

ORDINANCE NO. C36369

AN ORDINANCE relating to GFC public utilities and services; amending SMC sections 13.03.0730, 13.03.0732; and adopting a new section 13.03.0734 to chapter 13.03 of the Spokane Municipal Code; and 13.04.2040, 13.04.2042; and adopting a new section 13.04.2044 to chapter 13.04 of the Spokane Municipal Code; and setting an effective date and declaring an emergency.

WHEREAS, the Spokane City Council last adopted General Facility Charges (GFC) for water and sewer infrastructure connections in 2002; and

WHEREAS, since adoption, the GFC have not been updated and are grossly out of date with current costs and expenses associated with building new infrastructure capacity; and

WHEREAS, the City has engaged a consultant, FCS Group, to study its utility rates and charges, including GFCs. The GFC analysis study was initiated in 2021 to address both existing and future challenges related to development and requests for capacity in the City's sewer and water systems; and

WHEREAS, since 2021, FCS has evaluated, modeled and completed its study of impacts of new capacity costs based on analysis. This evaluation shows the City's GFCs are grossly out of date and do not cover costs associated with growth and new system demand for capacity; and

WHEREAS, the City Council recently adopted Ordinance No. C36276 imposing a moratorium regarding building permit applications for residential structures in the Latah/Hangman and Grandview/Thorpe Neighborhoods, and declaring an emergency (the "Moratorium"); and

WHEREAS, the City Council adopted the Moratorium to give the City time ~~it is~~ to update the City's GFCs (and Transportation Impact Fees) so that the fees are (1) adequate to cover the cost of system improvements that are reasonably related to new growth and development occurring and anticipated in the City; (2) do not exceed a proportionate share of the costs of system improvements that are reasonably related to the new development, and (3) will be used for system improvements that will reasonably benefit the new development; and

WHEREAS, the City conducted a detailed analysis of both water and sewer projects used to calculate the updated GFCs in order to (1) remove the cost of correcting any existing deficiencies and (2) to include project costs associated with providing additional capacity that will reasonably benefit new growth and development; and

WHEREAS, Chapter 13.03 SMC and Chapter 13.04 SMC, as amended by this Ordinance, is consistent with the City's Comprehensive Plan, which recognizes GFC

charges as a mechanism to fund capital improvement so new growth and development activity that has an impact upon utility facilities pays a proportionate share of the cost of facilities that reasonably benefit the development; and

WHEREAS, without appropriate GFCs, the cost of constructing new water and sewer capacity for growth would result in a higher burden on customers and ratepayers already connected to these utility systems; and

WHEREAS, the City Council finds that the updated GFCs approved by this Ordinance (a) will be imposed for system improvements that are reasonably related to new growth and development, (b) will not exceed a proportionate share of the costs of system improvements that are reasonably related to the new development, and (c) will be used for system improvements that will reasonably benefit the new development; and

WHEREAS, the City Council finds that any future waivers to GFCs will need to have alternative funding sources to ensure future capital is adequately funded; and

WHEREAS, the City Council adopts the foregoing as its findings of fact justifying its adoption of this Ordinance and documenting the existence of an emergency allowing this Ordinance to become effective immediately upon adoption;

NOW, THEREFORE,

The City of Spokane does ordain:

Section 1: That SMC section 13.03.0730 is amended to read as follows:

13.03.0730 Wastewater General Facilities Charge General Provision – Long Connections

A. There is hereby imposed a wastewater General Facilities Charge (GFC). The GFC is a utility rate surcharge assessed at the time of connection or service upgrade. Its purpose is to defray costs to the general utility system as a result of (~~created by~~) new system demand, such as costs of providing increased system capacity for new or increased demand and other capital costs. (~~Nothing in the~~) The GFC program is separate from (~~affects~~) local improvement districts, latecomer charges or other special connection charges.

B. The GFC charge is collected at the time of connection, time of application for a building permit, or other time as deemed most administratively convenient by the director and shall be considered a contribution to capital and not a cost of providing service.

1. The amount of the wastewater GFC for wastewater (sewer) utility connections will be based on water (~~tap~~) meter size for domestic water service to the premises, since water (~~tap~~) meter size provides a measure of domestic water use and, correspondingly, wastewater generated.

