 04.030.020 of the Spokane Municipal Code, and adding a new section to Chapter 04.30 of the Spokane Municipal Code. (Council Sponsors: Council Members Zappone, Dillon, and Klitzke)
Adam McDaniel

FURTHER ACTION DEFERRED

NO SPECIAL CONSIDERATIONS

NO HEARINGS

OPEN FORUM

At the conclusion of legislative business, the Council shall recess briefly and then hold an open public comment period for up to 20 (twenty) speakers, unless a majority of council members vote otherwise. Each speaker is limited to no more than two minutes. In order to participate in Open Forum, you must sign up beginning at 5:00 p.m. on the Friday immediately preceding the legislative session and ending at 6:00 p.m. on the date of the meeting via the virtual testimony form linked in the meeting packet (<https://my.spokanecity.org/citycouncil/documents/>) or in person outside council chambers beginning at 8:00 a.m. on the day of the legislative session. The virtual sign-up form can also be found here: <https://forms.gle/Vd7n381x3seal1NW6>. (If you are unable to access the form by clicking the hyperlink, please copy and paste the link address into your browser window.) Speakers must sign themselves in using a name. The individuals assigned to the twenty (20) spaces available will be chosen at random, with preference given to individuals who have not spoken at open forum during that calendar month. Instructions for virtual participation are provided on the form when you sign up. The Open Forum is a limited public forum; all matters discussed in the open forum shall relate to the affairs of the City other than items appearing on the Current or Advance Agendas, pending hearing items, and initiatives or referenda in a pending election. Individuals speaking during the open forum shall address their comments to the Council President and shall not use profanity, engage in obscene speech, or make personal comment or verbal insults about any individual.

Motion to Approve Advance Agenda for March 25, 2024 (per Council Rule 2.1.2)

ADJOURNMENT

The March 25, 2024, Regular Legislative Session of the City Council will be held and is adjourned to April 8, 2024.

Note: The regularly scheduled City Council meeting for Monday, April 1, 2024, has been canceled.

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 Risk Management at 509.625.6221, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or mlowmaster@spokanecity.org. Persons who are deaf or hard of hearing may contact Risk Management through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.



NOTES

**Agenda Sheet for City Council:****Committee:** Urban Experience **Date:** 03/11/2024**Committee Agenda type:** Consent**Date Rec'd**

2/27/2024

Clerk's File #

OPR 2024-0212

Renews #**Cross Ref #****Council Meeting Date:** 03/25/2024**Submitting Dept**

FLEET SERVICES

Project #**Contact Name/Phone**

RICK GIDDINGS 625-7706

Bid #**Contact E-Mail**

RGIDDINGS@SPOKANECITY.ORG

Requisition #

RE20422

Agenda Item Type

Purchase w/o Contract

Council Sponsor(s)

ZZAPPONE JBINGLE KKLITZKE

Agenda Item Name

5100 - DSC PRE-PURCHASE APPROVAL FOR 4 VEHICLES

Agenda Wording

Fleet Services would pre-purchase approval for 4 Electric vehicles as available within budget. These may include vehicles similar to Ford Mach E, Ford Lightning, Chevrolet Bolt, or other cost effective and usable vehicles that become available.

Summary (Background)

Fleet Services would pre-purchase approval for 4 Battery Electric vehicles as available within budget. These may include vehicles similar to Ford Mach E, Ford Lightning, Chevrolet Bolt, or other cost effective and usable vehicles that become available for purchase. Total cost including sales tax is not to exceed \$200,000.

Lease? NO

Grant related? NO

Public Works? NO

Fiscal Impact

Approved in Current Year Budget? YES

Total Cost \$ 200,000.00

Current Year Cost \$

Subsequent Year(s) Cost \$

Narrative

Vehicles will be purchased using pre-competed contracts, or other approved competitive City purchasing procedures. Selection will be based on lowest lifecycle cost for available vehicles meeting the functional need of the department.

Amount**Budget Account**

Expense \$ 200,000.00

4700-41200-94240-56404-99999

Select \$

#

Select \$

#

Select \$

#

\$

#

\$

#



Continuation of Wording, Summary, Approvals, and Distribution

Agenda Wording

Summary (Background)

Approvals

<u>Dept Head</u>	GIDDINGS, RICHARD
<u>Division Director</u>	BOSTON, MATTHEW
<u>Accounting Manager</u>	ALBIN-MOORE, ANGELA
<u>Legal</u>	HARRINGTON,
<u>For the Mayor</u>	PICCOLO, MIKE

Additional Approvals

<u>PURCHASING</u>	PRINCE, THEA

Distribution List

	rgiddings@spokanecity.org
atrussell@spokanecity.org	tprince@spokanecity.org
tpalmquist@spokanecity.org	klouden@spokanecity.org
korlob@spokanecity.org	

Committee Agenda Sheet

Urban Experience Committee

Committee Date	March 11, 2024
Submitting Department	Fleet Services
Contact Name	Rick Giddings
Contact Email & Phone	rgiddings@spokanecity.org 509-625-7706
Council Sponsor(s)	<u>Zappone, Bingle, Klitzke</u>
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested:
Agenda Item Name	5100- DSC Pre-Purchase Approval for 4 Vehicles
Proposed Council Action	<input checked="" type="checkbox"/> Approval to proceed to Legislative Agenda <input type="checkbox"/> Information Only
Summary (Background)	<p>Fleet Services would pre-purchase approval for 4 Battery Electric vehicles as available within budget. These may include vehicles similar to Ford Mach E, Ford Lightning, Chevrolet Bolt, or other cost effective and usable vehicles that become available for purchase. Total cost including sales tax is not to exceed \$200,000.</p> <p>*use the Fiscal Impact box below for relevant financial information</p>
<p>Fiscal Impact</p> <p>Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>Total Cost: <u>\$200,000</u></p> <p style="padding-left: 20px;">Current year cost: \$200,000</p> <p style="padding-left: 20px;">Subsequent year(s) cost: \$0</p> <p>Narrative: <u>Vehicles will be purchased using pre-competed contracts, or other approved competitive City purchasing procedures. Selection will be based on lowest lifecycle cost for available vehicles meeting the functional need of the department.</u></p> <p>Funding Source <input checked="" type="checkbox"/> One-time <input type="checkbox"/> Recurring <input type="checkbox"/> N/A</p> <p>Specify funding source: Program revenue</p> <p>Is this funding source sustainable for future years, months, etc? Yes</p> <p>Expense Occurrence <input checked="" type="checkbox"/> One-time <input type="checkbox"/> Recurring <input type="checkbox"/> N/A</p> <p>Other budget impacts: (revenue generating, match requirements, etc.)</p>	
Operations Impacts (If N/A, please give a brief description as to why)	
What impacts would the proposal have on historically excluded communities? None Identified.	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? Data will not be collected.	
How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution? Lifecycle costs are collected in our FMIS system to evaluate value in the future.	
Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others? Aligns with Centralized Fleet Policy and Capital Improvement Plan.	



Agenda Sheet for City Council:

Committee: Urban Experience **Date:** 03/11/2024

Committee Agenda type: Consent

Date Rec'd

2/29/2024

Clerk's File #

OPR 2018-0252

Renews #

Cross Ref #

Council Meeting Date: 03/25/2024

Submitting Dept

CITY ATTORNEY

Project #

Contact Name/Phone

ELIZABETH 6232

Bid #

Contact E-Mail

ESCHOEDEL@SPOKANECITY.ORG

Requisition #

Agenda Item Type

Contract Item

Council Sponsor(s)

JBINGLE

Agenda Item Name

0500 SPECIAL COUNSEL CONTRACT AMENDMENT #5

Agenda Wording

Special Counsel Contract Amendment #5 with Craig Trueblood, K & L Gates, LLP (Seattle, WA) for outside counsel advise for Wastewater - additional \$50,000. Total contract: \$243,100. (Council Sponsor: Council Member Bingle)

Summary (Background)

Craig Trueblood of K & L Gates, has expertise in environmental law, particularly the Clean Water Act. Mr. Trueblood's contract continues to assist and advise the City in the water quality rules and regulations, implementation of the National Pollutant Discharge Elimination System and the Integrated Clean Water Plan projects.

Lease? NO

Grant related? NO

Public Works? NO

Fiscal Impact

Approved in Current Year Budget? YES

Total Cost \$ 243,100.00

Current Year Cost \$ 50,000.00

Subsequent Year(s) Cost \$

Narrative

Amount

Budget Account

Expense \$ 50,000

TBD

Select \$

#

Select \$

#

Select \$

#

\$

#

\$

#



Continuation of Wording, Summary, Approvals, and Distribution

Agenda Wording

Summary (Background)

Approvals

Dept Head

PICCOLO, MIKE

Division Director

Accounting Manager

ALBIN-MOORE, ANGELA

Legal

SCHOEDEL, ELIZABETH

For the Mayor

PICCOLO, MIKE

Additional Approvals

Distribution List

Craig Trueblood - craig.trueblood@klgates.com

mfeist@spokanecity.org

rgennett@spokanecity.org

eschoedel@spokanecity.org

rhulvey@spokanecity.org

seweraccounting@spokanecity.org

Committee Agenda Sheet

Urban Experience Committee

Committee Date	March 11, 2025
Submitting Department	Legal
Contact Name	Elizabeth Schoedel
Contact Email & Phone	Eschoedel@spokanecity.org 6232
Council Sponsor(s)	CM Bingle
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested:
Agenda Item Name	Special Counsel Contract Amendment #5
Proposed Council Action	<input checked="" type="checkbox"/> Approval to proceed to Legislative Agenda <input type="checkbox"/> Information Only
Summary (Background)	<p>Craig Trueblood of K & L Gates, has expertise in environmental law, particularly the Clean Water Act.</p> <p>*use the Fiscal Impact box below for relevant financial information</p> <p>This amendment is to add additional funds to Mr. Trueblood’s contract to continue to assist and advise the City in the DO TMDL, water quality rules and regulations, implementation of the NPDES Permit and the Integrated Clean Water Plan projects, and other issues with wastewater and RPWRF. Last contract amendment was in 2022.</p> <p>Additional funds need to be added in the amount of \$50,000.00.</p>
Fiscal Impact	
Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Total Cost: <u>243,100.00</u> Current year cost: 50,000 Subsequent year(s) cost:	
Narrative: Please provide financial due diligence review, as applicable, such as number and type of positions, grant match requirements, summary type details (personnel, maintenance and supplies, capital, revenue), impact on rates, fees, or future shared revenue	
Funding Source <input checked="" type="checkbox"/> One-time <input type="checkbox"/> Recurring <input type="checkbox"/> N/A Specify funding source: Select Funding Source* Is this funding source sustainable for future years, months, etc? Yes	
Expense Occurrence <input checked="" type="checkbox"/> One-time <input type="checkbox"/> Recurring <input type="checkbox"/> N/A Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts (If N/A, please give a brief description as to why)	
<ul style="list-style-type: none"> • What impacts would the proposal have on historically excluded communities? N/A • How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? N/A – This work is for special counsel advice. It will not impact racial, gender 	

identity, national origin, income levels, disability, sexual orientation, or other existing disparity factors.

- How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution? N/A
- Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others? This Contract Amendment is consistent with the City's requirement for helping align City policies and providing the City with legal support, advice, consultation, and risk analysis and support on issues regarding both wastewater and stormwater issues.

Council Subcommittee Review

- Please provide a summary of council subcommittee review. If not reviewed by a council subcommittee, please explain why not. N/A – Contract Amendment



City of Spokane
SPECIAL COUNSEL
CONTRACT AMENDMENT #5

This Contract Amendment is made and entered into by and between the **City of Spokane** as ("City"), a Washington municipal corporation, and **Craig Trueblood of the Law Firm K & L Gates, LLP.**, whose address is 925 Fourth Avenue, Suite 2900, Seattle, Washington 98104-1158, as ("Firm"), Individually hereafter referenced as a "party", and together as the "parties".

WHEREAS, the parties entered into a Contract wherein the Firm agreed to act as Special Counsel for the City to provide legal advice and counsel regarding environmental matters for the Wastewater Management Department; and.

WHEREAS, additional funds are necessary, 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 original Contract, dated May 17, 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 Amendment shall become effective February 1, 2024.

3. COMPENSATION.

The City shall pay an additional amount not to exceed **FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00)** as full compensation for everything furnished and done under this Contract Amendment. The total amount under the original Contract, any subsequent amendments, and this Contract Amendment is **TWO HUNDRED FORTY-THREE THOUSAND ONE HUNDRED AND NO/100 DOLLARS (\$243,100.00).**

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 Amendment by having legally-binding representatives affix their signatures below.

K & L GATES LLP

CITY OF SPOKANE

By _____
Signature Date

By _____
Signature Date

Type or Print Name

Type or Print Name

Title

Title

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

U2024-023



Agenda Sheet for City Council:

Committee: Urban Experience **Date:** 03/11/2024

Committee Agenda type: Consent

Date Rec'd

2/28/2024

Clerk's File #

OPR 2020-0506

Renews #

Cross Ref #

Council Meeting Date: 03/25/2024

Submitting Dept

CITY COUNCIL

Project #

Contact Name/Phone

ERIK POULSEN 625-6721

Bid #

Contact E-Mail

EPOULSEN@SPOKANECITY.ORG

Requisition #

CR 26090

Agenda Item Type

Contract Item

Council Sponsor(s)

ZZAPPONE KKLITZKE JBINGLE

Agenda Item Name

0320 - CONTRACT RENEWAL FOR DESIMONE CONSULTING

Agenda Wording

Contract Renewal for Desimone Consulting for federal lobbying services--\$80,000

Summary (Background)

This action is to exercise the fourth and final available 1-year renewal of the contract with DESIMONE CONSULTING GROUP for federal lobbying services. The original contract was done as a minor contract in 2020, but the exercise of four renewals places it above the minor contract threshold. This renewal is for \$80,000 for the 2024 year.

Lease? NO

Grant related? NO

Public Works? NO

Fiscal Impact

Approved in Current Year Budget? YES

Total Cost

\$

Current Year Cost

\$ 80,000

Subsequent Year(s) Cost

\$ Not Applicable

Narrative

This is the fourth and final renewal option on this contract.

Amount

Budget Account

Expense

\$ 80,000

0320-36100-11600-54101-99999

Select

\$

#

Select

\$

#

Select

\$

#

\$

#

\$

#



Continuation of Wording, Summary, Approvals, and Distribution

Agenda Wording

Summary (Background)

Approvals

Dept Head

Division Director

Accounting Manager

Legal

For the Mayor

BUSTOS, KIM

HARRINGTON,

Additional Approvals

Distribution List

Rick Desimone rick@desimonecg.com

epoulsen@spokanecity.org

ywang@spokanecity.org

Committee Agenda Sheet

Urban Experience Committee

Committee Date	Urban Experience 03/11/24
Submitting Department	City Council
Contact Name	Erik Poulsen
Contact Email & Phone	epoulsen@spokanecity.org / x6721
Council Sponsor(s)	Zappone, Klitzke, Bingle
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested:
Agenda Item Name	0320 - Contract Renewal OPR 2020-0506
Proposed Council Action	<input type="checkbox"/> Approval to proceed to Legislative Agenda <input type="checkbox"/> Information Only
Summary (Background)	<p>This action is to exercise the fourth and final available 1-year renewal of the contract with DESIMONE CONSULTING GROUP for federal lobbying services. The original contract was done as a minor contract in 2020, but the exercise of four renewals places it above the minor contract threshold. This renewal is for \$80,000 for the 2024 year.</p>
*use the Fiscal Impact box below for relevant financial information	
Fiscal Impact	
Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Total Cost: Click or tap here to enter text. Current year cost: \$80,000 Subsequent year(s) cost: Not applicable – Contract expires 12/31/24	
Narrative: Please provide financial due diligence review, as applicable, such as number and type of positions, grant match requirements, summary type details (personnel, maintenance and supplies, capital, revenue), impact on rates, fees, or future shared revenue	
Funding Source <input type="checkbox"/> One-time <input checked="" type="checkbox"/> Recurring <input type="checkbox"/> N/A Specify funding source: Select Funding Source* Is this funding source sustainable for future years, months, etc? Click or tap here to enter text.	
Expense Occurrence <input type="checkbox"/> One-time <input checked="" type="checkbox"/> Recurring <input type="checkbox"/> N/A Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts (If N/A, please give a brief description as to why)	
<ul style="list-style-type: none"> What impacts would the proposal have on historically excluded communities? <p>Federal lobbyists are working on City initiatives that help the City of Spokane residents and historically excluded communities through Council and Administrative direction. Federal lobbying done aligns with Council legislative priorities set forth by Council.</p> <ul style="list-style-type: none"> How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? 	

Reporting on initiatives and work performed will be done by lobbyists and intergovernmental affairs.

- How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?

Reporting on initiatives and work performed will be done by lobbyists and intergovernmental affairs.

- Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

Federal lobbying effort under this contract aligns with City legislative priorities set by the City Council.

Council Subcommittee Review

- Please provide a summary of council subcommittee review. If not reviewed by a council subcommittee, please explain why not.

While no subcommittee review is applicable, the contract lobbying effort is directed and overseen by the Council's Legislative Committee



City of Spokane
CONTRACT RENEWAL 4 of 4
Title: **FEDERAL LOBBYING SERVICES**

This Contract Renewal is made and entered into by and between the **CITY OF SPOKANE** as (“City”), a Washington municipal corporation, and **DESIMONE CONSULTING GROUP**, whose address is 1301 Second Avenue, Suite 2850, Seattle, WA 98101, as (“Consultant”), individually hereafter referenced as a “party”, and together as the “parties”.

WHEREAS, the parties entered into a Contract wherein the Consultant agreed to provide Federal Lobbying Services to the City; and

WHEREAS, the Request for Proposal called for four (4) additional one (1) year renewals with this being the third of those renewals.

WHEREAS, the City desires to exercise its fourth renewal of the Contract;

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

1. CONTRACT DOCUMENTS.

The Contract, dated April 10, 2020 and May 6, 2020, 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 Renewal shall become effective on January 1, 2024 and shall end on December 31, 2024.

3. COMPENSATION.

The City shall pay an additional amount not to exceed **EIGHTY THOUSAND AND 00/100 DOLLARS, (\$80,000)** for everything furnished and done under this Contract Renewal. This is the maximum amount to be paid under this Renewal, and shall not be exceeded

without the prior written authorization of the City, memorialized with the same formality as the original Contract and this document.

4. DEBARMENT AND SUSPENSION.

The Consultant has provided its certification that it is in compliance with and shall not contract with individuals or organizations which are debarred, suspended, or otherwise excluded from or ineligible from participation in Federal Assistance Programs under Executive Order 12549 and “Debarment and Suspension”, codified at 29 CFR part 98.

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 Renewal by having legally-binding representatives affix their signatures below.

DESIMONE CONSULTING GROUP

CITY OF SPOKANE

By _____
Signature Date

By _____
Signature Date

Type or Print Name

Type or Print Name

Title

Title

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Attachments that are part of this Agreement:

Attachment A – Certification Regarding Debarment

**ATTACHMENT A
 CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
 INELIGIBILITY AND VOLUNTARY EXCLUSION**

1. The undersigned (i.e., signatory for the Subrecipient / Contractor / Consultant) certifies, to the best of its knowledge and belief, that it and its principals:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
 - b. Have not within a three-year period preceding this contract been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;
 - c. Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and,
 - d. Have not within a three-year period preceding this contract had one or more public transactions (federal, state, or local) terminated for cause or default.
2. The undersigned agrees by signing this contract that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.
3. The undersigned further agrees by signing this contract that it will include the following clause, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions

1. The lower tier contractor certified, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
 2. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor shall attach an explanation to this contract.
4. I understand that a false statement of this certification may be grounds for termination of the contract.

<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> Name of Subrecipient / Contractor / Consultant (Type or Print)	<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> Program Title (Type or Print)
<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> Name of Certifying Official (Type or Print)	<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> Signature
<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> Title of Certifying Official (Type or Print)	<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> Date (Type or Print)

**Agenda Sheet for City Council:****Committee:** Urban Experience **Date:** 03/11/2024**Committee Agenda type:** Discussion**Date Rec'd**

2/27/2024

Clerk's File #

OPR 2024-0213

Renews #**Cross Ref #****Council Meeting Date:** 03/25/2024**Submitting Dept**

CODE ENFORCEMENT & PARKING

Project #**Contact Name/Phone**

LUIS GARCIA 6850

Bid #**Contact E-Mail**

LGARCIA@SPOKANECITY.ORG

Requisition #**Agenda Item Type**

Contract Item

Council Sponsor(s)

KKLITZKE JBINGLE ZZAPPONE

Agenda Item Name

1200 - HOMELESS ENCAMPMENTS ON WSDOT RIGHT OF WAY

Agenda Wording

Interlocal agreement with WSDOT and the City of Spokane to address homeless encampments on WSDOT Right-of-Way.

Summary (Background)

WSDOT and the City desire to enter into an agreement to address homeless encampments on WSDOT (ROW) by providing local, targeted cleanup and outreach services and supporting safety improvements where hazards exist to the traveling public and department employees. WSDOT will use identified funds to reimburse the City in debris cleanup efforts to prevent future encampments from forming on highway right-of-ways.

Lease? NO Grant related? NO Public Works? NO

Fiscal Impact

Approved in Current Year Budget? N/A

Total Cost \$ 845,000

Current Year Cost \$

Subsequent Year(s) Cost \$

Narrative

Spokane responds to encampments throughout the City, which overlap with WSDOT property. To fully resolve cases, performing work on WSDOT property may be needed. This contract will provide funding support for reimbursement for these efforts.

Amount**Budget Account**

Revenue \$ 845,000

TBD

Select \$

#

Select \$

#

Select \$

#

\$

#

\$

#

Committee Agenda Sheet

Select Committee Name

Committee Date	Urban Experience
Submitting Department	Code Enforcement & Parking Services
Contact Name	Luis Garcia, Director
Contact Email & Phone	lgarcia@spokanecity.org & (509) 625-6850
Council Sponsor(s)	Please enter the name of the Council Sponsor(s)
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested:
Agenda Item Name	Homeless Encampments on WSDOT Right of Way
Proposed Council Action	<input checked="" type="checkbox"/> Approval to proceed to Legislative Agenda <input type="checkbox"/> Information Only
Summary (Background)	WSDOT and the City desire to enter into an agreement to address homeless encampments on WSDOT (ROW) by providing local, targeted cleanup and outreach services and supporting safety improvements where hazards exist to the traveling public and department employees. WSDOT will use identified funds to reimburse the City in debris cleanup efforts to prevent future encampments from forming on highway rights-of-way.
<p>*use the Fiscal Impact box below for relevant financial information</p>	<p>Fiscal Impact</p> <p>Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p> <p>Total Cost: <u>\$845,000 total amount.</u></p> <p>Current year cost:</p> <p>Subsequent year(s) cost:</p> <p>Narrative: <u>Spokane responds to encampments throughout the city and in many cases, overlap with WSDOT properties. The challenge is that to fully resolve the cases, performing work on WSDOT property may be needed. This contract will provide funding support for these efforts in a reimbursement model. This agreement can also be used to support social service outreach as appropriate.</u></p> <p>Funding Source <input type="checkbox"/> One-time <input checked="" type="checkbox"/> Recurring <input type="checkbox"/> N/A</p> <p>Specify funding source: Program revenue</p> <p>Is this funding source sustainable for future years, months, etc? The contract is intending to be reoccurring as the need will continue.</p> <p>Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A</p> <p>Other budget impacts: (revenue generating, match requirements, etc.)</p>
Operations Impacts (If N/A, please give a brief description as to why)	
<p>What impacts would the proposal have on historically excluded communities?</p> <p><u>An intent of this agreement is to continue to connect people experiencing homelessness with services. By allowing for local government to respond, the response times will be enhanced to protect the occupants of the encampment as well as the public at large.</u></p>	
<p>How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?</p> <p>N/A- No collection of data will be collected or impact the determination of encampment clean-up pursuant to the agreement. Service providers may collect information, however that would be outside of this contract.</p>	

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

Complaints will be received and responded to in the same manner as the existing encampment clean-up. The reporting component will remain the same as the existing impactful program.

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

The agreement is in compliance with a clean and safe Spokane, which includes properties owned by state agencies.

**Interlocal Agreement
Between
Washington State Department of Transportation (GCB 4001)
And
City of Spokane**

This Agreement is between the Washington State Department of Transportation (WSDOT) and City of Spokane (City); hereinafter individually referred to as the "Party" and collectively referred to as the "Parties."

Recitals

- A. ESHB1125 effective May 16, 2023, provides the Transportation Budget.
- B. Section 216 (4)(a) Exhibit A provides state appropriation solely for the department to address the risks to safety and public health associated with homeless encampments on department owned rights-of-way. The department must coordinate and work with local government officials and social service organizations who provide services and direct people to housing alternatives that are not in highway rights-of-way to help prevent future encampments from forming on highway rights-of-way and may reimburse the organizations doing this outreach assistance who transition people into treatment or housing or for debris clean up on highway rights-of-way. A minimum of \$2,000,000 of this appropriation must be used to deliver more frequent removal of litter on the highway rights-of-way that is generated by unsheltered people and may be used to hire crews specializing in collecting and disposing of garbage, clearing debris or hazardous material, and implementing safety improvements where hazards exist to the traveling public and department employees. The department may use these funds to either reimburse local law enforcement costs or the Washington state patrol if they are providing enhanced safety to department staff during debris cleanup or during efforts to prevent future encampments from forming on highway rights-of-way
- C. Section 216 (5) (EXHIBIT A) provides that \$1,000,000 of the motor vehicle account—state appropriation is provided solely for a partnership program between the department and the city of Spokane, to be administered in conjunction with subsection (4) of this section. The program must address the safety and public health problems created by homeless encampments on the department's property along state highways within the city limits. \$555,000 of the motor vehicle account—state appropriation is for dedicated department maintenance staff and associated clean-up costs. The department and the city of Spokane shall enter into a reimbursable agreement to cover up to \$445,000 of the city's expenses for clean-up crews and landfill costs.
- D. WSDOT has also secured additional funding in the amount of \$400,000 that will go along with Exhibit A.
- E. WSDOT and the City desire to enter into an agreement to address homeless encampments on WSDOT (ROW) by providing local, targeted cleanup and outreach services and supporting safety improvements where hazards exist to the traveling public and department employees.

NOW THEREFORE, pursuant to chapter 39.34 RCW, the above recitals that are incorporated herein as if fully set forth below, and in consideration of the terms, conditions, covenants, and performances contained herein, and the attached Exhibits by this referenced incorporated and made a part hereof, IT IS MUTUALLY AGREED AS FOLLOWS:

1. General

- 1.1 WSDOT routes inside the City subject to this Agreement shall include the following: US2, I90, US395, NSC (including the Children of the Sun Trail), SR290, and SR291 corridors located within city limits.
- 1.2 The City will follow adopted City policies and procedures for employee safety and personal protective equipment when completing this encampment cleanup work as shown in exhibit B.
- 1.3 The City will provide employees, tools and equipment to remove materials and repair sites inside or adjacent to WSDOT ROW damaged by homeless encampments. The materials to be removed and the repair of sites may include removal of litter, trash, costs associated with the removal and storage of vehicles including recreational vehicles, debris, hazardous materials, tree limbs, mowing, fence repair and installation and similar work performed to create open sites to help with enforcement and safety.
- 1.4 The City will enforce trespass laws pursuant to RCW on properties with appropriate No Trespass signage.
- 1.5 No Camping – City will enforce chapter 12.02 Obstruction, Encroachment of Public Ways as shown in exhibit C.
- 1.6 The City will notify WSDOT of vehicles parked/stored on WSDOT property covered by this agreement. WSDOT will issue trespass orders to vehicles being parked/ stored on WSDOT property and will remove said vehicles from WSDOT property. Vehicles on City streets and right of way directly adjacent to WSDOT properties will continue to be addressed by City staff in accordance with current City policies and procedures.
- 1.7 WSDOT will post and maintain “No Trespass” signs on WSDOT owned properties. The sign locations will be agreed upon by both parties and pursuant to WSDOT’s Guidelines to Address Illegal Camping within State Right of Way. If requested by WSDOT, SPD will be present during the posting of signage.
- 1.8 WSDOT will maintain all existing barrier infrastructure and other Crime Prevention Through Environmental Design (CPTED) elements including, but not limited to:
 - Fencing
 - Vegetation (unless agreed to alter by both parties).
 - Hard infrastructure not listed as City responsibility below.
- 1.9 WSDOT shall coordinate the appropriate traffic control to ensure safety of laborers and the traveling public as needed for cleanup work adjacent to active traffic on State Routes.
- 1.10 While on WSDOT premises, the City, its agents, employees, or subcontractors shall comply with WSDOT safety and security policies and regulations. Including requirements for the prevention of transmission of communicable diseases (such as Covid).

- 1.11 The City may provide outreach services for the purpose of connecting at-risk populations inside WSDOT right-of-way with critical wrap-around social services and resources that can aid and improve the circumstances of homeless persons ability to leave the ROW.
- 1.12 In conjunction with WSDOT, the City will monitor and clean WSDOT ROW based on existing maintenance routes to help ensure homeless encampments do not form or return. The City will prioritize cleanup sites and efforts based on staffing capacity, time, and equipment availability.
- 1.13 At the request of the City, WSDOT will participate in meetings and develop reclamation plans for any identified WSDOT ROW site. During these meetings, WSDOT and the City will agree on work to be performed to reduce accessibility and use of WSDOT ROW.
- 1.14 The effective date of this agreement is the date this agreement is signed by both Parties with a termination date of June 30, 2025, or before if available funding is fully expended.

2. Payment

- 2.1 WSDOT in consideration of the faithful performance of the work to be done by the City, in accordance with this Agreement will reimburse the City for the actual direct and related indirect cost of the work in an amount not to exceed Eight Hundred Forty Five Thousand Dollars (\$845,000).
- 2.2 Partial payments shall be made by WSDOT, upon request of the City, to cover costs incurred. These payments are not to be more frequent than one (1) per month. It is agreed that any such partial payment will not constitute agreement as to the appropriateness of any item and that, at the time of the final audit, all required adjustments will be made and reflected in a final payment.
- 2.3 The City agrees to submit a final bill to WSDOT within ninety (90) days after completion of Work and no more often than once per month.
- 2.4 Invoices and Payment
The City shall submit invoices that include detailed backup information including but not limited to timesheet reports. Each invoice shall include the following items:
 - Agreement number and title.
 - Invoice number.
 - Period covered by the invoice (specific beginning and ending calendar days).
 - Total amount expended to-date against the City's preliminary estimate, which WSDOT has agreed to as the total dollar amount for this agreement.
 - A brief narrative progress report that addresses progress of the work performed by the City.

- 2.5 State Fiscal Year End Closure Requirements (chapter 43.88 RCW): Any invoices for work performed between July 1 and June 30 of any given year must be submitted to WSDOT no later than July 6th (or the first business day after the July 4th holiday) of the same calendar year. If the City is unable to provide an invoice for such work by this date, an estimate of all remaining payable costs owed by WSDOT for work performed by the City prior to July 1 must be submitted to the WSDOT no later than July 19th of the same year in order for WSDOT to accrue the amount necessary for payment. The City will thereafter submit any remaining invoices to WSDOT for such work as soon as possible. Failure to comply with these requirements may result in delayed payment. WSDOT shall not be required to pay to the City late payment fees, interest, or incidental costs incurred by the City or any other costs related to a delayed payment if the City fails to comply with the invoice requirements of this Section.
- 2.6 WSDOT will review invoices, and associated attachments, and will notify the City of any unallowable/disapproved costs. WSDOT will specify the reason for any unallowable/disapproved costs on the invoiced amounts it believes it is not responsible for and/or may request justification from the City for the unallowable/disapproved costs. If the City provides the justification and WSDOT approves the cost, the City may resubmit the unallowable/disapproved costs in a subsequent invoice, noted as a resubmittal and within 60-days' notice of WSDOT's notification to the City of the initial unallowable/ disapproved cost.

Otherwise, the Parties may enter into the dispute resolution process (all unallowable/disapproved costs shall be subject to the dispute resolution process unless otherwise agreed to by the Parties) as noted in Section 3.

3. Dispute Resolution

- 3.1 The Parties shall make good faith efforts to quickly and collaboratively resolve any dispute arising under or in connection with this Agreement. The dispute resolution process outlined in this Section applies to disputes arising under or in connection with the terms of this Agreement.
- 3.2 Informal Resolution. The informal resolution process begins at the staff level and is raised to the higher organizational levels, if necessary. The levels of resolution are described below:
- 3.2.1 Upon receipt of a written notice of request for dispute resolution, the WSDOT and the City Project Managers shall meet within ten (10) Business Days and attempt to resolve the dispute. Any resolution of the dispute requires the agreement of all Designated Representative attending the meeting who requested to attend the meeting.
- 3.2.2 If unresolved, the WSDOT and City's project manager listed in section 8.1 shall jointly cooperate to informally resolve any dispute as quickly and efficiently as possible.
- 3.2.3 If the Parties have not resolved the dispute within five (5) Business Days after the second level meeting, at any time thereafter either Party may seek relief under this Agreement in a court of law. The Parties agree that they have no right to relief in a court of law until they have completed the dispute resolution process outlined in this section.

4. Modification

- 4.1 This Agreement may be amended or modified only by the mutual agreement of the Parties. Such amendments or modifications shall not be binding unless they are in writing and signed by persons authorized to bind each of the Parties.

5. Indemnification and Insurance

- 5.1 To the extent permitted by law, WSDOT and the City shall protect, defend, indemnify, and save harmless each other, their respective officers, officials, employees, and agents, while acting within the scope of their employment as such, from any and all costs, claims, judgment, and/or awards of damages, arising out of, or in any way resulting from, Indemnifying Party's negligent acts or omissions. Neither WSDOT nor the City will be required to indemnify, defend, or save harmless each other if the claim, suit, or action for injuries, death, or damages is caused by the sole negligence of the other Party. Where such claims, suits, or actions result from concurrent negligence of WSDOT and the City, the indemnity provisions provided herein shall be valid and enforceable only to the extent of WSDOT's or the City's own negligence. WSDOT and the City agree that their respective obligations under this subsection extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, WSDOT and the City, by mutual negotiation, hereby waive, with respect to the other Party only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW. In the event that WSDOT or the City incurs any judgment, award, and/or cost arising therefrom, including attorneys' fees, to enforce the provisions of this section, all such fees, expenses, and costs shall be recoverable by the prevailing Party. This indemnification shall survive the termination of this Agreement.
- 5.2 The City warrants that it is self-insured pursuant to a self-insurance "risk pool" duly authorized by the State of Washington and agrees to provide acceptable evidence of its self-insured status to WSDOT. The City self-insurance risk pool insurance policy must provide liability coverage for its operations under this Agreement, including (i) general liability coverage for bodily injury, property damage, and personal injury of not less than Two Million and no/100 Dollars (\$2,000,000.00) combined single limit per occurrence, with a general aggregate amount of not less than Five Million Dollars (\$5,000,000.00) per policy period; coverage under policies shall be triggered on an "occurrence basis," not on a "claims made" basis; and (ii) commercial automobile liability coverage providing bodily injury and property damage liability coverage for all owned and non-owned vehicles assigned to or used in the performance of the operations under this Agreement, with a combined single limit of not less than One Million \$1,000,000 per occurrence. WSDOT shall be named as an additional insured by endorsement of the commercial general liability coverage provided under the "risk pool" coverage, utilizing ISO Form 2026 (Additional Insured – Designated Person or Organization) or its equivalent without modification. Coverage obtained by County in compliance with the Section shall not be deemed as having relieved County of any liability in excess of such coverage.

In the event the City is not a party to a state approved self-insurance "risk pool", it shall secure insurance coverage in conformance with the required of this Section 5.2 and promptly provide a certificate of insurance from an insurer licensed to conduct business in the State of Washington, evidencing the procurement of the required insurance coverages. WSDOT shall be named as an additional insured by endorsement of the liability policy required, utilizing ISO Form 2026 (Additional Insured – Designated Person or Organization) or its equivalent without modification on any such general liability policies.

6. Governing Law and Venue

6.1 This Agreement shall be construed and interpreted in accordance with the laws of the state of Washington. In the event that either Party deems it necessary to institute legal action or proceedings to enforce any right or obligation under this Agreement, the Parties hereto agree that any such action or proceedings shall be brought in Thurston/Spokane XXXX Superior Court. Further, the Parties agree that each will be solely responsible for payment of their own attorneys' fees, witness fees, and costs.

7. Independent capacity

7.1 The employees or agents of each Party who are engaged in the performance of this Agreement shall continue to be employees or agents of that Party and shall not be considered for any purpose to be employees or agents of the other Party.

8. Contacts and Notices

8.1 Contact between the Parties, including but not limited to invoicing, agreement administration, and notices will be directed to the below identified contacts as follows or his/her designee or such other addresses as either Party may, from time to time, designate in writing:

City Project Manager shall be:

Name: Luis Garcia

Title:

Address:

Phone:

Email:

WSDOT Project Manager shall be:

Name: Kurt Kaufman

Title: Maintenance Operation Manager

Address: 2714 N. Mayfair Street

Spokane, WA 99207

Phone (509) 324-6583

Email: kaufmak@wsdot.wa.gov

9. Severability

9.1 Should any clause, phrase, sentence or paragraph of this Agreement or its application be declared invalid or void by a court of competent jurisdiction, the remaining provisions of this Agreement or its applications of those provisions not so declared shall remain in full force and effect.

10. Termination

10.1 Neither WSDOT nor the City may terminate this Agreement without the concurrence of the other Party. Termination shall be in writing and signed by both Parties. If this Agreement is so terminated prior to the fulfillment of the terms stated herein, the City shall be reimbursed for actual direct and related indirect expenses and costs incurred up to the date of termination, as well as the costs of non-cancelable obligations.

11. No Third-Party Beneficiaries

11.1 This Agreement is executed for the sole and exclusive benefit of the signatory Parties. Nothing in this Agreement, whether expressed or implied, is intended to confer any right, remedy or other entitlement upon any person other than the Parties hereto, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third-party, nor shall any provision herein give any third-party any right of action against any Party hereto.

12. Audits/Records

12.1 All records for the PROJECT in support of all costs incurred shall be maintained by the Parties for a period of six (6) years. The Parties shall have full access to and right to examine said records, during normal business hours and as often as it deems necessary. The Parties agree

that the work performed herein is subject to audit by either or both Parties and/or their designated representatives, and/or the federal/state government.

- 12.2 If any litigation, claim, or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.
- 12.3 Records and other documents, in any medium, furnished by one Party to this Agreement to the other Party, will remain the property of the furnishing Party, unless otherwise agreed. The Parties understand that such records and documents related to this Agreement are subject to public release through state public disclosure requests. The receiving Party will not disclose or make available this material to any third parties without first giving notice to the furnishing Party and giving it a reasonable opportunity to respond. Each Party will utilize reasonable security procedures and protections to assure that records and documents provided by the other Party are not erroneously disclosed to third parties.

13. Working Days

- 13.1 Working days for this Agreement are defined as Monday through Friday, excluding Washington State furlough days or state holidays pursuant to RCW 1.16.050.

14. Counterparts

- 14.1 This Agreement may be executed in counterparts or in duplicate originals. Each counterpart or each duplicate shall be deemed an original copy of this Agreement signed by each party, for all purposes. Electronic signatures or signatures transmitted via e-mail in a "PDF" may be used in place of original signatures on this Agreement. Each party intends to be bound by its electronic or "PDF" signature on this Agreement and is aware that the other parties are relying on its electronic or "PDF" signature.

In Witness Whereof, the Parties hereto have executed this Agreement as of the date last written below.

City of Spokane	Washington State Department of Transportation
By:	By:
Printed:	Printed: Todd Trepanier, P.E.
Title:	Title: Region Administrator
Date:	Date:

Approved as to Form City of Spokane	Approved as to Form Washington State Department of Transportation
By:	By: <i>Maek Schomock</i>
Printed:	Printed: <i>Maek Schomock</i>
Title:	Title: <i>Assistant Attorney General</i>
Date:	Date: <i>1/18/23</i>

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1125

Chapter 472, Laws of 2023
(partial veto)

68th Legislature
2023 Regular Session

TRANSPORTATION BUDGET

EFFECTIVE DATE: May 16, 2023

Passed by the House April 22, 2023
Yeas 98 Nays 0

LAURIE JINKINS

**Speaker of the House of
Representatives**

Passed by the Senate April 22, 2023
Yeas 46 Nays 3

DENNY HECK

President of the Senate

Approved May 16, 2023 11:39 AM with
the exception of sections 204(3),
207(5), 20(10), 211(1), 215(3),
217(6), 218(5), 219(2), 221(18),
223(3), 224(4), 208(29), 208(31),
213(5), 214(7), 215(4), 217(10),
219(11), 219(12), 224(3), 701(1),
804, 1102(1), 1102(14), 208(17),
208(18), 208(19), and 208(33), which
are vetoed.

JAY INSLEE

Governor of the State of Washington
GCB 4001 Exhibit A

CERTIFICATE

I, Bernard Dean, Chief Clerk of the
House of Representatives of the
State of Washington, do hereby
certify that the attached is
**ENGROSSED SUBSTITUTE HOUSE BILL
1125** as passed by the House of
Representatives and the Senate on
the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

May 17, 2023

**Secretary of State
State of Washington**

1 transportation committees of the legislature on agency activities and
2 their status by December 1, 2023, and to provide a final report to
3 the transportation committees of the legislature by December 1, 2024.

**Sec. 215 was partially vetoed. See message at end of chapter.*

4 NEW SECTION. **Sec. 216. FOR THE DEPARTMENT OF TRANSPORTATION—**
5 **HIGHWAY MAINTENANCE—PROGRAM M**

6	Motor Vehicle Account—State Appropriation.	\$535,033,000
7	Motor Vehicle Account—Federal Appropriation.	\$7,000,000
8	Move Ahead WA Account—State Appropriation.	\$50,000,000
9	State Route Number 520 Corridor Account—State	
10	Appropriation.	\$4,838,000
11	Tacoma Narrows Toll Bridge Account—State	
12	Appropriation.	\$1,585,000
13	Alaskan Way Viaduct Replacement Project Account—	
14	State Appropriation.	\$8,752,000
15	Interstate 405 and State Route Number 167 Express	
16	Toll Lanes Account—State Appropriation.	\$2,624,000
17	TOTAL APPROPRIATION.	\$609,832,000

18 The appropriations in this section are subject to the following
19 conditions and limitations:

20 (1) \$5,000,000 of the motor vehicle account—state appropriation
21 is provided solely for a contingency pool for snow and ice removal.
22 The department must notify the office of financial management and the
23 transportation committees of the legislature when they have spent the
24 base budget for snow and ice removal and will begin using the
25 contingency pool funding.

26 (2) (a) \$115,000 of the state route number 520 corridor account—
27 state appropriation is provided solely for the department to enter
28 into a dispute resolution process with local jurisdictions to produce
29 interagency agreements to address the ongoing facility and landscape
30 maintenance of the three state route number 520 eastside lids and
31 surrounding areas at the Evergreen Point Road, 84th Avenue NE, and
32 92nd Avenue NE.

33 (b) The agreements pursuant to (a) of this subsection must be
34 executed by June 30, 2024.

35 (3) The appropriations in this section provide sufficient funding
36 for the department assuming vacancy savings that may change over
37 time. Funding for staffing will be monitored and adjusted in the 2024

1 supplemental transportation appropriations act to restore funding as
2 authorized staffing levels are achieved.

3 (4) (a) \$7,000,000 of the motor vehicle account—state
4 appropriation is provided solely for the department to address the
5 risks to safety and public health associated with homeless
6 encampments on department owned rights-of-way. The department must
7 coordinate and work with local government officials and social
8 service organizations who provide services and direct people to
9 housing alternatives that are not in highway rights-of-way to help
10 prevent future encampments from forming on highway rights-of-way and
11 may reimburse the organizations doing this outreach assistance who
12 transition people into treatment or housing or for debris clean up on
13 highway rights-of-way. A minimum of \$2,000,000 of this appropriation
14 must be used to deliver more frequent removal of litter on the
15 highway rights-of-way that is generated by unsheltered people and may
16 be used to hire crews specializing in collecting and disposing of
17 garbage, clearing debris or hazardous material, and implementing
18 safety improvements where hazards exist to the traveling public and
19 department employees. The department may use these funds to either
20 reimburse local law enforcement costs or the Washington state patrol
21 if they are providing enhanced safety to department staff during
22 debris cleanup or during efforts to prevent future encampments from
23 forming on highway rights-of-way.

24 (b) Beginning November 1, 2023, and semiannually thereafter, the
25 Washington state patrol and the department of transportation must
26 jointly submit a report to the governor and the transportation
27 committees of the legislature on the status of these efforts,
28 including:

29 (i) A summary of the activities related to addressing
30 encampments, including information on arrangements with local
31 governments or other entities related to these activities;

32 (ii) A description of the planned activities in the ensuing two
33 quarters to further address the emergency hazards and risks along
34 state highway rights-of-way; and

35 (iii) Recommendations for executive branch or legislative action
36 to achieve the desired outcome of reduced emergency hazards and risks
37 along state highway rights-of-way.

38 (5) \$1,000,000 of the motor vehicle account—state appropriation
39 is provided solely for a partnership program between the department
40 and the city of Spokane, to be administered in conjunction with

1 subsection (4) of this section. The program must address the safety
2 and public health problems created by homeless encampments on the
3 department's property along state highways within the city limits.
4 \$555,000 of the motor vehicle account—state appropriation is for
5 dedicated department maintenance staff and associated clean-up costs.
6 The department and the city of Spokane shall enter into a
7 reimbursable agreement to cover up to \$445,000 of the city's expenses
8 for clean-up crews and landfill costs.

9 (6) \$1,025,000 of the motor vehicle account—state appropriation
10 is provided solely for the department to implement safety
11 improvements and debris clean up on department-owned rights-of-way in
12 the city of Seattle at levels above that being implemented as of
13 January 1, 2019, to be administered in conjunction with subsection
14 (4) of this section. The department must maintain a crew dedicated
15 solely to collecting and disposing of garbage, clearing debris or
16 hazardous material, and implementing safety improvements where
17 hazards exist to the traveling public, department employees, or
18 people encamped upon department-owned rights-of-way. The department
19 may request assistance from the Washington state patrol as necessary
20 in order for both agencies to provide enhanced safety-related
21 activities regarding the emergency hazards along state highway
22 rights-of-way in the Seattle area.

23 (7) \$1,015,000 of the motor vehicle account—state appropriation
24 is provided solely for a partnership program between the department
25 and the city of Tacoma, to be administered in conjunction with
26 subsection (4) of this section. The program must address the safety
27 and public health problems created by homeless encampments on the
28 department's property along state highways within the city limits.
29 \$570,000 of the motor vehicle account—state appropriation is for
30 dedicated department maintenance staff and associated clean-up costs.
31 The department and the city of Tacoma shall enter into a reimbursable
32 agreement to cover up to \$445,000 of the city's expenses for clean-up
33 crews and landfill costs.

34 (8) \$1,500,000 of the motor vehicle account—state appropriation
35 is provided solely for the department to contract with the city of
36 Fife to address the risks to safety and public health associated with
37 homeless encampments on department-owned rights-of-way along the SR
38 167/SR 509 Puget Sound Gateway project corridor in and adjacent to
39 the city limits pursuant to section 216(10), chapter 186, Laws of

CITY OF SPOKANE EXECUTIVE ORDER	EO 2020-00 <u>17</u> LGL 2020-00 <u>08</u>
TITLE: DIRECTIVE OF THE MAYOR REGARDING ADOPTION OF AN ADMINISTRATIVE POLICY	
EFFECTIVE DATE: November <u>13th</u> , 2020	RECEIVED NOV 13 2020 CITY CLERK'S OFFICE
REVISION DATE IF APPLICABLE:	

Pursuant to the City of Spokane (the "City") Administrative Policy and Procedure Number 0325-18-1, Section 5.2.1, the Mayor hereby issues this Directive:

AUTHORITY:

Section 5.2.1 provides in part as follows:

Copies of proposed policies and procedures shall be provided to all affected departments for review and comment for at least a two week period prior to final adoption, *unless* (emphasis added), directed otherwise by the Mayor or City Administrator.

ACTION:

In this instance the undersigned Mayor of the City directs that the Encampment Removal and Cleanup Policy, attached hereto as Exhibit "A", is to become effective immediately upon signature, for the reasons set forth herein.

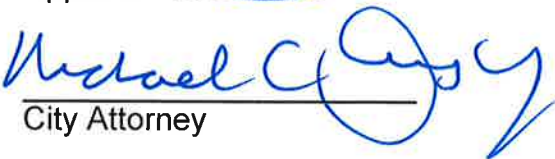
- 1) The effective date of the application of this Policy is necessary in order to resolve litigation filed in the United States District Court for the Eastern District of Washington captioned David Ham vs. City of Spokane, case No. 2:19-cv-00236-TOR; and
- 2) The potential enforcement of the City Municipal Code provisions that prohibit camping on public lands may create the need for additional camp site clean ups and this policy and procedure will provide rules and guidelines for certain property found in any encampments

Dated this 13 day of November, 2020.



 Mayor Nadine Woodward



Approved as to form:


 City Attorney

Attest:



 City Clerk

Date of Publication: _____

Effective Date: 11/13/2020

CITY OF SPOKANE
ADMINISTRATIVE POLICY AND PROCEDURE

CITY OF SPOKANE ADMINISTRATIVE POLICY AND PROCEDURE	ADMIN 1200-20-01 LGL 2020-0022
TITLE: ENCAMPMENT REMOVAL AND CLEANUP POLICY EFFECTIVE DATE: November 13, 2020 REVISION DATE:	

1.0 GENERAL

1.1 PURPOSE AND INTENT

The purpose of this policy is to establish criteria and outline procedures for the removal and cleanup of encampments.

The intent of this policy is to promote the interests of public health and safety while also respecting the rights of unsheltered individuals and connecting them with available shelter services. The public health and safety concerns related to encampments have generated innumerable citizen complaints and have prompted city departments to send crews of personnel to clean up garbage and solid waste. The City's efforts have not only been costly, but have brought to light far more than a problem of mere unwanted litter.

Behaviors associated with encampments have resulted in a variety of problems that include, but are not limited to, uncontained fires, damage to trees and landscaping, contaminated hypodermic needles left out on open lands, biohazards such as exposed human waste, damage to critical infrastructure such as bridges and streets, and significant interference with the intended uses of public facilities. Additionally, there have been threats to the health and safety of the campers themselves and to the community.

The City of Spokane intends to address these issues by establishing this Encampment Removal and Cleanup Policy.

1.2 TABLE OF CONTENTS

- 1.0 GENERAL
- 2.0 DEPARTMENTS/DIVISIONS AFFECTED
- 3.0 REFERENCES
- 4.0 DEFINITIONS
- 5.0 POLICY
- 6.0 PROCEDURE
- 7.0 RESPONSIBILITIES
- 8.0 APPENDICES

2.0 DEPARTMENTS/DIVISIONS AFFECTED

This policy shall apply to the Spokane Police Department, Parks and Recreation and Neighborhood and Business Services.

3.0 REFERENCES

Washington State Constitution, Article XI, section 11

Spokane City Charter, Article 1 section 3

Spokane Municipal Code - Article VI. Protection of Public Lands and Properties, sections 12.02.1000 through 12.02.1012

Spokane Municipal Code section 12.02.0208

Spokane Municipal Code section 12.02.0737

Spokane Municipal Code section 10.10.026

Spokane Municipal Code section 12.06A.040.H.1

4.0 DEFINITIONS

4.1 Encampment means a site where one or more individuals or groups of persons temporarily reside outdoors.

5.0 POLICY

5.1 It is the policy of the City of Spokane to remove and clean up encampments on public property while respecting the personal property rights of campers.

6.0 PROCEDURE

6.1 REMOVAL AND CLEANUP CRITERIA

A. Any encampment on public property may be designated for removal and cleanup consistent with this policy.

B. The City will prioritize removal if any of the following conditions is observed or reasonably suspected in connection with an encampment:

1. physical threats or violence;
2. criminal activity not inherent in the act of unauthorized camping (e.g., drug use or sales, theft, sex trafficking, malicious mischief);
3. a condition that significantly increases the likelihood of disease or the spread of disease (e.g., rodents, exposed meat, human waste);

4. a condition that presents a significant risk of bodily injury or death (e.g., discarded needles, vehicular traffic, weapons);
 5. any other substantial threat to public health or safety;
 6. damage (including potential or foreseeable damage) to the natural environment of environmentally critical areas;
 7. significant amounts of trash;
 8. significant disruption to a primary intended use of public property (e.g., blocking a doorway, on a sports field or court; obstructing a large portion of a sidewalk);
 9. occupation of an area in which the public is not allowed to be present during the times camping is occurring.
- C. Any of the factors enumerated in the above section that are observed at an encampment that is the subject of removal should be documented with a specific description, which may include a police report, and available photographic or videographic evidence including footage from body worn cameras.
- D. In addition to documentation with regard to the aforementioned conditions, the police officer or other person responsible for documentation should include a statement whether such conditions place the public at risk and how removal of the encampment is related to preservation of public health or safety.

6.2 REMOVAL AND CLEANUP PROCEDURES

A. Unoccupied Encampments – Written Notice Required Prior to Removal

For unoccupied encampments, written notice of removal will be posted on each tent and/or in any other distinct areas of the encampment. Reasonable efforts should be made to ensure that campers who are known to have difficulties understanding a written notice (whether because they are non-English speakers or impaired in some other way) receive the notice in a manner that is clear.

1. Contents of Notice

The written notice will provide at least the following notifications:

- a. Campers must remove all their belongings from the site within 48 hours.
 - b. Campers should not leave behind any items they want to keep.
 - c. Campers unable to remove their belongings in time due to disability or an equivalent hindrance may call 311 or visit MySpokane at Spokane City Hall (808 W. Spokane Falls Blvd), to make a request for special assistance. The request will be evaluated for reasonableness, and if reasonable, accommodated to the extent practicable. Campers should not assume that a request for assistance will be approved or that the City will be able to accommodate the request.
 - d. Campers may call 311 or visit MySpokane at Spokane City Hall (808 W. Spokane Falls Blvd) to inquire about whether items that were left at an encampment have been stored. Campers may retrieve their belongings without fear of arrest solely on the basis that they are retrieving their belongings.
 - e. Campers wishing to minimize the risk of losing valued possessions in removals should always keep such items, to the extent possible, in visible, sanitary, and safely accessible bags or bins.
 - f. If the City does not clean up the site within a reasonable period of time, not to exceed five business days from expiration of the 48-hour period, the notice will be disregarded, and a new notice may then be posted.
 - g. Basic contact information for campers seeking shelters or social services.
2. Cleanup - After 48 hours, the City will clean up the site within a reasonable period of time.
 - a. Any campers who are present at that time will be directed to remove their belongings from the site.

- i. Items that a camper leaves behind will be deemed abandoned.
 - ii. Requests for additional time or assistance to remove items will be evaluated for reasonableness, and if reasonable, accommodated to the extent practicable.
- b. City staff, as designated by the Director of Code Enforcement, will conduct an inspection for any remaining, unclaimed items, to the extent this can be done safely. An inspection may be narrowed or terminated for one or more of the following reasons that render further inspection unsafe:
 - i. presence of one or more hypodermic needles (especially if uncapped);
 - ii. strong odor or visual indication of unsanitary condition (e.g., biological waste) permeating a tent or space;
 - iii. a tent or space that is soaked in liquid or mud;
 - iv. any other similar indication that further inspection or manipulation would be unsafe.
- c. Unclaimed items found in an inspection will be initially eligible for storage if and only if:
 - i. circumstances indicate that the item belongs to a person;
 - ii. the item has apparent utility in its current condition and circumstances; and
 - iii. the item can be safely retrieved from the site.

Examples of potentially storable items include: identification, medication stored in medication bottles with identifying information, art, art supplies, musical instruments, and items that reasonably appear to have sentimental value in their current condition. An item need not be in new or perfect condition to have apparent utility.

- d. An eligible item found in an inspection will be put into storage, unless it is determined to meet one of the following disqualifying conditions:
 - i. hazardous (e.g., items contaminated with human waste, explosives, moldy items);
 - ii. likely to become hazardous in storage (e.g., perishables, wet materials that might become moldy, items covered in mud);
 - iii. practically un-storable, due to large size, weight, or other similar characteristic;
 - iv. contraband or stolen;
 - v. is on the City's current list (as published on the City's website) of common types of items that, in the experience of City staff, campers regularly abandon during encampment removals, and there is no contrary indication as to the specific item.
- e. Any items taken into storage will be kept in storage for up to 60 days. In addition to information already available on the notice, information about how stored items can be retrieved shall be available on the City of Spokane's website.

3. If the City does not clean up the site within a reasonable period of time, not to exceed five business days from expiration of the 48-hour period, the notice will be disregarded, and a new notice may then be posted.

4. Stored items may be retrieved from storage based on a description with sufficient specificity to demonstrate ownership.

B. Occupied Encampments

For occupied encampments, when shelter is available in the City, the City will provide campers with shelter and service information while expediting cleanup and removal of the site.

1. Campers will be directed to remove their belongings from the site.

- a. Items that a camper leaves behind will be deemed abandoned.
 - b. Requests for additional time or assistance to remove items will be evaluated for reasonableness and, if reasonable, accommodated to the extent practicable.
2. A separate and unclaimed portion of an otherwise occupied encampment will be treated as an unoccupied encampment per Section A above.

C. Other Expedited Removals

1. The following types of encampments are subject to expedited removal even if the encampment is unoccupied:
 - a. An encampment in an area the public is not allowed to access at the time of removal, with clear signage to that effect.
 - b. An encampment in an area that has been clearly signed as specially off-limits to camping and subject to expedited removal.
 - c. An encampment that significantly disrupts a primary intended use of public property (e.g., blocking a doorway, on a sports field or court, or obstructing a large portion of a sidewalk).
 - d. An encampment that poses a significant risk of bodily injury (e.g., directly adjacent to vehicular traffic, requires walking across highway traffic to access).
 - e. An encampment that appears to have been entirely abandoned (e.g., no persons present and no indication anyone is likely to return for remaining items).
2. In an expedited removal, the notice specified in Section (A)(1) is not required. The City will otherwise follow the same clean-up procedures specified in this policy.

6.3 No part of this Encampment Removal and Cleanup Policy is intended to create any private or other cause of action.

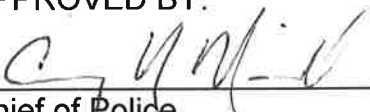
7.0 RESPONSIBILITIES

7.1 Departments are required to coordinate efforts to comply with this policy.

8.0 APPENDICES

Not applicable.

APPROVED BY:



Chief of Police



Director of Parks and Recreation



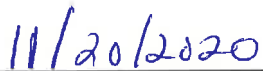
City Attorney



Director of Community and Economic Development



City Administrator (Interim)



Date



City of Spokane Camp Removals – Property Storage Commonly Encountered Items

In the course of responding to reports of illegal camping on public land in the City of Spokane, items are encountered and determinations must be made on site whether to discard or store items. This list is not intended to be all-inclusive and determinations will be made in accordance with the City's Encampment Policy, in good faith and in the interest of the safety of city employees, the personal property rights of campers, and the general health and welfare of the public and its infrastructure. For more information, see the City's Encampment Removal and Cleanup Policy.

Items commonly encountered that will be stored unless in a disqualifying condition (broken, not safely accessible, unsanitary, impractical to store, contraband, or clearly abandoned):

- Items of obvious value (such as intact personal electronics, jewelry, debit/credit cards)
- Legal documents and identification cards
- Intact medical equipment (including prosthetics, wheelchairs, canes, eye glasses)
- Suitcases, backpacks, and other personal bags
- Clothing and bedding
- Tents
- Intact and undamaged bicycles, scooters, and other personal transportation implements
- Tools and cooking equipment

Items encountered that, in the City's experience, commonly are abandoned and presumptively will not be stored:

- Scrap materials, such as lumber, pallets, tarps, plastic, and tires
- Parts of physical structures
- Couches and mattresses



Spokane Municipal Code

***Note: Many local criminal codes can now be located under [Chapter 10.60 SMC](#) while others are now cited under the Revised Code of Washington (RCW), which was incorporated into the municipal code in 2022. (See [SMC 10.58.010](#)). Code Enforcement, including Noise Control and Animal Regulations are located in Chapters 10.62 through 10.74.

- [Home](#)
- [Title 12](#)
- [Chapter 12.02](#)
- [Section 12.02.1010](#)

[Title 12](#) Public Ways and Property

[Chapter 12.02](#) Obstruction, Encroachment of Public Ways

Article VI. Protection of Public Lands and Properties

[Section 12.02.1010](#) Unauthorized Camping on Public Property – Violation

A. Prohibition

1. No person may camp in or upon any public property including, but not limited to, on conservation lands and natural areas abutting the Spokane River, Latah Creek and their tributaries, unless specifically authorized by declaration of the Mayor in emergency circumstances.
2. At all times, regardless of the availability of shelter, it is unlawful to camp where such activity poses:
 - a. a substantial danger to any person,
 - b. an immediate threat and/or an unreasonable risk of harm to public health or safety, or
 - c. a disruption to vital government services.

In such circumstances, the encampment shall be subject to expedited removal pursuant to SMC 12.02.1011.

3. At all times, regardless of the availability of shelter space or beds, it is unlawful to camp or store personal property, including camp facilities and camp paraphernalia, or to have unauthorized encampments, at any time in the following locations:
 - a. Underneath or within 50 feet of any railroad viaduct located within the Spokane Police Department's Downtown Precinct boundary as shown out in [Exhibit A](#); and

- b. Within three blocks of any congregate shelter provided that signs are posted prohibiting camping that are clearly visible to pedestrians.
- c. In public within one thousand (1,000) feet of the perimeter of the grounds of a park (SMC Section 12.06A.030(B&D)), a day care center or child care facility (RCW 35.63.170(3-4)), or a public or private school (RCW 28A.150.010 and RCW 28A.195.010).

B. Penalty

A violation of this section is a misdemeanor. Unless otherwise subject to custodial arrest on a warrant or probable cause for another crime, individuals subject to enforcement under this section shall be cited and released rather than being booked into jail. With the exception of those who do not meet the criteria for acceptance into community court, individuals subject to enforcement under this chapter shall be referred to community court by officer citation.

C. Enforcement

1. Law enforcement officers shall not issue a criminal citation to enforce unauthorized camping in violation of section 12.02.1010 (A)(1) when an individual is on public property at a time when there is no available overnight shelter. Nothing in this section shall be construed to prevent the enforcement of section 12.02.1003 at all times, regardless of the availability of shelter, when a person is causing harm to the Spokane River or Latah Creek or to the banks and natural areas that buffer these waterways; nor shall this section be construed to prevent the expedited removal of an encampment on any public property pursuant to section 12.02.1012 (C).
 - a. Prior to issuing a citation to a homeless person who is sleeping, lying, sitting, or camping outdoors, the police officer must first confirm that a 24/7 low-barrier shelter had available space during the previous twenty-four hours that could have been utilized by that individual.
 - b. Confirmation of overnight shelter availability may come from data provided through a City-approved data system or through direct contact with regional low-barrier shelters, and shall consist of the following:
 - i. whether a shelter has available space for sleeping,
 - ii. the number of available spaces, and
 - iii. the guests each shelter will accept (i.e. men, women, families with children, etc.).
2. Sections 12.02.1010 (A)(2) and (A)(3) are enforceable at all times regardless of shelter availability,

Date Passed: Tuesday, November 28, 2023

Effective Date: Tuesday, November 28, 2023

ORD C36408 Section 1



Agenda Sheet for City Council:

Committee: Urban Experience **Date:** 03/11/2024

Committee Agenda type: Consent

Date Rec'd

2/29/2024

Clerk's File #

OPR 2024-0214

Renews #

Cross Ref #

Council Meeting Date: 03/25/2024

Submitting Dept

PLANNING & ECONOMIC

Project #

Contact Name/Phone

AMANDA BECK X6414

Bid #

Contact E-Mail

ABECK@SPOKANECITY.ORG

Requisition #

Agenda Item Type

Contract Item

Council Sponsor(s)

JBINGLE ZZAPPONE KKLITZKE

Agenda Item Name

0650 - MFTE CONDITIONAL AGREEMENT FOR 1207 E NEWARK AVE

Agenda Wording

Multiple Family Housing Property Tax Exemption Conditional Agreement with NARP LLC, for the future construction of approximately 4 units, at Parcel Number(s) 35204.0211 commonly known as 1207 E Newark Ave.

Summary (Background)

Chapter 84.14 RCW authorizes the City to create a multiple family housing property tax exemption program and to certify qualified property owners for that property tax exemption. SMC 08.15 Multiple-family Housing Property Tax Exemption outlines the City of Spokane MFTE Program and project eligibility.

Lease? NO

Grant related? NO

Public Works? NO

Fiscal Impact

Approved in Current Year Budget? N/A

Total Cost \$ 0

Current Year Cost \$ 0

Subsequent Year(s) Cost \$ 0

Narrative

Amount

Budget Account

Neutral \$

#

Select \$

#

Select \$

#

Select \$

#

\$

#

\$

#



Continuation of Wording, Summary, Approvals, and Distribution

Agenda Wording

Summary (Background)

Approvals

Dept Head

BLACK, TIRRELL

Division Director

BLACK, TIRRELL

Accounting Manager

ALBIN-MOORE, ANGELA

Legal

RICHMAN, JAMES

For the Mayor

PICCOLO, MIKE

Additional Approvals

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PLANNING & ECONOMIC DEVELOPMENT

MFTE Committee Briefing Paper

Urban Experience

Submitting Department	Planning and Economic Development
Contact Name & Phone	Amanda Beck, 509-625-6414
Contact Email	abeck@spokanecity.org
Council Sponsor(s)	Zack Zappone, Jonathan Bingle, and Kitty Klitzke
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested: _____
Agenda Item Name	0650 – Multi-Family Tax Exemption (MFTE) Conditional Agreement
Summary (Background)	<p>Chapter 84.14 RCW authorizes the City to create a multiple family housing property tax exemption program and to certify qualified property owners for that property tax exemption. SMC 08.15 Multiple-family Housing Property Tax Exemption outlines the City of Spokane MFTE Program and project eligibility.</p> <p>Staff has determined that the Perry Street Townhomes Conditional application meets the Project Eligibility defined in SMC 08.15.040 and is located in a previously adopted Residential Target Areas identified in SMC 08.15.030.</p> <p>Once the project is constructed, the applicant intends to finalize as a 8-year Market Rate Exemption.</p> <p>This Conditional Agreement authorizes the appropriate city official to enter into the Multiple Family Housing Property Tax Exemption Conditional Agreement, which will ultimately result in the issuance of a final certificate of tax exemption to be filed with the Spokane County Assessor’s Office post construction.</p>
Proposed Council Action & Date:	<p>Approve the MFTE Conditional Agreement for the <u>Perry Street Townhomes</u> at the March 25, 2024 City Council Meeting.</p> <p>Project Details: The applicant applied for a Conditional MFTE Agreement for 4 units, at 1207 E NEWARK AVE SPOKANE, WA</p> <ul style="list-style-type: none"> • Property is zoned RMF and the proposed use is allowed. • Estimated Construction Costs: 1000000 • Located in the East Central neighborhood.
Fiscal Impact:	
Approved in current year budget?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
Total Cost: \$0	
Current year cost:	
Subsequent year(s) cost:	
Narrative:	<u>The Mutli-Family Tax Exemption program has no direct impact on City revenues or expenses.</u>
Funding Source	<input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A
Specify funding source:	
Is this funding source sustainable for future years, months, etc? N/A	

Expense Occurrence	<input type="checkbox"/> One-time	<input type="checkbox"/> Recurring	<input checked="" type="checkbox"/> N/A
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Other budget impacts: (revenue generating, match requirements, etc.)

Operation Impacts

What impacts would the proposal have on historically excluded communities?

SMC 08.15 Multi- Family Housing Property Tax Exemption

A. The purposes of this chapter are to:

1. encourage more multi-family housing opportunities, including affordable housing opportunities, within the City;
2. stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multi-family housing;
3. increase the supply of mixed-income multifamily housing opportunities within the City;
4. accomplish the planning goals required under the Growth Management Act, chapter 36.70A RCW, as implemented from time to time by the City's current and future comprehensive plans;
5. promote community development, neighborhood revitalization, and availability of affordable housing;
6. preserve and protect buildings, objects, sites and neighborhoods with historic, cultural, architectural, engineering or geographic significance located within the City; and
7. encourage additional housing in areas that are consistent with planning for public transit systems.

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

RCW 84.14.100

Report—Filing—Department of commerce audit or review—Guidance to cities and counties. (Expires January 1, 2058.)

(1) Thirty days after the anniversary of the date of the certificate of tax exemption and each year for the tax exemption period, the owner of the rehabilitated or newly constructed property, or the qualified nonprofit or local government that will assure permanent affordable homeownership for at least 25 percent of the units for properties receiving an exemption under RCW 84.14.021, must file with a designated authorized representative of the city or county an annual report indicating the following:

- (a) A statement of occupancy and vacancy of the rehabilitated or newly constructed property during the twelve months ending with the anniversary date;
- (b) A certification by the owner that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in RCW 84.14.020 since the date of the certificate approved by the city or county;
- (c) A description of changes or improvements constructed after issuance of the certificate of tax exemption; and
- (d) Any additional information requested by the city or county in regards to the units receiving a tax exemption.

(2) **All cities or counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, must report annually by April 1st of each year, beginning in 2007, to the department of commerce. A city or county must be in compliance with the reporting requirements of this section to offer certificates of tax exemption for multiunit housing authorized in this chapter. The report must include the following information:**

- (a) The number of tax exemption certificates granted;
- (b) The total number and type of units produced or to be produced;
- (c) The number, size, and type of units produced or to be produced meeting affordable housing requirements;
- (d) The actual development cost of each unit produced;
- (e) The total monthly rent or total sale amount of each unit produced;
- (f) The annual household income and household size for each of the affordable units receiving a tax exemption and a summary of these figures for the city or county; and
- (g) The value of the tax exemption for each project receiving a tax exemption and the total value of tax exemptions granted.

(3)(a) The department of commerce must adopt and implement a program to effectively audit or review that the owner or operator of each property for which a certificate of tax exemption has been issued, except for those properties receiving an exemption that are owned or operated by a nonprofit or for those properties receiving an exemption from a city or county that operates an independent audit or review program, is offering the number of units at rents as committed to in the approved application for an exemption and that the tenants are being properly screened to be qualified for an income-restricted unit. The audit or review program must be adopted in consultation with local governments and other stakeholders and may be based on auditing a percentage of income-restricted units or properties annually. A private owner or operator of a property for which a certificate of tax exemption has been issued under this chapter, must be audited at least once every five years.

(b) If the review or audit required under (a) of this subsection for a given property finds that the owner or operator is not offering the number of units at rents as committed to in the approved application or is not properly screening tenants for income-restricted units, the department of commerce must notify the city or county and the city or county must impose and collect a sliding scale penalty not to exceed an amount calculated by subtracting the amount of rents that would have been collected had the owner or operator complied with their commitment from the amount of rents collected by the owner or operator for the income-restricted units, with consideration of the severity of the noncompliance. If a subsequent review or audit required under (a) of this subsection for a given property finds continued substantial noncompliance with the program requirements, the exemption certificate must be canceled pursuant to **RCW 84.14.110**.

(c) The department of commerce may impose and collect a fee, not to exceed the costs of the audit or review, from the owner or operator of any property subject to an audit or review required under (a) of this subsection.

(4) The department of commerce must provide guidance to cities and counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, on best practices in managing and reporting for the exemption programs authorized under this chapter, including guidance for cities and counties to collect and report demographic information for tenants of units receiving a tax exemption under this chapter.

(5) This section expires January 1, 2058.

[2021 c 187 § 5; 2012 c 194 § 9; 2007 c 430 § 10; 1995 c 375 § 13.]

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

Title 08 Taxation and Revenue

Chapter 08.15 Multiple-family Housing Property Tax Exemption

Section 08.15.100 Annual Certification and Affordability Certification

Within thirty days of the anniversary of the date the final certificate of tax exemption was recorded at the County and each year thereafter, for the tax exemption period, the property owner shall file a certification with the director, verified upon oath or affirmation, which shall contain such information as the director may deem necessary or useful, and shall include the following information:

1. A statement of occupancy and vacancy of the multi-family units during the previous year.
2. A certification that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in **SMC 8.15.090** since the date of filing of the final certificate of tax exemption, and continues to be in compliance with the contract with the City and the requirements of this chapter; and

3. If the property owner rents the affordable multi-family housing units, the property owner shall file with the City a report indicating the household income of each initial tenant qualifying as low and moderate-income in order to comply with the twenty percent requirement of **SMC 8.15.090(A)(2)(b)** and RCW 84.14.020(1)(ii)(B).

a. The reports shall be on a form provided by the City and shall be signed by the tenants.

b. Information on the incomes of occupants of affordable units shall be included with the application for the final certificate of tax exemption, and shall continue to be included with the annual report for each property during the exemption period.

4. A description of any improvements or changes to the property made after the filing of the final certificate or last declaration, as applicable.

B. Failure to submit the annual declaration may result in cancellation of the tax exemption.

Date Passed: Monday, August 21, 2017
Effective Date: Saturday, October 7, 2017
ORD C35524 Section 8

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

Comprehensive Plan Land Use Policies:

- LU 1.4 Higher Density Residential Uses
- LU 3.5 Mix of Uses in Centers
- LU 4.2 Land Uses That Support Travel Options and Active Transportation
- LU 4.6 Transit-Supported Development

Comprehensive Plan Housing Policies:

- H 1.9 Mixed-Income Housing
- H 1.4 Use of Existing Infrastructure
- H 1.10 Lower-Income Housing Development Incentives
- H 1.11 Access to Transportation
- H 1.18 Distribution of Housing Options

Comprehensive Plan Economic Development Policies:

- ED 2.4 Mixed-Use
- ED 7.4 Tax Incentives for Land Improvement

Council Subcommittee Review:

Please provide a summary of council subcommittee review. If not reviewed by council subcommittee, please explain why not.

All Mutli-Family Tax Exemption conditional agreement applications appear before the Urban Experience committee on the consent agengda for approval to appear on the next available legislative consent agenda.



PLANNING & ECONOMIC DEVELOPMENT MULTIPLE FAMILY HOUSING PROPERTY TAX EXEMPTION AGREEMENT

THIS CONDITIONAL AGREEMENT is between the City of Spokane, a Washington State municipal corporation, as “City”, and NARP LLC, as “Owner/Taxpayer” whose business address is 6128 N HOWARD ST SPOKANE, WA 99205.

WITNESSETH:

WHEREAS, the City has, pursuant to the authority granted to it by Chapter 84.14 RCW, designated various residential targeted areas for the provision of a limited property tax exemption for new and rehabilitated multiple family residential housing; and

WHEREAS, the City has, through Chapter 8.15 SMC, enacted a program whereby property owner/taxpayers may qualify for a Final Certificate of Tax Exemption which certifies to the Spokane County Assessor that the Owner/Taxpayer is eligible to receive the multiple family housing property tax exemption; and

WHEREAS, the Owner/Taxpayer is interested in receiving the multiple family property tax exemption for new multiple family residential housing units in a residential targeted area; and

WHEREAS, the Owner/Taxpayer has submitted to the City a complete conditional application form for no fewer than a total of four new multiple family permanent residential housing units to be constructed on property legally described as:

LIBERTY PARK ADD LTS 14&15 BLK 4

Assessor’s Parcel Number(s) **35204.0211**,

commonly known as

1207 E NEWARK AVE SPOKANE, WA.

WHEREAS, this property is located in the **Spokane Targeted Investment Area**, and is eligible to seek a Final Certificate of Tax Exemption post construction under the **8-year Market Rate Exemption**, as defined in SMC 08.15.090.

WHEREAS, the City has determined that the improvements will, if completed as proposed, satisfy the requirements for a Final Certificate of Tax Exemption; -- NOW, THEREFORE,

The City and the Owner/Taxpayer do mutually agree as follows:

1. The City agrees to issue the Owner/Taxpayer a Conditional Agreement subsequent to the City Council’s approval of this agreement.
2. The project must comply with all applicable zoning requirements, land use

requirements, design review recommendations and all building, fire, and housing code requirements contained in the Spokane Municipal Code at the time a complete application for a building permit is received. However, if the proposal includes rehabilitation or demolition in preparation for new construction, the residential portion of the building shall fail to comply with one or more standards of applicable building or housing codes, and the rehabilitation improvements shall achieve compliance with the applicable building and construction codes.

3. If the property proposed to be rehabilitated is not vacant, the Owner/Taxpayer shall provide each existing tenant with housing of comparable size, quality and price and a reasonable opportunity to relocate. At the time of an application for a Conditional Agreement, the applicant provided a letter attesting and documenting how the existing tenant(s) were/will be provided comparable housing and opportunities to relocate.

(a). The existing residential tenant(s) are to be provided housing of a comparable size and quality at a rent level meeting the Washington State definition of affordable to their income level. Specifically, RCW 84.14.010 defines "affordable housing" as residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty (30) percent of the household's monthly income. The duration of this requirement will be the length of the tenant's current lease plus one year.

4. The Owner/Taxpayer intends to construct on the site, approximately 4 new multiple family residential housing units substantially as described in their application filed with and approved by the City. In no event shall such construction provide fewer than a total of four multiple family permanent residential housing units.

5. The Owner/Taxpayer agrees to complete construction of the agreed-upon improvements within three years from the date the City issues this Conditional Agreement or within any extension granted by the City.

6. The Owner/Taxpayer agrees, upon completion of the improvements and upon issuance by the City of a temporary or permanent certificate of occupancy, to file an application for a Final Certificate of Tax Exemption with the City's Planning and Economic Development Department, which will require the following:

(a) a statement of the actual development cost of each multiple family housing unit, and the total expenditures made in the rehabilitation or construction of the entire property;

(b) a description of the completed work and a statement that the rehabilitation improvements or new construction of the Owner/Taxpayer's property qualifies the property for the exemption;

(c) a statement that the project meets the affordable housing requirements, if applicable; and

(d) a statement that the work was completed within the required three-year period or any authorized extension of the issuance of the conditional certificate of tax exemption.

7. The City agrees, conditioned on the Owner/Taxpayer's successful completion of the improvements in accordance with the terms of this Conditional Agreement and on the

Owner/Taxpayer's filing of application for the Final Certificate of Exemption with the materials described in Paragraph 6 above, to file a Final Certificate of Tax Exemption with the Spokane County Assessor indicating that the Owner/Taxpayer is qualified for the limited tax exemption under Chapter 84.14 RCW.

8. The Owner/Taxpayer agrees, that once a Final Certificate of Tax Exemption is issued, to comply with all Annual Reporting requirements set forth in SMC 8.15.100 and contained in the annual report form provided by the City. Thirteen (13) months following the first year of the exemption beginning and every year thereafter, the Owner/Taxpayer will complete and file the appropriate Annual Report required by the terms of their Final Certificate of Tax Exemption with the City's Planning and Economic Development Department. The Annual Report is a declaration verifying upon oath and indicating the following:

(a) a statement of occupancy, use of the property/unit, income and rents for qualifying 12-year and 20-year and vacancy of the multi-family units during the previous year;

(b) a certification that the property has not changed to a commercial use or been used as a transient (short-term rental) basis and, if applicable, that the property has been in compliance with the affordable housing income and rent requirements as described in SMC 8.15.090 since the date of the filing of the Final Certificate of Tax Exemption, and continues to be in compliance with this Agreement and the requirements of SMC Chapter 8.15;

(c) for affordable multi-family housing units, information providing the household income, rent and utility cost, of each qualifying as low and moderate-income, which shall be reported on a form provided by the City and signed by the tenants; and

(d) a description of any improvements or changes to the property made after the filing of the final certificate or last declaration.

9. The parties acknowledge that the units, including any owner-occupied units are to be used and occupied for multifamily permanent residential occupancy and use. The parties further acknowledge that the certificate of occupancy issued by the City is for multifamily residential units. The Owner/Taxpayer acknowledges and agrees that the units shall be used primarily for multi-family housing for permanent residential occupancy as defined in SMC 8.15.020 and RCW 84.14.010 and any business activities shall only be incidental and ancillary to the residential occupancy. Any units that are converted from multi-family housing for permanent residential occupancy shall be reported to the City of Spokane's Planning and Economic Development Department and the Spokane County Assessor's Office and removed from eligibility for the tax exemption within 60 days. If the removal of the ineligible unit or units causes the number of units to drop below the number of units required for tax exemption eligibility, the remaining units shall be removed from eligibility pursuant to state law.

10. To qualify for the twelve-year tax exemption, the Owner/Taxpayer will be required to rent or sell at least **25%** of the multiple family housing units as affordable housing units to low and moderate-income households and will ensure that the units within the 12-yr program are dispersed throughout the building and distributed proportionally among the buildings; not be clustered in certain sections of the building or stacked; comparable to market-rate units in terms of unit size and leasing terms; and are comparable to market-rate units in terms of functionality and building amenities and access in addition to the other requirements set forth

in the Agreement. The Owner/Taxpayer is further required to comply with the rental relocation assistance requirements set forth in RCW 84.14.020 (7) and (8) and in SMC 8.15.090 (D).

11. The Owner/Taxpayer will have the right to assign its rights under this Agreement. The Owner/Taxpayer agrees to notify the City promptly of any transfer of Owner/Taxpayer's ownership interest in the Site or in the improvements made to the Site under this Agreement.

12. The City reserves the right to cancel the Final Certificate of Tax Exemption should the Owner/Taxpayer, its successors and assigns, fail to comply with any of the terms and conditions of this Agreement or of SMC Chapter 8.15.

13. No modifications of this Conditional Agreement shall be made unless mutually agreed upon by the parties in writing.

14. The Owner/Taxpayer acknowledges its awareness of the potential tax liability involved if and when the property ceases to be eligible for the incentive provided pursuant to this agreement. Such liability may include additional real property tax, penalties and interest imposed pursuant to RCW 84.14.110. The Owner/Taxpayer further acknowledges its awareness and understanding of the process implemented by the Spokane County Assessor's Office for the appraisal and assessment of property taxes. The Owner/Taxpayer agrees that the City is not responsible for the property value assessment imposed by Spokane County at any time during the exemption period.

15. In the event that any term or clause of this Conditional Agreement conflicts with applicable law, such conflict shall not affect other terms of this Agreement, which can be given effect without the conflicting term or clause, and to this end, the terms of this Conditional Agreement are declared to be severable.

16. The parties agree that this Conditional Agreement, requires the applicant to file an application for the Final Certificate of Tax Exemption post the construction of the multiple family residential housing units referenced above and that the Final Certificate of Tax Exemption shall be subject to the applicable provisions of Chapter 84.14 RCW and Chapter 8.15 SMC that exist at the time this agreement is signed by the parties. The parties may agree to amend this Conditional Agreement requirements as set forth when the applicant applies for the Final Certificate of Tax Exemption based upon applicable amendments and additions to Chapter 84.14 RCW or Chapter 8.15 SMC if the requirements change between the issuance of the Conditional Agreement and the Application for Final Tax Exemption has been submitted.

17. Nothing in this Agreement shall permit or be interpreted to permit either party to violate any provision of Chapter 84.14 RCW or Chapter 8.15 SMC

18 This Agreement is subject to approval by the City Council.

DATED this _____ day of _____ 20 _____

CITY OF SPOKANE

NARP LLC

By:

Interim City Administrator, Garrett Jones

Attest:

City Clerk

By:

Its:

Approved as to form:

Assistant City Attorney

**Agenda Sheet for City Council:****Committee:** Urban Experience **Date:** 03/11/2024**Committee Agenda type:** Consent**Date Rec'd**

2/28/2024

Clerk's File #

OPR 2024-0215

Renews #**Cross Ref #****Council Meeting Date:** 03/25/2024**Submitting Dept**

PLANNING & ECONOMIC

Project #**Contact Name/Phone**

AMANDA BECK X6414

Bid #**Contact E-Mail**

ABECK@SPOKANECITY.ORG

Requisition #**Agenda Item Type**

Contract Item

Council Sponsor(s)

JBINGLE ZZAPPONE KKLITZKE

Agenda Item Name

0650 - MFTE CONDITIONAL AGREEMENT FOR 7650 N A ST

Agenda Wording

Multiple Family Housing Property Tax Exemption Conditional Agreement with Five Mile Spokane, LLC, for the future construction of approximately 48 units, at Parcel Number(s) 26252.0064 commonly known as 7650 N A St AKA 7601 N Five Mile Rd.

Summary (Background)

Chapter 84.14 RCW authorizes the City to create a multiple family housing property tax exemption program and to certify qualified property owners for that property tax exemption. SMC 08.15 Multiple-family Housing Property Tax Exemption outlines the City of Spokane MFTE Program and project eligibility.

Lease? NO

Grant related? NO

Public Works? NO

Fiscal Impact

Approved in Current Year Budget? N/A

Total Cost \$ 0

Current Year Cost \$ 0

Subsequent Year(s) Cost \$ 0

Narrative**Amount****Budget Account**

Neutral \$

#

Select \$

#

Select \$

#

Select \$

#

\$

#

\$

#



Continuation of Wording, Summary, Approvals, and Distribution

Agenda Wording

Summary (Background)

Approvals

Dept Head

GARDNER, SPENCER

Division Director

BLACK, TIRRELL

Accounting Manager

ALBIN-MOORE, ANGELA

Legal

HARRINGTON,

For the Mayor

PICCOLO, MIKE

Additional Approvals

Distribution List

Anthony Jansen -

smacdonald@spokanecity.org

sgardner@spokanecity.org

tstripes@spokanecity.org

abeck@spokanecity.org

rbenzie@spokanecity.org



PLANNING & ECONOMIC DEVELOPMENT

MFTE Committee Briefing Paper

Urban Experience

Submitting Department	Planning and Economic Development
Contact Name & Phone	Amanda Beck, 509-625-6414
Contact Email	abeck@spokanecity.org
Council Sponsor(s)	Zack Zappone, Kitty Klitzke, and Jonathan Bingle
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested: _____
Agenda Item Name	0650 – Multi-Family Tax Exemption (MFTE) Conditional Agreement
Summary (Background)	<p>Chapter 84.14 RCW authorizes the City to create a multiple family housing property tax exemption program and to certify qualified property owners for that property tax exemption. SMC 08.15 Multiple-family Housing Property Tax Exemption outlines the City of Spokane MFTE Program and project eligibility.</p> <p>Staff has determined that the 5M Apartments Conditional application meets the Project Eligibility defined in SMC 08.15.040 and is located in a previously adopted Residential Target Areas identified in SMC 08.15.030.</p> <p>Once the project is constructed, the applicant intends to finalize as a 12-yr Affordable Rentals of 12 + Units.</p> <p>This Conditional Agreement authorizes the appropriate city official to enter into the Multiple Family Housing Property Tax Exemption Conditional Agreement, which will ultimately result in the issuance of a final certificate of tax exemption to be filed with the Spokane County Assessor’s Office post construction.</p>
Proposed Council Action & Date:	<p>Approve the MFTE Conditional Agreement for the <u>5M Apartments</u> at the March 25, 2024 City Council Meeting.</p> <p>Project Details: The applicant applied for a Conditional MFTE Agreement for 48 units, at 7650 N A ST SPOKANE, WA</p> <ul style="list-style-type: none"> • Property is zoned R1 and the proposed use is allowed. • Estimated Construction Costs: • Located in the Five Mile Prairie neighborhood.
Fiscal Impact:	
Approved in current year budget?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
Total Cost: \$0	
Current year cost:	
Subsequent year(s) cost:	
Narrative:	<u>The Mutli-Family Tax Exemption program has no direct impact on City revenues or expenses.</u>
Funding Source	<input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A
Specify funding source:	
Is this funding source sustainable for future years, months, etc?	N/A

Expense Occurrence	<input type="checkbox"/> One-time	<input type="checkbox"/> Recurring	<input checked="" type="checkbox"/> N/A
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Other budget impacts: (revenue generating, match requirements, etc.)

Operation Impacts

What impacts would the proposal have on historically excluded communities?

SMC 08.15 Multi- Family Housing Property Tax Exemption

A. The purposes of this chapter are to:

1. encourage more multi-family housing opportunities, including affordable housing opportunities, within the City;
2. stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multi-family housing;
3. increase the supply of mixed-income multifamily housing opportunities within the City;
4. accomplish the planning goals required under the Growth Management Act, chapter 36.70A RCW, as implemented from time to time by the City's current and future comprehensive plans;
5. promote community development, neighborhood revitalization, and availability of affordable housing;
6. preserve and protect buildings, objects, sites and neighborhoods with historic, cultural, architectural, engineering or geographic significance located within the City; and
7. encourage additional housing in areas that are consistent with planning for public transit systems.