2. In case of a planned unit development, binding site plan, or other circumstance where a new direct customer connection is not made to the sewer system, but where there is the effect of a new dwelling unit or customer demand increase, as where new dwelling units are added to a master meter account, a GFC shall be assessed in like manner as if the demand upgrade were through a direct new customer connection unless the applicable GFC charge was previously included in the purchase of the master meter. New dwelling unit shall include without limitation, accessory dwelling units (ADU) and other residential units co-located on a property as these additions have a direct impact on the utility system. Any existing connection shall be counted toward the GFC such that the charge is only for the differential between existing and new meter sizes. A customer demand increase or addition of new units that does not require an increase in meter size does not incur a GFC.

C. Long Connection Option.

1. (~~Where~~) When a customer near an area with existing utility service desires to connect to such utility service where (~~because~~) lines have not yet been extended for direct service to the customer's area or property (a "long connection"), the director may allow a long connection to existing facilities. The decision to allow a long connection is discretionary, considering the needs of the existing customers, the limits of the current system or any other appropriate factors.
2. As a condition of a long connection, the customer must satisfy any conditions imposed by the director, including obtaining any necessary easements, payment of all costs of additional installations, and payment of a non refundable charge determined by the director based on engineering principles estimated to be what the customer would be required to pay if connection were deferred until direct service became available.
 - a. Such charge may be accepted as a nonrefundable prepayment for the size of the connection furnished.
 - b. This option may also be applied to upgrades.

Section 2: That SMC section 13.03.0732 is amended to read as follows:

13.03.0732 Wastewater General Facilities Charge (GFC) –Schedule of Charges

A. Findings – General Facilities Charge.

The City Council finds:

1. General facilities charges are intended to defray costs created by new system demand, such as costs of providing increased system capacity for new or

increased demand and other capital costs associated with new connections and equitable share of the cost of the system. ((under the previous system providing for collection of latecomer connection charges under chapter 35.91 RCW or special connection charges under RCW 35.92.025, customers happening to connect in certain areas must pay extra costs, although the primary benefit of access to the public sewer system is the same to a new customer, whether the customer is within or outside an area subject to such special connection charges.

A. Additionally, upgraded customers moving from a smaller to a larger connection capacity gain additional system benefits, but may otherwise escape paying a special connection or latecomer charge, once having connected and paid an initial connection charge based on a smaller size connection)

2. ((undue administrative burdens and costs are created in administering various connection and latecomer charges, each of which may have differing effective dates and which may also have differing limits in terms of allowable interest accruing on such payments as well as the period or periods such charges may be collected;

3.)) there is a system-wide benefit, served by a uniform, adjustable GFC, in encouraging system growth ((through infilling certain unserved areas and)) considering that expanding the overall customer rate base and customer densities will reduce fixed costs which must otherwise be spread over all classes of ratepayers;

((4. — It is in the public interest to provide for a more uniform rate structure and to replace individual area connection or latecomer fees with a single GFC rate, except only as may be distinguished by the size of connection or connection upgrade, as provided hereafter;))

3. it is ((further)) in the public interest that those adding additional costs or burdens to the City sewer system by creating need and demand for new system growth and infill needs in the City sewer system should pay ((a GFC therefor. Such customers should be treated and classified in common with customers formerly also subject to a special connection or latecomer connection charge, so that only one)) uniform GFC for all ((should be paid by all customers with)) new or upgraded utility service.

4. Furthermore, it is not in the public interest to continue to waive GFCs, because without adequate GFCs, the City's current utility customers bear the burden of paying for new capacity to serve growth and a fund should be established to cover the cost of all or a portion of GFCs for certain development projects, including permanent affordable housing.

((B. Findings — Central Incentives Area (CIA).))

~~((The City Council finds:~~

- ~~1. Washington State's growth management laws, including RCW 36.70A.110, encourage development first within existing urban areas before moving to other areas.~~
- ~~2. the City of Spokane's comprehensive plan and state growth management policies encourage the "infilling" of developed areas that still have some growth capacity. A consequence of not doing this is sprawling development out in long corridors or scattered areas, making the extension of needed urban services more expensive and less efficient for the public;~~
- ~~3. costs of encouraging development in more densely populated areas already served by existing utility lines is lower than extending new lines to more remote undeveloped areas. Existing utility lines are installed and designed to serve the full growth potential of an area, so it is an unwise use of resources to continue extending lines where some growth can still occur in developed areas;~~
- ~~4. the CIA established herein is in the category of a more densely populated area rather than a more remote, undeveloped area. The savings that City sewer and water utilities realize by encouraging development in the CIA, through not assessing a GFC to customers located there, is roughly proportional to the loss of the GFC revenues;~~
- ~~5. ((properties within the CIA are identified as generally of lower value investment than other areas served.)) The opportunity for new development in the CIA to recover acceptable investment value is of a more marginal, doubtful and unlikely character than customers connecting in areas outside the CIA. Adding a GFC to the class of customers in the CIA would make it significantly more difficult for further development or new connections in such areas. This result is contrary to public policy, growth management laws and responsible utility system management for the overall benefit of the ratepayers. Encouraging development in the CIA will benefit the City sewer and water utilities by new customer revenues, which would otherwise be lost if a GFC were assessed because such development would be less likely to occur;~~
- ~~6. the CIA as an area substantially deficient in development and heavily populated with low income and fixed income, poor or elderly customers;~~
- ~~7. there is a reasonable basis to classify customers seeking connection to premises in an CIA not to be subject to a GFC.~~