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

RCW 84.14.100

Report—Filing—Department of commerce audit or review—Guidance to cities and counties. (Expires January 1, 2058.)

(1) Thirty days after the anniversary of the date of the certificate of tax exemption and each year for the tax exemption period, the owner of the rehabilitated or newly constructed property, or the qualified nonprofit or local government that will assure permanent affordable homeownership for at least 25 percent of the units for properties receiving an exemption under RCW 84.14.021, must file with a designated authorized representative of the city or county an annual report indicating the following:

- (a) A statement of occupancy and vacancy of the rehabilitated or newly constructed property during the twelve months ending with the anniversary date;
- (b) A certification by the owner that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in RCW 84.14.020 since the date of the certificate approved by the city or county;
- (c) A description of changes or improvements constructed after issuance of the certificate of tax exemption; and
- (d) Any additional information requested by the city or county in regards to the units receiving a tax exemption.

(2) **All cities or counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, must report annually by April 1st of each year, beginning in 2007, to the department of commerce. A city or county must be in compliance with the reporting requirements of this section to offer certificates of tax exemption for multiunit housing authorized in this chapter. The report must include the following information:**

- (a) The number of tax exemption certificates granted;
- (b) The total number and type of units produced or to be produced;
- (c) The number, size, and type of units produced or to be produced meeting affordable housing requirements;
- (d) The actual development cost of each unit produced;
- (e) The total monthly rent or total sale amount of each unit produced;
- (f) The annual household income and household size for each of the affordable units receiving a tax exemption and a summary of these figures for the city or county; and
- (g) The value of the tax exemption for each project receiving a tax exemption and the total value of tax exemptions granted.

(3)(a) The department of commerce must adopt and implement a program to effectively audit or review that the owner or operator of each property for which a certificate of tax exemption has been issued, except for those properties receiving an exemption that are owned or operated by a nonprofit or for those properties receiving an exemption from a city or county that operates an independent audit or review program, is offering the number of units at rents as committed to in the approved application for an exemption and that the tenants are being properly screened to be qualified for an income-restricted unit. The audit or review program must be adopted in consultation with local governments and other stakeholders and may be based on auditing a percentage of income-restricted units or properties annually. A private owner or operator of a property for which a certificate of tax exemption has been issued under this chapter, must be audited at least once every five years.

(b) If the review or audit required under (a) of this subsection for a given property finds that the owner or operator is not offering the number of units at rents as committed to in the approved application or is not properly screening tenants for income-restricted units, the department of commerce must notify the city or county and the city or county must impose and collect a sliding scale penalty not to exceed an amount calculated by subtracting the amount of rents that would have been collected had the owner or operator complied with their commitment from the amount of rents collected by the owner or operator for the income-restricted units, with consideration of the severity of the noncompliance. If a subsequent review or audit required under (a) of this subsection for a given property finds continued substantial noncompliance with the program requirements, the exemption certificate must be canceled pursuant to **RCW 84.14.110**.

(c) The department of commerce may impose and collect a fee, not to exceed the costs of the audit or review, from the owner or operator of any property subject to an audit or review required under (a) of this subsection.

(4) The department of commerce must provide guidance to cities and counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, on best practices in managing and reporting for the exemption programs authorized under this chapter, including guidance for cities and counties to collect and report demographic information for tenants of units receiving a tax exemption under this chapter.

(5) This section expires January 1, 2058.

[2021 c 187 § 5; 2012 c 194 § 9; 2007 c 430 § 10; 1995 c 375 § 13.]

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

Title 08 Taxation and Revenue

Chapter 08.15 Multiple-family Housing Property Tax Exemption

Section 08.15.100 Annual Certification and Affordability Certification

Within thirty days of the anniversary of the date the final certificate of tax exemption was recorded at the County and each year thereafter, for the tax exemption period, the property owner shall file a certification with the director, verified upon oath or affirmation, which shall contain such information as the director may deem necessary or useful, and shall include the following information:

1. A statement of occupancy and vacancy of the multi-family units during the previous year.
2. A certification that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in **SMC 8.15.090** since the date of filing of the final certificate of tax exemption, and continues to be in compliance with the contract with the City and the requirements of this chapter; and

3. If the property owner rents the affordable multi-family housing units, the property owner shall file with the City a report indicating the household income of each initial tenant qualifying as low and moderate-income in order to comply with the twenty percent requirement of **SMC 8.15.090(A)(2)(b)** and RCW 84.14.020(1)(ii)(B).

a. The reports shall be on a form provided by the City and shall be signed by the tenants.

b. Information on the incomes of occupants of affordable units shall be included with the application for the final certificate of tax exemption, and shall continue to be included with the annual report for each property during the exemption period.

4. A description of any improvements or changes to the property made after the filing of the final certificate or last declaration, as applicable.

B. Failure to submit the annual declaration may result in cancellation of the tax exemption.

Date Passed: Monday, August 21, 2017
Effective Date: Saturday, October 7, 2017
ORD C35524 Section 8

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

Comprehensive Plan Land Use Policies:

- LU 1.4 Higher Density Residential Uses
- LU 3.5 Mix of Uses in Centers
- LU 4.2 Land Uses That Support Travel Options and Active Transportation
- LU 4.6 Transit-Supported Development

Comprehensive Plan Housing Policies:

- H 1.9 Mixed-Income Housing
- H 1.4 Use of Existing Infrastructure
- H 1.10 Lower-Income Housing Development Incentives
- H 1.11 Access to Transportation
- H 1.18 Distribution of Housing Options

Comprehensive Plan Economic Development Policies:

- ED 2.4 Mixed-Use
- ED 7.4 Tax Incentives for Land Improvement

Council Subcommittee Review:

Please provide a summary of council subcommittee review. If not reviewed by council subcommittee, please explain why not.

All Mutli-Family Tax Exemption conditional agreement applications appear before the Urban Experience committee on the consent agengda for approval to appear on the next available legislative consent agenda.



PLANNING & ECONOMIC DEVELOPMENT MULTIPLE FAMILY HOUSING PROPERTY TAX EXEMPTION AGREEMENT

THIS CONDITIONAL AGREEMENT is between the City of Spokane, a Washington State municipal corporation, as “City”, and FIVE MILE SPOKANE, LLC, as “Owner/Taxpayer” whose business address is 1030 COMMERCE AVE LONGVIEW, WA 98632.

WITNESSETH:

WHEREAS, the City has, pursuant to the authority granted to it by Chapter 84.14 RCW, designated various residential targeted areas for the provision of a limited property tax exemption for new and rehabilitated multiple family residential housing; and

WHEREAS, the City has, through Chapter 8.15 SMC, enacted a program whereby property owner/taxpayers may qualify for a Final Certificate of Tax Exemption which certifies to the Spokane County Assessor that the Owner/Taxpayer is eligible to receive the multiple family housing property tax exemption; and

WHEREAS, the Owner/Taxpayer is interested in receiving the multiple family property tax exemption for new multiple family residential housing units in a residential targeted area; and

WHEREAS, the Owner/Taxpayer has submitted to the City a complete conditional application form for no fewer than a total of four new multiple family permanent residential housing units to be constructed on property legally described as:

25-26-42 PTN OF W1/2 OF NW1/4 OF NW1/4 LYG SLY OF 5 MILE RD DAF: BEG AT PT ON W LN OF SEC 25 WHICH BEARS S1257.25FT FROM NW COR OF SEC 25 TH N ALG W LN 536.51FT TO PT ON S ROW LN OF 5 MILE RD SAID PT BEING A NON-TANGENT 173.24FT RADIUS CURVE TO LEFT RADIUS BEARS N55*46'28"E TH SELY ALG CURVE THRU C/ 22*35'28" ARC DIST 68.31FT TH S56*4900"E 341FT TH S47*50'01"W 450.37FT TO POB EXC PTN DAF: A STRIP OF LAND 15FT IN WIDTH LYG SLY & PAR W/ N LN OF PARCEL WHICH ALSO IS S LN OF 5 MILE RD FROM NE COR OF PARCEL WLY 260FT TO A PT & SAID PT IS TERMINUS OF DESCRIPTION

Assessor's Parcel Number(s) **26252.0064**,

commonly known as

7650 N A ST SPOKANE, WA.

WHEREAS, this property is located in the **Affordable Housing Emphasis Area** and is eligible to seek a Final Certificate of Tax Exemption post construction under the **12-yr Affordable Rentals of 12 + Units**, as defined in SMC 08.15.090.

WHEREAS, the City has determined that the improvements will, if completed as proposed, satisfy the requirements for a Final Certificate of Tax Exemption; -- NOW, THEREFORE,

The City and the Owner/Taxpayer do mutually agree as follows:

1. The City agrees to issue the Owner/Taxpayer a Conditional Agreement subsequent to the City Council's approval of this agreement.
2. The project must comply with all applicable zoning requirements, land use requirements, design review recommendations and all building, fire, and housing code requirements contained in the Spokane Municipal Code at the time a complete application for a building permit is received. However, if the proposal includes rehabilitation or demolition in preparation for new construction, the residential portion of the building shall fail to comply with one or more standards of applicable building or housing codes, and the rehabilitation improvements shall achieve compliance with the applicable building and construction codes.
3. If the property proposed to be rehabilitated is not vacant, the Owner/Taxpayer shall provide each existing tenant with housing of comparable size, quality and price and a reasonable opportunity to relocate. At the time of an application for a Conditional Agreement, the applicant provided a letter attesting and documenting how the existing tenant(s) were/will be provided comparable housing and opportunities to relocate.
 - (a). The existing residential tenant(s) are to be provided housing of a comparable size and quality at a rent level meeting the Washington State definition of affordable to their income level. Specifically, RCW 84.14.010 defines "affordable housing" as residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty (30) percent of the household's monthly income. The duration of this requirement will be the length of the tenant's current lease plus one year.
4. The Owner/Taxpayer intends to construct on the site, approximately **48** new multiple family residential housing units substantially as described in their application filed with and approved by the City. In no event shall such construction provide fewer than a total of four multiple family permanent residential housing units.
5. The Owner/Taxpayer agrees to complete construction of the agreed-upon improvements within three years from the date the City issues this Conditional Agreement or within any extension granted by the City.
6. The Owner/Taxpayer agrees, upon completion of the improvements and upon issuance by the City of a temporary or permanent certificate of occupancy, to file an application for a Final Certificate of Tax Exemption with the City's Planning and Economic Development Department, which will require the following:
 - (a) a statement of the actual development cost of each multiple family housing unit, and the total expenditures made in the rehabilitation or construction of the entire property;
 - (b) a description of the completed work and a statement that the rehabilitation improvements or new construction of the Owner/Taxpayer's property qualifies the property for the exemption;
 - (c) a statement that the project meets the affordable housing requirements, if

applicable; and

(d) a statement that the work was completed within the required three-year period or any authorized extension of the issuance of the conditional certificate of tax exemption.

7. The City agrees, conditioned on the Owner/Taxpayer's successful completion of the improvements in accordance with the terms of this Conditional Agreement and on the Owner/Taxpayer's filing of application for the Final Certificate of Exemption with the materials described in Paragraph 6 above, to file a Final Certificate of Tax Exemption with the Spokane County Assessor indicating that the Owner/Taxpayer is qualified for the limited tax exemption under Chapter 84.14 RCW.

8. The Owner/Taxpayer agrees, that once a Final Certificate of Tax Exemption is issued, to comply with all Annual Reporting requirements set forth in SMC 8.15.100 and contained in the annual report form provided by the City. Thirteen (13) months following the first year of the exemption beginning and every year thereafter, the Owner/Taxpayer will complete and file the appropriate Annual Report required by the terms of their Final Certificate of Tax Exemption with the City's Planning and Economic Development Department. The Annual Report is a declaration verifying upon oath and indicating the following:

(a) a statement of occupancy, use of the property/unit, income and rents for qualifying 12-year and 20-year and vacancy of the multi-family units during the previous year;

(b) a certification that the property has not changed to a commercial use or been used as a transient (short-term rental) basis and, if applicable, that the property has been in compliance with the affordable housing income and rent requirements as described in SMC 8.15.090 since the date of the filing of the Final Certificate of Tax Exemption, and continues to be in compliance with this Agreement and the requirements of SMC Chapter 8.15;

(c) for affordable multi-family housing units, information providing the household income, rent and utility cost, of each qualifying as low and moderate-income, which shall be reported on a form provided by the City and signed by the tenants; and

(d) a description of any improvements or changes to the property made after the filing of the final certificate or last declaration.

9. The parties acknowledge that the units, including any owner-occupied units are to be used and occupied for multifamily permanent residential occupancy and use. The parties further acknowledge that the certificate of occupancy issued by the City is for multifamily residential units. The Owner/Taxpayer acknowledges and agrees that the units shall be used primarily for multi-family housing for permanent residential occupancy as defined in SMC 8.15.020 and RCW 84.14.010 and any business activities shall only be incidental and ancillary to the residential occupancy. Any units that are converted from multi-family housing for permanent residential occupancy shall be reported to the City of Spokane's Planning and Economic Development Department and the Spokane County Assessor's Office and removed from eligibility for the tax exemption within 60 days. If the removal of the ineligible unit or units causes the number of units to drop below the number of units required for tax exemption eligibility, the remaining units shall be removed from eligibility pursuant to state law.

10. To qualify for the twelve-year tax exemption, the Owner/Taxpayer will be required to rent or sell at least **30%** of the multiple family housing units as affordable housing units to low and moderate-income households and will ensure that the units within the 12-yr program are dispersed throughout the building and distributed proportionally among the buildings; not be clustered in certain sections of the building or stacked; comparable to market-rate units in terms of unit size and leasing terms; and are comparable to market-rate units in terms of functionality and building amenities and access in addition to the other requirements set forth in the Agreement. The Owner/Taxpayer is further required to comply with the rental relocation assistance requirements set forth in RCW 84.14.020 (7) and (8) and in SMC 8.15.090 (D).

11. The City agrees the Wastewater General Facilities Charges under SMC 13.03.0732 and the Water General Facilities Charges under SMC 13.04.2042 shall be deferred for the life of the property tax exemption issued under this agreement. If the Owner/Taxpayer maintains qualifying status for the entire exemption period, the wastewater and water general facilities charges set out above shall be waived at the end of the exemption period. If the Owner/Taxpayer fails to maintain qualifying status for the entire exemption period, the wastewater and water general facilities charges will have to be paid in the amounts set forth in SMC 13.03.0734 Appendix A and SMC 13.04.2044 Appendix A within three months of the Owner/Taxpayer receiving notice that the exemption has been terminated.

12. The City reserves the right to cancel the Final Certificate of Tax Exemption should the Owner/Taxpayer, its successors and assigns, fail to comply with any of the terms and conditions of this Agreement or of SMC Chapter 8.15.

13. No modifications of this Conditional Agreement shall be made unless mutually agreed upon by the parties in writing.

14. The Owner/Taxpayer acknowledges its awareness of the potential tax liability involved if and when the property ceases to be eligible for the incentive provided pursuant to this agreement. Such liability may include additional real property tax, penalties and interest imposed pursuant to RCW 84.14.110. The Owner/Taxpayer further acknowledges its awareness and understanding of the process implemented by the Spokane County Assessor's Office for the appraisal and assessment of property taxes. The Owner/Taxpayer agrees that the City is not responsible for the property value assessment imposed by Spokane County at any time during the exemption period.

15. In the event that any term or clause of this Conditional Agreement conflicts with applicable law, such conflict shall not affect other terms of this Agreement, which can be given effect without the conflicting term or clause, and to this end, the terms of this Conditional Agreement are declared to be severable.

16. The parties agree that this Conditional Agreement, requires the applicant to file an application for the Final Certificate of Tax Exemption post the construction of the multiple family residential housing units referenced above and that the Final Certificate of Tax Exemption shall be subject to the applicable provisions of Chapter 84.14 RCW and Chapter 8.15 SMC that exist at the time this agreement is signed by the parties. The parties may agree to amend this Conditional Agreement requirements as set forth when the applicant applies for the Final Certificate of Tax Exemption based upon applicable amendments and additions to Chapter 84.14 RCW or Chapter 8.15 SMC if the requirements change between the issuance of

the Conditional Agreement and the Application for Final Tax Exemption has been submitted.

17. Nothing in this Agreement shall permit or be interpreted to permit either party to violate any provision of Chapter 84.14 RCW or Chapter 8.15 SMC

18 This Agreement is subject to approval by the City Council.

DATED this _____ day of _____ 20 _____

CITY OF SPOKANE

FIVE MILE SPOKANE, LLC

By:

By:

Interim City Administrator, Garrett Jones

Its:

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

**Agenda Sheet for City Council:****Committee:** Urban Experience **Date:** 03/11/2024**Committee Agenda type:** Consent**Date Rec'd**

2/28/2024

Clerk's File #

OPR 2024-0216

Renews #**Cross Ref #****Council Meeting Date:** 03/25/2024**Submitting Dept**

PLANNING & ECONOMIC

Project #**Contact Name/Phone**

AMANDA BECK X6414

Bid #**Contact E-Mail**

ABECK@SPOKANECITY.ORG

Requisition #**Agenda Item Type**

Contract Item

Council Sponsor(s)

JBINGLE ZZAPPONE KKLITZKE

Agenda Item Name

0650 - MFTE CONDITIONAL AGREEMENT FOR 2402 E 31ST AVE

Agenda Wording

Multiple Family Housing Property Tax Exemption Conditional Agreement with CAP 31ST AVENUE RESIDENCES, LLC , for the future construction of approximately 96 units, at Parcel Number(s) 35331.0017 commonly known as 2402 E 31st Ave.

Summary (Background)

Chapter 84.14 RCW authorizes the City to create a multiple family housing property tax exemption program and to certify qualified property owners for that property tax exemption. SMC 08.15 Multiple-family Housing Property Tax Exemption outlines the City of Spokane MFTE Program and project eligibility.

Lease? NO

Grant related? NO

Public Works? NO

Fiscal Impact

Approved in Current Year Budget? N/A

Total Cost \$ 0

Current Year Cost \$ 0

Subsequent Year(s) Cost \$ 0

Narrative**Amount****Budget Account**

Neutral \$

#

Select \$

#

Select \$

#

Select \$

#

\$

#

\$

#



Continuation of Wording, Summary, Approvals, and Distribution

Agenda Wording

Summary (Background)

Approvals

Dept Head

GARDNER, SPENCER

Division Director

BLACK, TIRRELL

Accounting Manager

ALBIN-MOORE, ANGELA

Legal

HARRINGTON,

For the Mayor

PICCOLO, MIKE

Additional Approvals

Distribution List

Ryan Berg & Jordan Tampien - ryanbberg@gmail.com

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rbenzie@spokanecity.org



PLANNING & ECONOMIC DEVELOPMENT

MFTE Committee Briefing Paper

Urban Experience

Submitting Department	Planning and Economic Development
Contact Name & Phone	Amanda Beck, 509-625-6414
Contact Email	abeck@spokanecity.org
Council Sponsor(s)	CMs Bingle, Zappone, and Klitzke
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested: _____
Agenda Item Name	0650 – Multi-Family Tax Exemption (MFTE) Conditional Agreement
Summary (Background)	<p>Chapter 84.14 RCW authorizes the City to create a multiple family housing property tax exemption program and to certify qualified property owners for that property tax exemption. SMC <u>08.15</u> Multiple-family Housing Property Tax Exemption outlines the City of Spokane MFTE Program and project eligibility.</p> <p>Staff has determined that the <u>31st Avenue Apartments</u> Conditional application meets the Project Eligibility defined in SMC <u>08.15.040</u> and is located in a previously adopted Residential Target Areas identified in SMC <u>08.15.030</u>.</p> <p>Once the project is constructed, the applicant intends to finalize as a <u>12-yr Affordable Rentals of 12 + Units</u>.</p> <p>This Conditional Agreement authorizes the appropriate city official to enter into the Multiple Family Housing Property Tax Exemption Conditional Agreement, which will ultimately result in the issuance of a final certificate of tax exemption to be filed with the Spokane County Assessor's Office post construction.</p>
Proposed Council Action & Date:	<p>Approve the MFTE Conditional Agreement for the <u>31st Avenue Apartments</u> at the March 25, 2024 City Council Meeting.</p> <p>Project Details: The applicant applied for a Conditional MFTE Agreement for <u>96 units</u>, at <u>2402 E 31ST AVE SPOKANE, WA</u></p> <ul style="list-style-type: none"> Property is zoned <u>CC4-DC</u> and the proposed use is allowed. Estimated Construction Costs: <u>20250000</u> Located in the <u>Lincoln Heights</u> neighborhood.
Fiscal Impact:	
Approved in current year budget?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
Total Cost: <u>\$0</u>	
Current year cost:	
Subsequent year(s) cost:	
Narrative:	<u>The Mutli-Family Tax Exemption program has no direct impact on City revenues or expenses.</u>
Funding Source	<input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A
Specify funding source:	
Is this funding source sustainable for future years, months, etc?	N/A

Expense Occurrence	<input type="checkbox"/> One-time	<input type="checkbox"/> Recurring	<input checked="" type="checkbox"/> N/A
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Other budget impacts: (revenue generating, match requirements, etc.)

Operation Impacts

What impacts would the proposal have on historically excluded communities?

SMC 08.15 Multi- Family Housing Property Tax Exemption

A. The purposes of this chapter are to:

1. encourage more multi-family housing opportunities, including affordable housing opportunities, within the City;
2. stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multi-family housing;
3. increase the supply of mixed-income multifamily housing opportunities within the City;
4. accomplish the planning goals required under the Growth Management Act, chapter 36.70A RCW, as implemented from time to time by the City's current and future comprehensive plans;
5. promote community development, neighborhood revitalization, and availability of affordable housing;
6. preserve and protect buildings, objects, sites and neighborhoods with historic, cultural, architectural, engineering or geographic significance located within the City; and
7. encourage additional housing in areas that are consistent with planning for public transit systems.

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

RCW 84.14.100

Report—Filing—Department of commerce audit or review—Guidance to cities and counties. (Expires January 1, 2058.)

(1) Thirty days after the anniversary of the date of the certificate of tax exemption and each year for the tax exemption period, the owner of the rehabilitated or newly constructed property, or the qualified nonprofit or local government that will assure permanent affordable homeownership for at least 25 percent of the units for properties receiving an exemption under RCW 84.14.021, must file with a designated authorized representative of the city or county an annual report indicating the following:

- (a) A statement of occupancy and vacancy of the rehabilitated or newly constructed property during the twelve months ending with the anniversary date;
- (b) A certification by the owner that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in RCW 84.14.020 since the date of the certificate approved by the city or county;
- (c) A description of changes or improvements constructed after issuance of the certificate of tax exemption; and
- (d) Any additional information requested by the city or county in regards to the units receiving a tax exemption.

(2) **All cities or counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, must report annually by April 1st of each year, beginning in 2007, to the department of commerce. A city or county must be in compliance with the reporting requirements of this section to offer certificates of tax exemption for multiunit housing authorized in this chapter. The report must include the following information:**

- (a) The number of tax exemption certificates granted;
- (b) The total number and type of units produced or to be produced;
- (c) The number, size, and type of units produced or to be produced meeting affordable housing requirements;
- (d) The actual development cost of each unit produced;
- (e) The total monthly rent or total sale amount of each unit produced;
- (f) The annual household income and household size for each of the affordable units receiving a tax exemption and a summary of these figures for the city or county; and
- (g) The value of the tax exemption for each project receiving a tax exemption and the total value of tax exemptions granted.

(3)(a) The department of commerce must adopt and implement a program to effectively audit or review that the owner or operator of each property for which a certificate of tax exemption has been issued, except for those properties receiving an exemption that are owned or operated by a nonprofit or for those properties receiving an exemption from a city or county that operates an independent audit or review program, is offering the number of units at rents as committed to in the approved application for an exemption and that the tenants are being properly screened to be qualified for an income-restricted unit. The audit or review program must be adopted in consultation with local governments and other stakeholders and may be based on auditing a percentage of income-restricted units or properties annually. A private owner or operator of a property for which a certificate of tax exemption has been issued under this chapter, must be audited at least once every five years.

(b) If the review or audit required under (a) of this subsection for a given property finds that the owner or operator is not offering the number of units at rents as committed to in the approved application or is not properly screening tenants for income-restricted units, the department of commerce must notify the city or county and the city or county must impose and collect a sliding scale penalty not to exceed an amount calculated by subtracting the amount of rents that would have been collected had the owner or operator complied with their commitment from the amount of rents collected by the owner or operator for the income-restricted units, with consideration of the severity of the noncompliance. If a subsequent review or audit required under (a) of this subsection for a given property finds continued substantial noncompliance with the program requirements, the exemption certificate must be canceled pursuant to **RCW 84.14.110**.

(c) The department of commerce may impose and collect a fee, not to exceed the costs of the audit or review, from the owner or operator of any property subject to an audit or review required under (a) of this subsection.

(4) The department of commerce must provide guidance to cities and counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, on best practices in managing and reporting for the exemption programs authorized under this chapter, including guidance for cities and counties to collect and report demographic information for tenants of units receiving a tax exemption under this chapter.

(5) This section expires January 1, 2058.

[2021 c 187 § 5; 2012 c 194 § 9; 2007 c 430 § 10; 1995 c 375 § 13.]

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

Title 08 Taxation and Revenue

Chapter 08.15 Multiple-family Housing Property Tax Exemption

Section 08.15.100 Annual Certification and Affordability Certification

Within thirty days of the anniversary of the date the final certificate of tax exemption was recorded at the County and each year thereafter, for the tax exemption period, the property owner shall file a certification with the director, verified upon oath or affirmation, which shall contain such information as the director may deem necessary or useful, and shall include the following information:

1. A statement of occupancy and vacancy of the multi-family units during the previous year.
2. A certification that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in **SMC 8.15.090** since the date of filing of the final certificate of tax exemption, and continues to be in compliance with the contract with the City and the requirements of this chapter; and

3. If the property owner rents the affordable multi-family housing units, the property owner shall file with the City a report indicating the household income of each initial tenant qualifying as low and moderate-income in order to comply with the twenty percent requirement of **SMC 8.15.090(A)(2)(b)** and RCW 84.14.020(1)(ii)(B).

a. The reports shall be on a form provided by the City and shall be signed by the tenants.

b. Information on the incomes of occupants of affordable units shall be included with the application for the final certificate of tax exemption, and shall continue to be included with the annual report for each property during the exemption period.

4. A description of any improvements or changes to the property made after the filing of the final certificate or last declaration, as applicable.

B. Failure to submit the annual declaration may result in cancellation of the tax exemption.

Date Passed: Monday, August 21, 2017
Effective Date: Saturday, October 7, 2017
ORD C35524 Section 8

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

Comprehensive Plan Land Use Policies:

- LU 1.4 Higher Density Residential Uses
- LU 3.5 Mix of Uses in Centers
- LU 4.2 Land Uses That Support Travel Options and Active Transportation
- LU 4.6 Transit-Supported Development

Comprehensive Plan Housing Policies:

- H 1.9 Mixed-Income Housing
- H 1.4 Use of Existing Infrastructure
- H 1.10 Lower-Income Housing Development Incentives
- H 1.11 Access to Transportation
- H 1.18 Distribution of Housing Options

Comprehensive Plan Economic Development Policies:

- ED 2.4 Mixed-Use
- ED 7.4 Tax Incentives for Land Improvement

Council Subcommittee Review:

Please provide a summary of council subcommittee review. If not reviewed by council subcommittee, please explain why not.

All Mutli-Family Tax Exemption conditional agreement applications appear before the Urban Experience committee on the consent agengda for approval to appear on the next available legislative consent agenda.



PLANNING & ECONOMIC DEVELOPMENT MULTIPLE FAMILY HOUSING PROPERTY TAX EXEMPTION AGREEMENT

THIS CONDITIONAL AGREEMENT is between the City of Spokane, a Washington State municipal corporation, as “City”, and CAP 31ST AVENUE RESIDENCES, LLC, as “Owner/Taxpayer” whose business address is 915 W 2ND AVE, SPOKANE, WA 99201.

WITNESSETH:

WHEREAS, the City has, pursuant to the authority granted to it by Chapter 84.14 RCW, designated various residential targeted areas for the provision of a limited property tax exemption for new and rehabilitated multiple family residential housing; and

WHEREAS, the City has, through Chapter 8.15 SMC, enacted a program whereby property owner/taxpayers may qualify for a Final Certificate of Tax Exemption which certifies to the Spokane County Assessor that the Owner/Taxpayer is eligible to receive the multiple family housing property tax exemption; and

WHEREAS, the Owner/Taxpayer is interested in receiving the multiple family property tax exemption for new multiple family residential housing units in a residential targeted area; and

WHEREAS, the Owner/Taxpayer has submitted to the City a complete conditional application form for no fewer than a total of four new multiple family permanent residential housing units to be constructed on property legally described as:

33-25-43 LT "B" OF CITY S.P. Z01-31 "SOUTHEAST BOULEVARD" AUDITOR'S FILE # 4661956 BEING A PTN OF NE1/4

Assessor's Parcel Number(s) **35331.0017**,

commonly known as
2402 E 31ST AVE SPOKANE, WA.

WHEREAS, this property is located in the **Affordable Housing Emphasis Area**. and is eligible to seek a Final Certificate of Tax Exemption post construction under the **12-yr Affordable Rentals of 12 + Units**. as defined in SMC 08.15.090.

WHEREAS, the City has determined that the improvements will, if completed as proposed, satisfy the requirements for a Final Certificate of Tax Exemption; -- NOW, THEREFORE,

The City and the Owner/Taxpayer do mutually agree as follows:

1. The City agrees to issue the Owner/Taxpayer a Conditional Agreement subsequent to the City Council's approval of this agreement.

2. The project must comply with all applicable zoning requirements, land use requirements, design review recommendations and all building, fire, and housing code requirements contained in the Spokane Municipal Code at the time a complete application for a building permit is received. However, if the proposal includes rehabilitation or demolition in preparation for new construction, the residential portion of the building shall fail to comply with one or more standards of applicable building or housing codes, and the rehabilitation improvements shall achieve compliance with the applicable building and construction codes.

3. If the property proposed to be rehabilitated is not vacant, the Owner/Taxpayer shall provide each existing tenant with housing of comparable size, quality and price and a reasonable opportunity to relocate. At the time of an application for a Conditional Agreement, the applicant provided a letter attesting and documenting how the existing tenant(s) were/will be provided comparable housing and opportunities to relocate.

(a). The existing residential tenant(s) are to be provided housing of a comparable size and quality at a rent level meeting the Washington State definition of affordable to their income level. Specifically, RCW 84.14.010 defines "affordable housing" as residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty (30) percent of the household's monthly income. The duration of this requirement will be the length of the tenant's current lease plus one year.

4. The Owner/Taxpayer intends to construct on the site, approximately **96** new multiple family residential housing units substantially as described in their application filed with and approved by the City. In no event shall such construction provide fewer than a total of four multiple family permanent residential housing units.

5. The Owner/Taxpayer agrees to complete construction of the agreed-upon improvements within three years from the date the City issues this Conditional Agreement or within any extension granted by the City.

6. The Owner/Taxpayer agrees, upon completion of the improvements and upon issuance by the City of a temporary or permanent certificate of occupancy, to file an application for a Final Certificate of Tax Exemption with the City's Planning and Economic Development Department, which will require the following:

(a) a statement of the actual development cost of each multiple family housing unit, and the total expenditures made in the rehabilitation or construction of the entire property;

(b) a description of the completed work and a statement that the rehabilitation improvements or new construction of the Owner/Taxpayer's property qualifies the property for the exemption;

(c) a statement that the project meets the affordable housing requirements, if applicable; and

(d) a statement that the work was completed within the required three-year period or any authorized extension of the issuance of the conditional certificate of tax exemption.

7. The City agrees, conditioned on the Owner/Taxpayer's successful completion of

the improvements in accordance with the terms of this Conditional Agreement and on the Owner/Taxpayer's filing of application for the Final Certificate of Exemption with the materials described in Paragraph 6 above, to file a Final Certificate of Tax Exemption with the Spokane County Assessor indicating that the Owner/Taxpayer is qualified for the limited tax exemption under Chapter 84.14 RCW.

8. The Owner/Taxpayer agrees, that once a Final Certificate of Tax Exemption is issued, to comply with all Annual Reporting requirements set forth in SMC 8.15.100 and contained in the annual report form provided by the City. Thirteen (13) months following the first year of the exemption beginning and every year thereafter, the Owner/Taxpayer will complete and file the appropriate Annual Report required by the terms of their Final Certificate of Tax Exemption with the City's Planning and Economic Development Department. The Annual Report is a declaration verifying upon oath and indicating the following:

- (a) a statement of occupancy, use of the property/unit, income and rents for qualifying 12-year and 20-year and vacancy of the multi-family units during the previous year;
- (b) a certification that the property has not changed to a commercial use or been used as a transient (short-term rental) basis and, if applicable, that the property has been in compliance with the affordable housing income and rent requirements as described in SMC 8.15.090 since the date of the filing of the Final Certificate of Tax Exemption, and continues to be in compliance with this Agreement and the requirements of SMC Chapter 8.15;
- (c) for affordable multi-family housing units, information providing the household income, rent and utility cost, of each qualifying as low and moderate-income, which shall be reported on a form provided by the City and signed by the tenants; and
- (d) a description of any improvements or changes to the property made after the filing of the final certificate or last declaration.

9. The parties acknowledge that the units, including any owner-occupied units are to be used and occupied for multifamily permanent residential occupancy and use. The parties further acknowledge that the certificate of occupancy issued by the City is for multifamily residential units. The Owner/Taxpayer acknowledges and agrees that the units shall be used primarily for multi-family housing for permanent residential occupancy as defined in SMC 8.15.020 and RCW 84.14.010 and any business activities shall only be incidental and ancillary to the residential occupancy. Any units that are converted from multi-family housing for permanent residential occupancy shall be reported to the City of Spokane's Planning and Economic Development Department and the Spokane County Assessor's Office and removed from eligibility for the tax exemption within 60 days. If the removal of the ineligible unit or units causes the number of units to drop below the number of units required for tax exemption eligibility, the remaining units shall be removed from eligibility pursuant to state law.

10. To qualify for the twelve-year tax exemption, the Owner/Taxpayer will be required to rent or sell at least **30%** of the multiple family housing units as affordable housing units to low and moderate-income households and will ensure that the units within the 12-yr program are dispersed throughout the building and distributed proportionally among the buildings; not be clustered in certain sections of the building or stacked; comparable to market-rate units in terms of unit size and leasing terms; and are comparable to market-rate units in terms of

functionality and building amenities and access in addition to the other requirements set forth in the Agreement. The Owner/Taxpayer is further required to comply with the rental relocation assistance requirements set forth in RCW 84.14.020 (7) and (8) and in SMC 8.15.090 (D).

11. The City agrees the Wastewater General Facilities Charges under SMC 13.03.0732 and the Water General Facilities Charges under SMC 13.04.2042 shall be deferred for the life of the property tax exemption issued under this agreement. If the Owner/Taxpayer maintains qualifying status for the entire exemption period, the wastewater and water general facilities charges set out above shall be waived at the end of the exemption period. If the Owner/Taxpayer fails to maintain qualifying status for the entire exemption period, the wastewater and water general facilities charges will have to be paid in the amounts set forth in SMC 13.03.0734 Appendix A and SMC 13.04.2044 Appendix A within three months of the Owner/Taxpayer receiving notice that the exemption has been terminated.

12. The City reserves the right to cancel the Final Certificate of Tax Exemption should the Owner/Taxpayer, its successors and assigns, fail to comply with any of the terms and conditions of this Agreement or of SMC Chapter 8.15.

13. No modifications of this Conditional Agreement shall be made unless mutually agreed upon by the parties in writing.

14. The Owner/Taxpayer acknowledges its awareness of the potential tax liability involved if and when the property ceases to be eligible for the incentive provided pursuant to this agreement. Such liability may include additional real property tax, penalties and interest imposed pursuant to RCW 84.14.110. The Owner/Taxpayer further acknowledges its awareness and understanding of the process implemented by the Spokane County Assessor's Office for the appraisal and assessment of property taxes. The Owner/Taxpayer agrees that the City is not responsible for the property value assessment imposed by Spokane County at any time during the exemption period.

15. In the event that any term or clause of this Conditional Agreement conflicts with applicable law, such conflict shall not affect other terms of this Agreement, which can be given effect without the conflicting term or clause, and to this end, the terms of this Conditional Agreement are declared to be severable.

16. The parties agree that this Conditional Agreement, requires the applicant to file an application for the Final Certificate of Tax Exemption post the construction of the multiple family residential housing units referenced above and that the Final Certificate of Tax Exemption shall be subject to the applicable provisions of Chapter 84.14 RCW and Chapter 8.15 SMC that exist at the time this agreement is signed by the parties. The parties may agree to amend this Conditional Agreement requirements as set forth when the applicant applies for the Final Certificate of Tax Exemption based upon applicable amendments and additions to Chapter 84.14 RCW or Chapter 8.15 SMC if the requirements change between the issuance of the Conditional Agreement and the Application for Final Tax Exemption has been submitted.

17. Nothing in this Agreement shall permit or be interpreted to permit either party to violate any provision of Chapter 84.14 RCW or Chapter 8.15 SMC

18 This Agreement is subject to approval by the City Council.

DATED this _____ day of _____ 20 _____

CITY OF SPOKANE

CAP 31ST AVENUE RESIDENCES LLC

By:

By:

Interim City Administrator, Garrett Jones

Its:

Attest:

Approved as to form:

City Clerk

Assistant City Attorney



Agenda Sheet for City Council:

Committee: Urban Experience **Date:** 03/11/2024

Committee Agenda type: Consent

Date Rec'd

2/28/2024

Clerk's File #

OPR 2024-0217

Renews #

Cross Ref #

Council Meeting Date: 03/25/2024

Submitting Dept

PLANNING & ECONOMIC

Project #

Contact Name/Phone

AMANDA BECK X6414

Bid #

Contact E-Mail

ABECK@SPOKANECITY.ORG

Requisition #

Agenda Item Type

Contract Item

Council Sponsor(s)

JBINGLE ZZAPPONE KKLITZKE

Agenda Item Name

0650 - MFTE CONDITIONAL AGREEMENT FOR 621 S CANNON REHABILITATION

Agenda Wording

Multiple Family Housing Property Tax Exemption Conditional Agreement with Grove at Cannon LLC, for the future construction of approximately 13 units, at Parcel Number(s) 25244.2715 commonly known as 621 S Cannon St.

Summary (Background)

Chapter 84.14 RCW authorizes the City to create a multiple family housing property tax exemption program and to certify qualified property owners for that property tax exemption. SMC 08.15 Multiple-family Housing Property Tax Exemption outlines the City of Spokane MFTE Program and project eligibility.

Lease? NO Grant related? NO Public Works? NO

Fiscal Impact

Approved in Current Year Budget? N/A

Total Cost \$ 0

Current Year Cost \$ 0

Subsequent Year(s) Cost \$ 0

Narrative

Amount

Budget Account

Neutral	\$	#
Select	\$	#
Select	\$	#
Select	\$	#
	\$	#
	\$	#



Continuation of Wording, Summary, Approvals, and Distribution

Agenda Wording

Summary (Background)

Approvals

Dept Head

GARDNER, SPENCER

Division Director

BLACK, TIRRELL

Accounting Manager

ALBIN-MOORE, ANGELA

Legal

BEATTIE, LAUREN

For the Mayor

PICCOLO, MIKE

Additional Approvals

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rbenzie@spokanecity.org



PLANNING & ECONOMIC DEVELOPMENT

MFTE Committee Briefing Paper

Urban Experience

Submitting Department	Planning and Economic Development
Contact Name & Phone	Amanda Beck, 509-625-6414
Contact Email	abeck@spokanecity.org
Council Sponsor(s)	Zack Zappone, Kitty Klitzke, and Jonathan Bingle
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested: _____
Agenda Item Name	0650 – Multi-Family Tax Exemption (MFTE) Conditional Agreement
Summary (Background)	<p>Chapter 84.14 RCW authorizes the City to create a multiple family housing property tax exemption program and to certify qualified property owners for that property tax exemption. SMC 08.15 Multiple-family Housing Property Tax Exemption outlines the City of Spokane MFTE Program and project eligibility.</p> <p>Staff has determined that the 621 S Cannon St Rehabilitation Conditional application meets the Project Eligibility defined in SMC 08.15.040 and is located in a previously adopted Residential Target Areas identified in SMC 08.15.030.</p> <p>Once the project is constructed, the applicant intends to finalize as a 12-yr Affordable Rentals of 12 + Units.</p> <p>This Conditional Agreement authorizes the appropriate city official to enter into the Multiple Family Housing Property Tax Exemption Conditional Agreement, which will ultimately result in the issuance of a final certificate of tax exemption to be filed with the Spokane County Assessor's Office post construction.</p>
Proposed Council Action & Date:	<p>Approve the MFTE Conditional Agreement for the <u>621 S Cannon St Rehabilitation</u> at the March 25, 2024 City Council Meeting.</p> <p>Project Details: The applicant applied for a Conditional MFTE Agreement for 13 units, at 621 S CANNON ST SPOKANE, WA</p> <ul style="list-style-type: none"> • Property is zoned OR-150 and the proposed use is allowed. • Estimated Construction Costs: 300000 • Located in the Cliff-Cannon neighborhood.
Fiscal Impact:	
Approved in current year budget?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
Total Cost: \$0	
Current year cost:	
Subsequent year(s) cost:	
Narrative:	<u>The Mutli-Family Tax Exemption program has no direct impact on City revenues or expenses.</u>
Funding Source	<input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A
Specify funding source:	
Is this funding source sustainable for future years, months, etc?	N/A

Expense Occurrence	<input type="checkbox"/> One-time	<input type="checkbox"/> Recurring	<input checked="" type="checkbox"/> N/A
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Other budget impacts: (revenue generating, match requirements, etc.)

Operation Impacts

What impacts would the proposal have on historically excluded communities?

SMC 08.15 Multi- Family Housing Property Tax Exemption

A. The purposes of this chapter are to:

1. encourage more multi-family housing opportunities, including affordable housing opportunities, within the City;
2. stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multi-family housing;
3. increase the supply of mixed-income multifamily housing opportunities within the City;
4. accomplish the planning goals required under the Growth Management Act, chapter 36.70A RCW, as implemented from time to time by the City's current and future comprehensive plans;
5. promote community development, neighborhood revitalization, and availability of affordable housing;
6. preserve and protect buildings, objects, sites and neighborhoods with historic, cultural, architectural, engineering or geographic significance located within the City; and
7. encourage additional housing in areas that are consistent with planning for public transit systems.

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

RCW 84.14.100

Report—Filing—Department of commerce audit or review—Guidance to cities and counties. (Expires January 1, 2058.)

(1) Thirty days after the anniversary of the date of the certificate of tax exemption and each year for the tax exemption period, the owner of the rehabilitated or newly constructed property, or the qualified nonprofit or local government that will assure permanent affordable homeownership for at least 25 percent of the units for properties receiving an exemption under RCW 84.14.021, must file with a designated authorized representative of the city or county an annual report indicating the following:

- (a) A statement of occupancy and vacancy of the rehabilitated or newly constructed property during the twelve months ending with the anniversary date;
- (b) A certification by the owner that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in RCW 84.14.020 since the date of the certificate approved by the city or county;
- (c) A description of changes or improvements constructed after issuance of the certificate of tax exemption; and
- (d) Any additional information requested by the city or county in regards to the units receiving a tax exemption.

(2) **All cities or counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, must report annually by April 1st of each year, beginning in 2007, to the department of commerce. A city or county must be in compliance with the reporting requirements of this section to offer certificates of tax exemption for multiunit housing authorized in this chapter. The report must include the following information:**

- (a) The number of tax exemption certificates granted;
- (b) The total number and type of units produced or to be produced;
- (c) The number, size, and type of units produced or to be produced meeting affordable housing requirements;
- (d) The actual development cost of each unit produced;
- (e) The total monthly rent or total sale amount of each unit produced;
- (f) The annual household income and household size for each of the affordable units receiving a tax exemption and a summary of these figures for the city or county; and
- (g) The value of the tax exemption for each project receiving a tax exemption and the total value of tax exemptions granted.

(3)(a) The department of commerce must adopt and implement a program to effectively audit or review that the owner or operator of each property for which a certificate of tax exemption has been issued, except for those properties receiving an exemption that are owned or operated by a nonprofit or for those properties receiving an exemption from a city or county that operates an independent audit or review program, is offering the number of units at rents as committed to in the approved application for an exemption and that the tenants are being properly screened to be qualified for an income-restricted unit. The audit or review program must be adopted in consultation with local governments and other stakeholders and may be based on auditing a percentage of income-restricted units or properties annually. A private owner or operator of a property for which a certificate of tax exemption has been issued under this chapter, must be audited at least once every five years.

(b) If the review or audit required under (a) of this subsection for a given property finds that the owner or operator is not offering the number of units at rents as committed to in the approved application or is not properly screening tenants for income-restricted units, the department of commerce must notify the city or county and the city or county must impose and collect a sliding scale penalty not to exceed an amount calculated by subtracting the amount of rents that would have been collected had the owner or operator complied with their commitment from the amount of rents collected by the owner or operator for the income-restricted units, with consideration of the severity of the noncompliance. If a subsequent review or audit required under (a) of this subsection for a given property finds continued substantial noncompliance with the program requirements, the exemption certificate must be canceled pursuant to **RCW 84.14.110**.

(c) The department of commerce may impose and collect a fee, not to exceed the costs of the audit or review, from the owner or operator of any property subject to an audit or review required under (a) of this subsection.

(4) The department of commerce must provide guidance to cities and counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, on best practices in managing and reporting for the exemption programs authorized under this chapter, including guidance for cities and counties to collect and report demographic information for tenants of units receiving a tax exemption under this chapter.

(5) This section expires January 1, 2058.

[2021 c 187 § 5; 2012 c 194 § 9; 2007 c 430 § 10; 1995 c 375 § 13.]

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

Title 08 Taxation and Revenue

Chapter 08.15 Multiple-family Housing Property Tax Exemption

Section 08.15.100 Annual Certification and Affordability Certification

Within thirty days of the anniversary of the date the final certificate of tax exemption was recorded at the County and each year thereafter, for the tax exemption period, the property owner shall file a certification with the director, verified upon oath or affirmation, which shall contain such information as the director may deem necessary or useful, and shall include the following information:

1. A statement of occupancy and vacancy of the multi-family units during the previous year.
2. A certification that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in **SMC 8.15.090** since the date of filing of the final certificate of tax exemption, and continues to be in compliance with the contract with the City and the requirements of this chapter; and

3. If the property owner rents the affordable multi-family housing units, the property owner shall file with the City a report indicating the household income of each initial tenant qualifying as low and moderate-income in order to comply with the twenty percent requirement of **SMC 8.15.090(A)(2)(b)** and RCW 84.14.020(1)(ii)(B).

a. The reports shall be on a form provided by the City and shall be signed by the tenants.

b. Information on the incomes of occupants of affordable units shall be included with the application for the final certificate of tax exemption, and shall continue to be included with the annual report for each property during the exemption period.

4. A description of any improvements or changes to the property made after the filing of the final certificate or last declaration, as applicable.

B. Failure to submit the annual declaration may result in cancellation of the tax exemption.

Date Passed: Monday, August 21, 2017
Effective Date: Saturday, October 7, 2017
ORD C35524 Section 8

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

Comprehensive Plan Land Use Policies:

- LU 1.4 Higher Density Residential Uses
- LU 3.5 Mix of Uses in Centers
- LU 4.2 Land Uses That Support Travel Options and Active Transportation
- LU 4.6 Transit-Supported Development

Comprehensive Plan Housing Policies:

- H 1.9 Mixed-Income Housing
- H 1.4 Use of Existing Infrastructure
- H 1.10 Lower-Income Housing Development Incentives
- H 1.11 Access to Transportation
- H 1.18 Distribution of Housing Options

Comprehensive Plan Economic Development Policies:

- ED 2.4 Mixed-Use
- ED 7.4 Tax Incentives for Land Improvement

Council Subcommittee Review:

Please provide a summary of council subcommittee review. If not reviewed by council subcommittee, please explain why not.

All Mutli-Family Tax Exemption conditional agreement applications appear before the Urban Experience committee on the consent agengda for approval to appear on the next available legistlative consent agenda.



PLANNING & ECONOMIC DEVELOPMENT MULTIPLE FAMILY HOUSING PROPERTY TAX EXEMPTION AGREEMENT

THIS CONDITIONAL AGREEMENT is between the City of Spokane, a Washington State municipal corporation, as “City”, and Grove At Cannon, LLC, as “Owner/Taxpayer” whose business address is PO BOX 14902 Spokane Valley, WA 99214.

WITNESSETH:

WHEREAS, the City has, pursuant to the authority granted to it by Chapter 84.14 RCW, designated various residential targeted areas for the provision of a limited property tax exemption for new and rehabilitated multiple family residential housing; and

WHEREAS, the City has, through Chapter 8.15 SMC, enacted a program whereby property owner/taxpayers may qualify for a Final Certificate of Tax Exemption which certifies to the Spokane County Assessor that the Owner/Taxpayer is eligible to receive the multiple family housing property tax exemption; and

WHEREAS, the Owner/Taxpayer is interested in receiving the multiple family property tax exemption for new multiple family residential housing units in a residential targeted area; and

WHEREAS, the Owner/Taxpayer has submitted to the City a complete conditional application form for no fewer than a total of four new multiple family permanent residential housing units to be constructed on property legally described as:

CANNONS ADD L7-8 B30 EXC HWY

Assessor’s Parcel Number(s) **25244.2715**,

commonly known as

621 S CANNON ST SPOKANE, WA.

WHEREAS, this property is located in the **Spokane Targeted Investment Area** and is eligible to seek a Final Certificate of Tax Exemption post construction under the **12-yr Affordable Rentals of 12 + Units**, as defined in SMC 08.15.090.

WHEREAS, the City has determined that the improvements will, if completed as proposed, satisfy the requirements for a Final Certificate of Tax Exemption; -- NOW, THEREFORE,

The City and the Owner/Taxpayer do mutually agree as follows:

1. The City agrees to issue the Owner/Taxpayer a Conditional Agreement subsequent to the City Council’s approval of this agreement.
2. The project must comply with all applicable zoning requirements, land use

requirements, design review recommendations and all building, fire, and housing code requirements contained in the Spokane Municipal Code at the time a complete application for a building permit is received. However, if the proposal includes rehabilitation or demolition in preparation for new construction, the residential portion of the building shall fail to comply with one or more standards of applicable building or housing codes, and the rehabilitation improvements shall achieve compliance with the applicable building and construction codes.

3. If the property proposed to be rehabilitated is not vacant, the Owner/Taxpayer shall provide each existing tenant with housing of comparable size, quality and price and a reasonable opportunity to relocate. At the time of an application for a Conditional Agreement, the applicant provided a letter attesting and documenting how the existing tenant(s) were/will be provided comparable housing and opportunities to relocate.

(a). The existing residential tenant(s) are to be provided housing of a comparable size and quality at a rent level meeting the Washington State definition of affordable to their income level. Specifically, RCW 84.14.010 defines "affordable housing" as residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty (30) percent of the household's monthly income. The duration of this requirement will be the length of the tenant's current lease plus one year.

4. The Owner/Taxpayer intends to construct on the site, approximately **13** new multiple family residential housing units substantially as described in their application filed with and approved by the City. In no event shall such construction provide fewer than a total of four multiple family permanent residential housing units.

5. The Owner/Taxpayer agrees to complete construction of the agreed-upon improvements within three years from the date the City issues this Conditional Agreement or within any extension granted by the City.

6. The Owner/Taxpayer agrees, upon completion of the improvements and upon issuance by the City of a temporary or permanent certificate of occupancy, to file an application for a Final Certificate of Tax Exemption with the City's Planning and Economic Development Department, which will require the following:

(a) a statement of the actual development cost of each multiple family housing unit, and the total expenditures made in the rehabilitation or construction of the entire property;

(b) a description of the completed work and a statement that the rehabilitation improvements or new construction of the Owner/Taxpayer's property qualifies the property for the exemption;

(c) a statement that the project meets the affordable housing requirements, if applicable; and

(d) a statement that the work was completed within the required three-year period or any authorized extension of the issuance of the conditional certificate of tax exemption.

7. The City agrees, conditioned on the Owner/Taxpayer's successful completion of the improvements in accordance with the terms of this Conditional Agreement and on the

Owner/Taxpayer's filing of application for the Final Certificate of Exemption with the materials described in Paragraph 6 above, to file a Final Certificate of Tax Exemption with the Spokane County Assessor indicating that the Owner/Taxpayer is qualified for the limited tax exemption under Chapter 84.14 RCW.

8. The Owner/Taxpayer agrees, that once a Final Certificate of Tax Exemption is issued, to comply with all Annual Reporting requirements set forth in SMC 8.15.100 and contained in the annual report form provided by the City. Thirteen (13) months following the first year of the exemption beginning and every year thereafter, the Owner/Taxpayer will complete and file the appropriate Annual Report required by the terms of their Final Certificate of Tax Exemption with the City's Planning and Economic Development Department. The Annual Report is a declaration verifying upon oath and indicating the following:

(a) a statement of occupancy, use of the property/unit, income and rents for qualifying 12-year and 20-year and vacancy of the multi-family units during the previous year;

(b) a certification that the property has not changed to a commercial use or been used as a transient (short-term rental) basis and, if applicable, that the property has been in compliance with the affordable housing income and rent requirements as described in SMC 8.15.090 since the date of the filing of the Final Certificate of Tax Exemption, and continues to be in compliance with this Agreement and the requirements of SMC Chapter 8.15;

(c) for affordable multi-family housing units, information providing the household income, rent and utility cost, of each qualifying as low and moderate-income, which shall be reported on a form provided by the City and signed by the tenants; and

(d) a description of any improvements or changes to the property made after the filing of the final certificate or last declaration.

9. The parties acknowledge that the units, including any owner-occupied units are to be used and occupied for multifamily permanent residential occupancy and use. The parties further acknowledge that the certificate of occupancy issued by the City is for multifamily residential units. The Owner/Taxpayer acknowledges and agrees that the units shall be used primarily for multi-family housing for permanent residential occupancy as defined in SMC 8.15.020 and RCW 84.14.010 and any business activities shall only be incidental and ancillary to the residential occupancy. Any units that are converted from multi-family housing for permanent residential occupancy shall be reported to the City of Spokane's Planning and Economic Development Department and the Spokane County Assessor's Office and removed from eligibility for the tax exemption within 60 days. If the removal of the ineligible unit or units causes the number of units to drop below the number of units required for tax exemption eligibility, the remaining units shall be removed from eligibility pursuant to state law.

10. To qualify for the twelve-year tax exemption, the Owner/Taxpayer will be required to rent or sell at least **30%** of the multiple family housing units as affordable housing units to low and moderate-income households and will ensure that the units within the 12-yr program are dispersed throughout the building and distributed proportionally among the buildings; not be clustered in certain sections of the building or stacked; comparable to market-rate units in terms of unit size and leasing terms; and are comparable to market-rate units in terms of functionality and building amenities and access in addition to the other requirements set forth

in the Agreement. The Owner/Taxpayer is further required to comply with the rental relocation assistance requirements set forth in RCW 84.14.020 (7) and (8) and in SMC 8.15.090 (D).

11. The City agrees the Wastewater General Facilities Charges under SMC 13.03.0732 and the Water General Facilities Charges under SMC 13.04.2042 shall be deferred for the life of the property tax exemption issued under this agreement. If the Owner/Taxpayer maintains qualifying status for the entire exemption period, the wastewater and water general facilities charges set out above shall be waived at the end of the exemption period. If the Owner/Taxpayer fails to maintain qualifying status for the entire exemption period, the wastewater and water general facilities charges will have to be paid in the amounts set forth in SMC 13.03.0734 Appendix A and SMC 13.04.2044 Appendix A within three months of the Owner/Taxpayer receiving notice that the exemption has been terminated.

12. The City reserves the right to cancel the Final Certificate of Tax Exemption should the Owner/Taxpayer, its successors and assigns, fail to comply with any of the terms and conditions of this Agreement or of SMC Chapter 8.15.

13. No modifications of this Conditional Agreement shall be made unless mutually agreed upon by the parties in writing.

14. The Owner/Taxpayer acknowledges its awareness of the potential tax liability involved if and when the property ceases to be eligible for the incentive provided pursuant to this agreement. Such liability may include additional real property tax, penalties and interest imposed pursuant to RCW 84.14.110. The Owner/Taxpayer further acknowledges its awareness and understanding of the process implemented by the Spokane County Assessor's Office for the appraisal and assessment of property taxes. The Owner/Taxpayer agrees that the City is not responsible for the property value assessment imposed by Spokane County at any time during the exemption period.

15. In the event that any term or clause of this Conditional Agreement conflicts with applicable law, such conflict shall not affect other terms of this Agreement, which can be given effect without the conflicting term or clause, and to this end, the terms of this Conditional Agreement are declared to be severable.

16. The parties agree that this Conditional Agreement, requires the applicant to file an application for the Final Certificate of Tax Exemption post the construction of the multiple family residential housing units referenced above and that the Final Certificate of Tax Exemption shall be subject to the applicable provisions of Chapter 84.14 RCW and Chapter 8.15 SMC that exist at the time this agreement is signed by the parties. The parties may agree to amend this Conditional Agreement requirements as set forth when the applicant applies for the Final Certificate of Tax Exemption based upon applicable amendments and additions to Chapter 84.14 RCW or Chapter 8.15 SMC if the requirements change between the issuance of the Conditional Agreement and the Application for Final Tax Exemption has been submitted.

17. Nothing in this Agreement shall permit or be interpreted to permit either party to violate any provision of Chapter 84.14 RCW or Chapter 8.15 SMC

18 This Agreement is subject to approval by the City Council.

DATED this _____ day of _____ 20 _____

CITY OF SPOKANE

Grove At Cannon, LLC

By:

By:

Interim City Administrator, Garrett Jones

Its:

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

**Agenda Sheet for City Council:****Committee:** Urban Experience **Date:** 03/11/2024**Committee Agenda type:** Consent**Date Rec'd**

2/28/2024

Clerk's File #

OPR 2024-0218

Renews #**Cross Ref #****Council Meeting Date:** 03/25/2024**Submitting Dept**

PLANNING & ECONOMIC

Project #**Contact Name/Phone**

AMANDA BECK X6414

Bid #**Contact E-Mail**

ABECK@SPOKANECITY.ORG

Requisition #**Agenda Item Type**

Contract Item

Council Sponsor(s)

JBINGLE ZZAPPONE KKLITZKE

Agenda Item Name

0650 - MFTE CONDITIONAL AGREEMENT FOR 2517 E UPRIVER DR

Agenda Wording

Multiple Family Housing Property Tax Exemption Conditional Agreement with Jay Higgins/Cheryl Ann Kordner, for the future construction of approximately 20 units, at Parcel Number(s) 35091.2914 commonly known as 2517 E Upriver Dr.

Summary (Background)

Chapter 84.14 RCW authorizes the City to create a multiple family housing property tax exemption program and to certify qualified property owners for that property tax exemption. SMC 08.15 Multiple-family Housing Property Tax Exemption outlines the City of Spokane MFTE Program and project eligibility.

Lease? NO

Grant related? NO

Public Works? NO

Fiscal Impact

Approved in Current Year Budget? N/A

Total Cost \$ 0

Current Year Cost \$ 0

Subsequent Year(s) Cost \$ 0

Narrative**Amount****Budget Account**

Neutral \$ #

Select \$ #

Select \$ #

Select \$ #

\$ #

\$ #



Continuation of Wording, Summary, Approvals, and Distribution

Agenda Wording

Summary (Background)

Approvals

Dept Head

GARDNER, SPENCER

Division Director

BLACK, TIRRELL

Accounting Manager

ALBIN-MOORE, ANGELA

Legal

BEATTIE, LAUREN

For the Mayor

PICCOLO, MIKE

Additional Approvals

Distribution List

Jay Higgins - jaycasper500@gmail.com

smacdonald@spokanecity.org

sgardner@spokanecity.org

tstripes@spokanecity.org

abeck@spokanecity.org

rbenzie@spokanecity.org



PLANNING & ECONOMIC DEVELOPMENT

MFTE Committee Briefing Paper

Urban Experience

Submitting Department	Planning and Economic Development
Contact Name & Phone	Amanda Beck, 509-625-6414
Contact Email	abeck@spokanecity.org
Council Sponsor(s)	Jonathan Bingle, Zack Zappone, and Kitty Klitzke
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested: _____
Agenda Item Name	0650 – Multi-Family Tax Exemption (MFTE) Conditional Agreement
Summary (Background)	<p>Chapter 84.14 RCW authorizes the City to create a multiple family housing property tax exemption program and to certify qualified property owners for that property tax exemption. SMC 08.15 Multiple-family Housing Property Tax Exemption outlines the City of Spokane MFTE Program and project eligibility.</p> <p>Staff has determined that the 2517 E Upriver Multifamily Conditional application meets the Project Eligibility defined in SMC 08.15.040 and is located in a previously adopted Residential Target Areas identified in SMC 08.15.030.</p> <p>Once the project is constructed, the applicant intends to finalize as a <u>12-yr Affordable Rentals of 12 + Units</u>.</p> <p>This Conditional Agreement authorizes the appropriate city official to enter into the Multiple Family Housing Property Tax Exemption Conditional Agreement, which will ultimately result in the issuance of a final certificate of tax exemption to be filed with the Spokane County Assessor’s Office post construction.</p>
Proposed Council Action & Date:	<p>Approve the MFTE Conditional Agreement for the <u>2517 E Upriver Multifamily</u> at the March 25, 2024 City Council Meeting.</p> <p>Project Details: The applicant applied for a Conditional MFTE Agreement for 20 units, at <u>2517 E UPRIVER DR SPOKANE, WA</u></p> <ul style="list-style-type: none"> • Property is zoned <u>RMF</u> and the proposed use is allowed. • Estimated Construction Costs: <u>2100000</u> • Located in the <u>Bemiss</u> neighborhood.
Fiscal Impact:	
Approved in current year budget?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
Total Cost: \$0	
Current year cost:	
Subsequent year(s) cost:	
Narrative:	<u>The Mutli-Family Tax Exemption program has no direct impact on City revenues or expenses.</u>
Funding Source	<input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A
Specify funding source:	
Is this funding source sustainable for future years, months, etc? N/A	

Expense Occurrence	<input type="checkbox"/> One-time	<input type="checkbox"/> Recurring	<input checked="" type="checkbox"/> N/A
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Other budget impacts: (revenue generating, match requirements, etc.)

Operation Impacts

What impacts would the proposal have on historically excluded communities?

SMC 08.15 Multi- Family Housing Property Tax Exemption

A. The purposes of this chapter are to:

1. encourage more multi-family housing opportunities, including affordable housing opportunities, within the City;
2. stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multi-family housing;
3. increase the supply of mixed-income multifamily housing opportunities within the City;
4. accomplish the planning goals required under the Growth Management Act, chapter 36.70A RCW, as implemented from time to time by the City's current and future comprehensive plans;
5. promote community development, neighborhood revitalization, and availability of affordable housing;
6. preserve and protect buildings, objects, sites and neighborhoods with historic, cultural, architectural, engineering or geographic significance located within the City; and
7. encourage additional housing in areas that are consistent with planning for public transit systems.

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

RCW 84.14.100

Report—Filing—Department of commerce audit or review—Guidance to cities and counties. (Expires January 1, 2058.)

(1) Thirty days after the anniversary of the date of the certificate of tax exemption and each year for the tax exemption period, the owner of the rehabilitated or newly constructed property, or the qualified nonprofit or local government that will assure permanent affordable homeownership for at least 25 percent of the units for properties receiving an exemption under RCW 84.14.021, must file with a designated authorized representative of the city or county an annual report indicating the following:

- (a) A statement of occupancy and vacancy of the rehabilitated or newly constructed property during the twelve months ending with the anniversary date;
- (b) A certification by the owner that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in RCW 84.14.020 since the date of the certificate approved by the city or county;
- (c) A description of changes or improvements constructed after issuance of the certificate of tax exemption; and
- (d) Any additional information requested by the city or county in regards to the units receiving a tax exemption.

(2) **All cities or counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, must report annually by April 1st of each year, beginning in 2007, to the department of commerce. A city or county must be in compliance with the reporting requirements of this section to offer certificates of tax exemption for multiunit housing authorized in this chapter. The report must include the following information:**

- (a) The number of tax exemption certificates granted;
- (b) The total number and type of units produced or to be produced;
- (c) The number, size, and type of units produced or to be produced meeting affordable housing requirements;
- (d) The actual development cost of each unit produced;
- (e) The total monthly rent or total sale amount of each unit produced;
- (f) The annual household income and household size for each of the affordable units receiving a tax exemption and a summary of these figures for the city or county; and
- (g) The value of the tax exemption for each project receiving a tax exemption and the total value of tax exemptions granted.

(3)(a) The department of commerce must adopt and implement a program to effectively audit or review that the owner or operator of each property for which a certificate of tax exemption has been issued, except for those properties receiving an exemption that are owned or operated by a nonprofit or for those properties receiving an exemption from a city or county that operates an independent audit or review program, is offering the number of units at rents as committed to in the approved application for an exemption and that the tenants are being properly screened to be qualified for an income-restricted unit. The audit or review program must be adopted in consultation with local governments and other stakeholders and may be based on auditing a percentage of income-restricted units or properties annually. A private owner or operator of a property for which a certificate of tax exemption has been issued under this chapter, must be audited at least once every five years.

(b) If the review or audit required under (a) of this subsection for a given property finds that the owner or operator is not offering the number of units at rents as committed to in the approved application or is not properly screening tenants for income-restricted units, the department of commerce must notify the city or county and the city or county must impose and collect a sliding scale penalty not to exceed an amount calculated by subtracting the amount of rents that would have been collected had the owner or operator complied with their commitment from the amount of rents collected by the owner or operator for the income-restricted units, with consideration of the severity of the noncompliance. If a subsequent review or audit required under (a) of this subsection for a given property finds continued substantial noncompliance with the program requirements, the exemption certificate must be canceled pursuant to **RCW 84.14.110**.

(c) The department of commerce may impose and collect a fee, not to exceed the costs of the audit or review, from the owner or operator of any property subject to an audit or review required under (a) of this subsection.

(4) The department of commerce must provide guidance to cities and counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, on best practices in managing and reporting for the exemption programs authorized under this chapter, including guidance for cities and counties to collect and report demographic information for tenants of units receiving a tax exemption under this chapter.

(5) This section expires January 1, 2058.

[2021 c 187 § 5; 2012 c 194 § 9; 2007 c 430 § 10; 1995 c 375 § 13.]

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

Title 08 Taxation and Revenue

Chapter 08.15 Multiple-family Housing Property Tax Exemption

Section 08.15.100 Annual Certification and Affordability Certification

Within thirty days of the anniversary of the date the final certificate of tax exemption was recorded at the County and each year thereafter, for the tax exemption period, the property owner shall file a certification with the director, verified upon oath or affirmation, which shall contain such information as the director may deem necessary or useful, and shall include the following information:

1. A statement of occupancy and vacancy of the multi-family units during the previous year.
2. A certification that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in **SMC 8.15.090** since the date of filing of the final certificate of tax exemption, and continues to be in compliance with the contract with the City and the requirements of this chapter; and

3. If the property owner rents the affordable multi-family housing units, the property owner shall file with the City a report indicating the household income of each initial tenant qualifying as low and moderate-income in order to comply with the twenty percent requirement of **SMC 8.15.090(A)(2)(b)** and RCW 84.14.020(1)(ii)(B).

a. The reports shall be on a form provided by the City and shall be signed by the tenants.

b. Information on the incomes of occupants of affordable units shall be included with the application for the final certificate of tax exemption, and shall continue to be included with the annual report for each property during the exemption period.

4. A description of any improvements or changes to the property made after the filing of the final certificate or last declaration, as applicable.

B. Failure to submit the annual declaration may result in cancellation of the tax exemption.

Date Passed: Monday, August 21, 2017
Effective Date: Saturday, October 7, 2017
ORD C35524 Section 8

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

Comprehensive Plan Land Use Policies:

- LU 1.4 Higher Density Residential Uses
- LU 3.5 Mix of Uses in Centers
- LU 4.2 Land Uses That Support Travel Options and Active Transportation
- LU 4.6 Transit-Supported Development

Comprehensive Plan Housing Policies:

- H 1.9 Mixed-Income Housing
- H 1.4 Use of Existing Infrastructure
- H 1.10 Lower-Income Housing Development Incentives
- H 1.11 Access to Transportation
- H 1.18 Distribution of Housing Options

Comprehensive Plan Economic Development Policies:

- ED 2.4 Mixed-Use
- ED 7.4 Tax Incentives for Land Improvement

Council Subcommittee Review:

Please provide a summary of council subcommittee review. If not reviewed by council subcommittee, please explain why not.

All Mutli-Family Tax Exemption conditional agreement applications appear before the Urban Experience committee on the consent agengda for approval to appear on the next available legistlative consent agenda.



PLANNING & ECONOMIC DEVELOPMENT MULTIPLE FAMILY HOUSING PROPERTY TAX EXEMPTION AGREEMENT

THIS CONDITIONAL AGREEMENT is between the City of Spokane, a Washington State municipal corporation, as “City”, and HIGGINS, JAY G/KORNDER, CHERYL ANN, as “Owner/Taxpayer” whose business address is PO BOX 18112, Spokane, WA 99228.

WITNESSETH:

WHEREAS, the City has, pursuant to the authority granted to it by Chapter 84.14 RCW, designated various residential targeted areas for the provision of a limited property tax exemption for new and rehabilitated multiple family residential housing; and

WHEREAS, the City has, through Chapter 8.15 SMC, enacted a program whereby property owner/taxpayers may qualify for a Final Certificate of Tax Exemption which certifies to the Spokane County Assessor that the Owner/Taxpayer is eligible to receive the multiple family housing property tax exemption; and

WHEREAS, the Owner/Taxpayer is interested in receiving the multiple family property tax exemption for new multiple family residential housing units in a residential targeted area; and

WHEREAS, the Owner/Taxpayer has submitted to the City a complete conditional application form for no fewer than a total of four new multiple family permanent residential housing units to be constructed on property legally described as:

ROSS PARK NE SUB BLK 29 LT 1 BLK 29 TOG W/ VAC 50' STP LYG ELY OF & ADJ

Assessor’s Parcel Number(s) **35091.2914**,

commonly known as

2517 E UPRIVER DR SPOKANE, WA.

WHEREAS, this property is located in the **Spokane Targeted Investment Area** and is eligible to seek a Final Certificate of Tax Exemption post construction under the **12-yr Affordable Rentals of 12 + Units**, as defined in SMC 08.15.090.

WHEREAS, the City has determined that the improvements will, if completed as proposed, satisfy the requirements for a Final Certificate of Tax Exemption; -- NOW, THEREFORE,

The City and the Owner/Taxpayer do mutually agree as follows:

1. The City agrees to issue the Owner/Taxpayer a Conditional Agreement subsequent to the City Council’s approval of this agreement.
2. The project must comply with all applicable zoning requirements, land use

requirements, design review recommendations and all building, fire, and housing code requirements contained in the Spokane Municipal Code at the time a complete application for a building permit is received. However, if the proposal includes rehabilitation or demolition in preparation for new construction, the residential portion of the building shall fail to comply with one or more standards of applicable building or housing codes, and the rehabilitation improvements shall achieve compliance with the applicable building and construction codes.

3. If the property proposed to be rehabilitated is not vacant, the Owner/Taxpayer shall provide each existing tenant with housing of comparable size, quality and price and a reasonable opportunity to relocate. At the time of an application for a Conditional Agreement, the applicant provided a letter attesting and documenting how the existing tenant(s) were/will be provided comparable housing and opportunities to relocate.

(a). The existing residential tenant(s) are to be provided housing of a comparable size and quality at a rent level meeting the Washington State definition of affordable to their income level. Specifically, RCW 84.14.010 defines "affordable housing" as residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty (30) percent of the household's monthly income. The duration of this requirement will be the length of the tenant's current lease plus one year.

4. The Owner/Taxpayer intends to construct on the site, approximately **20** new multiple family residential housing units substantially as described in their application filed with and approved by the City. In no event shall such construction provide fewer than a total of four multiple family permanent residential housing units.

5. The Owner/Taxpayer agrees to complete construction of the agreed-upon improvements within three years from the date the City issues this Conditional Agreement or within any extension granted by the City.

6. The Owner/Taxpayer agrees, upon completion of the improvements and upon issuance by the City of a temporary or permanent certificate of occupancy, to file an application for a Final Certificate of Tax Exemption with the City's Planning and Economic Development Department, which will require the following:

(a) a statement of the actual development cost of each multiple family housing unit, and the total expenditures made in the rehabilitation or construction of the entire property;

(b) a description of the completed work and a statement that the rehabilitation improvements or new construction of the Owner/Taxpayer's property qualifies the property for the exemption;

(c) a statement that the project meets the affordable housing requirements, if applicable; and

(d) a statement that the work was completed within the required three-year period or any authorized extension of the issuance of the conditional certificate of tax exemption.

7. The City agrees, conditioned on the Owner/Taxpayer's successful completion of the improvements in accordance with the terms of this Conditional Agreement and on the

Owner/Taxpayer's filing of application for the Final Certificate of Exemption with the materials described in Paragraph 6 above, to file a Final Certificate of Tax Exemption with the Spokane County Assessor indicating that the Owner/Taxpayer is qualified for the limited tax exemption under Chapter 84.14 RCW.

8. The Owner/Taxpayer agrees, that once a Final Certificate of Tax Exemption is issued, to comply with all Annual Reporting requirements set forth in SMC 8.15.100 and contained in the annual report form provided by the City. Thirteen (13) months following the first year of the exemption beginning and every year thereafter, the Owner/Taxpayer will complete and file the appropriate Annual Report required by the terms of their Final Certificate of Tax Exemption with the City's Planning and Economic Development Department. The Annual Report is a declaration verifying upon oath and indicating the following:

(a) a statement of occupancy, use of the property/unit, income and rents for qualifying 12-year and 20-year and vacancy of the multi-family units during the previous year;

(b) a certification that the property has not changed to a commercial use or been used as a transient (short-term rental) basis and, if applicable, that the property has been in compliance with the affordable housing income and rent requirements as described in SMC 8.15.090 since the date of the filing of the Final Certificate of Tax Exemption, and continues to be in compliance with this Agreement and the requirements of SMC Chapter 8.15;

(c) for affordable multi-family housing units, information providing the household income, rent and utility cost, of each qualifying as low and moderate-income, which shall be reported on a form provided by the City and signed by the tenants; and

(d) a description of any improvements or changes to the property made after the filing of the final certificate or last declaration.

9. The parties acknowledge that the units, including any owner-occupied units are to be used and occupied for multifamily permanent residential occupancy and use. The parties further acknowledge that the certificate of occupancy issued by the City is for multifamily residential units. The Owner/Taxpayer acknowledges and agrees that the units shall be used primarily for multi-family housing for permanent residential occupancy as defined in SMC 8.15.020 and RCW 84.14.010 and any business activities shall only be incidental and ancillary to the residential occupancy. Any units that are converted from multi-family housing for permanent residential occupancy shall be reported to the City of Spokane's Planning and Economic Development Department and the Spokane County Assessor's Office and removed from eligibility for the tax exemption within 60 days. If the removal of the ineligible unit or units causes the number of units to drop below the number of units required for tax exemption eligibility, the remaining units shall be removed from eligibility pursuant to state law.

10. To qualify for the twelve-year tax exemption, the Owner/Taxpayer will be required to rent or sell at least **30%** of the multiple family housing units as affordable housing units to low and moderate-income households and will ensure that the units within the 12-yr program are dispersed throughout the building and distributed proportionally among the buildings; not be clustered in certain sections of the building or stacked; comparable to market-rate units in terms of unit size and leasing terms; and are comparable to market-rate units in terms of functionality and building amenities and access in addition to the other requirements set forth

in the Agreement. The Owner/Taxpayer is further required to comply with the rental relocation assistance requirements set forth in RCW 84.14.020 (7) and (8) and in SMC 8.15.090 (D).

11. The City agrees the Wastewater General Facilities Charges under SMC 13.03.0732 and the Water General Facilities Charges under SMC 13.04.2042 shall be deferred for the life of the property tax exemption issued under this agreement. If the Owner/Taxpayer maintains qualifying status for the entire exemption period, the wastewater and water general facilities charges set out above shall be waived at the end of the exemption period. If the Owner/Taxpayer fails to maintain qualifying status for the entire exemption period, the wastewater and water general facilities charges will have to be paid in the amounts set forth in SMC 13.03.0734 Appendix A and SMC 13.04.2044 Appendix A within three months of the Owner/Taxpayer receiving notice that the exemption has been terminated.

12. The City reserves the right to cancel the Final Certificate of Tax Exemption should the Owner/Taxpayer, its successors and assigns, fail to comply with any of the terms and conditions of this Agreement or of SMC Chapter 8.15.

13. No modifications of this Conditional Agreement shall be made unless mutually agreed upon by the parties in writing.

14. The Owner/Taxpayer acknowledges its awareness of the potential tax liability involved if and when the property ceases to be eligible for the incentive provided pursuant to this agreement. Such liability may include additional real property tax, penalties and interest imposed pursuant to RCW 84.14.110. The Owner/Taxpayer further acknowledges its awareness and understanding of the process implemented by the Spokane County Assessor's Office for the appraisal and assessment of property taxes. The Owner/Taxpayer agrees that the City is not responsible for the property value assessment imposed by Spokane County at any time during the exemption period.

15. In the event that any term or clause of this Conditional Agreement conflicts with applicable law, such conflict shall not affect other terms of this Agreement, which can be given effect without the conflicting term or clause, and to this end, the terms of this Conditional Agreement are declared to be severable.

16. The parties agree that this Conditional Agreement, requires the applicant to file an application for the Final Certificate of Tax Exemption post the construction of the multiple family residential housing units referenced above and that the Final Certificate of Tax Exemption shall be subject to the applicable provisions of Chapter 84.14 RCW and Chapter 8.15 SMC that exist at the time this agreement is signed by the parties. The parties may agree to amend this Conditional Agreement requirements as set forth when the applicant applies for the Final Certificate of Tax Exemption based upon applicable amendments and additions to Chapter 84.14 RCW or Chapter 8.15 SMC if the requirements change between the issuance of the Conditional Agreement and the Application for Final Tax Exemption has been submitted.

17. Nothing in this Agreement shall permit or be interpreted to permit either party to violate any provision of Chapter 84.14 RCW or Chapter 8.15 SMC

18 This Agreement is subject to approval by the City Council.

DATED this _____ day of _____ 20 _____

CITY OF SPOKANE

HIGGINS, JAY G/KORNDER, CHERYL ANN

By:

By:

Interim City Administrator, Garrett Jones

Its:

Attest:

Approved as to form:

City Clerk

Assistant City Attorney



Agenda Sheet for City Council:

Committee: Urban Experience **Date:** 03/11/2024

Committee Agenda type: Consent

Date Rec'd

2/28/2024

Clerk's File #

OPR 2024-0219

Renews #

Cross Ref #

Council Meeting Date: 03/25/2024

Submitting Dept

PLANNING & ECONOMIC

Project #

Contact Name/Phone

AMANDA BECK X6414

Bid #

Contact E-Mail

ABECK@SPOKANECITY.ORG

Requisition #

Agenda Item Type

Contract Item

Council Sponsor(s)

JBINGLE ZZAPPONE KKLITZKE

Agenda Item Name

0650 - MFTE CONDITIONAL AGREEMENT FOR 5115 S FREYA PROJECT

Agenda Wording

Multiple Family Housing Property Tax Exemption Conditional Agreement with 5115 S Freya St LLC, for the future construction of approximately 30 units, at Parcel Number(s) 34031.9114 commonly known as 5115 S Freya St.

Summary (Background)

Chapter 84.14 RCW authorizes the City to create a multiple family housing property tax exemption program and to certify qualified property owners for that property tax exemption. SMC 08.15 Multiple-family Housing Property Tax Exemption outlines the City of Spokane MFTE Program and project eligibility.

Lease? NO Grant related? NO Public Works? NO

Fiscal Impact

Approved in Current Year Budget? N/A

Total Cost \$ 0

Current Year Cost \$ 0

Subsequent Year(s) Cost \$ 0

Narrative

Amount

Budget Account

Neutral	\$	#
Select	\$	#
Select	\$	#
Select	\$	#
	\$	#
	\$	#



Continuation of Wording, Summary, Approvals, and Distribution

Agenda Wording

Summary (Background)

Approvals

Dept Head

GARDNER, SPENCER

Division Director

BLACK, TIRRELL

Accounting Manager

ALBIN-MOORE, ANGELA

Legal

BEATTIE, LAUREN

For the Mayor

PICCOLO, MIKE

Additional Approvals

Distribution List

Josh Cochran - rivercochran@gmail.com

smacdonald@spokanecity.org

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tstripes@spokanecity.org

abeck@spokanecity.org

rbenzie@spokanecity.org



PLANNING & ECONOMIC DEVELOPMENT

MFTE Committee Briefing Paper

Urban Experience

Submitting Department	Planning and Economic Development
Contact Name & Phone	Amanda Beck, 509-625-6414
Contact Email	abeck@spokanecity.org
Council Sponsor(s)	Zappone, Klitzke, Bingle
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested: _____
Agenda Item Name	0650 – Multi-Family Tax Exemption (MFTE) Conditional Agreement
Summary (Background)	<p>Chapter 84.14 RCW authorizes the City to create a multiple family housing property tax exemption program and to certify qualified property owners for that property tax exemption. SMC 08.15 Multiple-family Housing Property Tax Exemption outlines the City of Spokane MFTE Program and project eligibility.</p> <p>Staff has determined that the 5115 S Freya Conditional application meets the Project Eligibility defined in SMC 08.15.040 and is located in a previously adopted Residential Target Areas identified in SMC 08.15.030.</p> <p>Once the project is constructed, the applicant intends to finalize as a 12-yr Affordable Rentals of 12 + Units.</p> <p>This Conditional Agreement authorizes the appropriate city official to enter into the Multiple Family Housing Property Tax Exemption Conditional Agreement, which will ultimately result in the issuance of a final certificate of tax exemption to be filed with the Spokane County Assessor's Office post construction.</p>
Proposed Council Action & Date:	<p>Approve the MFTE Conditional Agreement for the <u>5115 S Freya</u> at the March 25, 2024 City Council Meeting.</p> <p>Project Details: The applicant applied for a Conditional MFTE Agreement for 30 units, at <u>5115 S FREYA ST SPOKANE, WA</u></p> <ul style="list-style-type: none"> • Property is zoned R1 and the proposed use is allowed. • Estimated Construction Costs: 3000000 • Located in the Southgate neighborhood.
Fiscal Impact:	
Approved in current year budget?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
Total Cost: \$0	
Current year cost:	
Subsequent year(s) cost:	
Narrative:	<u>The Mutli-Family Tax Exemption program has no direct impact on City revenues or expenses.</u>
Funding Source	<input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A
Specify funding source:	
Is this funding source sustainable for future years, months, etc?	N/A

Expense Occurrence	<input type="checkbox"/> One-time	<input type="checkbox"/> Recurring	<input checked="" type="checkbox"/> N/A
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Other budget impacts: (revenue generating, match requirements, etc.)

Operation Impacts

What impacts would the proposal have on historically excluded communities?

SMC 08.15 Multi- Family Housing Property Tax Exemption

A. The purposes of this chapter are to:

1. encourage more multi-family housing opportunities, including affordable housing opportunities, within the City;
2. stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multi-family housing;
3. increase the supply of mixed-income multifamily housing opportunities within the City;
4. accomplish the planning goals required under the Growth Management Act, chapter 36.70A RCW, as implemented from time to time by the City's current and future comprehensive plans;
5. promote community development, neighborhood revitalization, and availability of affordable housing;
6. preserve and protect buildings, objects, sites and neighborhoods with historic, cultural, architectural, engineering or geographic significance located within the City; and
7. encourage additional housing in areas that are consistent with planning for public transit systems.

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

RCW 84.14.100

Report—Filing—Department of commerce audit or review—Guidance to cities and counties. (Expires January 1, 2058.)

(1) Thirty days after the anniversary of the date of the certificate of tax exemption and each year for the tax exemption period, the owner of the rehabilitated or newly constructed property, or the qualified nonprofit or local government that will assure permanent affordable homeownership for at least 25 percent of the units for properties receiving an exemption under RCW 84.14.021, must file with a designated authorized representative of the city or county an annual report indicating the following:

- (a) A statement of occupancy and vacancy of the rehabilitated or newly constructed property during the twelve months ending with the anniversary date;
- (b) A certification by the owner that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in RCW 84.14.020 since the date of the certificate approved by the city or county;
- (c) A description of changes or improvements constructed after issuance of the certificate of tax exemption; and
- (d) Any additional information requested by the city or county in regards to the units receiving a tax exemption.

(2) **All cities or counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, must report annually by April 1st of each year, beginning in 2007, to the department of commerce. A city or county must be in compliance with the reporting requirements of this section to offer certificates of tax exemption for multiunit housing authorized in this chapter. The report must include the following information:**

- (a) The number of tax exemption certificates granted;
- (b) The total number and type of units produced or to be produced;
- (c) The number, size, and type of units produced or to be produced meeting affordable housing requirements;
- (d) The actual development cost of each unit produced;
- (e) The total monthly rent or total sale amount of each unit produced;
- (f) The annual household income and household size for each of the affordable units receiving a tax exemption and a summary of these figures for the city or county; and
- (g) The value of the tax exemption for each project receiving a tax exemption and the total value of tax exemptions granted.

(3)(a) The department of commerce must adopt and implement a program to effectively audit or review that the owner or operator of each property for which a certificate of tax exemption has been issued, except for those properties receiving an exemption that are owned or operated by a nonprofit or for those properties receiving an exemption from a city or county that operates an independent audit or review program, is offering the number of units at rents as committed to in the approved application for an exemption and that the tenants are being properly screened to be qualified for an income-restricted unit. The audit or review program must be adopted in consultation with local governments and other stakeholders and may be based on auditing a percentage of income-restricted units or properties annually. A private owner or operator of a property for which a certificate of tax exemption has been issued under this chapter, must be audited at least once every five years.

(b) If the review or audit required under (a) of this subsection for a given property finds that the owner or operator is not offering the number of units at rents as committed to in the approved application or is not properly screening tenants for income-restricted units, the department of commerce must notify the city or county and the city or county must impose and collect a sliding scale penalty not to exceed an amount calculated by subtracting the amount of rents that would have been collected had the owner or operator complied with their commitment from the amount of rents collected by the owner or operator for the income-restricted units, with consideration of the severity of the noncompliance. If a subsequent review or audit required under (a) of this subsection for a given property finds continued substantial noncompliance with the program requirements, the exemption certificate must be canceled pursuant to **RCW 84.14.110**.

(c) The department of commerce may impose and collect a fee, not to exceed the costs of the audit or review, from the owner or operator of any property subject to an audit or review required under (a) of this subsection.

(4) The department of commerce must provide guidance to cities and counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, on best practices in managing and reporting for the exemption programs authorized under this chapter, including guidance for cities and counties to collect and report demographic information for tenants of units receiving a tax exemption under this chapter.

(5) This section expires January 1, 2058.

[2021 c 187 § 5; 2012 c 194 § 9; 2007 c 430 § 10; 1995 c 375 § 13.]

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

Title 08 Taxation and Revenue

Chapter 08.15 Multiple-family Housing Property Tax Exemption

Section 08.15.100 Annual Certification and Affordability Certification

Within thirty days of the anniversary of the date the final certificate of tax exemption was recorded at the County and each year thereafter, for the tax exemption period, the property owner shall file a certification with the director, verified upon oath or affirmation, which shall contain such information as the director may deem necessary or useful, and shall include the following information:

1. A statement of occupancy and vacancy of the multi-family units during the previous year.
2. A certification that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in **SMC 8.15.090** since the date of filing of the final certificate of tax exemption, and continues to be in compliance with the contract with the City and the requirements of this chapter; and

3. If the property owner rents the affordable multi-family housing units, the property owner shall file with the City a report indicating the household income of each initial tenant qualifying as low and moderate-income in order to comply with the twenty percent requirement of **SMC 8.15.090(A)(2)(b)** and RCW 84.14.020(1)(ii)(B).

a. The reports shall be on a form provided by the City and shall be signed by the tenants.

b. Information on the incomes of occupants of affordable units shall be included with the application for the final certificate of tax exemption, and shall continue to be included with the annual report for each property during the exemption period.

4. A description of any improvements or changes to the property made after the filing of the final certificate or last declaration, as applicable.