~~C. Empowerment Zone The boundaries of the CIA are:~~

~~On the west, the Spokane River;~~

~~On the south, a line running from Latah Creek to 9th Avenue, then east on 9th Avenue to Lincoln Street, then north on Lincoln Street to 5th Avenue, then east on 5th Avenue to Sherman Street, then south on Sherman Street to 9th Avenue, then east on 9th Avenue from Sherman Street to Havana Street;~~

~~On the east, a line running north on Havana Street from 9th Avenue to Francis Avenue, excluding Minnehaha Park and Esmerelda Golf Course;~~

~~On the north, a line running west along Francis Avenue from Havana to Division Street, then south on Division Street to Indiana Avenue, then west on Indiana Avenue to Monroe Street, then north on Monroe Street to Garland Avenue, then west on Garland Avenue to Ash Street, then south on Ash Street to Fairview Avenue, then west on Fairview Avenue to Cochran Street, then south on Cochran Street and T.J. Meenach Drive to the Spokane River; and~~

~~All land within the ((City Limits of the City of Spokane which is)) geographic boundaries of an established Public Development Authority (PDA) board established cooperatively between the City and County shall be exempt from GFC charges. ((owned or controlled by, or subject to a proprietary interest of, the Spokane Airport Board.))~~

~~The Director of Public Works shall maintain a copy of the map of the CIA ([Attachment A to this ordinance](#)) for public inspection.~~

~~D.) B. Charge for new service or new upgrades ((inside the CIA: No charge.~~

~~E. Service Outside the CIA.))~~

1. For new service or new upgrades to existing service from the City sewer system, a wastewater GFC is assessed as provided based on the schedules in SMC 13.03.0734. ((hereafter.)) The charge will be based on the water ((tap)) meter size that would otherwise be required for the facility without fire flow and/or irrigation flow.

- a. Upgrades are charged at the current difference between the old and new connection size charges.

((TYPE	WATER TAP SIZE	SEWER CHARGE
House*	NA	\$2,400
Duplex	NA	\$4,800
Multi-family**	2 or less	
Multi-family	3 inches	\$12,468
Multi-family	4 inches	\$19,194
Multi-family	6 inches	\$35,265
Multi-family	8 inches	\$54,299
Multi-family	10 inches	\$75,876

Multi-family	12 inches	\$99,753
Commercial	1 inch or less	\$2,400
Commercial	2 inches	\$6,787
Commercial	3 inches	\$12,468
Commercial	4 inches	\$19,194
Commercial	6 inches	\$35,265
Commercial	8 inches	\$54,299
Commercial	10 inches	\$75,876
Commercial	12 inches	\$99,753))
<p>((* In a PUD, each house is charged individually the rate listed for "House". ** Multi-family represents three or more living units.))</p>		

2. ~~((The wastewater GFC is intended to supersede all prior special connection capital charges assessed to defray an equitable share of the cost of the City sewer system, except for such charges the City may be bound to continue pursuant to chapter 35.91 RCW (Developer Latecomer Charges) or which the City otherwise remains legally bound to collect.~~

a. ~~Except for such charges, it is the intent of the City Council to supersede all previous special connection capital charges of any form or nature, replacing all such charges with a single wastewater GFC for any new connections or connection or service demand upgrades to the City sewer system at any location served by said system.~~

b. ~~))The GFC is to be used to finance impacts to the system created by new system growth and infill needs created by new or upgraded customers.~~