B. Failure to submit the annual declaration may result in cancellation of the tax exemption.

Date Passed: Monday, August 21, 2017
Effective Date: Saturday, October 7, 2017
ORD C35524 Section 8

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

Comprehensive Plan Land Use Policies:

- LU 1.4 Higher Density Residential Uses
- LU 3.5 Mix of Uses in Centers
- LU 4.2 Land Uses That Support Travel Options and Active Transportation
- LU 4.6 Transit-Supported Development

Comprehensive Plan Housing Policies:

- H 1.9 Mixed-Income Housing
- H 1.4 Use of Existing Infrastructure
- H 1.10 Lower-Income Housing Development Incentives
- H 1.11 Access to Transportation
- H 1.18 Distribution of Housing Options

Comprehensive Plan Economic Development Policies:

- ED 2.4 Mixed-Use
- ED 7.4 Tax Incentives for Land Improvement

Council Subcommittee Review:

Please provide a summary of council subcommittee review. If not reviewed by council subcommittee, please explain why not.

All Mutli-Family Tax Exemption conditional agreement applications appear before the Urban Experience committee on the consent agengda for approval to appear on the next available legislative consent agenda.



PLANNING & ECONOMIC DEVELOPMENT MULTIPLE FAMILY HOUSING PROPERTY TAX EXEMPTION AGREEMENT

THIS CONDITIONAL AGREEMENT is between the City of Spokane, a Washington State municipal corporation, as “City”, and 5115 S FREYA, LLC, as “Owner/Taxpayer” whose business address is 5115 S FREYA ST SPOKANE, WA 99223-7111.

WITNESSETH:

WHEREAS, the City has, pursuant to the authority granted to it by Chapter 84.14 RCW, designated various residential targeted areas for the provision of a limited property tax exemption for new and rehabilitated multiple family residential housing; and

WHEREAS, the City has, through Chapter 8.15 SMC, enacted a program whereby property owner/taxpayers may qualify for a Final Certificate of Tax Exemption which certifies to the Spokane County Assessor that the Owner/Taxpayer is eligible to receive the multiple family housing property tax exemption; and

WHEREAS, the Owner/Taxpayer is interested in receiving the multiple family property tax exemption for new multiple family residential housing units in a residential targeted area; and

WHEREAS, the Owner/Taxpayer has submitted to the City a complete conditional application form for no fewer than a total of four new multiple family permanent residential housing units to be constructed on property legally described as:

03-24-43 PTN OF GOV LTS 10&11 DAF; BEG AT A PT 12' S OF N LN OF GOV LT 10 & E LN OF FREYA RD TH E400' TH S310' TO TR UE POB TH S308' TH W424' M/L TO E LN OF FREYA RD IN GOV LT 11 TH NLY ALG E LN OF FREYA RD TO PT 322' S MEAS AT RT ANGLES TO N LN OF SD GOV LT 11 TH ELY TO POB

Assessor’s Parcel Number(s) **34031.9114**,

commonly known as

5115 S FREYA ST SPOKANE, WA.

WHEREAS, this property is located in the **Affordable Housing Emphasis Area** and is eligible to seek a Final Certificate of Tax Exemption post construction under the **12-yr Affordable Rentals of 12 + Units**, as defined in SMC 08.15.090.

WHEREAS, the City has determined that the improvements will, if completed as proposed, satisfy the requirements for a Final Certificate of Tax Exemption; -- NOW, THEREFORE,

The City and the Owner/Taxpayer do mutually agree as follows:

1. The City agrees to issue the Owner/Taxpayer a Conditional Agreement

subsequent to the City Council's approval of this agreement.

2. The project must comply with all applicable zoning requirements, land use requirements, design review recommendations and all building, fire, and housing code requirements contained in the Spokane Municipal Code at the time a complete application for a building permit is received. However, if the proposal includes rehabilitation or demolition in preparation for new construction, the residential portion of the building shall fail to comply with one or more standards of applicable building or housing codes, and the rehabilitation improvements shall achieve compliance with the applicable building and construction codes.

3. If the property proposed to be rehabilitated is not vacant, the Owner/Taxpayer shall provide each existing tenant with housing of comparable size, quality and price and a reasonable opportunity to relocate. At the time of an application for a Conditional Agreement, the applicant provided a letter attesting and documenting how the existing tenant(s) were/will be provided comparable housing and opportunities to relocate.

(a). The existing residential tenant(s) are to be provided housing of a comparable size and quality at a rent level meeting the Washington State definition of affordable to their income level. Specifically, RCW 84.14.010 defines "affordable housing" as residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty (30) percent of the household's monthly income. The duration of this requirement will be the length of the tenant's current lease plus one year.

4. The Owner/Taxpayer intends to construct on the site, approximately **30** new multiple family residential housing units substantially as described in their application filed with and approved by the City. In no event shall such construction provide fewer than a total of four multiple family permanent residential housing units.

5. The Owner/Taxpayer agrees to complete construction of the agreed-upon improvements within three years from the date the City issues this Conditional Agreement or within any extension granted by the City.

6. The Owner/Taxpayer agrees, upon completion of the improvements and upon issuance by the City of a temporary or permanent certificate of occupancy, to file an application for a Final Certificate of Tax Exemption with the City's Planning and Economic Development Department, which will require the following:

(a) a statement of the actual development cost of each multiple family housing unit, and the total expenditures made in the rehabilitation or construction of the entire property;

(b) a description of the completed work and a statement that the rehabilitation improvements or new construction of the Owner/Taxpayer's property qualifies the property for the exemption;

(c) a statement that the project meets the affordable housing requirements, if applicable; and

(d) a statement that the work was completed within the required three-year period or any authorized extension of the issuance of the conditional certificate of tax exemption.

7. The City agrees, conditioned on the Owner/Taxpayer's successful completion of the improvements in accordance with the terms of this Conditional Agreement and on the Owner/Taxpayer's filing of application for the Final Certificate of Exemption with the materials described in Paragraph 6 above, to file a Final Certificate of Tax Exemption with the Spokane County Assessor indicating that the Owner/Taxpayer is qualified for the limited tax exemption under Chapter 84.14 RCW.

8. The Owner/Taxpayer agrees, that once a Final Certificate of Tax Exemption is issued, to comply with all Annual Reporting requirements set forth in SMC 8.15.100 and contained in the annual report form provided by the City. Thirteen (13) months following the first year of the exemption beginning and every year thereafter, the Owner/Taxpayer will complete and file the appropriate Annual Report required by the terms of their Final Certificate of Tax Exemption with the City's Planning and Economic Development Department. The Annual Report is a declaration verifying upon oath and indicating the following:

(a) a statement of occupancy, use of the property/unit, income and rents for qualifying 12-year and 20-year and vacancy of the multi-family units during the previous year;

(b) a certification that the property has not changed to a commercial use or been used as a transient (short-term rental) basis and, if applicable, that the property has been in compliance with the affordable housing income and rent requirements as described in SMC 8.15.090 since the date of the filing of the Final Certificate of Tax Exemption, and continues to be in compliance with this Agreement and the requirements of SMC Chapter 8.15;

(c) for affordable multi-family housing units, information providing the household income, rent and utility cost, of each qualifying as low and moderate-income, which shall be reported on a form provided by the City and signed by the tenants; and

(d) a description of any improvements or changes to the property made after the filing of the final certificate or last declaration.

9. The parties acknowledge that the units, including any owner-occupied units are to be used and occupied for multifamily permanent residential occupancy and use. The parties further acknowledge that the certificate of occupancy issued by the City is for multifamily residential units. The Owner/Taxpayer acknowledges and agrees that the units shall be used primarily for multi-family housing for permanent residential occupancy as defined in SMC 8.15.020 and RCW 84.14.010 and any business activities shall only be incidental and ancillary to the residential occupancy. Any units that are converted from multi-family housing for permanent residential occupancy shall be reported to the City of Spokane's Planning and Economic Development Department and the Spokane County Assessor's Office and removed from eligibility for the tax exemption within 60 days. If the removal of the ineligible unit or units causes the number of units to drop below the number of units required for tax exemption eligibility, the remaining units shall be removed from eligibility pursuant to state law.

10. To qualify for the twelve-year tax exemption, the Owner/Taxpayer will be required to rent or sell at least **30%** of the multiple family housing units as affordable housing units to low and moderate-income households and will ensure that the units within the 12-yr program are dispersed throughout the building and distributed proportionally among the buildings; not

be clustered in certain sections of the building or stacked; comparable to market-rate units in terms of unit size and leasing terms; and are comparable to market-rate units in terms of functionality and building amenities and access in addition to the other requirements set forth in the Agreement. The Owner/Taxpayer is further required to comply with the rental relocation assistance requirements set forth in RCW 84.14.020 (7) and (8) and in SMC 8.15.090 (D).

11. The City agrees the Wastewater General Facilities Charges under SMC 13.03.0732 and the Water General Facilities Charges under SMC 13.04.2042 shall be deferred for the life of the property tax exemption issued under this agreement. If the Owner/Taxpayer maintains qualifying status for the entire exemption period, the wastewater and water general facilities charges set out above shall be waived at the end of the exemption period. If the Owner/Taxpayer fails to maintain qualifying status for the entire exemption period, the wastewater and water general facilities charges will have to be paid in the amounts set forth in SMC 13.03.0734 Appendix A and SMC 13.04.2044 Appendix A within three months of the Owner/Taxpayer receiving notice that the exemption has been terminated.

12. The City reserves the right to cancel the Final Certificate of Tax Exemption should the Owner/Taxpayer, its successors and assigns, fail to comply with any of the terms and conditions of this Agreement or of SMC Chapter 8.15.

13. No modifications of this Conditional Agreement shall be made unless mutually agreed upon by the parties in writing.

14. The Owner/Taxpayer acknowledges its awareness of the potential tax liability involved if and when the property ceases to be eligible for the incentive provided pursuant to this agreement. Such liability may include additional real property tax, penalties and interest imposed pursuant to RCW 84.14.110. The Owner/Taxpayer further acknowledges its awareness and understanding of the process implemented by the Spokane County Assessor's Office for the appraisal and assessment of property taxes. The Owner/Taxpayer agrees that the City is not responsible for the property value assessment imposed by Spokane County at any time during the exemption period.

15. In the event that any term or clause of this Conditional Agreement conflicts with applicable law, such conflict shall not affect other terms of this Agreement, which can be given effect without the conflicting term or clause, and to this end, the terms of this Conditional Agreement are declared to be severable.

16. The parties agree that this Conditional Agreement, requires the applicant to file an application for the Final Certificate of Tax Exemption post the construction of the multiple family residential housing units referenced above and that the Final Certificate of Tax Exemption shall be subject to the applicable provisions of Chapter 84.14 RCW and Chapter 8.15 SMC that exist at the time this agreement is signed by the parties. The parties may agree to amend this Conditional Agreement requirements as set forth when the applicant applies for the Final Certificate of Tax Exemption based upon applicable amendments and additions to Chapter 84.14 RCW or Chapter 8.15 SMC if the requirements change between the issuance of the Conditional Agreement and the Application for Final Tax Exemption has been submitted.

17. Nothing in this Agreement shall permit or be interpreted to permit either party to violate any provision of Chapter 84.14 RCW or Chapter 8.15 SMC

18 This Agreement is subject to approval by the City Council.

DATED this _____ day of _____ 20 _____

CITY OF SPOKANE

5115 S FREYA, LLC

By:

By:

Interim City Administrator, Garrett Jones

Its:

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

**Agenda Sheet for City Council:****Committee:** Urban Experience **Date:** 03/11/2024**Committee Agenda type:** Consent**Date Rec'd**

2/28/2024

Clerk's File #

OPR 2024-0220

Renews #**Cross Ref #****Council Meeting Date:** 03/25/2024**Submitting Dept**

PLANNING & ECONOMIC

Project #**Contact Name/Phone**

AMANDA BECK X6414

Bid #**Contact E-Mail**

ABECK@SPOKANECITY.ORG

Requisition #**Agenda Item Type**

Contract Item

Council Sponsor(s)

JBINGLE ZZAPPONE KKLITZKE

Agenda Item Name

0650 - MFTE CONDITIONAL AGREEMENT FOR GARLAND APARTMENTS

Agenda Wording

Multiple Family Housing Property Tax Exemption Conditional Agreement with Garland Acquisitions LLC, for the future construction of approximately 44 units, at Parcel Number(s) 35062.1409 commonly known as 924 W Garland Ave.

Summary (Background)

Chapter 84.14 RCW authorizes the City to create a multiple family housing property tax exemption program and to certify qualified property owners for that property tax exemption. SMC 08.15 Multiple-family Housing Property Tax Exemption outlines the City of Spokane MFTE Program and project eligibility.

Lease? NO

Grant related? NO

Public Works? NO

Fiscal Impact

Approved in Current Year Budget? N/A

Total Cost \$ 0

Current Year Cost \$ 0

Subsequent Year(s) Cost \$ 0

Narrative**Amount****Budget Account**

Neutral \$

#

Select \$

#

Select \$

#

Select \$

#

\$

#

\$

#



Continuation of Wording, Summary, Approvals, and Distribution

Agenda Wording

Summary (Background)

Approvals

Dept Head

GARDNER, SPENCER

Division Director

BLACK, TIRRELL

Accounting Manager

ALBIN-MOORE, ANGELA

Legal

BEATTIE, LAUREN

For the Mayor

PICCOLO, MIKE

Additional Approvals

Distribution List

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rbenzie@spokanecity.org



PLANNING & ECONOMIC DEVELOPMENT

MFTE Committee Briefing Paper

Urban Experience

Submitting Department	Planning and Economic Development
Contact Name & Phone	Amanda Beck, 509-625-6414
Contact Email	abeck@spokanecity.org
Council Sponsor(s)	CMs Zappone, Bingle, and Klitzke
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested: _____
Agenda Item Name	0650 – Multi-Family Tax Exemption (MFTE) Conditional Agreement
Summary (Background)	<p>Chapter 84.14 RCW authorizes the City to create a multiple family housing property tax exemption program and to certify qualified property owners for that property tax exemption. SMC 08.15 Multiple-family Housing Property Tax Exemption outlines the City of Spokane MFTE Program and project eligibility.</p> <p>Staff has determined that the Garland Apartments Conditional application meets the Project Eligibility defined in SMC 08.15.040 and is located in a previously adopted Residential Target Areas identified in SMC 08.15.030.</p> <p>Once the project is constructed, the applicant intends to finalize as a 12-yr Affordable Rentals of 12 + Units.</p> <p>This Conditional Agreement authorizes the appropriate city official to enter into the Multiple Family Housing Property Tax Exemption Conditional Agreement, which will ultimately result in the issuance of a final certificate of tax exemption to be filed with the Spokane County Assessor's Office post construction.</p>
Proposed Council Action & Date:	<p>Approve the MFTE Conditional Agreement for the <u>Garland Apartments</u> at the March 25, 2024 City Council Meeting.</p> <p>Project Details: The applicant applied for a Conditional MFTE Agreement for 44 units, at 924 W GARLAND AVE SPOKANE, WA</p> <ul style="list-style-type: none"> • Property is zoned CC1-NC and the proposed use is allowed. • Estimated Construction Costs: 9000000 • Located in the North Hill neighborhood.
Fiscal Impact:	
Approved in current year budget?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
Total Cost: \$0	
Current year cost:	
Subsequent year(s) cost:	
Narrative:	<u>The Mutli-Family Tax Exemption program has no direct impact on City revenues or expenses.</u>
Funding Source	<input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A
Specify funding source:	
Is this funding source sustainable for future years, months, etc? N/A	

Expense Occurrence	<input type="checkbox"/> One-time	<input type="checkbox"/> Recurring	<input checked="" type="checkbox"/> N/A
--------------------	-----------------------------------	------------------------------------	---

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

Operation Impacts

What impacts would the proposal have on historically excluded communities?

SMC 08.15 Multi- Family Housing Property Tax Exemption

A. The purposes of this chapter are to:

1. encourage more multi-family housing opportunities, including affordable housing opportunities, within the City;
2. stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multi-family housing;
3. increase the supply of mixed-income multifamily housing opportunities within the City;
4. accomplish the planning goals required under the Growth Management Act, chapter 36.70A RCW, as implemented from time to time by the City's current and future comprehensive plans;
5. promote community development, neighborhood revitalization, and availability of affordable housing;
6. preserve and protect buildings, objects, sites and neighborhoods with historic, cultural, architectural, engineering or geographic significance located within the City; and
7. encourage additional housing in areas that are consistent with planning for public transit systems.

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

RCW 84.14.100

Report—Filing—Department of commerce audit or review—Guidance to cities and counties. (Expires January 1, 2058.)

(1) Thirty days after the anniversary of the date of the certificate of tax exemption and each year for the tax exemption period, the owner of the rehabilitated or newly constructed property, or the qualified nonprofit or local government that will assure permanent affordable homeownership for at least 25 percent of the units for properties receiving an exemption under RCW 84.14.021, must file with a designated authorized representative of the city or county an annual report indicating the following:

- (a) A statement of occupancy and vacancy of the rehabilitated or newly constructed property during the twelve months ending with the anniversary date;
- (b) A certification by the owner that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in RCW 84.14.020 since the date of the certificate approved by the city or county;
- (c) A description of changes or improvements constructed after issuance of the certificate of tax exemption; and
- (d) Any additional information requested by the city or county in regards to the units receiving a tax exemption.

(2) **All cities or counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, must report annually by April 1st of each year, beginning in 2007, to the department of commerce. A city or county must be in compliance with the reporting requirements of this section to offer certificates of tax exemption for multiunit housing authorized in this chapter. The report must include the following information:**

- (a) The number of tax exemption certificates granted;
- (b) The total number and type of units produced or to be produced;
- (c) The number, size, and type of units produced or to be produced meeting affordable housing requirements;
- (d) The actual development cost of each unit produced;
- (e) The total monthly rent or total sale amount of each unit produced;
- (f) The annual household income and household size for each of the affordable units receiving a tax exemption and a summary of these figures for the city or county; and
- (g) The value of the tax exemption for each project receiving a tax exemption and the total value of tax exemptions granted.

(3)(a) The department of commerce must adopt and implement a program to effectively audit or review that the owner or operator of each property for which a certificate of tax exemption has been issued, except for those properties receiving an exemption that are owned or operated by a nonprofit or for those properties receiving an exemption from a city or county that operates an independent audit or review program, is offering the number of units at rents as committed to in the approved application for an exemption and that the tenants are being properly screened to be qualified for an income-restricted unit. The audit or review program must be adopted in consultation with local governments and other stakeholders and may be based on auditing a percentage of income-restricted units or properties annually. A private owner or operator of a property for which a certificate of tax exemption has been issued under this chapter, must be audited at least once every five years.

(b) If the review or audit required under (a) of this subsection for a given property finds that the owner or operator is not offering the number of units at rents as committed to in the approved application or is not properly screening tenants for income-restricted units, the department of commerce must notify the city or county and the city or county must impose and collect a sliding scale penalty not to exceed an amount calculated by subtracting the amount of rents that would have been collected had the owner or operator complied with their commitment from the amount of rents collected by the owner or operator for the income-restricted units, with consideration of the severity of the noncompliance. If a subsequent review or audit required under (a) of this subsection for a given property finds continued substantial noncompliance with the program requirements, the exemption certificate must be canceled pursuant to **RCW 84.14.110**.

(c) The department of commerce may impose and collect a fee, not to exceed the costs of the audit or review, from the owner or operator of any property subject to an audit or review required under (a) of this subsection.

(4) The department of commerce must provide guidance to cities and counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, on best practices in managing and reporting for the exemption programs authorized under this chapter, including guidance for cities and counties to collect and report demographic information for tenants of units receiving a tax exemption under this chapter.

(5) This section expires January 1, 2058.

[2021 c 187 § 5; 2012 c 194 § 9; 2007 c 430 § 10; 1995 c 375 § 13.]

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

Title 08 Taxation and Revenue

Chapter 08.15 Multiple-family Housing Property Tax Exemption

Section 08.15.100 Annual Certification and Affordability Certification

Within thirty days of the anniversary of the date the final certificate of tax exemption was recorded at the County and each year thereafter, for the tax exemption period, the property owner shall file a certification with the director, verified upon oath or affirmation, which shall contain such information as the director may deem necessary or useful, and shall include the following information:

1. A statement of occupancy and vacancy of the multi-family units during the previous year.
2. A certification that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in **SMC 8.15.090** since the date of filing of the final certificate of tax exemption, and continues to be in compliance with the contract with the City and the requirements of this chapter; and

3. If the property owner rents the affordable multi-family housing units, the property owner shall file with the City a report indicating the household income of each initial tenant qualifying as low and moderate-income in order to comply with the twenty percent requirement of **SMC 8.15.090(A)(2)(b)** and RCW 84.14.020(1)(ii)(B).

a. The reports shall be on a form provided by the City and shall be signed by the tenants.

b. Information on the incomes of occupants of affordable units shall be included with the application for the final certificate of tax exemption, and shall continue to be included with the annual report for each property during the exemption period.

4. A description of any improvements or changes to the property made after the filing of the final certificate or last declaration, as applicable.

B. Failure to submit the annual declaration may result in cancellation of the tax exemption.

Date Passed: Monday, August 21, 2017
Effective Date: Saturday, October 7, 2017
ORD C35524 Section 8

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

Comprehensive Plan Land Use Policies:

- LU 1.4 Higher Density Residential Uses
- LU 3.5 Mix of Uses in Centers
- LU 4.2 Land Uses That Support Travel Options and Active Transportation
- LU 4.6 Transit-Supported Development

Comprehensive Plan Housing Policies:

- H 1.9 Mixed-Income Housing
- H 1.4 Use of Existing Infrastructure
- H 1.10 Lower-Income Housing Development Incentives
- H 1.11 Access to Transportation
- H 1.18 Distribution of Housing Options

Comprehensive Plan Economic Development Policies:

- ED 2.4 Mixed-Use
- ED 7.4 Tax Incentives for Land Improvement

Council Subcommittee Review:

Please provide a summary of council subcommittee review. If not reviewed by council subcommittee, please explain why not.

All Mutli-Family Tax Exemption conditional agreement applications appear before the Urban Experience committee on the consent agengda for approval to appear on the next available legistlative consent agenda.



PLANNING & ECONOMIC DEVELOPMENT MULTIPLE FAMILY HOUSING PROPERTY TAX EXEMPTION AGREEMENT

THIS CONDITIONAL AGREEMENT is between the City of Spokane, a Washington State municipal corporation, as “City”, and GARLAND ACQUISITIONS LLC, as “Owner/Taxpayer” whose business address is 915 W 2ND AVE SPOKANE, WA 99201.

WITNESSETH:

WHEREAS, the City has, pursuant to the authority granted to it by Chapter 84.14 RCW, designated various residential targeted areas for the provision of a limited property tax exemption for new and rehabilitated multiple family residential housing; and

WHEREAS, the City has, through Chapter 8.15 SMC, enacted a program whereby property owner/taxpayers may qualify for a Final Certificate of Tax Exemption which certifies to the Spokane County Assessor that the Owner/Taxpayer is eligible to receive the multiple family housing property tax exemption; and

WHEREAS, the Owner/Taxpayer is interested in receiving the multiple family property tax exemption for new multiple family residential housing units in a residential targeted area; and

WHEREAS, the Owner/Taxpayer has submitted to the City a complete conditional application form for no fewer than a total of four new multiple family permanent residential housing units to be constructed on property legally described as:

MONROE PK W84FT OF L7-8 ;ALL L9TO12 B14

Assessor’s Parcel Number(s) **35062.1409**,

commonly known as

924 W GARLAND AVE SPOKANE, WA.

WHEREAS, this property is located in the **Spokane Targeted Investment Area** and is eligible to seek a Final Certificate of Tax Exemption post construction under the **12-yr Affordable Rentals of 12 + Units**, as defined in SMC 08.15.090.

WHEREAS, the City has determined that the improvements will, if completed as proposed, satisfy the requirements for a Final Certificate of Tax Exemption; -- NOW, THEREFORE,

The City and the Owner/Taxpayer do mutually agree as follows:

1. The City agrees to issue the Owner/Taxpayer a Conditional Agreement subsequent to the City Council’s approval of this agreement.
2. The project must comply with all applicable zoning requirements, land use

requirements, design review recommendations and all building, fire, and housing code requirements contained in the Spokane Municipal Code at the time a complete application for a building permit is received. However, if the proposal includes rehabilitation or demolition in preparation for new construction, the residential portion of the building shall fail to comply with one or more standards of applicable building or housing codes, and the rehabilitation improvements shall achieve compliance with the applicable building and construction codes.

3. If the property proposed to be rehabilitated is not vacant, the Owner/Taxpayer shall provide each existing tenant with housing of comparable size, quality and price and a reasonable opportunity to relocate. At the time of an application for a Conditional Agreement, the applicant provided a letter attesting and documenting how the existing tenant(s) were/will be provided comparable housing and opportunities to relocate.

(a). The existing residential tenant(s) are to be provided housing of a comparable size and quality at a rent level meeting the Washington State definition of affordable to their income level. Specifically, RCW 84.14.010 defines "affordable housing" as residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty (30) percent of the household's monthly income. The duration of this requirement will be the length of the tenant's current lease plus one year.

4. The Owner/Taxpayer intends to construct on the site, approximately **44** new multiple family residential housing units substantially as described in their application filed with and approved by the City. In no event shall such construction provide fewer than a total of four multiple family permanent residential housing units.

5. The Owner/Taxpayer agrees to complete construction of the agreed-upon improvements within three years from the date the City issues this Conditional Agreement or within any extension granted by the City.

6. The Owner/Taxpayer agrees, upon completion of the improvements and upon issuance by the City of a temporary or permanent certificate of occupancy, to file an application for a Final Certificate of Tax Exemption with the City's Planning and Economic Development Department, which will require the following:

(a) a statement of the actual development cost of each multiple family housing unit, and the total expenditures made in the rehabilitation or construction of the entire property;

(b) a description of the completed work and a statement that the rehabilitation improvements or new construction of the Owner/Taxpayer's property qualifies the property for the exemption;

(c) a statement that the project meets the affordable housing requirements, if applicable; and

(d) a statement that the work was completed within the required three-year period or any authorized extension of the issuance of the conditional certificate of tax exemption.

7. The City agrees, conditioned on the Owner/Taxpayer's successful completion of the improvements in accordance with the terms of this Conditional Agreement and on the

Owner/Taxpayer's filing of application for the Final Certificate of Exemption with the materials described in Paragraph 6 above, to file a Final Certificate of Tax Exemption with the Spokane County Assessor indicating that the Owner/Taxpayer is qualified for the limited tax exemption under Chapter 84.14 RCW.

8. The Owner/Taxpayer agrees, that once a Final Certificate of Tax Exemption is issued, to comply with all Annual Reporting requirements set forth in SMC 8.15.100 and contained in the annual report form provided by the City. Thirteen (13) months following the first year of the exemption beginning and every year thereafter, the Owner/Taxpayer will complete and file the appropriate Annual Report required by the terms of their Final Certificate of Tax Exemption with the City's Planning and Economic Development Department. The Annual Report is a declaration verifying upon oath and indicating the following:

(a) a statement of occupancy, use of the property/unit, income and rents for qualifying 12-year and 20-year and vacancy of the multi-family units during the previous year;

(b) a certification that the property has not changed to a commercial use or been used as a transient (short-term rental) basis and, if applicable, that the property has been in compliance with the affordable housing income and rent requirements as described in SMC 8.15.090 since the date of the filing of the Final Certificate of Tax Exemption, and continues to be in compliance with this Agreement and the requirements of SMC Chapter 8.15;

(c) for affordable multi-family housing units, information providing the household income, rent and utility cost, of each qualifying as low and moderate-income, which shall be reported on a form provided by the City and signed by the tenants; and

(d) a description of any improvements or changes to the property made after the filing of the final certificate or last declaration.

9. The parties acknowledge that the units, including any owner-occupied units are to be used and occupied for multifamily permanent residential occupancy and use. The parties further acknowledge that the certificate of occupancy issued by the City is for multifamily residential units. The Owner/Taxpayer acknowledges and agrees that the units shall be used primarily for multi-family housing for permanent residential occupancy as defined in SMC 8.15.020 and RCW 84.14.010 and any business activities shall only be incidental and ancillary to the residential occupancy. Any units that are converted from multi-family housing for permanent residential occupancy shall be reported to the City of Spokane's Planning and Economic Development Department and the Spokane County Assessor's Office and removed from eligibility for the tax exemption within 60 days. If the removal of the ineligible unit or units causes the number of units to drop below the number of units required for tax exemption eligibility, the remaining units shall be removed from eligibility pursuant to state law.

10. To qualify for the twelve-year tax exemption, the Owner/Taxpayer will be required to rent or sell at least **30%** of the multiple family housing units as affordable housing units to low and moderate-income households and will ensure that the units within the 12-yr program are dispersed throughout the building and distributed proportionally among the buildings; not be clustered in certain sections of the building or stacked; comparable to market-rate units in terms of unit size and leasing terms; and are comparable to market-rate units in terms of functionality and building amenities and access in addition to the other requirements set forth

in the Agreement. The Owner/Taxpayer is further required to comply with the rental relocation assistance requirements set forth in RCW 84.14.020 (7) and (8) and in SMC 8.15.090 (D).

11. The City agrees the Wastewater General Facilities Charges under SMC 13.03.0732 and the Water General Facilities Charges under SMC 13.04.2042 shall be deferred for the life of the property tax exemption issued under this agreement. If the Owner/Taxpayer maintains qualifying status for the entire exemption period, the wastewater and water general facilities charges set out above shall be waived at the end of the exemption period. If the Owner/Taxpayer fails to maintain qualifying status for the entire exemption period, the wastewater and water general facilities charges will have to be paid in the amounts set forth in SMC 13.03.0734 Appendix A and SMC 13.04.2044 Appendix A within three months of the Owner/Taxpayer receiving notice that the exemption has been terminated.

12. The City reserves the right to cancel the Final Certificate of Tax Exemption should the Owner/Taxpayer, its successors and assigns, fail to comply with any of the terms and conditions of this Agreement or of SMC Chapter 8.15.

13. No modifications of this Conditional Agreement shall be made unless mutually agreed upon by the parties in writing.

14. The Owner/Taxpayer acknowledges its awareness of the potential tax liability involved if and when the property ceases to be eligible for the incentive provided pursuant to this agreement. Such liability may include additional real property tax, penalties and interest imposed pursuant to RCW 84.14.110. The Owner/Taxpayer further acknowledges its awareness and understanding of the process implemented by the Spokane County Assessor's Office for the appraisal and assessment of property taxes. The Owner/Taxpayer agrees that the City is not responsible for the property value assessment imposed by Spokane County at any time during the exemption period.

15. In the event that any term or clause of this Conditional Agreement conflicts with applicable law, such conflict shall not affect other terms of this Agreement, which can be given effect without the conflicting term or clause, and to this end, the terms of this Conditional Agreement are declared to be severable.

16. The parties agree that this Conditional Agreement, requires the applicant to file an application for the Final Certificate of Tax Exemption post the construction of the multiple family residential housing units referenced above and that the Final Certificate of Tax Exemption shall be subject to the applicable provisions of Chapter 84.14 RCW and Chapter 8.15 SMC that exist at the time this agreement is signed by the parties. The parties may agree to amend this Conditional Agreement requirements as set forth when the applicant applies for the Final Certificate of Tax Exemption based upon applicable amendments and additions to Chapter 84.14 RCW or Chapter 8.15 SMC if the requirements change between the issuance of the Conditional Agreement and the Application for Final Tax Exemption has been submitted.

17. Nothing in this Agreement shall permit or be interpreted to permit either party to violate any provision of Chapter 84.14 RCW or Chapter 8.15 SMC

18 This Agreement is subject to approval by the City Council.

DATED this _____ day of _____ 20 _____

CITY OF SPOKANE

GARLAND ACQUISITIONS LLC

By:

By:

Interim City Administrator, Garrett Jones

Its:

Attest:

Approved as to form:

City Clerk

Assistant City Attorney



Agenda Sheet for City Council:

Committee: Urban Experience **Date:** 03/11/2024

Committee Agenda type: Discussion

Date Rec'd

2/28/2024

Clerk's File #

ORD C36503

Renews #

Cross Ref #

Council Meeting Date: 03/25/2024

Submitting Dept

PARKS & RECREATION

Project #

Contact Name/Phone

RICH LENTZ & X6544 &

Bid #

Contact E-Mail

RLENTZ@SPOKANECITY.ORG &

Requisition #

Agenda Item Type

Special Budget Ordinance

Council Sponsor(s)

JBINGLE ZZAPPONE KKLITZKE

Agenda Item Name

1400-US DEPT OF AGRICULTURE - URBAN FORESTRY GRANT SBO

Agenda Wording

This is a \$6,000,000 no-match, fully reimbursable USDA federally funded grant with disbursements direct from the US Forest Service. The City has a 5 year window to use the funds. Urban Forestry is requesting the approval of the attached SBO.

Summary (Background)

The Urban Forestry Department of the Parks and Recreation Division was awarded a \$6 million federal grant to plant and maintain trees in economically disadvantaged areas of the city including the lower South Hill, downtown, most of Northeast Spokane and many other northern corners of the city. The grant is provided by the U.S Department of Agriculture through the Inflation Reduction Act, and the funds will be disbursed via the United States Forest Service (USFS).

Lease? NO

Grant related? YES

Public Works? NO

Fiscal Impact

Approved in Current Year Budget? NO

Total Cost \$ 6,000,000

Current Year Cost \$ 2,000,000

Subsequent Year(s) Cost \$ 4,000,000

Narrative

Net \$0 impact. This is a \$6,000,000 no-match, fully reimbursable USDA federally funded grant with disbursements direct from the US Forest Service. The city has a 5 year window to use the funds. Urban Forestry is requesting the approval of the SBO.

Amount

Budget Account

Revenue \$ 2,000,000

1390-95855-76903-33310-99999

Expense \$ 2,000,000

1390-95855-76903-54201-99999

Select \$

#

Select \$

#

\$

#

\$

#



Continuation of Wording, Summary, Approvals, and Distribution

Agenda Wording

Summary (Background)

Approvals

Dept Head

CONLEY, JASON K.

Division Director

CONLEY, JASON K.

Accounting Manager

LENTZ, RICH

Legal

SCHOEDEL, ELIZABETH

For the Mayor

PICCOLO, MIKE

Additional Approvals

MANAGEMENT &

STRATTON, JESSICA

ACCOUNTING -

MURRAY, MICHELLE

Distribution List

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kkosanke@spokanecity.org

sdeatrich@spokanecity.org

Committee Agenda Sheet

Urban Experience Committee

Committee Date	Monday, March 11, 2024
Submitting Department	Parks and Recreation – Urban Forestry
Contact Name	Rich Lentz / Katie Kosanke
Contact Email & Phone	rlentz@spokanecity.org , x6544, kkosanke@spokanecity.org , 509-363-5496
Council Sponsor(s)	<u>Councilmember Bingle, Councilmember Zappone, Councilmember Klitzke</u>
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: 5:00
Agenda Item Name	U.S. Department of Agriculture - Urban Forestry Grant SBO
Proposed Council Action	<input checked="" type="checkbox"/> Approval to proceed to Legislative Agenda <input type="checkbox"/> Information Only
Summary (Background)	<p>The Urban Forestry Department of the Parks and Recreation Division was awarded a \$6 million federal grant to plant and maintain trees in economically disadvantaged areas of the city including the lower South Hill, downtown, most of Northeast Spokane and many other northern corners of the city. The grant is provided by the U.S Department of Agriculture through the Inflation Reduction Act, and the funds will be disbursed via the United States Forest Service (USFS). This grant is a no-match, fully reimbursable grant with a 5 year timeline to use the funds. Apart from one FTE to manage the program, the primary use of the funds will be to create an up-to-date inventory of street trees, the removal of dead trees, pruning of trees in need of care, and the planting and education for the care of new trees.</p> <p>Urban Forestry is requesting the approval of the attached SBO for the USDA (USFS) Grant which creates budget capacity to accept and distribute those funds. Any unused revenue and expense authority in 2024 will carryover as an encumbrance in future years.</p>

Fiscal Impact

Approved in current year budget? Yes No N/A

Total Cost: \$6,000,000 (net \$0 impact)

 Current year cost: Approx. \$2,000,000

 Subsequent year(s) cost: \$4,000,000

Narrative: This is a \$6,000,000 no-match, fully reimbursable USDA federally funded grant with disbursements direct from the United States Forest Service. The city has a 5 year window to use the funds. Urban Forestry is requesting the approval of the attached SBO for the USDA (USFS) Grant which creates budget capacity to accept and distribute those funds.

Funding Source One-time Recurring N/A

Specify funding source: Grant

Is this funding source sustainable for future years, months, etc? 5 Year Grant

Expense Occurrence One-time Recurring N/A

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

Operations Impacts (If N/A, please give a brief description as to why)

What impacts would the proposal have on historically excluded communities?

All tree planting and maintenance work must be performed in disadvantaged communities that are marginalized, underserved, and overburdened by pollution and underinvestment, as identified on the CEJST Federal Map.

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

Data and reports will be generated as a part of the grant program to outline work and show progress of work completed. Tree inventory software also integrates in Census information which can be extracted to show positive impacts of tree work in disadvantaged areas.

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

Data and reports will be generated as a part of the grant program to outline work and show progress of work completed. Future tree benefits can also be equated to show positive impact of added tree canopy for environmental, economic, social and human health benefits.

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

City of Spokane Sustainability Action Plan (2021) The project contributes to:

- a. Natural Environment (NE) goal 1 to “establish partnerships with community organizations and agencies to leverage funding and invite community input”; strategy 2 to “establish funding for management of City lands”; priority action to “partner with community organizations and agencies that will leverage City funding budget and capacity and maximize partner funding opportunities.”
- b. Natural Environment (NE) goal 3 to “increase urban tree canopy and climate-adapted plant landscapes within the built environment”; strategy 6 to “expand urban tree canopy to capture more carbon and moderate neighborhood microclimate”; priority action 6.1 to “increase City’s urban canopy from the current level of 23% to 40% cover by 2030 and use an equity framework to prioritize low-canopy and low-income neighborhoods.”
- c. Transportation and Land Use (TL) goal 4 to “integrate Sustainability Action Plan goals, strategies, and actions into City planning”; strategy 8 to “update comprehensive plan to incorporate climate action and updated sustainability goals”; priority action 8.5 to “review and update City code to preserve urban forest and mitigate urban heat island impacts.”
- d. Water Resources (WR) goal 1 to “protect the Spokane River and natural aquatic ecosystems (wetlands, shorelines, aquatic ecosystems biodiversity, stream, floodplains, aquifer recharge areas); strategy 5 to “improve stormwater and wastewater management”; priority action 5.1 to “continue to invest in stormwater management

strategies and wastewater treatment upgrades and innovations to reduce pollutants entering Spokane River and the SVRP Aquifer.”

City of Spokane Comprehensive Plan (2017) The project contributes to:

- a. Transportation (TR) goal E to “protect natural, community, and neighborhood assets to create and connect places where people live their daily lives in a safe and healthy environment.”
- b. Urban Design and Historic Preservation (DP) goal 2.15 to “maintain, improve, and increase the number of street trees and planted areas in the urban environment.”
- c. Natural Environment (NE) goal 5 to “work consistently for cleaner air that nurtures the health of current residents, children and future generations”; policy 5.5 to “plant and preserve vegetation that benefits local air quality.”
- d. Natural Environment (NE) goal 12 to “maintain and enhance the urban forest to provide good air quality, reduce urban warming, and increase habitat”; policy 12.1 to “plant trees along all streets.”
- e. Parks, Recreation, and Open Space (PRS) policy 2.4 to “support a comprehensive urban forestry program.”

Spokane Parks and Natural Lands Master Plan (2022) The project aligns with:

- a. Areas of Spokane identified with significant factors of socioeconomic vulnerability – CDC social vulnerability index, asthma, mental health, and physical inactivity – and the overall equity priority zones.

The project contributes to:

- a. Goal A to “serving the under-resourced”; objective 2 to “invest in equity priority zones to ensure proper street tree maintenance does not adversely burden community members and/or result in inadequate urban tree canopy coverage.”
- b. Goal C to “preserve our wild”; objective 5 to “enhance our natural lands with projects to restore ecologies and build resilience to natural disasters by growing the urban forest to take in carbon and filter particulate matter from the air, provide shade and mitigate the urban heat island effect of hot summers, and provide critical wildlife habitat for feeding, nesting and migration.”

Spokane Municipal Code The project contributes to:

- a. Section 12.02.905(A), “It is the goal of the City of Spokane that thirty percent (30%) of the total land area within the City of Spokane has a healthy and functioning tree canopy coverage by 2030.”
- b. Section 12.02.905(B), “It is a goal of the City of Spokane to create and maintain active re-forestation programs in Spokane.”

Examples of local technical resources and research that will be used to inform the project’s approach are:

- Spokane Beat the Heat: Correlations of Urban Heat with Race and Income in Spokane, Washington (Gonzaga University, 2023)
- i-Tree Neighborhood Urban Tree Canopy Cover Analysis (Gonzaga University, 2021)
- Urban Tree Analysis Report 2020 (Gonzaga University, The Lands Council, City of Spokane, 2020)
- Spokane Master Planting Plan (City of Spokane, pending completion in 2023)
- Social Equity of Street Trees in the Pedestrian Realm (Eastern Washington University, 2016)

- City of Spokane Street Tree Resource Analysis (City of Spokane, 2013)
- Washington Environmental Health Disparities Map (University of Washington, Washington State Department of Health, Front and Centered, Washington State Department of Ecology, and Puget Sound Clean Air Agency, 2019)

ORDINANCE NO C36503

An ordinance amending Ordinance No. C36467, passed by the City Council November 27, 2023, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2024, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2024, and providing it shall take effect immediately upon passage," and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2024 budget Ordinance No. C36467, as above entitled, and which passed the City Council November 27, 2023, it is necessary to make changes in the appropriations of the Urban Forestry Fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of the Urban Forestry Fund, and the budget annexed thereto with reference to the Fund, the following changes be made:

- 1) Increase revenue by \$2,000,000
 - A) Of the increased revenue, \$2,000,000 is provided by the United States Department of Agriculture (USDA) and disbursed by the United States Forest Service (USFS) as part of the United States Federal Government's Inflation Reduction Act.
- 2) Increase appropriation by \$2,000,000
 - A) Of the increased appropriation, \$2,000,000 is provided solely for contractual services procured to plant and maintain trees in economically disadvantaged areas of the City of Spokane.

Section 2. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to accept and budget for grant funding from the USDA to plant and maintain trees in economically disadvantaged areas of the City of Spokane, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force 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



Agenda Sheet for City Council:

Committee: PIES **Date:** 02/26/2024

Committee Agenda type: Discussion

Date Rec'd 2/14/2024

Clerk's File # RES 2024-0028

Renews #

Cross Ref #

Council Meeting Date: 03/18/2024

Submitting Dept	CITY COUNCIL	Project #	
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Contact Name/Phone	ABIGAIL 6426	Bid #	
---------------------------	--------------	--------------	--

Contact E-Mail	AMMARTIN@SPOKANECITY.ORG	Requisition #	
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Agenda Item Type	Resolutions		
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Council Sponsor(s)	MCATHCART ZZAPPONE PDILLON		
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Agenda Item Name	0320 - NEIGHBORHOOD TRAFFIC CALMING PROJECTS FOR 2025 (CYCLE 12)		
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Agenda Wording

A resolution regarding the approval of year 2025 traffic calming applications and projects to be paid through the Traffic Calming Measures Fund.

Summary (Background)

In the new four year project cycle, the City Council is asked to approve projects on a year by year basis from the approved project list of neighborhood approved solutions. These projects would be for 2025 construction. Additionally, the project list is created via several lenses, accounting for funding/project history, safety, new developments in neighborhoods, etc.

Lease? NO Grant related? NO Public Works? YES

Fiscal Impact

Approved in Current Year Budget? N/A

Total Cost \$

Current Year Cost \$

Subsequent Year(s) Cost \$

Narrative

Amount

Budget Account

Expense	\$ approximately \$5M	# traffic calming fund
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Select	\$	#
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Select	\$	#
--------	----	---

Select	\$	#
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	\$	#
--	----	---

	\$	#
--	----	---



Continuation of Wording, Summary, Approvals, and Distribution

Agenda Wording

Summary (Background)

Approvals

Dept Head

Division Director

Accounting Manager

Legal

For the Mayor

ORLOB, KIMBERLY

SCHOEDEL, ELIZABETH

Additional Approvals

Distribution List

nzollinger@spokanecity.org

korlob@spokanecity.org

Committee Agenda Sheet

Public Infrastructure, Environment & Sustainability Committee

Committee Date	02/26/2024
Submitting Department	Office of the City Council
Contact Name	Abigail Martin
/Contact Email & Phone	ammartin@spokanecity.org 509.625.6426
Council Sponsor(s)	Cathcart, Zappone, Dillon
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested: 5 minutes
Agenda Item Name	Neighborhood Traffic Calming Projects for 2025 (Cycle 12)
Proposed Council Action	<input checked="" type="checkbox"/> Approval to proceed to Legislative Agenda <input type="checkbox"/> Information Only
Summary (Background)	In the new four-year project cycle, the City Council is asked to approve projects on a year by year basis from the approved project list of neighborhood approved solutions. These projects would be for 2025 construction. Additionally, the project list is created via several lenses, accounting for funding/project history, safety, new developments in neighborhoods, etc.
Summary (Background)	*use the Fiscal Impact box below for relevant financial information
<p>Fiscal Impact</p> <p>Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p> <p>Total Cost: <u>Click or tap here to enter text.</u></p> <p>Current year cost:</p> <p>Subsequent year(s) cost:</p> <p>Narrative: We're working to get the budget in order for projects for the next few years. This item will deal with projects and budget for 2025.</p> <p>Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A</p> <p>Specify funding source: Program revenue</p> <p>Is this funding source sustainable for future years, months, etc? Yes, per the Traffic Calming fund.</p> <p>Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A</p> <p>Other budget impacts: (revenue generating, match requirements, etc.)</p> <p>Where possible projects are selected and funded in conjunction with grants and other strategic alignment.</p> <p>Operations Impacts (If N/A, please give a brief description as to why)</p> <ul style="list-style-type: none"> • What impacts would the proposal have on historically excluded communities? <p>The Traffic Calming fund creates project lists based on several lenses, accounting for funding/project history, safety, new developments in neighborhoods, etc.</p> <ul style="list-style-type: none"> • How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? <p>Accidents and before/after data can be collected, and we are working with the Spokane Police Department and various other departments receiving Traffic Calming funds to report out data and usage quarterly.</p> <ul style="list-style-type: none"> • How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution? 	

Pre and post data, collision data, pedestrian/bike safety data all are part of the collection of information to support projects.

- Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

The Traffic Calming work group includes many City departments and staff- Integrated Capital Management; Engineering Services; Streets; Planning; Neighborhood Services; City Council and Mayoral staff. This inclusion and broad group is meant to support efforts across the City.

Council Subcommittee Review

- Please provide a summary of council subcommittee review. If not reviewed by a council subcommittee, please explain why not.

Traffic Calming Subcommittee: Council Members Cathcart, Zappone, and Dillon.

RESOLUTION NO. 2024-XXXX

A resolution regarding the approval of year 2025 traffic calming applications and projects to be paid through the Traffic Calming Measures Fund.

WHEREAS, the funds generated from automated traffic safety cameras are designed for neighborhood traffic calming projects which the neighborhoods themselves applied for; and

WHEREAS, the City Council historically has adopted several resolutions regarding the allocation of funds generated from automated traffic safety cameras, with the most recent allocation set forth in Resolution 2023-0063 for the "Cycle 11" projects; and

WHEREAS, on July 10, 2023, the City Council adopted Resolution 2023-0057, which institutes a new allocation criteria and funding process for traffic calming projects that incorporates a four-year funding cycle, commencing with year 2023 and continuing through year 2026, and further which takes into account historical investment of traffic calming funds invested in each council district, the comparative costs of individual projects, and the most favorable timing for commencement of each project; and

WHEREAS, throughout the years 2022 and 2023, City staff have conducted extensive outreach among and with the 29 neighborhoods in Spokane to finalize their list of priority traffic calming projects; and

WHEREAS, consistent with Resolution 2023-0057 and the expressed preferences of neighborhoods, the City Council endorses the use of traffic calming funds for the projects identified in this resolution, with the actual continuation of projects in 2025 to be as set forth in the resolution.

NOW, THEREFORE, BE IT RESOLVED that, consistent with Resolution 2023-0057; Resolution 2023-0063, and this resolution, the total cost of all projects approved for commencement in 2025 and charged to the Traffic Calming Fund shall not exceed \$2,000,000, and shall be selected from among those projects identified on the attached Exhibit "A" which is incorporated herein by reference, and

AND IT IS FURTHER RESOLVED, that additional traffic calming projects for the years 2026-2027 shall be by separate resolution; and

AND IT IS FURTHER RESOLVED that nothing in this resolution shall be deemed to alter the allocations and funding set forth in the "Cycle 11" projects in

Resolution 2023- 0063 or to otherwise affect projects already underway as of the date of this resolution.

Passed by the City Council this ____ day of _____, 2024.

City Clerk

Approved as to form:

Assistant City Attorney

DRAFT

EXHIBIT A

District 1

Hillyard- Haven/Rockwell crosswalk
Logan- Marietta sidewalk
Minnehaha- Freya (Euclid to Bridgeport)

District 2

Cliff/Cannon- Walnut/Maple/Cedar
Cliff/Cannon + Rockwood- partial
East Central (9th- Altamont to Perry)
Lincoln Heights (17th- Havana to Rockwood)
Rockwood (Rockwood @ Sumner)
West Hills (Rosamund @ F)

District 3

Browne's Addition (2nd @ Elm)
Emerson-Garfield- Buckeye @ Washington
Five Mile- Strong Rd (Elm to Cedar)
West Central- Summit, Broadway, Boone



Agenda Sheet for City Council:
Committee: Urban Experience **Date:** 03/11/2024
Committee Agenda type: Discussion

Date Rec'd	2/28/2024
Clerk's File #	RES 2024-0029
Renews #	
Cross Ref #	

Council Meeting Date: 03/25/2024

Submitting Dept	PLANNING & ECONOMIC	Project #	
Contact Name/Phone	KEVIN X6184	Bid #	
Contact E-Mail	KFREIBOTT@SPOKANECITY.ORG	Requisition #	
Agenda Item Type	Resolutions		
Council Sponsor(s)	JBINGLE KKLITZKE ZZAPPONE		
Agenda Item Name	0650 - 2024 COMPREHENSIVE PLAN AMENDMENTS WORK PROGRAM		

Agenda Wording

A resolution approving the 2024 Comprehensive Plan Amendment work program, identifying which proposals will be accepted for full processing during 2024.

Summary (Background)

The City of Spokane accepts applications to amend the Comprehensive Plan between September 1 and October 31 each year, per SMC 17G.020. In Fall 2023, six private applications were received by Staff and found to be complete. Application File Nos. Z23-474COMP, Z23-475COMP, Z23-476COMP, Z23-477COMP, Z23-478COMP, and Z23-479COMP are private applications for various amendments to the Land Use Plan Map of the Comprehensive Plan.

Lease? NO Grant related? NO Public Works? NO

Fiscal Impact

Approved in Current Year Budget?	N/A
Total Cost	\$ 0
Current Year Cost	\$ 0
Subsequent Year(s) Cost	\$ 0

Narrative

Amount	Budget Account
Neutral \$	#
Select \$	#
Select \$	#
Select \$	#
\$	#
\$	#



Continuation of Wording, Summary, Approvals, and Distribution

Agenda Wording

Summary (Background)

Approvals

Dept Head

GARDNER, SPENCER

Division Director

BLACK, TIRRELL

Accounting Manager

ALBIN-MOORE, ANGELA

Legal

RICHMAN, JAMES

For the Mayor

PICCOLO, MIKE

Additional Approvals

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amccall@spokanecity.org

Committee Agenda Sheet

Urban Experience Committee

Committee Date	March 11, 2024
Submitting Department	Planning & Economic Development
Contact Name	Kevin Freibott
Contact Email & Phone	kfreibott@spokanecity.org , (509) 625 - 6184
Council Sponsor(s)	Council Member Bingle, Council Member Zappone, and Council Member Klitzke
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: 15 minutes
Agenda Item Name	A Resolution establishing the 2024 Comprehensive Plan Amendment work program, selecting which of the proposed amendments will move forward for full processing, as required by Spokane Municipal Code 17G.020.
Proposed Council Action	<input checked="" type="checkbox"/> Approval to proceed to Legislative Agenda <input type="checkbox"/> Information Only
Summary (Background) *use the Fiscal Impact box below for relevant financial information	<p>The City of Spokane accepts applications to amend the Comprehensive Plan between September 1 and October 31 each year, per SMC 17G.020. In Fall 2023, six private applications were received by Staff and found to be complete.</p> <p>Application File Nos. Z23-474COMP, Z23-475COMP, Z23-476COMP, Z23-477COMP, Z23-478COMP, and Z23-479COMP are private applications for various amendments to the Land Use Plan Map of the Comprehensive Plan.</p> <p>On February 9, 2024, an ad hoc docketing committee, consisting of three members of the City Council and three members of Plan Commission, voted to recommend the addition of all six private applications to the work program, with geographic expansions recommended for four of them. See the attached findings from the Docketing Committee for more details.</p> <p>In addition to the private applications, a group of City-sponsored changes are proposed to implement the South Logan TOD Plan completed and adopted by City Council early this year (Res 2024-0015). The Comprehensive Plan Amendments necessary to implement this study is identified as File Z24-105COMP.</p> <p>Staff requests that the City Council consider and adopt a Resolution (attached) adding all seven proposals to the work plan for 2024, allowing Staff to initiate full processing of these applications. Once these are added to the work program by Council, a further seven- or eight-months' work will be required before they can be brought back for final approval by the Council (October or November 2024). This additional work includes substantial opportunities for the public to provide input into the proposals.</p> <p>Following a request by one Councilmember, the attached draft resolution includes a stipulation that applications Z23-474COMP (Mission & Sinto) and Z23-475COMP (Lacey Street) be processed as city-sponsored applications, with any fees already paid by these entities to be refunded. In the case that this change is satisfactory to Council, Staff requests that City Council commit to providing sufficient funding for the noticing, signage, and any technical studies that may be required of these proposals.</p>

Fiscal Impact**Approved in current year budget?** Yes No N/ATotal Cost: Varies—if proposals are expanded there may be additional costs for noticing and signage borne by the City.

Current year cost: Dependent on expanded proposals—maximum of approximately \$15,000

Subsequent year(s) cost: None. These are completed in a single year.

Narrative: Processing of these applications is done using existing staff time and resources.**Funding Source** One-time Recurring N/A

Specify funding source: Program revenue

Is this funding source sustainable for future years, months, etc? Costs incurred as a result of expanded proposals is a function of Council’s discretion and cannot be estimated in advance. As such, the impact of any future proposals (not this year) is unknown and this question cannot be answered.

Expense Occurrence One-time Recurring N/A

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

Operations Impacts (If N/A, please give a brief description as to why)

- What impacts would the proposal have on historically excluded communities? **Please see the South Logan TOD Plan for information on how that proposal would affect these communities. As for the private proposals, they concern land use and zoning changes to private land, initiated by private landowners.**
- How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? **The proposals are simple map changes with no physical changes to the City. Future development/redevelopment is neither certain nor required. However, we do generally track whether these applications do redevelop in the future but do not receive demographic/social reports on these factors from developers (nor are such reports required by code or policy).**
- How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution? **See the answer above. The program is generally annual and City staff study past amendments to see if they redevelop, how they redevelop, and if any refinements are necessary to the Comp Plan Amendment program.**
- Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?
The private proposals were reviewed for general consistency by Staff. The proposals were additionally reviewed by the Ad Hoc Docketing Committee for adoption into the 2024 work program, which included reviewing the applications against the criteria outlined in SMC 17G.020.026, including criterion E. The docketing committee voted that the applications met this criterion. The city sponsored application is intended to implement the vision adopted by City Council in Resolution 2024-0015.

Council Subcommittee Review

- Please provide a summary of council subcommittee review. If not reviewed by a council subcommittee, please explain why not. **The findings of the Docketing Committee are attached as an exhibit to the draft Resolution (Exhibit A).**

RESOLUTION NO. 2024-0029

A RESOLUTION REGARDING APPLICATIONS TO AMEND THE CITY'S COMPREHENSIVE PLAN AND SETTING THE ANNUAL COMPREHENSIVE PLAN WORK PROGRAM FOR 2024.

WHEREAS, In Chapter 17G.020 of the Spokane Municipal Code, the City Council has established a threshold review process for private applications to amend the Comprehensive Plan, to be undertaken by an ad hoc committee comprised on members of the City Council and Plan Commission (the "Committee"); and,

WHEREAS, the Committee reviews threshold applications per the criteria set forth in SMC 17G.020.026 and forwards a recommendation to the City Council as to which of the amendment proposals should be included in the City's 2024 Annual Comprehensive Plan Amendment Work Program (the "Work Program") ; and,

WHEREAS, the Committee met on February 9, 2024 at 11:00 a.m. and reviewed the following applications (the "Applications"):

- File Z23-474COMP (Mission & Sinto)
- File Z23-475COMP (Lacey Street)
- File Z23-476COMP (Eighth Avenue)
- File Z23-477COMP (Bemis & Sunset)
- File Z23-478COMP (Assembly & Bemis)
- File Z23-479COMP (Indian Trail); and,

WHEREAS, the Committee forwarded its Findings, Conclusions, and Recommendations, attached to this resolution as Exhibit A, to the City Council for their consideration, recommending the inclusion of all the Applications in the Work Program as well as various parcels for expansion; and,

WHEREAS, the applicant for File Z23-475COMP (Lacey Street) notified City Staff on March 5, 2024 that they would like to withdraw their application; and,

WHEREAS, the City has complied with RCW 36.70A.370 by completing the threshold review of the Applications; and,

WHEREAS, except as may be indicated below, the City Council adopts the Ad Hoc Committee's Findings, Conclusions and Recommendations regarding the applications and incorporates said findings into this resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL, that the following Applications shall be included in the 2024 Annual Comprehensive Plan Amendment Work Program:

1. File Z23-474COMP (Mission & Sinto), concerning the following parcels:
 - a. 2002 E Mission Ave (Parcel 35162.0121);
 - b. 2012 E Mission Ave (Parcel 35162.0122);
 - c. 2018 E Mission Ave (Parcel 35162.0111);
 - d. 2028 E Mission Ave (Parcel 35162.0105)
 - e. 2007 E Sinto Ave (Parcel 35162.0110);
2. File Z23-476COMP (Eighth Avenue), concerning the following parcels:
 - a. 2610 W 8th Ave (Parcel 25243.1308);
 - b. 2613 W 8th Ave (Parcel 25243.1502);
 - c. 2614 W 8th Ave (Parcel 25243.1307);
 - d. 2618 W 8th Ave (Parcel 25243.1306);
 - e. 2624 W 8th Ave (Parcel 25243.1305);
 - f. 2628 W 8th Ave (Parcel 25243.1304);
 - g. Unassigned Address (Parcel 25243.1309);
 - h. ROW to the east of the listed parcels, consistent with the depiction in Exhibit B, with costs of signage and notification for that additional area to be borne by the applicant;
3. File Z23-477COMP (Bemis & Sunset), concerning the following parcels:
 - a. 1603 S Bemis St (Parcel 25262.0505);
 - b. 4302 W Sunset Blvd (Parcel 25262.0108);
4. File Z23-478COMP (Assembly & Bemis), concerning the following parcels:
 - a. 1622 S Bemis St (Parcel 25262.0403);
 - b. 1616 S Bemis St (Parcel 25262.0402);
 - c. 1604 S Bemis St (Parcel 25262.0401);
 - d. 1603 S Assembly Rd (Parcel 25262.0405);
 - e. 1606 S Assembly Rd (Parcel 25271.0504);
 - f. Unassigned Address (Parcel 25271.0501);
 - g. Unassigned Address (Parcel 25271.0502);
 - h. Unassigned Address (Parcel 25271.0408);
 - i. 1527 S Assembly Rd (Parcel 25262.0305);
 - j. 1403 S Assembly Rd (Parcel 25236.0057 in part)
 - k. 1434 S Bemis St (Parcel 25262.0312);
 - l. 1432 S Bemis St (Parcel 25262.0311);
5. File Z23-479COMP (Indian Trail), concerning the following parcels:
 - a. Unassigned Address (Parcel 26262.0018);
 - b. 4110 W Indian Trail Rd (Parcel 26262.0010);
 - c. 3910 W Indian Trail Rd (Parcel 26262.0054);

- d. 3754 W Indian Trial Rd (Parcel 26262.0055);
 - e. Unassigned Address (Parcel 26265.0048);
 - f. Unassigned Address (Parcel 26261.3401, in part, see Exhibit C);
 - g. 3925 W Osage Way (Parcel 26262.2620, in part, see Exhibit C);
 - h. 4041 W Osage Way (Parcel 26262.2621, in part, see Exhibit C);
6. File Z24-105COMP—land use plan map and zoning map amendments for parcels in the study area shown in Exhibit C, commensurate with the recommendations of the “South Logan TOD Study,” adopted by Council Resolution RES-2024-0015; and

BE IT ALSO RESOLVED that the application known as File Z23-474COMP will be processed at the City’s expense and considered a “city-sponsored” application moving forward, with the Threshold fees paid by the applicant to be refunded. The City Council will provide sufficient funding to issue required notices and post signs on the associated site, pursuant to the noticing requirements of the Spokane Municipal Code, Title 17G, and for any technical studies required of these proposals.

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

City Clerk

Approved as to form:

Assistant City Attorney

Spokane City Council Docketing Committee – February 9, 2024

FINDINGS, CONCLUSIONS, and RECOMMENDATION

Comprehensive Plan Amendment Application File Nos. Z23-474COMP, Z23-475COMP, Z23-476COMP, Z23-477COMP, Z23-478COMP, and Z23-479COMP.

FINDINGS:

- A. The Washington State Legislature passed the Growth Management Act ("GMA") in 1990, requiring among other things, the development of a Comprehensive Plan (RCW 36.70A).
- B. The City of Spokane adopted a Comprehensive Plan in May of 2001, and substantially amended it in 2017, in compliance with the requirements of the GMA, and has provided for periodic updates and annual amendments, as allowed under GMA.
- C. Under GMA, comprehensive plans generally may be amended no more frequently than once per year. All amendment proposals must be considered concurrently to be evaluated for their cumulative effect. Also, the amendment period should be timed to coordinate with budget deliberations.
- D. SMC 17G.020 provides the process by which applications to amend the Comprehensive Plan should be processed, wherein SMC 17G.020.025 establishes a threshold review process to be undertaken by an ad hoc City Council committee known as the "docketing committee."
- E. Notice of the ad hoc committee meeting was provided via email to all neighborhood council leadership in the City on January 31, 2024.
- F. The docketing committee reviews comprehensive plan amendment applications from the public at the threshold review stage for compliance with seven specific criteria, codified in SMC 17G.020.026.
- G. The docketing committee met on February 9, 2024 at 11:00 am in person, in the Council Briefing Center, and online, via Teams, and reviewed applications Z23-474COMP, Z23-475COMP, Z23-476COMP, Z23-477COMP, Z23-478COMP, and Z23-479COMP (the "Applications").
- H. Staff provided an overview of the decision criteria for threshold review of a Comprehensive Plan amendment application as prescribed by SMC 17G.020.026, Threshold Review Decision Criteria.
- I. Written public comments received as of February 8, 2024 at 5:00 p.m. were forwarded to the committee.

CONCLUSIONS:


Based upon the application materials, staff, and public comments received, the docketing committee concludes that all proposed amendments to the Comprehensive Plan satisfy the threshold review criteria, as detailed in SMC 17G.020.026, and recommend to the City Council that the proposals should be included in the Annual Comprehensive Plan Amendment Work Program for 2024, subject to the following.

1. The docketing committee finds, regarding applications Z23-474COMP (Mission & Sinto), Z23-475COMP (Lacey Street), Z23-476COMP (Eighth Avenue), Z23-477COMP (Bemis & Sunset), Z23-478COMP (Assembly & Bemis), and Z23-479COMP (Indian Trail):
 - a) The proposed amendments present matters appropriately addressed through the comprehensive plan.
 - b) The proposed amendments do not raise policy or land use issues that are more appropriately addressed by an ongoing work program approved by the City Council or by a neighborhood or subarea planning process.
 - c) The proposed amendments can be reasonably reviewed within the resources and time frame of the Annual Comprehensive Plan Amendment Work Program.
 - d) When expansion of the geographic scope of an amendment proposal is being considered, shared characteristics with nearby, similarly situated property have been identified and the expansion is the minimum necessary to include properties with those shared characteristics.
 - e) The proposed amendments are generally consistent with current policies in the comprehensive plan for site-specific amendment proposals. The proposed amendments are also consistent with policy implementation in the Countywide Planning Policies, the GMA, or other state or federal law, and the Washington Administrative Code.
 - f) The proposed amendments are not the same as or substantially similar to a proposal that was considered in the previous year's threshold review process but was not included in the Annual Comprehensive Plan Amendment Work Program.
 - g) State law does not require, nor has a decision of a court or administrative agency directed, such changes.

RECOMMENDATION:

Based on the foregoing findings and conclusions, the docketing committee voted unanimously to recommend the following:

- Application **Z23-474COMP (Mission & Sinto)** is recommended to be included in the work program, with the inclusion of nearby similarly situated parcel 35162.0105 (2028 E Mission Ave).
- Application **Z23-475COMP (Lacey Street)** is recommended to be included in the work program as proposed.
- Application **Z23-476COMP (Eighth Avenue)** is recommended to be included in the work program with the addition of nearby similarly situated parcels 25243.1304 through 25243.1307.
 - A portion of the right-of-way (ROW) east of the application, not to include any steep slopes down to the river, is also recommended to be included in the work program, with the costs associated with noticing that expansion borne by the applicant (e.g., signage, mailing). See **Exhibit A** for a general depiction of the area recommended by the docketing committee.
- Application **Z23-477COMP (Bemis & Sunset)** is recommended to be included in the work program as proposed.
- Application **Z23-478COMP (Assembly & Bemis)** is recommended to be included in the work program, with the inclusion of nearby similarly situated parcels 25262.0312 (1434 S Bemis St), 25262.0311 (1432 S Bemis St), and the small portion of parcel 25236.0057 (1403 S Assembly Rd) that is currently designated “Residential Low”.
- Application **Z23-479COMP (Indian Trail)** is recommended to be included in the work program, with the inclusion of portions of nearby similarly situated parcels 26262.2621, 26262.2620, and 26261.3401. See **Exhibit B** for a general depiction of the area recommended by the docketing committee.


 Jonathan Bingle (Feb 15, 2024 21:05 PST)

Councilmember Jonathan Bingle, Chair

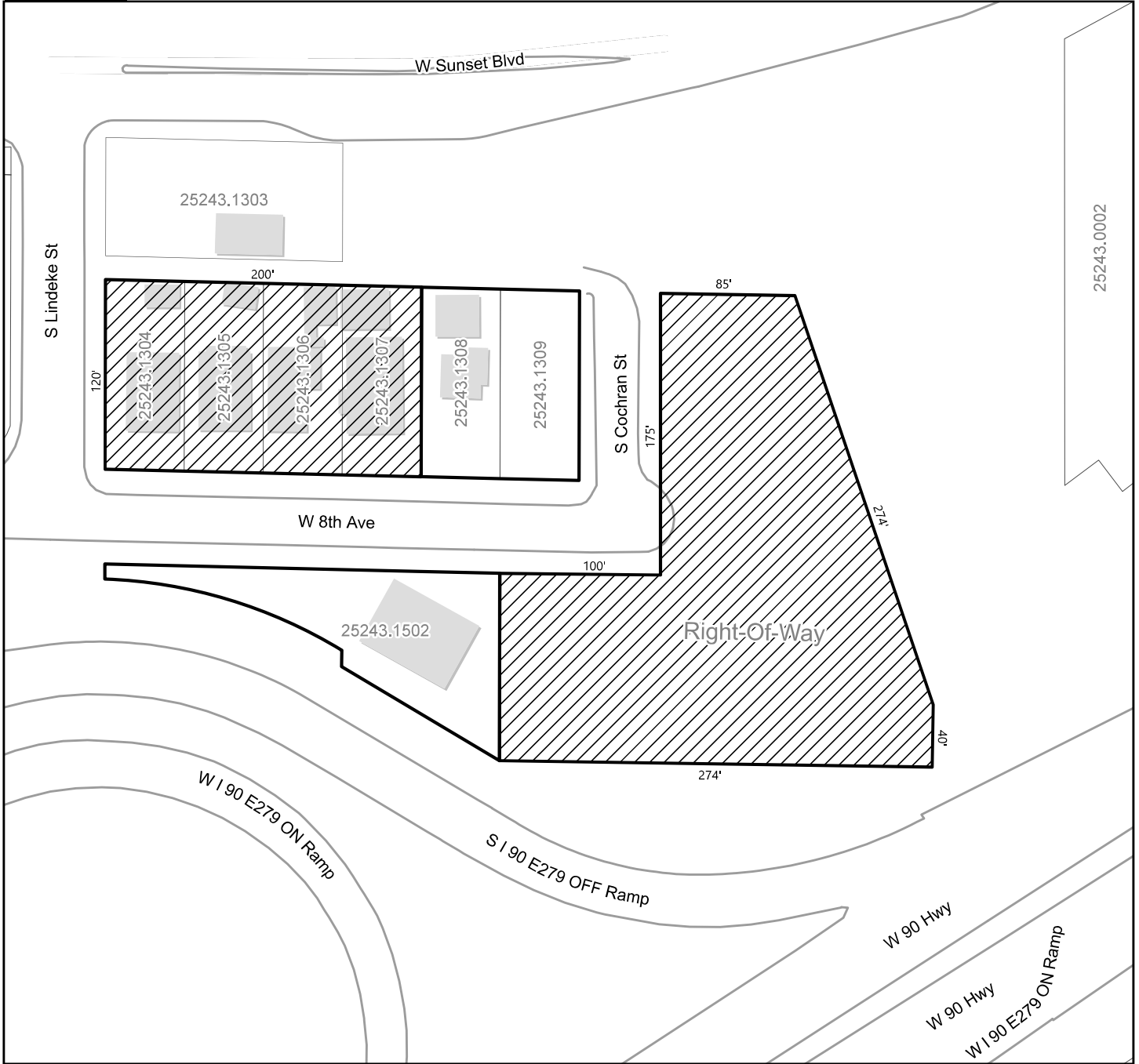
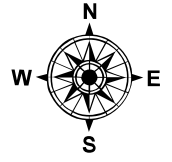
Feb 15, 2024

Date







EXHIBIT A Recommended Expansion Areas

Department of Planning & Economic Development



File Number: Z23-476COMP (Eighth Ave)
Neighborhood: West Hills

-  Project Area
-  Possible Expansion Area
-  Building
-  Parcel

Area shown was recommended by the Docketing Committee on February 9, 2024.
Approximate dimensions of expanded area shown in map above.

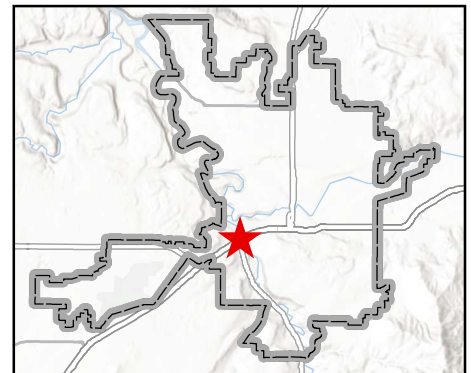
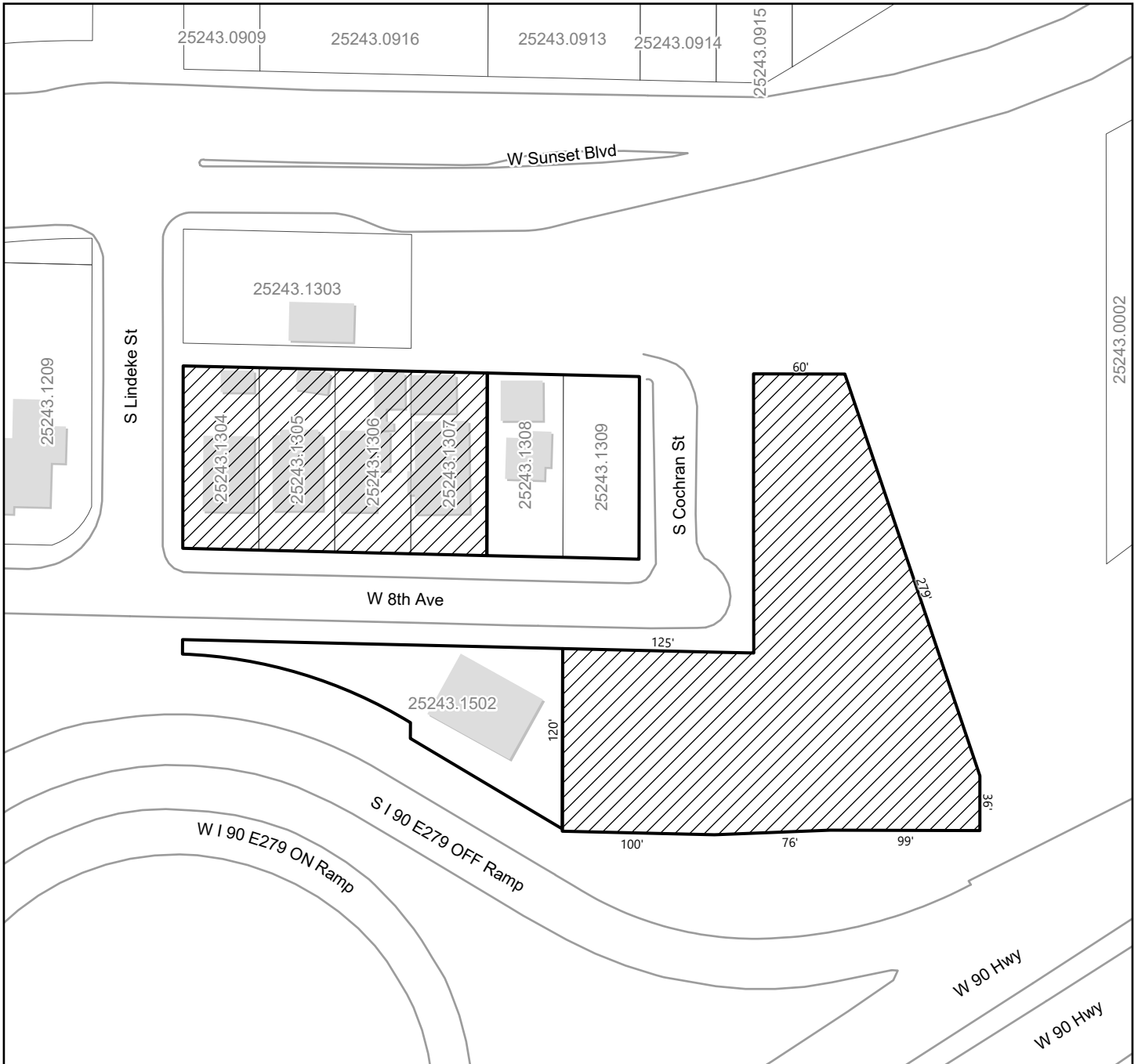
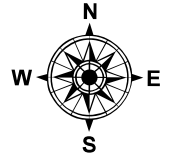








EXHIBIT B - FILE Z23-476COMP Recommended Expansion Areas

Department of Planning & Economic Development



File Number: Z23-476COMP (8th Avenue)

Neighborhood: West Hills

-  Project Area
-  Possible Expansion Area
-  Building
-  Parcel

Area shown was recommended by the Docketing Committee on February 9, 2024.
Approximate dimensions of expanded area shown in map above.

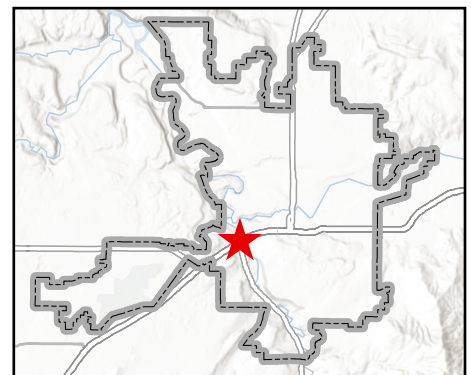
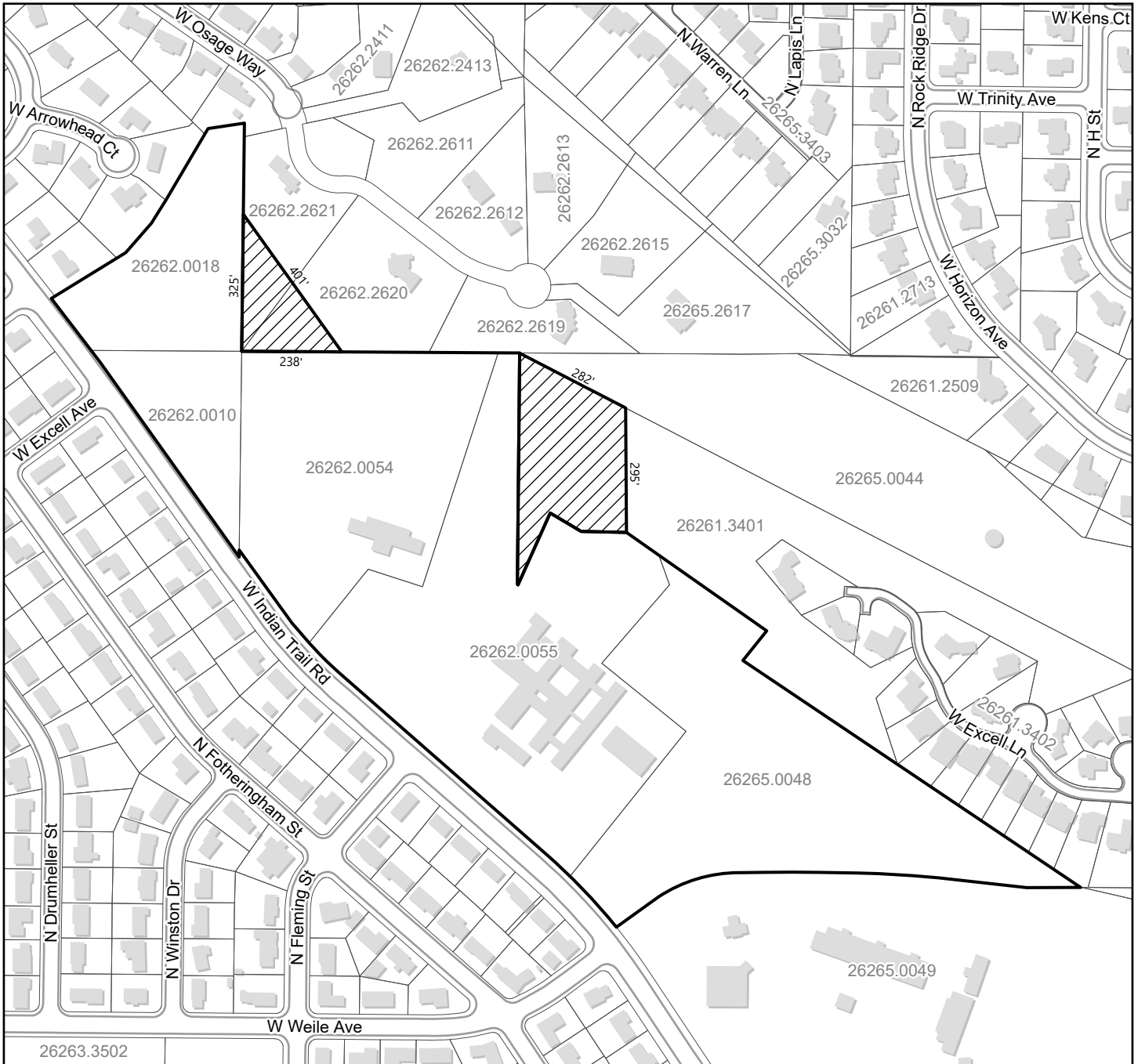
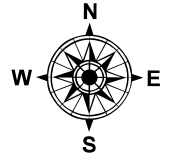








EXHIBIT C - FILE Z23-479COMP Recommended Expansion Areas

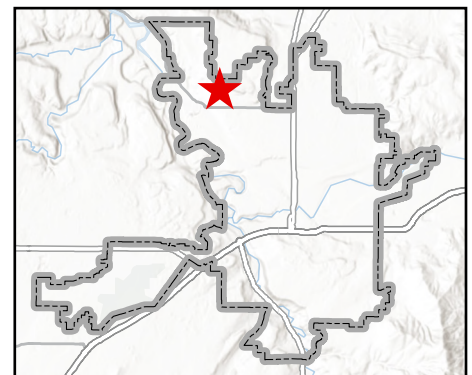
Department of Planning & Economic Development



File Number: Z23-479COMP (Indian Trail)
Neighborhood: Balboa / South Indian Trail

-  Project Area
-  Possible Expansion Area
-  Building
-  Parcel

Area shown was recommended by the Docketing Committee on February 9, 2024.
Approximate dimensions of expanded area shown in map above.





Application Overview

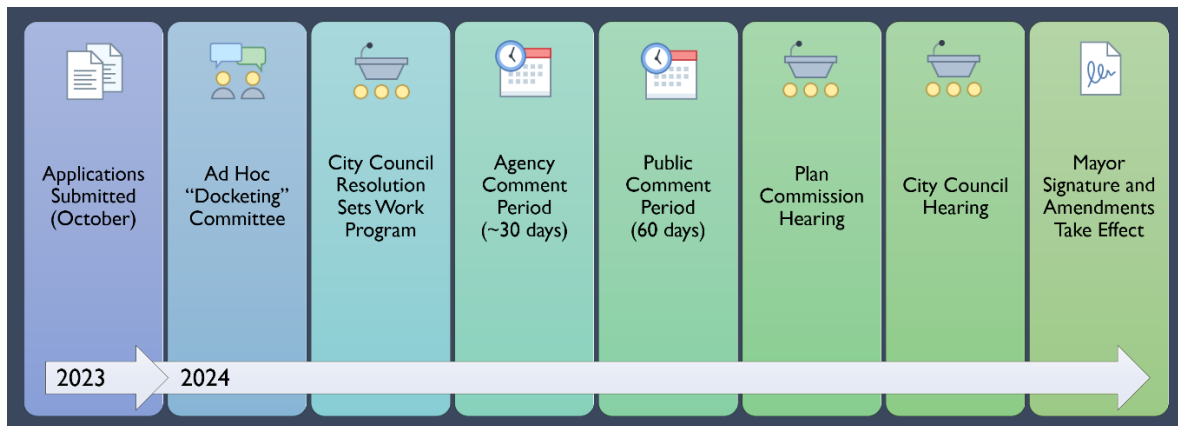
SHAPING SPOKANE – THE CITY OF SPOKANE COMPREHENSIVE PLAN

Document Date: January 30, 2024

The City opened an application intake period for the 2024 Comprehensive Plan Amendment (CPA) program from September 1, 2023 until October 31,2023. By the close of the application period, six applications were received and determined to be Counter Complete.

The Annual Program in Summary

The process for each year’s consideration of amendments is laid out in the Municipal Code under [SMC 17G.020](#). For your reference, the following graphic provides a rough outline of the process, which generally takes 12-14 months to complete.



Threshold Criteria

SMC 17G.020.026 states that any application to be included in the annual work program should meet the following criteria:

- A. The proposed amendment presents a matter appropriately addressed through the comprehensive plan; and
- B. The proposed amendment does not raise policy or land use issues that are more appropriately addressed by an ongoing work program approved by the City Council or by a neighborhood or subarea planning process; and
- C. The proposed amendment can be reasonably reviewed within the resources and time frame of the Annual Comprehensive Plan Amendment Work Program; and
- D. When expansion of the geographic scope of an amendment proposal is being considered, shared characteristics with nearby, similarly situated property have been identified and the expansion is the minimum necessary to include properties with those shared characteristics; and

- E. The proposed amendment is consistent with current general policies in the comprehensive plan for site-specific amendment proposals. The proposed amendment must also be consistent with policy implementation in the Countywide Planning Policies, the GMA, or other state or federal law, and the Washington Administrative Code; and
- F. The proposed amendment is not the same as or substantially similar to a proposal that was considered in the previous year’s threshold review process, but was not included in the Annual Comprehensive Plan Amendment Work Program, unless additional supporting information has been generated; or
- G. State law requires, or a decision of a court or administrative agency has directed such a change.

Applications to Review

All six private applications propose changes to the [Land Use Plan Map, LU – 1](#), with attendant changes to the Zoning Map. Each application would, if approved, change the land use plan map designation and zoning of between one and nine parcels of varying size. The following table provides some detail of those proposals and provides the page in this overview where additional information can be found.

File #	General Location	Neighborhood	Proposed Change	Page #
Z23-474COMP	Mission & Sinto	Chief Garry Park	Mini Center and Residential Low to Mini Center and Office	p. 3
Z23-475COMP	Lacey Street	Bemiss	Light Industrial to Residential Plus	p. 6
Z23-476COMP	Eighth Avenue	West Hills	Office and Residential Low to General Commercial	p. 9
Z23-477COMP	Bemis & Sunset	West Hills	Residential Low to General Commercial	p. 12
Z23-478COMP	Assembly & Bemis	West Hills	Residential Low to General Commercial	p. 15
Z23-479COMP	Indian Trail	Balboa/South Indian Trail	Residential Low to Residential Low, Residential Moderate, General Commercial, and Open Space	p. 18

File Z23-474COMP – “Mission & Sinto”

Applicant: Family Promise of Spokane
Agent: none
Parcels: 35162.0110, 35162.0111, 35162.0121, 35162.0122
Acres: 1.3
Existing Land Use Designation: Mini Center & Residential Low
Proposed Land Use Designation: Mini Center & Office
Existing Zoning: NR-35 & R1
Proposed Zoning: NR-40 & OR-40

This application, if approved, would amend the existing parcel within the Mini Center to allow five more feet of building height (35 feet to 40 feet). For the other three parcels, the use would change to office retail, also with a height of 40 feet. This would bring the Family Promise parking lot on the southern parcel into compliance with its zoning. The current parking lot is a legal non-conforming use under a Conditional Use Permit.

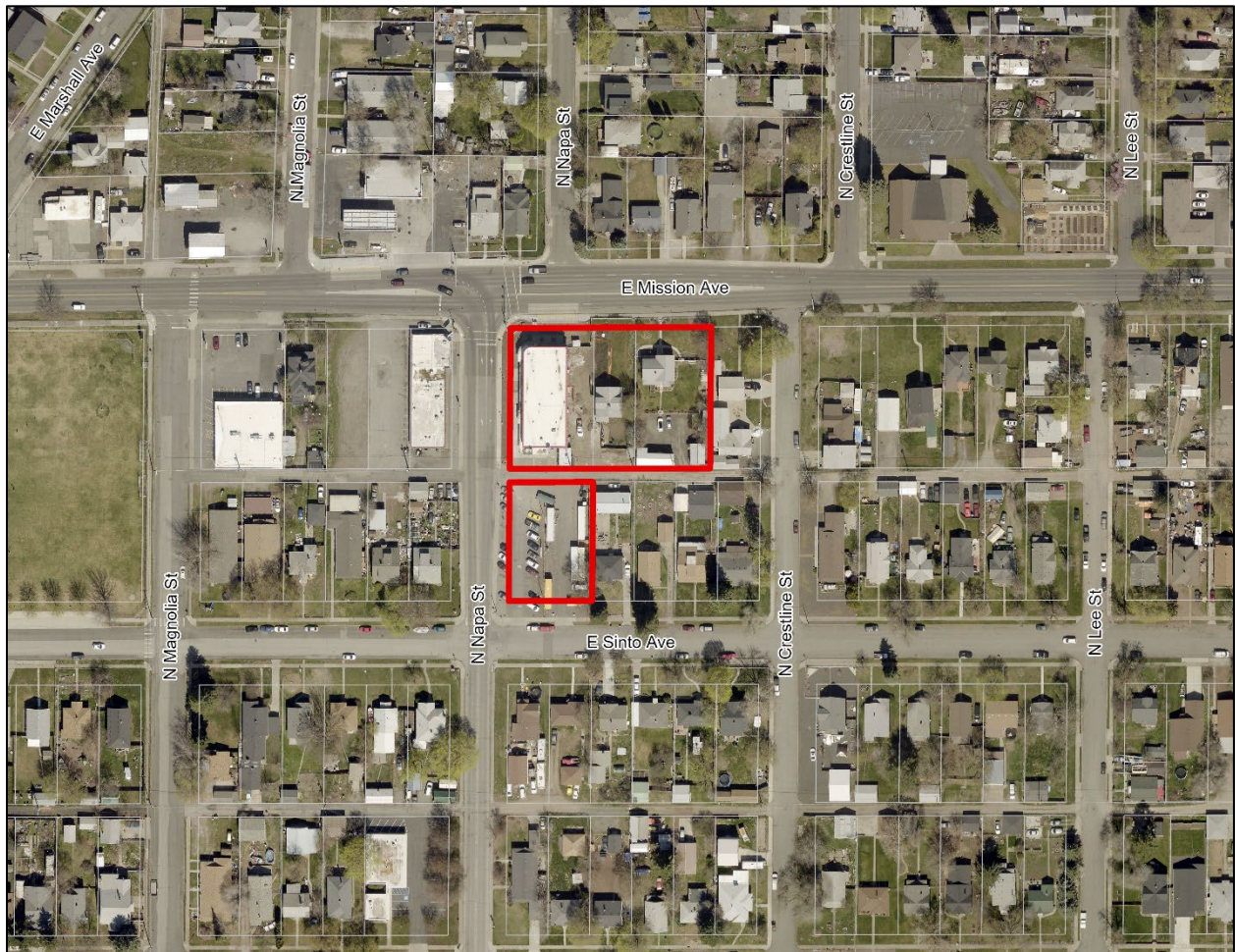


Figure 1: Aerial Overview, File Z23-474COMP

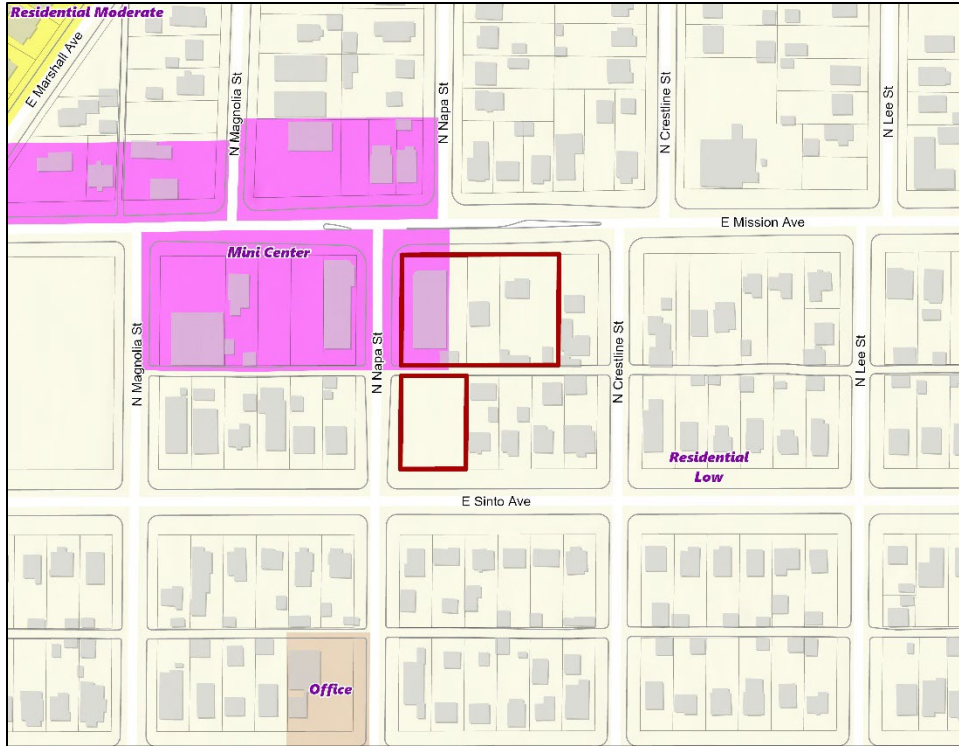


Figure 2: Existing Land Use Plan Map Designation, File Z23-474COMP

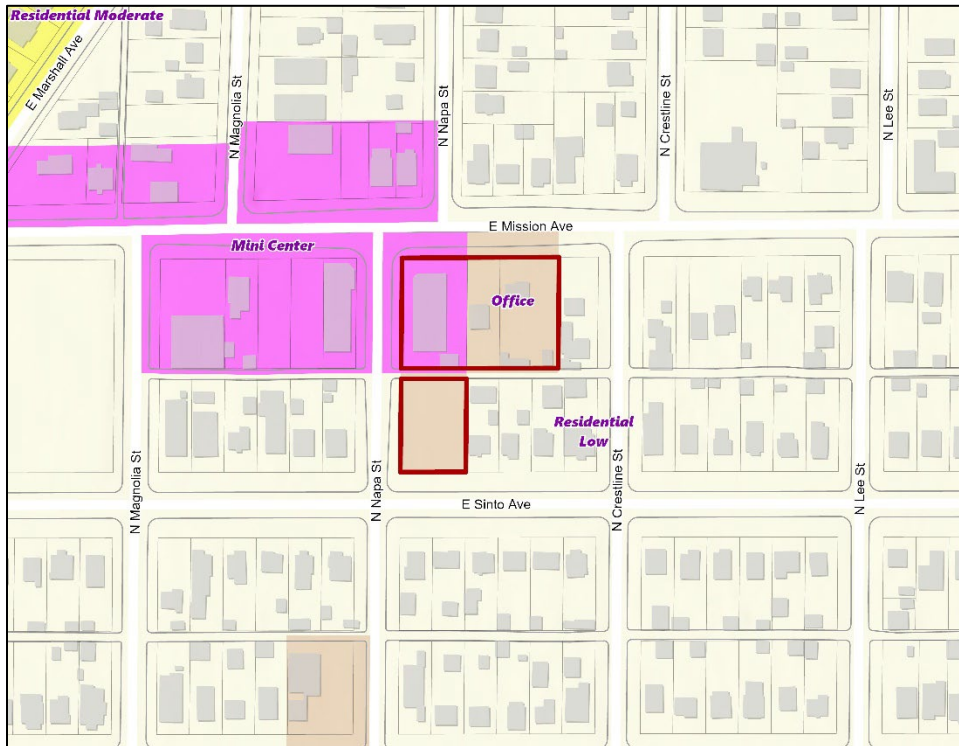


Figure 3: Proposed Land Use Plan Map Designation, File Z23-474COMP

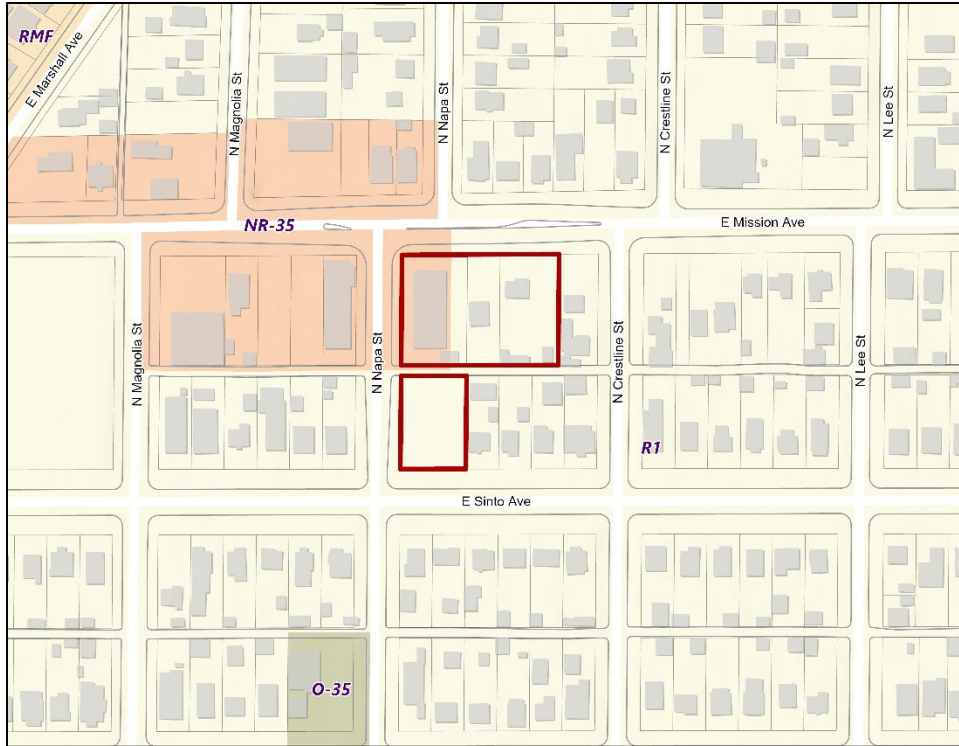


Figure 4: Existing Zoning, File Z23-474COMP

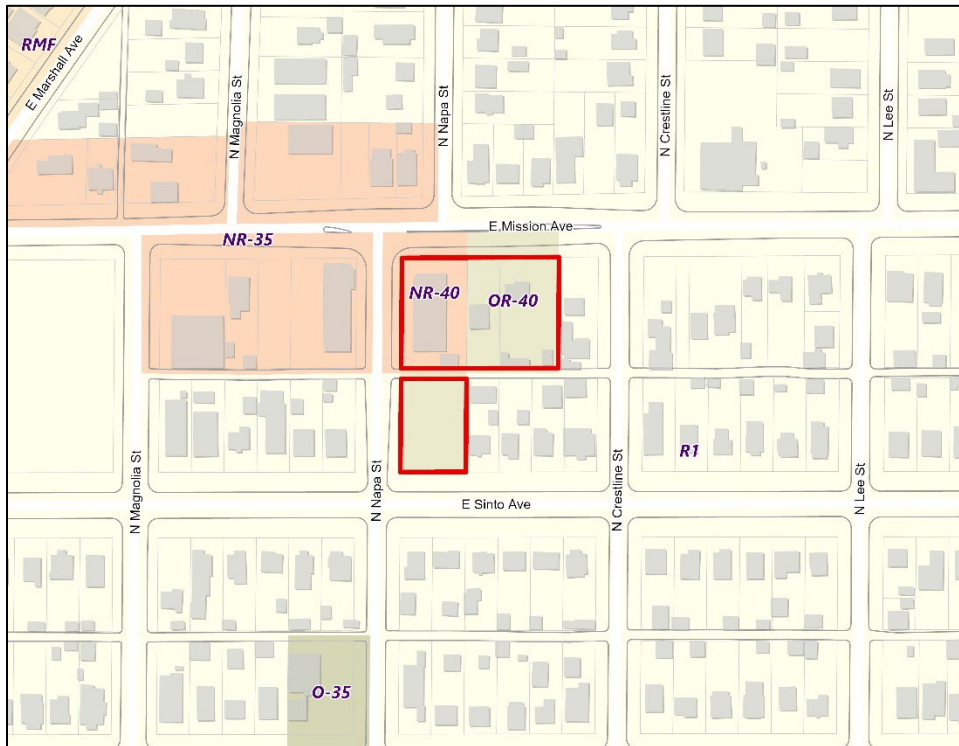


Figure 5: Proposed Zoning, File Z23-474COMP

File Z23-475COMP – “Lacey Street”

Applicant: Mujeres in Action
Agent: none
Parcels: 35044.0925
Acres: 1.0
Existing Land Use Designation: Industrial
Proposed Land Use Designation: Residential Plus
Existing Zoning: LI
Proposed Zoning: R2

The parcel involved currently contains a community garden owned and managed by the Northeast Community Center (NECCA). NECCA’s representative signed the application, indicating that the applicant (Mujeres in Action) has their permission to act as their representative for this proposal. NECCA has also communicated to the City that the Spokane Youth Soccer Association (SYSA), which operates the adjacent Andrew Rypien field, has a “right of first refusal” on the purchase of the subject property. While future ownership of this parcel is not yet assured, the current owner of the parcel has accepted the proposal by Mujeres in Action and the proposed amendment can continue processing.



Figure 6: Aerial Overview, File Z23-475COMP

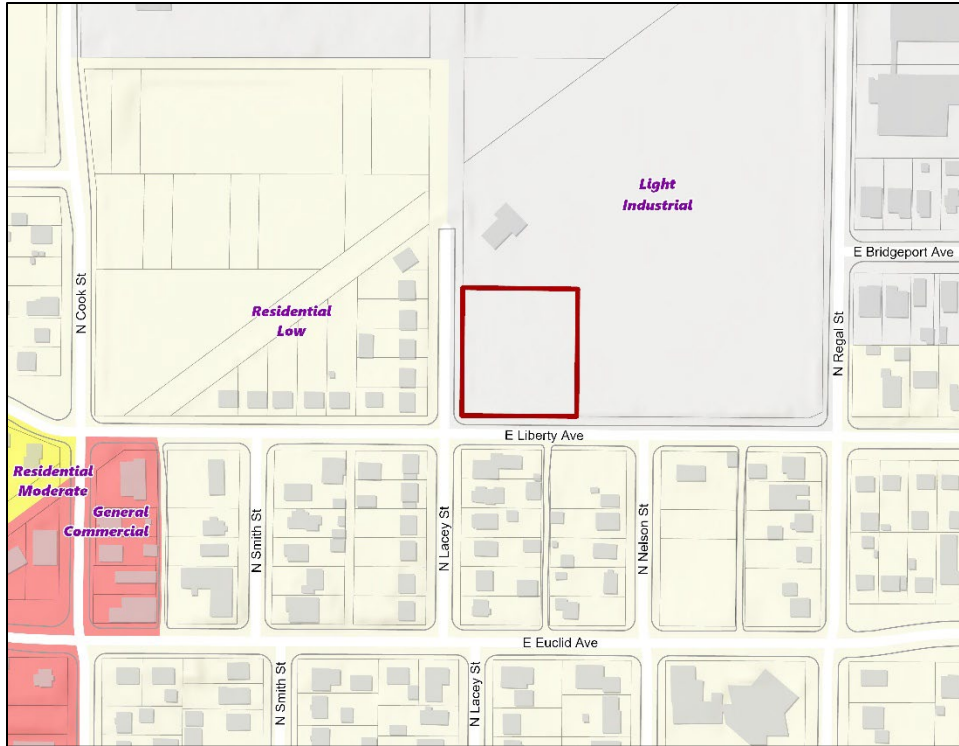


Figure 7: Existing Land Use Plan Map Designation, File Z23-475COMP

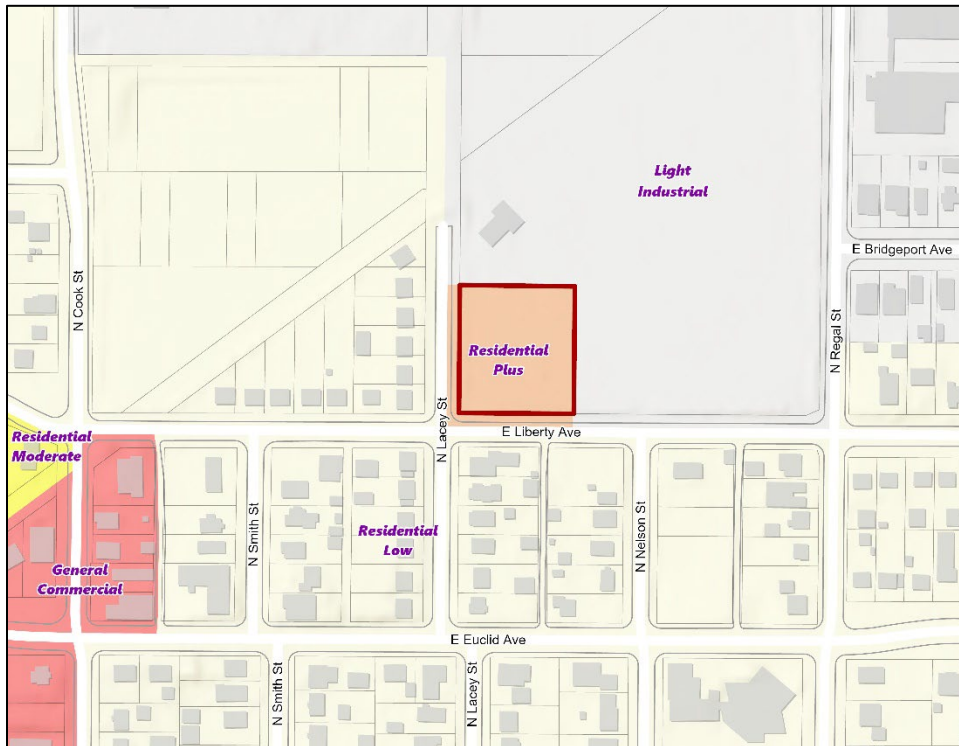


Figure 8: Proposed Land Use Plan Map Designation, File Z23-475COMP

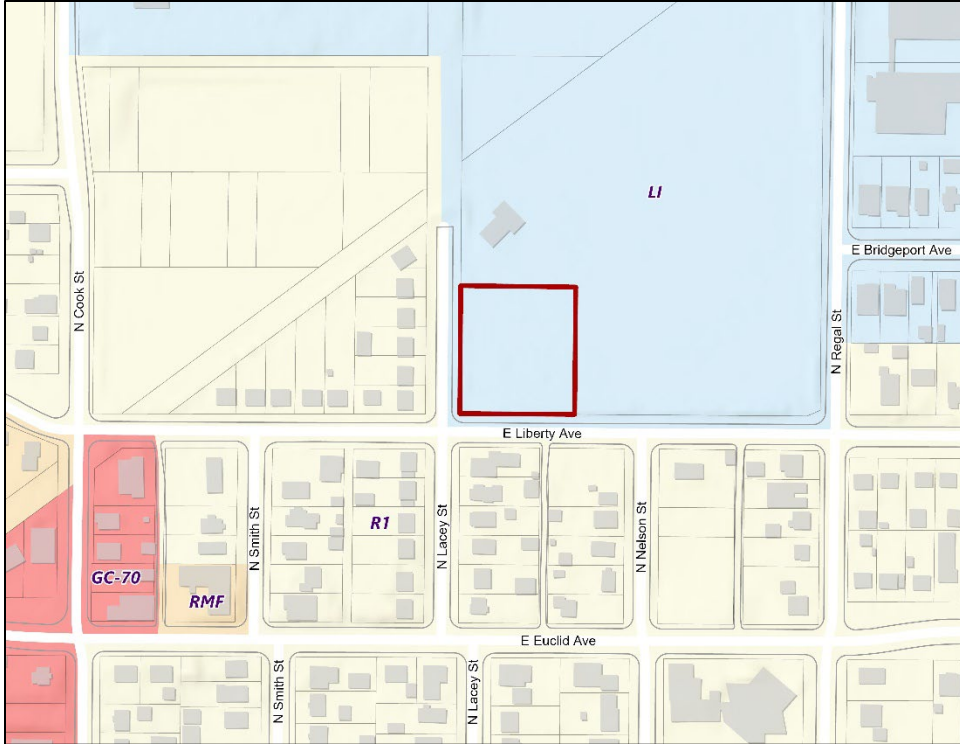


Figure 9: Existing Zoning, File Z23-475COMP

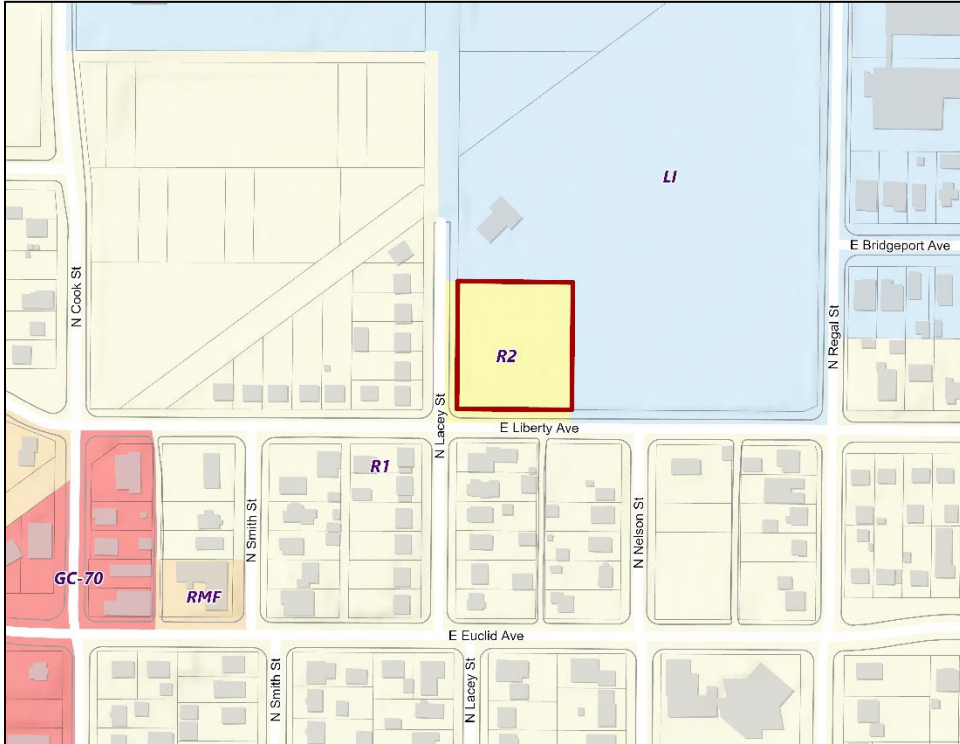


Figure 10: Proposed Zoning, File Z23-475COMP

File Z23-476COMP – “Eighth Avenue”

Applicant: Northwest Renewables
Agent: Storhaug Engineering (Clifton Trimble)
Parcels: 35243.1502, 25243.1308, 25243.1309
Acres: 0.6
Existing Land Use Designation: Office & Residential Low
Proposed Land Use Designation: General Commercial
Existing Zoning: O-35 & R1
Proposed Zoning: CB-55

This proposal would amend the use of the applicant’s own parcels between the Mini Center at Government Way and Sunset Highway and the I-90 corridor. The applicant has indicated that the commercial use on the southern parcel would most likely remain, though the disposition of the home and empty lot to the north is currently not known. The two homes to the west of the subject parcels are neither owned by the applicant nor are they a part of the proposal. While the pre-submittal meetings indicated that this proposal would include part of the adjacent right-of-way, presumed to be held by the railroad, ultimately the applicant did not include that area in their proposal.



Figure 11: Aerial Overview, File Z23-476COMP

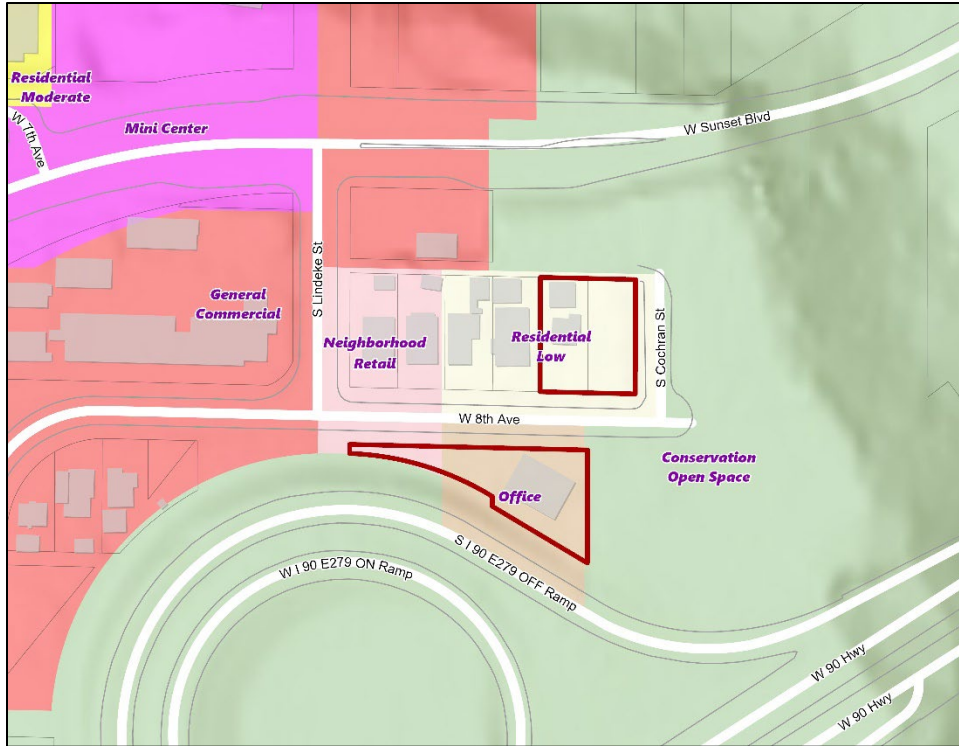


Figure 12: Existing Land Use Plan Map Designation, File Z23-476COMP

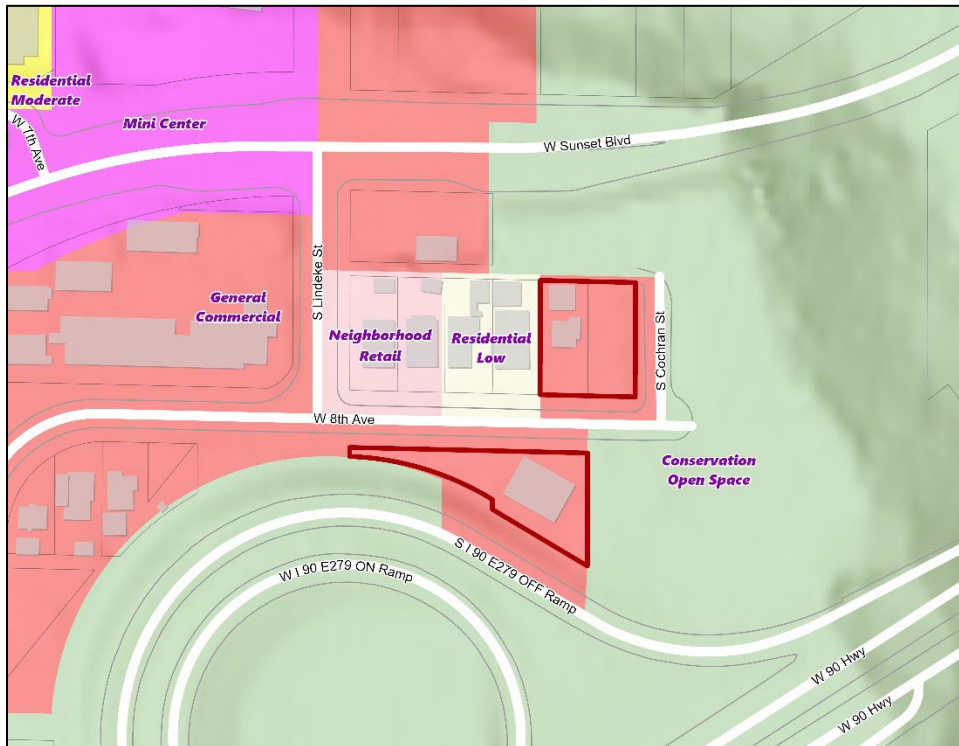


Figure 13: Proposed Land Use Plan Map Designation, File Z23-476COMP

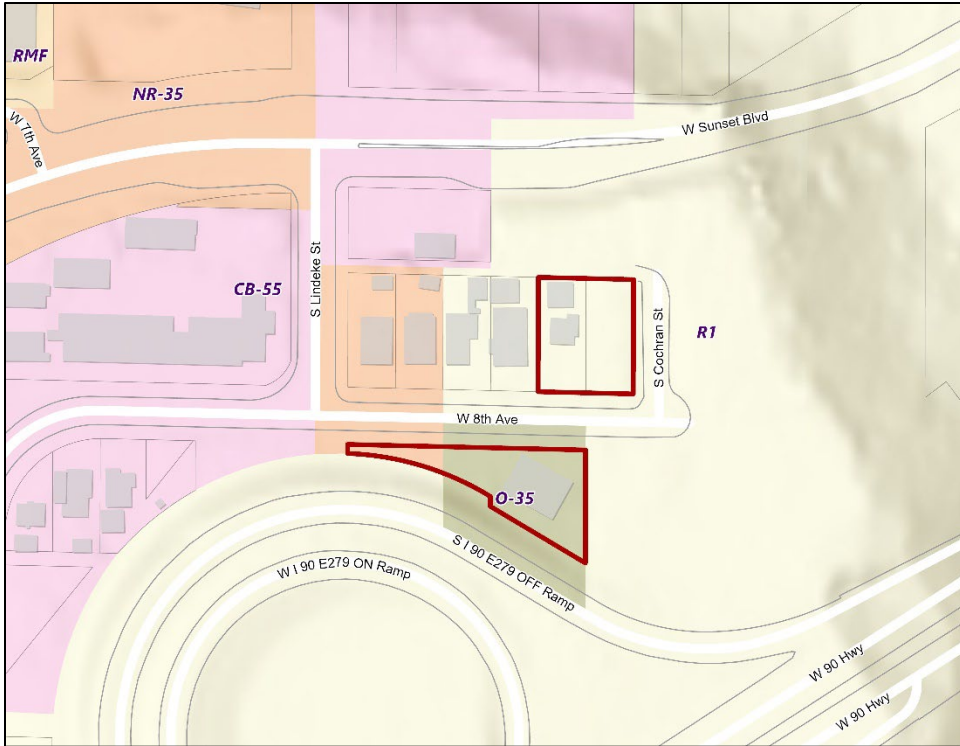


Figure 14: Existing Zoning, File Z23-476COMP

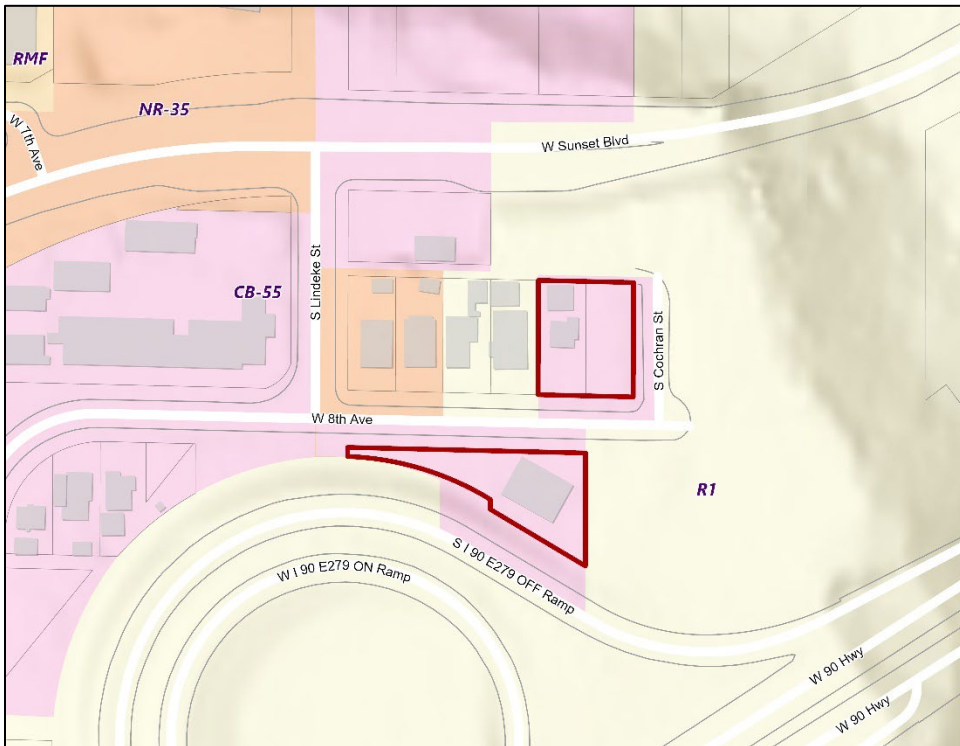


Figure 15: Proposed Zoning, File Z23-476COMP

File Z23-477COMP – “Bemis & Sunset”

Applicant: CV the James, LLC
Agent: Storhaug Engineering (Clifton Trimble)
Parcels: 25262.0505, 25262.0108
Acres: 0.8
Existing Land Use Designation: Residential Low
Proposed Land Use Designation: General Commercial
Existing Zoning: R1
Proposed Zoning: GC-70

While this proposal is sited immediately adjacent to the next (see File Z23-478COMP), the two proposals are unrelated with different owners and agents. This general location includes a large right-of-way for Sunset Boulevard due to terrain that exists between Sunset and the subject parcels. Property to the south of Sunset Blvd was the subject of a past Comprehensive Plan Amendment (Ref. File Z17-624COMP, Ord C35689), but is not related to these two proposals in any way.

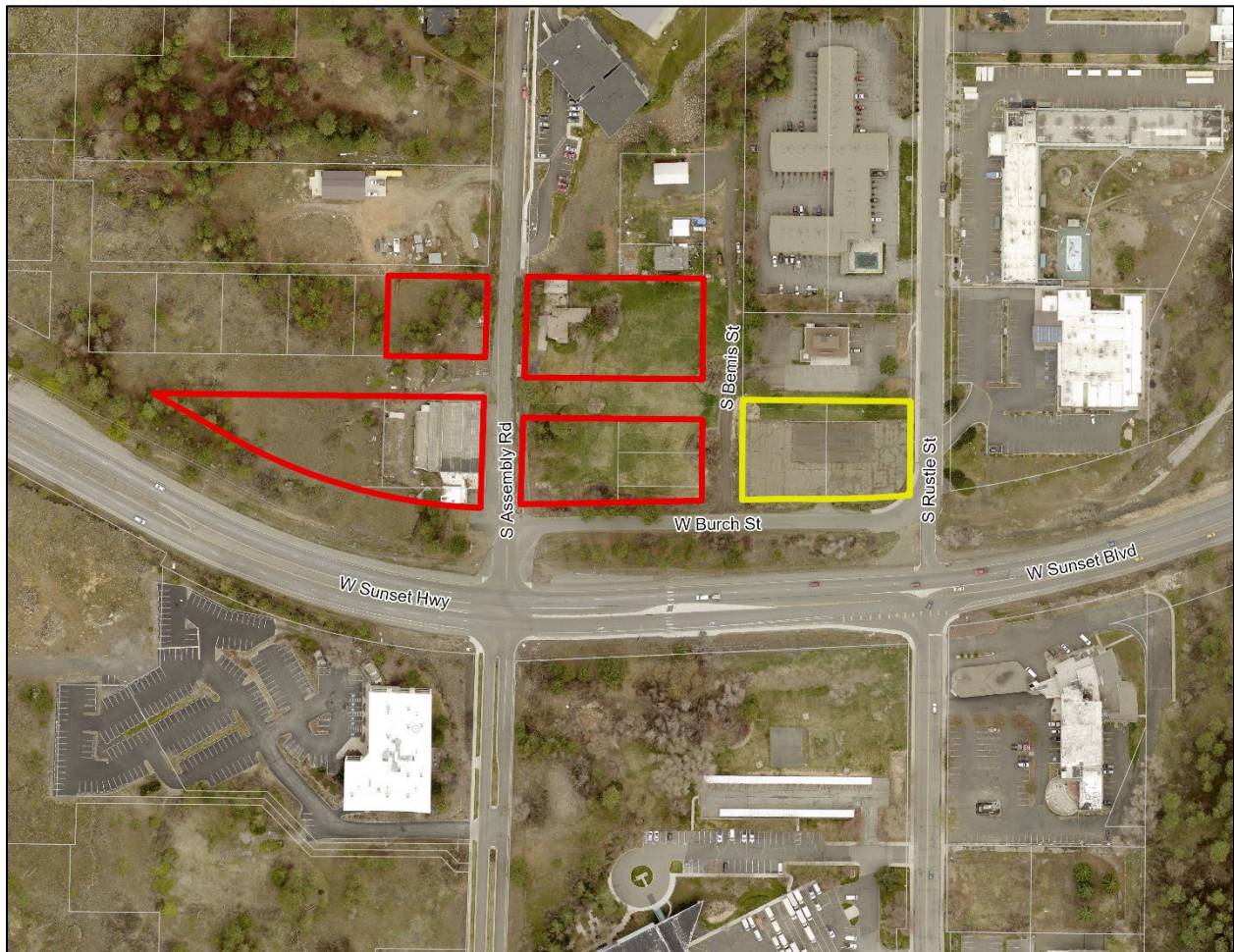


Figure 16: Aerial Overview, File Z23-477COMP – Project shown in yellow.

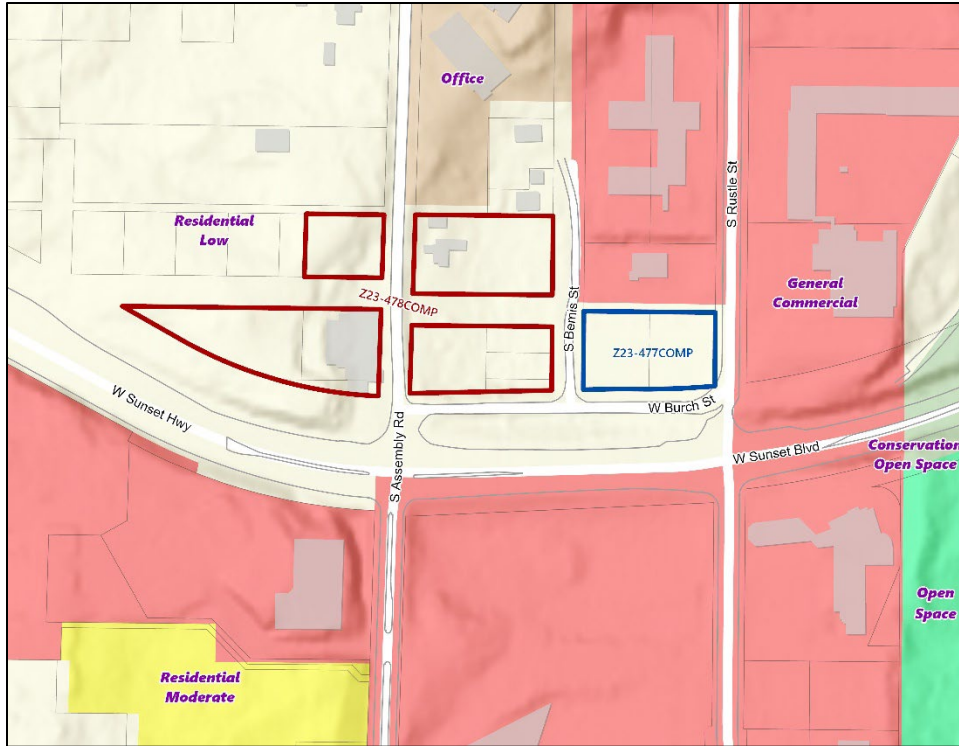


Figure 17: Existing Land Use Plan Map Designation, File Z23-477COMP (Shown in Blue)

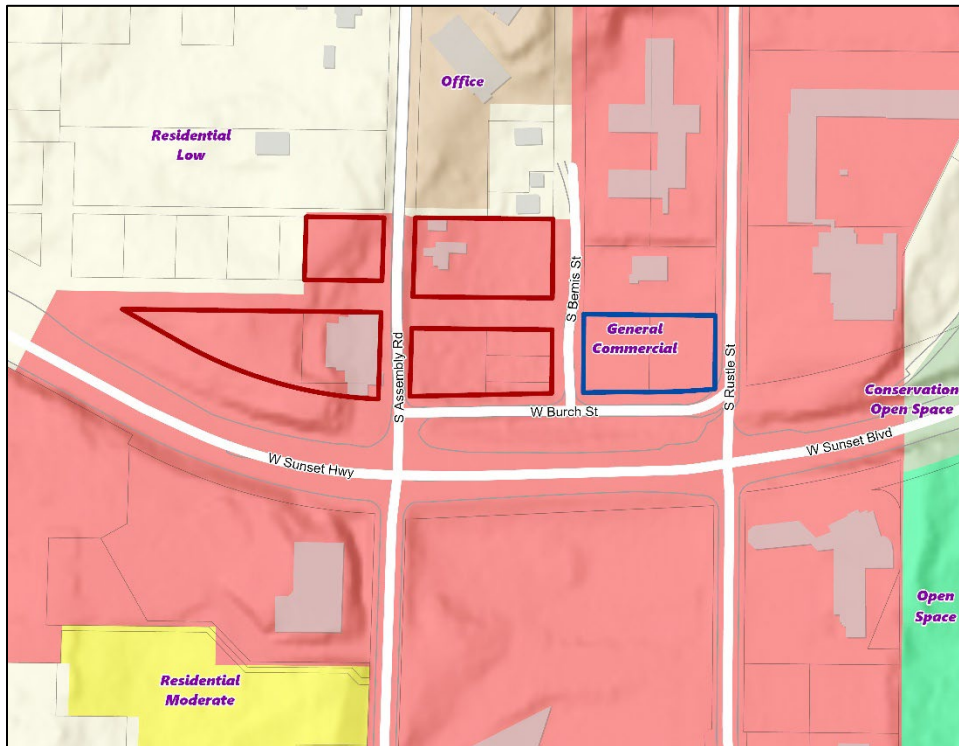


Figure 18: Proposed Land Use Plan Map Designation, File Z23-477COMP (Shown in Blue)

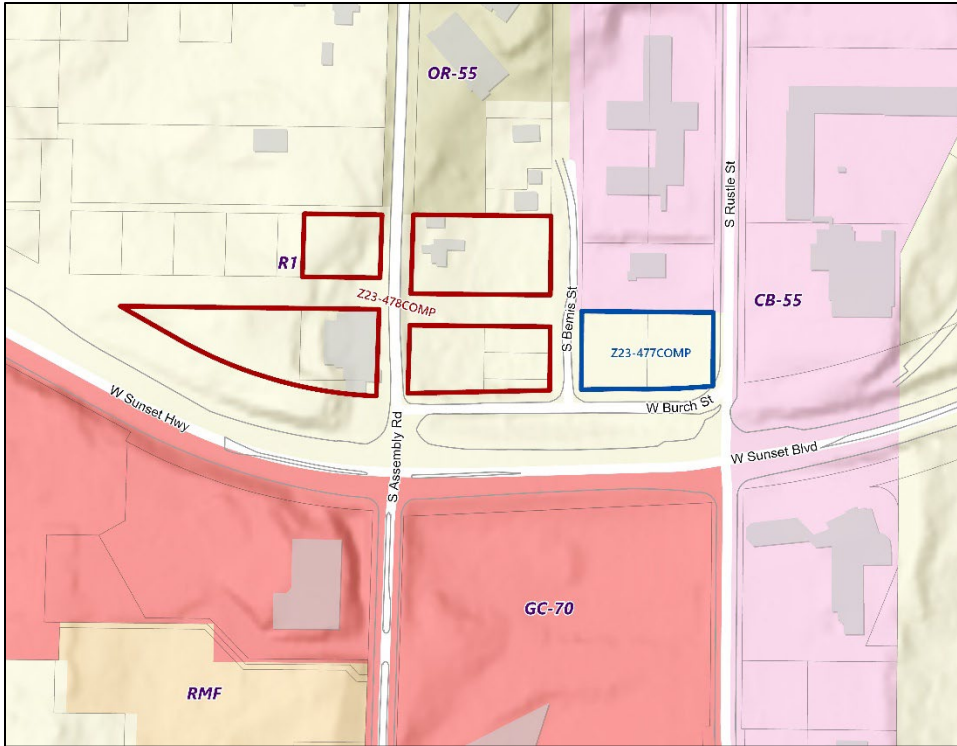


Figure 19: Existing Zoning, File Z23-477COMP (Shown in Blue)

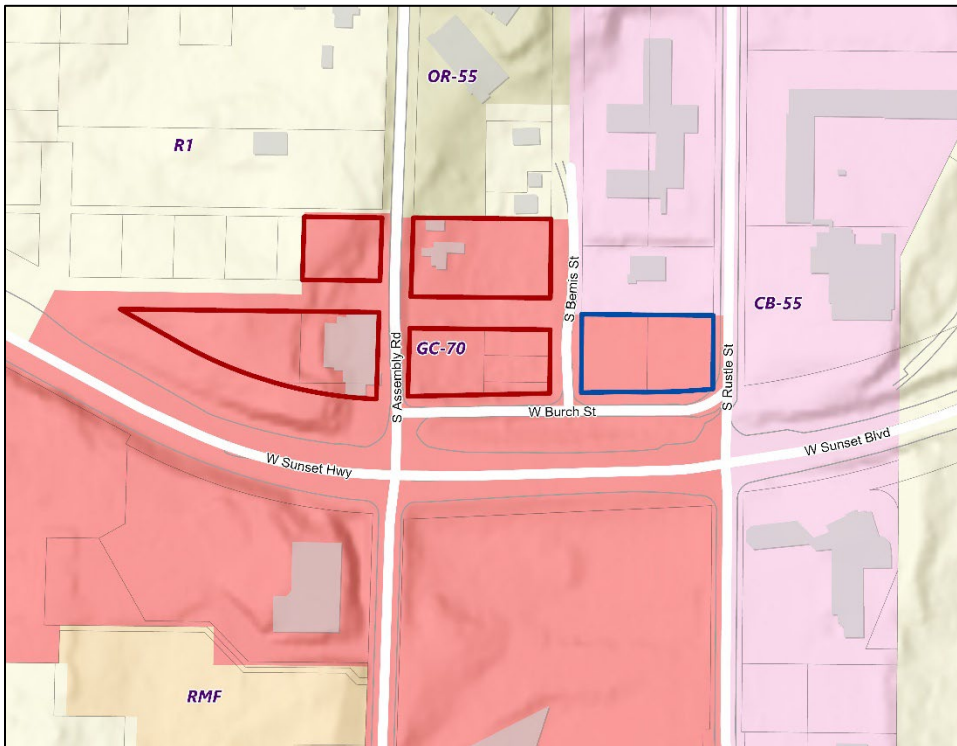


Figure 20: Proposed Zoning, File Z23-477COMP (Shown in Blue)

File Z23-478COMP – “Assembly & Bemis”

Applicant: WJL, LLC
Agent: Land Use Solutions & Entitlement (Dwight Hume)
Parcels: 25262.0401, 25262.0402, 25262.0403, 25262.0405, 25262.0305,
25271.0408, 25271.0501, 25271.0502, 25271.0504
Acres: 3.3
Existing Land Use Designation: Residential Low
Proposed Land Use Designation: General Commercial
Existing Zoning: R1
Proposed Zoning: GC-70

While this proposal is sited immediately adjacent to the previous (see File Z23-477COMP), the two proposals are unrelated with different owners and agents. This general location includes a large right-of-way for Sunset Boulevard due to terrain that exists between Sunset and the subject parcels. Furthermore, the subject parcels for this proposal are divided by city rights-of-way that have not yet been improved (see map below). Property to the south of Sunset Blvd was the subject of a past Comprehensive Plan Amendment (Ref. File Z17-624COMP, Ord C35689), but is not related to these two proposals in any way.

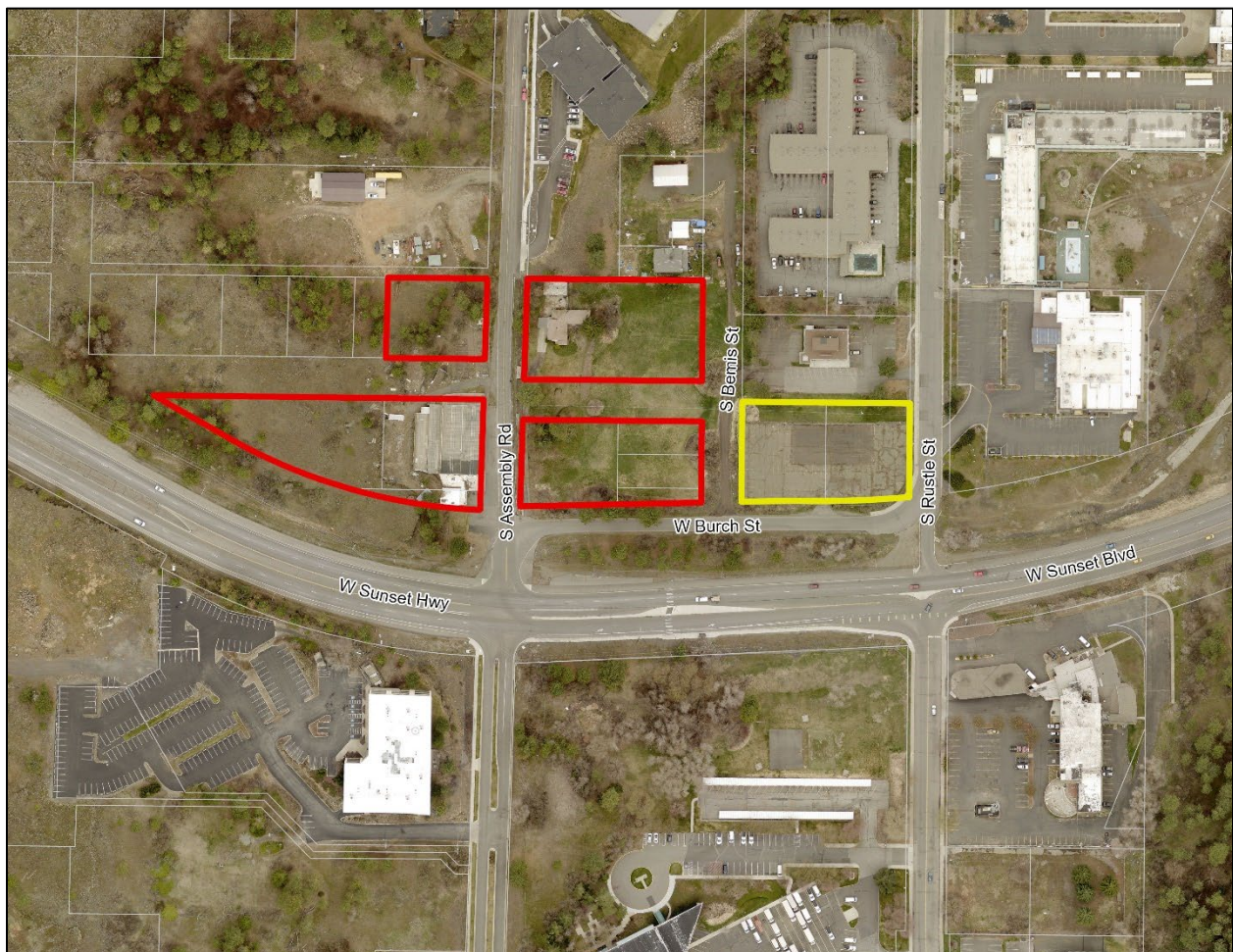


Figure 21: Aerial Overview, File Z23-478COMP – Project shown in red.

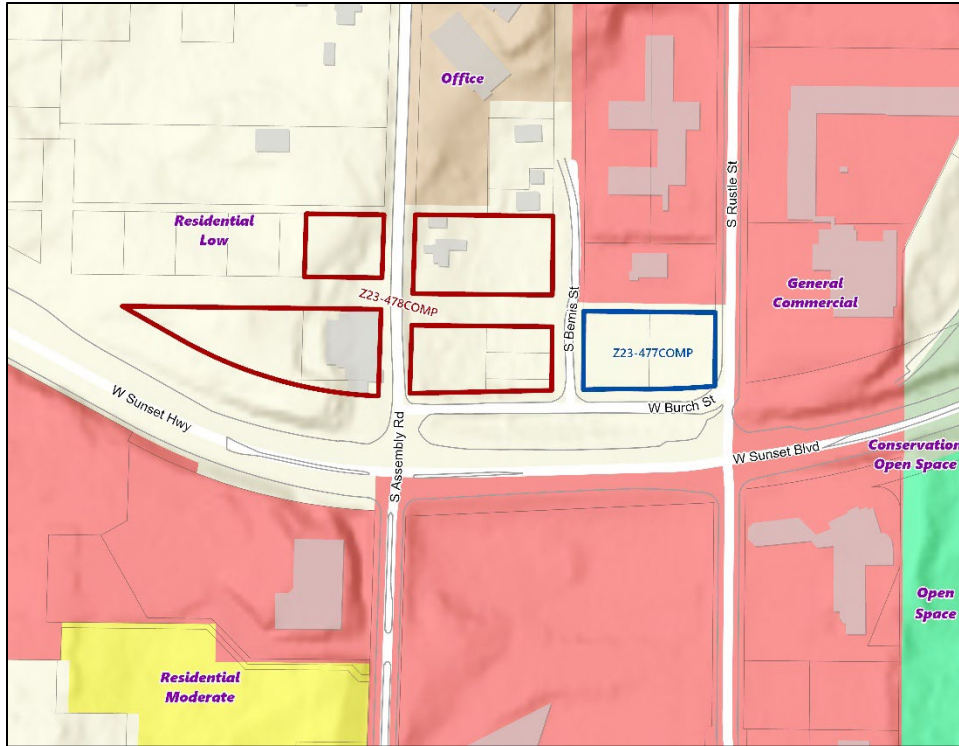


Figure 22: Existing Land Use Plan Map Designation, File Z23-478COMP (Shown in Red)

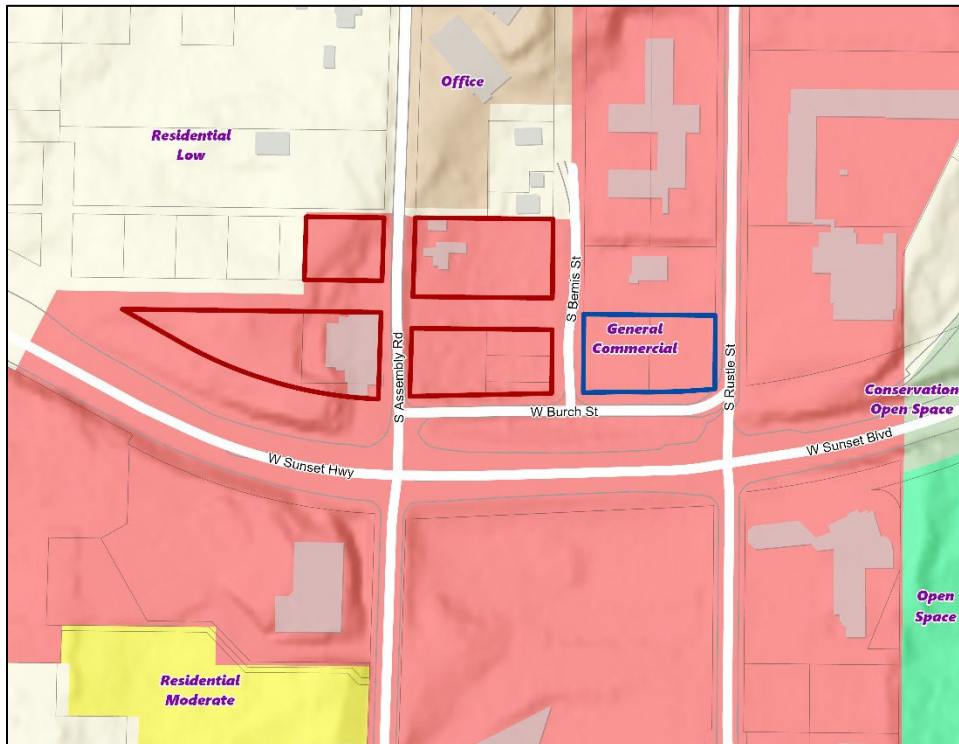


Figure 23: Proposed Land Use Plan Map Designation, File Z23-478COMP (Shown in Red)

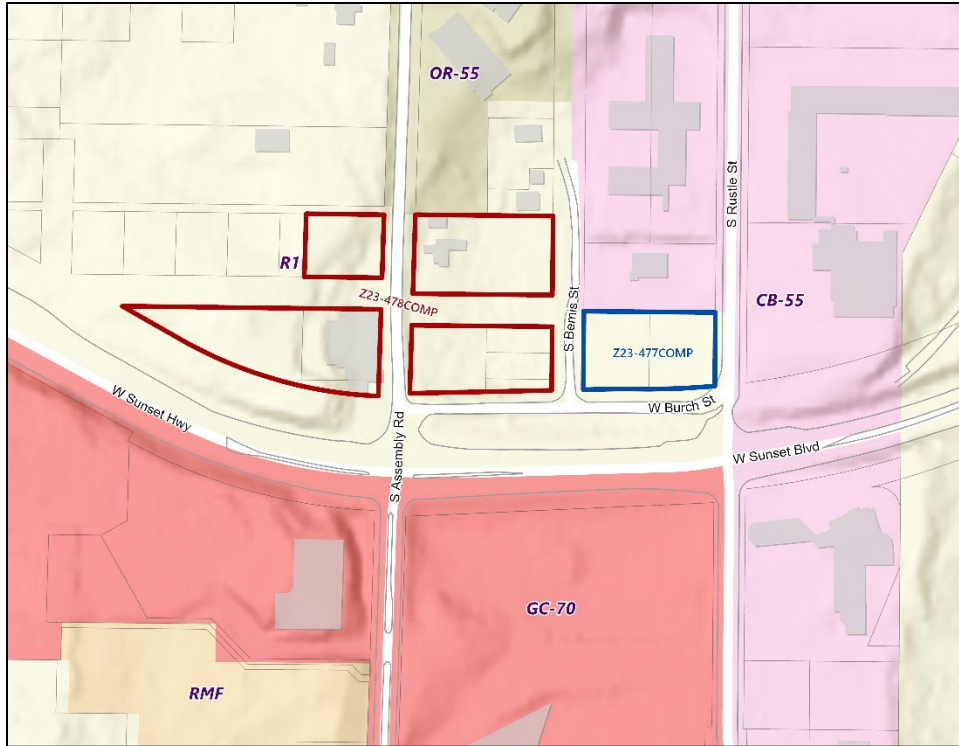


Figure 24: Existing Zoning, File Z23-478COMP (Shown in Red)

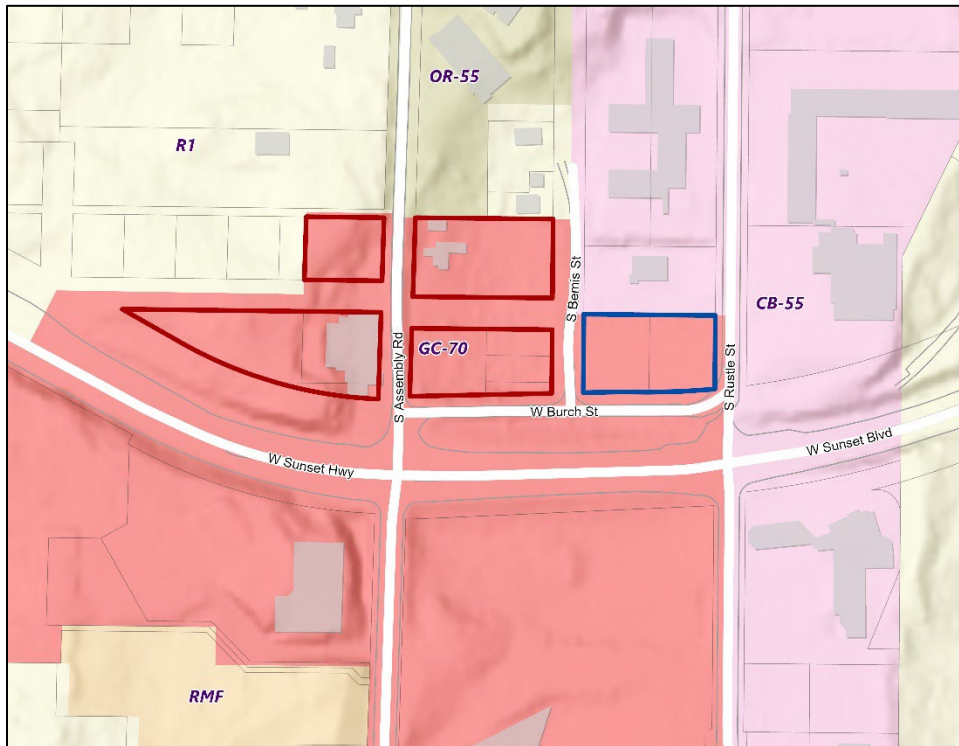


Figure 25: Proposed Zoning, File Z23-478COMP (Shown in Red)

File Z23-479COMP – “Indian Trail”

Applicant: Excelsior Wellness
Agent: Land Use Solutions & Entitlement (Dwight Hume)
Parcels: 25262.0010, 25262.0018, 25262.0054, 25262.0055, 25262.0046
Acres: 32.0
Existing Land Use Designation: Residential Low
Proposed Land Use Designation: General Commercial, Open Space, Residential Moderate, Residential Low
Existing Zoning: R1
Proposed Zoning: CB-55, R1, and RMF

Excelsior Wellness is developing a master plan for the various parcels of this proposal, with various proposed land use plan map designations and zoning. Note that the current proposal is only for a modification of the land use plan map and zoning designation of the site—no master plan is yet proposed nor is any other land use or permit approval under consideration.



Figure 26: Aerial Overview, File Z23-479COMP



Figure 27: Existing Land Use Plan Map Designation, File Z23-479COMP

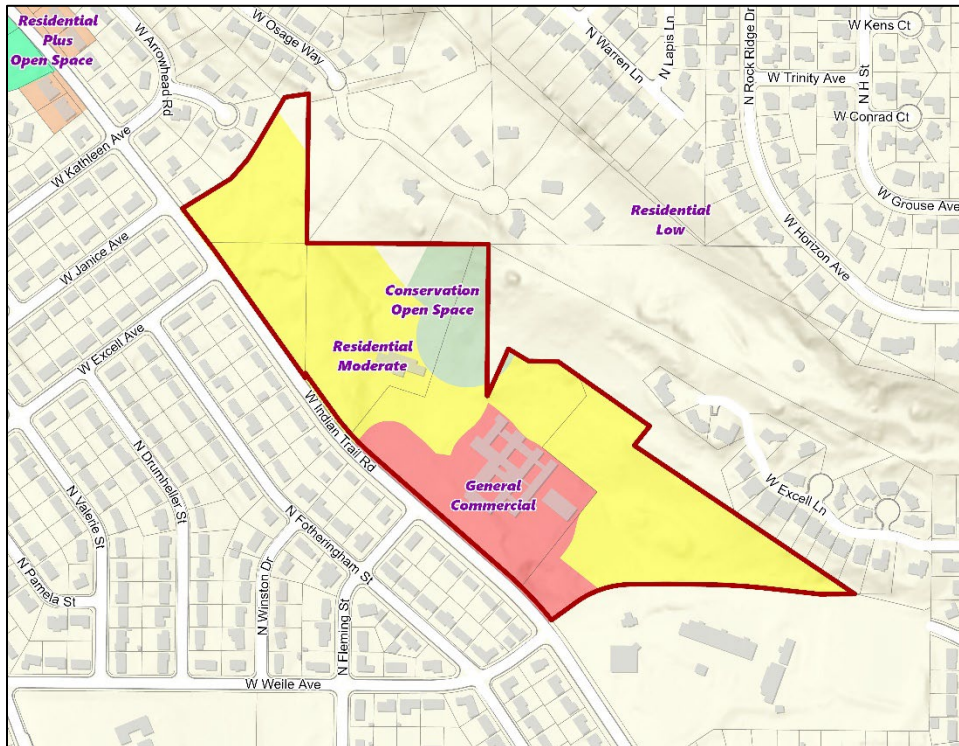


Figure 28: Proposed Land Use Plan Map Designation, File Z23-479COMP



Figure 29: Existing Zoning, File Z23-479COMP

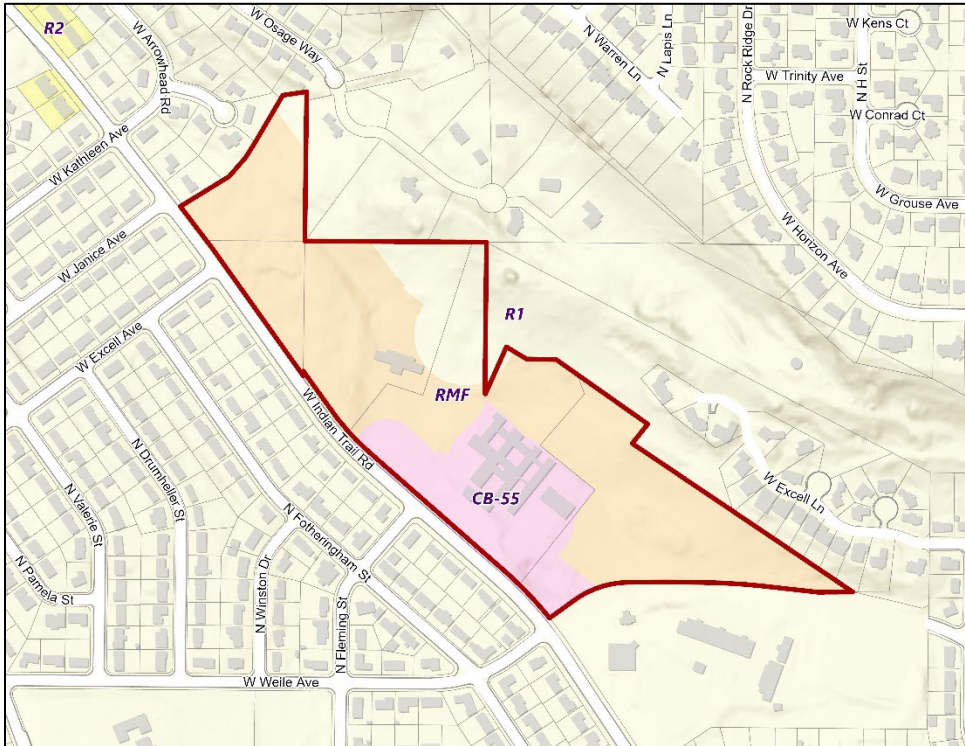


Figure 30: Proposed Zoning, File Z23-479COMP

**Agenda Sheet for City Council:****Committee:** PIES **Date:** 03/18/2024**Committee Agenda type:** Consent**Date Rec'd**

3/6/2024

Clerk's File #

RES 2024-0030

Renews #**Cross Ref #****Council Meeting Date:** 03/25/2024**Submitting Dept**

CITY ATTORNEY

Project #**Contact Name/Phone**

MICHAEL 6237

Bid #**Contact E-Mail**

MPICCOLO@SPOKANECITY.ORG

Requisition #

PAID THRU

Agenda Item Type

Resolutions

Council Sponsor(s)

BWILKERSON JBINGLE KKLITZKE

Agenda Item Name

5800 SETTLEMENT RESOLUTION (PRESNELL)

Agenda Wording

Approving settlement of claim of Tatyanna Presnell for \$300,000.00.

Summary (Background)

Ms. Presnell filed a matter in Spokane County Superior Court alleging she was assaulted by former Spokane Police Department Officer Nash in October of 2019.

Lease? NO Grant related? NO Public Works? NO

Fiscal Impact

Approved in Current Year Budget? YES

Total Cost \$ 300,000.00

Current Year Cost \$

Subsequent Year(s) Cost \$

Narrative**Amount****Budget Account**

Expense \$ 300,000.00

5800-78100-18680-54601

Select \$

#

Select \$

#

Select \$

#

\$

#

\$

#



Continuation of Wording, Summary, Approvals, and Distribution

Agenda Wording

Summary (Background)

Approvals

Dept Head

PICCOLO, MIKE

Division Director

Accounting Manager

BUSTOS, KIM

Legal

PICCOLO, MIKE

For the Mayor

PICCOLO, MIKE

Additional Approvals

Distribution List

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ahaile@spokanecity.org

shenry@spokanecity.org

ddaniels@spokanecity.org

dturin@spokanecity.org

Committee Agenda Sheet

Public Infrastructure, Environment & Sustainability Committee

Committee Date	March 18, 2024
Submitting Department	Legal
Contact Name	Mike Piccolo
Contact Email & Phone	mpiccolo@spokanecity.org ; 625-6237
Council Sponsor(s)	CP President Betsy Wilkerson, CM Jonathan Bingle and CM Kitty Klitzke
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested:
Agenda Item Name	Settlement Resolution
Proposed Council Action	<input checked="" type="checkbox"/> Approval to proceed to Legislative Agenda <input type="checkbox"/> Information Only
Summary (Background)	Approving settlement of claims of Tatyanna Presnell. Ms. Presnell filed a matter in Spokane County Superior Court alleging she was sexually assaulted by former Spokane Police Department Officer Nash in October of 2019. Plaintiff claimed injuries in the form of post traumatic stress disorder resulting in lost wages and happiness. Council has been previously briefed on the matter.
Summary (Background) *use the Fiscal Impact box below for relevant financial information	
Fiscal Impact Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Total Cost: <u>300,000</u> Current year cost: Subsequent year(s) cost:	
Narrative: <u>N/a</u>	
Funding Source <input checked="" type="checkbox"/> One-time <input type="checkbox"/> Recurring <input type="checkbox"/> N/A Specify funding source: Select Funding Source* Is this funding source sustainable for future years, months, etc? Click or tap here to enter text.	
Expense Occurrence <input checked="" type="checkbox"/> One-time <input type="checkbox"/> Recurring <input type="checkbox"/> N/A Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts (If N/A, please give a brief description as to why)	
What impacts would the proposal have on historically excluded communities? <u>N/A</u>	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? <u>N/A</u>	
How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution? <u>N/A</u>	

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?
N/A

RESOLUTION RE: SETTLEMENT OF
CLAIMS AGAINST CITY OF SPOKANE

WHEREAS, Tatyanna Presnell, (hereinafter "Plaintiff"), filed a complaint for personal injuries on December 6, 2022, in Spokane County Superior Court, arising out of a sexual assault that occurred on or about October 23, 2019; and

WHEREAS, Plaintiff alleges injury as a result of the actions of the City of Spokane and its employees and asserts financial damages from medical bills, loss of earnings, impairment of earning capacity, other out-of-pocket expenses and other special damages; and

WHEREAS, the City has determined to resolve all differences with Plaintiff and any third parties who may claim a subrogated interest against the City, its officers, agents, employees and contractors, for a payment of THREE HUNDRED THOUSAND DOLLARS (\$300, 000.00).

WHEREAS, Plaintiff has agreed to accept said payment and the terms outlined above, and in return to provide a release of all claims to the City in her underlying lawsuit entitled *Tatyanna Presnell v. City of Spokane*, Cause No. 22-2-04285-32, dismissing her lawsuit as to the City of Spokane with prejudice.

NOW THEREFORE, be it resolved by the City Council of the City of Spokane:

That the City of Spokane authorizes that the payment in the amount of THREE HUNDRED THOUSAND DOLLARS (\$300,000.00) be paid to Plaintiff through her counsel. In return the Plaintiff will provide a signed release to the City fully extinguishing all claims in connection with the claim and lawsuit entitled *Tatyanna Presnell v. City of Spokane*, Cause No. 22-2-04285-32, pledging to fully protect and indemnify the City of Spokane, its officers, agents, employees and contractors, against all loss or liability in connection with said claim, and dismissing the lawsuit with prejudice.

PASSED the City Council this _____ day of April, 2024.

City Clerk

Approved as to form:

Assistant City Attorney

**Agenda Sheet for City Council:****Committee:** Urban Experience **Date:** 03/11/2024**Committee Agenda type:** Discussion**Date Rec'd**

3/6/2024

Clerk's File #

RES 2024-0031

Renews #**Cross Ref #****Council Meeting Date:** 03/25/2024**Submitting Dept**

CITY COUNCIL

Project #**Contact Name/Phone**

PAUL DILLON 6254

Bid #**Contact E-Mail**

PDILLON@SPOKANECITY.ORG

Requisition #**Agenda Item Type**

Resolutions

Council Sponsor(s)

PDILLON ZZAPPONE JBINGLE

Agenda Item Name

0320 - ADDRESSING SPOKANE OVERDOSES

Agenda Wording

A Resolution adopting a plan to address the fentanyl and opiate overdose crisis in the City of Spokane and declaring that exigent circumstances exist that demand coordination of resources available between the City of Spokane and the State of WA.

Summary (Background)

Overdoses in Spokane have increased over the last few years, especially with increased use of fentanyl. This resolution addresses some steps the City can take to work toward a more extensive plan on applying data driven approaches to overdoses, and substance abuse, in the City of Spokane.

Lease? NO

Grant related? NO

Public Works? NO

Fiscal Impact

Approved in Current Year Budget? N/A

Total Cost \$

Current Year Cost \$

Subsequent Year(s) Cost \$

Narrative**Amount****Budget Account**

Neutral \$

#

Select \$

#

Select \$

#

Select \$

#

\$

#

\$

#



Continuation of Wording, Summary, Approvals, and Distribution

Agenda Wording

Summary (Background)

Approvals

Dept Head

Division Director

Accounting Manager

Legal

For the Mayor

BUSTOS, KIM

PICCOLO, MIKE

Additional Approvals

Distribution List

amcdaniel@spokanecity.org

cwright@spokanecity.org

Committee Agenda Sheet

Urban Experience Committee

Submitting Department	City Council
Contact Name	Paul Dillon
Contact Email & Phone	pdillon@spokanecity.org
Council Sponsor(s)	CM's Dillon, Zappone, and Bingle
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: 5
Agenda Item Name	Resolution Addressing Spokane Overdoses
Summary (Background) *use the Fiscal Impact box below for relevant financial information	A resolution adopting a plan to address the fentanyl and opiate overdose crisis in the City of Spokane. Overdoses in Spokane have increased over the last few years, especially with increased use of fentanyl. This resolution addresses some steps the City can take to work toward a more extensive plan on applying data driven approaches to overdoses, and substance abuse, in the City of Spokane.
Proposed Council Action	Move resolution to legislative meeting
Fiscal Impact	
Total Cost:	
Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring	
Specify funding source: Department's Operating Budget	
Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring	
Other budget impacts: (revenue generating, match requirements, etc.) N/A	
Operations Impacts (If N/A, please give a brief description as to why)	
Because this is a resolution, no operations impacts. Potentially, could affect data collection/reporting by City Fire and City Police Departments.	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?	
Could affect data collection/reporting by City Fire and City Police Departments. Currently, data does not contain demographic information, but discussion on that type of reporting is ongoing.	
How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?	
Data is being requested from several sources: shelters, SPD and SFD. Will also look to the Spokane Regional Health District and request information.	
Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others? Ultimately, the objective is to decrease the use of illegal and deadly	

substances. This will improve the health and safety of all city residents. In addition, data is helpful for planning social infrastructure planning for the future.

RESOLUTION NO. 2024-0031

A Resolution adopting a plan to address the fentanyl and opiate overdose crisis in the City of Spokane and declaring that exigent circumstances exist that demand coordination of resources available between the City of Spokane and the State of Washington, in partnership with community organizations.

WHEREAS, the United States, the State of Washington, and the City of Spokane are facing a drug crisis, with resulting tragedies decimating families and individuals and contributing to extraordinary levels of despair in Spokane communities; and

WHEREAS, the U.S. Department of Drug Enforcement (DEA) identifies fentanyl as a potent synthetic opioid drug approximately 100 times more potent than morphine and 50 times more potent than heroin, and these opiate derived substances, categorized as schedule II-controlled substances under RCW 69.50.206, have exacerbated the opioid epidemic; and

WHEREAS, the City of Spokane recognizes that drug addiction is a disease, reflecting a commitment to a health-centered approach to this issue; and

WHEREAS, the City of Spokane affirms that the circumstances created by the opioid/fentanyl crisis pose a significant risk to public health, safety, and the continuity of essential services by community organizations, supported by the City of Spokane; and

WHEREAS, in the City of Spokane, overdose calls have gone up 30% since last year, amounting to 249 overdose calls from January 1 to February 7, an average of 6.4 overdose calls per day, compared to 4.4 in 2023, and 3.3 in 2022; and

WHEREAS, seven out of ten Drug Enforcement Administration (DEA) tested pills were found to contain fentanyl, and potentially deadly, making it likely that 'one pill can kill', and in 2023 the DEA seized over 360 million deadly doses of fentanyl; and

WHEREAS, in 2023 the Spokane Police Department, with assistance from the FBI Violent Crimes Task Force and the DEA, seized 193,307 illicit fentanyl pills as well as 81 grams of fentanyl powder (which could produce an additional 54,482 pills) making the total approximately 247,789 illicit fentanyl pills seized; and

WHEREAS, there exists a substantial likelihood of risk to persons and property unless further efforts are taken to reduce the threat from opiates and fentanyl; and

WHEREAS, the use of fentanyl and other opiates continue to spread throughout our city within the housed and unhoused communities, and new and immediate avenues to enhance capabilities, coordination, and collaboration across local, state, tribal, and federal agencies are needed to promote public health and safety; and

WHEREAS, in King County, and Snohomish County, Washington, officials provide an overdose dashboard, summarizing fatal drug overdoses, including trends over time, data on decedent characteristics, and geography; (see Overdose deaths data dashboard - King County, Washington; EDAP | Snohomish County, WA - Official Website (snohomishcountywa.gov)) and this model would be instrumental in providing real-time data to Spokane County government entities throughout the region, as well as non-profit organizations and community groups working with affected people; and

WHEREAS, the City of Spokane received a letter from Experience Matters, containing the signatures of almost 400 community members, service providers and community organizations, requesting that the City of Spokane declare an emergency due to the alarming increase in fentanyl use, and the effect that use has on the escalating public health crisis, the overwhelmed healthcare system, the toll on emergency responders, and the profound impact fentanyl has on the entire community; and

WHEREAS, declarations of emergency at the federal, state, county and city levels can open up additional resources, funding, and assistance to address the fentanyl emergency; and

WHEREAS, on Thursday, October 26, 2017, the U.S. President officially declared the opioid crisis a “public health emergency,” adding that the “epidemic is a public health emergency”; and

WHEREAS, on October 26, 2017, and after consultation with public health officials as necessary, Eric D. Hargan, Acting Secretary of Health and Human Services, pursuant to the authority under section 319 of the Public Health Service Act, determined that a public health emergency (PHE) exists nationwide; and

WHEREAS, the governor of the state of Washington is authorized under RCW 43.06.010 and RCW 43.06.220 to proclaim a State of Emergency after finding that a public disorder, disaster, energy emergency, or riot exists within the state or any part thereof that affects life, health, property, or the public peace.

NOW, THEREFORE, BE IT RESOLVED, the Spokane City Council respectively requests that the Governor of the State of Washington declare a state of emergency for the opioid and fentanyl crisis, and open additional resources and authorities to address

the crisis, including increased funding to peer support programs, unfettered access to Naloxone, and education around prevention, education, intervention and treatment; and

BE IT FURTHER RESOLVED, that the Spokane City Council respectfully requests that the Washington State Legislature partner with the Governor of Washington to rapidly reassess a response to this crisis; and

BE IT FURTHER RESOLVED, the Spokane City Council respectfully requests that the Washington Department of Health add fentanyl overdoses to the list of notifiable conditions in order to improve the public's health through data collection, which will assist with gathering broader health-related patterns, including historical trends, geographic clustering and risk factors; and

BE IT FURTHER RESOLVED, the Spokane City Council respectfully requests that the Spokane County Regional Health District endeavor to provide more real-time overdose data, on a dashboard format similar to the sites used by both King and Snohomish Counties; and

BE IT FURTHER RESOLVED, the Spokane City Council requests the Mayor direct the Spokane Fire Department and the Spokane Police Department to report on overdose calls, as well as resulting deaths from overdose; and

BE IT FURTHER RESOLVED, the Spokane City Council further requests a voluntary monthly report from all shelters serving the unhoused population setting forth the number of demonstrated uses of naloxone in their facilities; and

BE IT FURTHER RESOLVED, any monthly data the Spokane City Council receives will be made publicly available during the City Council Public Safety Committee Meeting; and

BE IT FURTHER RESOLVED, the Spokane City Council will schedule and coordinate an Opioid and Overdose Town Hall meeting to engage community members, providers, and local leaders to encourage and facilitate a meaningful conversation on ways to decrease the number of fentanyl and opioid overdoses in the City of Spokane.

Passed by the City Council this ____ day of _____, 2024.

City Clerk

Approved as to form:

Assistant City Attorney

**Agenda Sheet for City Council:****Committee:** Urban Experience **Date:** 03/11/2024**Committee Agenda type:** Discussion**Date Rec'd**

2/28/2024

Clerk's File #

ORD C36504

Renews #**Cross Ref #****Council Meeting Date:** 03/25/2024**Submitting Dept**

MAYOR

Project #**Contact Name/Phone**

ADAM 509.625.6779

Bid #**Contact E-Mail**

AMCDANIEL@SPOKANECITY.ORG

Requisition #**Agenda Item Type**

First Reading Ordinance

Council Sponsor(s)

ZZAPPONE PDILLON KKLITZKE

Agenda Item Name

0520-MAYOR'S OFFICE - COMMITTEE UPDATE - LODGING TAX ADVISORY

Agenda Wording

This ordinance updates the Lodging Tax Advisory Committee to reflect state law, establish grant frequency, and lists grant evaluation criteria. This committee has not met in over two years.

Summary (Background)

The City levies lodging taxes, also known as "hotel/motel taxes," on lodging at hotels, motels, and short-term rentals bed and breakfasts (B&Bs), RV parks, and other housing and lodging accommodations, for periods less than 30 days. The tax is collected as a sales tax and paid by the customer at the time of the transaction, and state law requires revenues from this tax to be used for tourism promotion activities or tourism-related facilities.

Lease? NO Grant related? NO Public Works?

Fiscal Impact

Approved in Current Year Budget? YES

Total Cost \$ 112,462

Current Year Cost \$ 112,462

Subsequent Year(s) Cost \$

Narrative

While there is no fiscal impact to this ordinance, there is a little over \$400,000 in the Hotel/Motel Lodging Tax Fund to be utilized for lodging tax grants.

Amount**Budget Account**

Select	\$	#
Select	\$	#
Select	\$	#
Select	\$	#
	\$	#
	\$	#



Continuation of Wording, Summary, Approvals, and Distribution

Agenda Wording

Summary (Background)

Approvals

Dept Head

Division Director

Accounting Manager

Legal

For the Mayor

Additional Approvals

Distribution List

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zzappone@spokanecity.org

jgunn@spokanecity.org

Committee Agenda Sheet

Urban Experience Committee

Committee Date	3/22/2024
Submitting Department	City Council
Contact Name	Adam McDaniel
Contact Email & Phone	amcdaniel@spokanecity.org
Council Sponsor(s)	<u>Zappone, Dillon, and Klitzke</u>
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: 5 minutes
Agenda Item Name	Lodging Tax Advisory Committee Update
Proposed Council Action	<input checked="" type="checkbox"/> Approval to proceed to Legislative Agenda <input type="checkbox"/> Information Only
Summary (Background) *use the Fiscal Impact box below for relevant financial information	<p><u>Lodging Tax (Hotel/Motel Tax)</u> The City levies lodging taxes, also known as “hotel/motel taxes,” on lodging at hotels, motels, and short-term rentals bed and breakfasts (B&Bs), RV parks, and other housing and lodging accommodations, for periods less than 30 days. The tax is collected as a sales tax and paid by the customer at the time of the transaction, and state law requires revenues from this tax to be used for tourism promotion activities or tourism-related facilities.</p> <p><u>Proposed Ordinance</u> This ordinance updates the Lodging Tax Advisory Committee to reflect state law, establish grant frequency, and lists grant evaluation criteria. This committee has not met in over two years. The Committee members were appointed by the Council on March 4th, March 11th, and March 18th.</p> <p><u>Section 1 - Establishment</u> Updates the Lodging Tax Advisory Committee to reflect current state law language regarding purpose and scope of the committee.</p> <p><u>Section 2 - Membership</u></p> <ul style="list-style-type: none"> • Codifies that this committee is appointed annually per state law. • Provides the ability of the Council to add non-voting members to create a larger committee focused on special events. The City of Bellingham has a similar board that includes City employees who help navigate challenges with special events. <p><u>Section 3 – Lodging Tax Advisory Program</u></p> <ul style="list-style-type: none"> • Adds evaluative criteria and application requirements per state law. • Establishes that the grants are made biannually. Provides the Council the ability to change award frequency by resolution.
Fiscal Impact Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Total Cost: <u>\$112,462</u> Current year cost: \$112,462 Subsequent year(s) cost:	

Narrative: While there is no fiscal impact to this ordinance, there is a little over \$400,000 in the Hotel/Motel Lodging Tax Fund to be utilized for lodging tax grants.

Funding Source One-time Recurring N/A

Specify funding source: Taxes

Is this funding source sustainable for future years, months, etc? Yes. The Lodging Tax is levied upon the sale of lodging from hotels, motels, short-term rentals etc.

Expense Occurrence One-time Recurring N/A

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

Operations Impacts (If N/A, please give a brief description as to why)

What impacts would the proposal have on historically excluded communities?

This ordinance codifies the process for recommending funding to cultural events.

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

This ordinance does not create specific reporting requirements. Overall lodging tax reporting requirements are governed by [RCW 67.28.1816](#). Internally, the City's program report could include information regarding funding recommendations to cultural events hosted by organizations representing historically excluded communities.

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

Lodging tax reporting requirements are governed by [RCW 67.28.1816](#).

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

Mayor Brown's Transition Report - ***Make it possible for neighborhood and cultural activities and events to thrive.***

Comprehensive Plan: Social Health – Arts and Cultural Enrichment

ORDINANCE NO C36504

An ordinance altering the Lodging Tax Advisory Committee, creating the Lodging Tax Advisory Program; amending sections 04.30.010 and 04.030.020 of the Spokane Municipal Code, and adding a new section to Chapter 04.30 of the Spokane Municipal Code.

WHEREAS, pursuant to RCW 67.28.1816, the City Council established the Lodging Tax Advisory Committee (“LTAC”) to make recommendations for funding of tourism and marketing activities from the lodging excise tax authorized by RCW 67.28.180;

WHEREAS, the enabling provisions of the Spokane Municipal Code relating to the lodging excise tax and the Lodging Tax Advisory Committee require updating to reflect state law, and further to establish frequency of grants funded by the lodging excise tax, and to provide grant evaluation criteria.

NOW, THEREFORE, the City of Spokane does ordain:

Section 1. Section 04.30.010 of the Spokane Municipal Code is amended to read as follows:

04.30.010 Establishment

Pursuant to RCW 67.28.1817 there is established a Lodging Tax Advisory Committee. ~~((to review and comment to the city council on any proposal to:~~

- ~~A. increase the rate of,~~
-
- ~~B. repeal an exemption from, or~~
-
- ~~C. change the use of revenue received from~~

~~the special excise tax upon the furnishing of lodging authorized by RCW 67.28.180 (the hotel/motel tax).)~~

- A. The Lodging Tax Advisory Committee shall review, comment, and make recommendations to the city council on any proposal to increase the rate of the lodging tax, repeal an exemption from the lodging tax, or change the use of revenue received from the lodging tax as required as in RCW 67.28.1817.
- B. The Committee shall make program recommendations to the city council. The city council shall make the final decision on all lodging tax grants and may adjust recipients and funding levels from the recommendations of the Committee provided the council satisfies the requirements of RCW 67.28.1817.

- C. The Committee may make recommendations to the mayor and city council regarding policies, programs, and projects to enhance tourism and support cultural activities and events throughout the city.

Section 2. That Section 04.30.020 of Chapter 04.30 of the Spokane Municipal Code is amended to read as follows:

04.30.020 Membership

~~((The))~~ Consistent with RCW 67.28.1817, the Committee consists of seven voting members nominated by the mayor and appointed by the city council annually. The membership is comprised of:

- A. ~~((three))~~ Three representatives of businesses required to collect the tax levied by SMC 08.08.010; and
- B. ~~((three))~~ Three persons involved in activities authorized to be funded by the revenue from the tax levied by SMC 08.08.010; and
- C. ~~((one))~~ One member of the city council, who shall chair the Committee.
- D. The city council may appoint additional members to the Committee who are involved in tourism and cultural activities, including representatives from the City of Spokane. Additional members shall be considered nonvoting members for purposes of any Committee recommendations.
- E. City residence shall not be required for appointment of members appointed pursuant to 04.30.020.A nor for members appointed in nonvoting status.

Section 4. There is enacted a new section 04.30.030 to Chapter 04.30 of the Spokane Municipal Code to read as follows:

04.30.030 Lodging Tax Grant Program

- A. The Lodging Tax Grant Program is funded by the lodging tax authorized by RCW 67.28 and levied pursuant to SMC 08.08.010.
- B. Lodging tax grants shall be used to support projects that encourage eligible tourist-attracting special events, festivals, and cultural activities or to support tourism facilities in the city of Spokane. Applications for Lodging Tax Grant Program funding must include the following:
 - 1. The total amount of grant funds requested;
 - 2. The budget for the project; and
 - 3. Tourism estimates required by RCW 67.28.1816.

- C. Lodging tax grants are awarded on a biannual basis. The city council may change the frequency of Lodging tax grants by resolution.
- D. Lodging tax grants shall be made on a reimbursement basis, and no funds shall be advanced in support of a project.

Section 5. Severability. If any section, subsection, sentence, clause, phrase or word of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality thereof shall not affect the validity or constitutionality of any other section, subsection, sentence, clause, phrase or word of this ordinance.

Section 6. Clerical Errors. Upon approval by the city attorney, the city clerk is authorized to make necessary corrections to this ordinance, including scrivener’s errors or clerical mistakes; references to other local, state, or federal laws, rules, or regulations; or numbering or referencing of ordinances or their sections and subsections

PASSED by the City Council on _____

Council President

Attest:

Approved as to form:

City Clerk

City Attorney

Mayor

Date

Effective Date