~~((c. In the case of latecomer contracts entered into under chapter 35.91 RCW and the like, the GFC herein supersedes the amount to be collected from a party seeking connection. However, any GFC collected does not increase or decrease amounts the City may previously have contracted to reimburse to a third party at the time of allowing a connection, said parties to be paid by the City as provided under the pre-existing contract.~~

d. ~~Hereinafter consistent with this ordinance, the Director of Public Works may make provision for reimbursement of third parties for facility construction costs, but hereafter, the amount of reimbursement per connection shall not exceed the GFC amount collected, which may change from year to year as the City Council may adjust the GFC.))~~

3. Annual Increase: The GFC Charges in SMC 13.03.0734 are generated from an analytical analysis, one copy which shall be kept on file with the office of the city clerk and incorporated herein by reference. GFC charges in SMC 13.03.0734 will increase annually based on a five-year rolling average of the Engineering News

Record Construction Cost Index calculated by City Staff, for the previous year. This annual increase will start January 1, 2024 and occur each January 1 thereafter. Comprehensive review and update of GFC charges should be conducted at least every (5) years, but no more frequently than three (3) years.

4. Adjustments.

Prior Payment of Similar Charges: The charge for a wastewater connection can be adjusted for facilities with water tap sizes two inches and greater when the tap size also accounts for fire flow and/or irrigation flow upon a showing of prior payment of similar charges, or for other sound considerations of fairness, as determined by the Wastewater Management Director.

- a. To be eligible for such adjustment, a party required to pay a wastewater GFC must submit a written application to the Wastewater Management Director, together with any supporting materials and explanation. The Wastewater Management Director must receive such materials at the time of application for connection of the subject premises.
 - b. No adjustment may exceed the amount of the GFC applicable to the connection requested.
5. ((4)). The wastewater GFC applies in addition to all other ~~((non-capital))~~ connection, permit or other fees required by this code or elsewhere, to parties seeking to connect premises who have not paid an equitable share of the cost of the City's sewer system as determined by the Wastewater Management Director.
6. ((5)) The charge is due and payable in full at the time of application for connection or as otherwise ordered by the Director of Public Works.
7. ((6)) The Wastewater Management Director may record appropriate notice with the county auditor concerning areas subject to the wastewater GFC in accord with RCW 65.08.170 and RCW 65.08.180, as applicable.
8. ((7)) In response to the ongoing local and national housing crisis, the City Council has decided to provide relief to residents and businesses by waiving all applicable fees within this section 13.04.2042 which are associated with the construction of ADUs on lots located at least partially within ½ mile of a Center or Corridor, Context Area, or Downtown zone or CC3 zoning overlay. Distances are measured in a straight line between the zone/overlay boundary to the lot line of the site containing the development. This fee waiver shall expire at 5:00 p.m. on December 31, 2024.

9. In response to the ongoing local and national housing crisis, the City shall waive all applicable fees in this section for the construction of permanent affordable housing, as defined in SMC 8.15.020.A.

Section 3: That SMC section 13.04.2040 is amended to read as follows:

13.04.2040 Water General Facilities Charge General Provision – Long Connections

- A. There is hereby imposed a water general facilities charge (GFC). The GFC is a utility rate surcharge assessed at the time of connection or service upgrade. Its purpose is to defray costs to the general utility system created by new system demand, such as costs of providing increased system capacity for new or increased demand and other capital costs. ~~((Nothing in the))~~ The GFC program is separate from ~~((affects))~~ local improvement districts, latecomer charges or other special connection charges.
- B. The GFC is collected at the time of connection, application for a building permit or other time as deemed most administratively convenient by the director and shall be considered a contribution to capital and not a cost of providing service.
1. The amount of the GFC for water utility connections will be based on water ~~((tap))~~ meter size for domestic and irrigation water service to the premises, not including fire flow.
 2. In case of a planned unit development, binding site plan, or other circumstance where a new direct customer connection is not made to the water system, but where there is the effect of a new dwelling unit or customer demand increase, as where new dwelling units are added to a master meter account, a GFC shall be assessed in like manner as if the demand upgrade were through a direct new customer connection unless the applicable GFC charge was previously included in the purchase of the master meter. New dwelling unit shall include without limitation accessory dwelling units (ADU) and other residential units co-located on a property as these additions have a direct impact on the utility system. Any existing connection shall be counted toward the GFC such that the charge is only for the differential between existing and new meter sizes. A customer demand increase or addition of new units that does not require an increase in meter size does not incur a GFC.
 3. For those situations where an existing customer requests an increase or larger meter size, the GFC will be assessed based on the current cost difference between the existing meter size and the new size requested.

C. Long Connection Option.

1. Where a customer near an area with existing utility service desires to connect to such utility service where ~~((because))~~ lines have not yet been extended for direct service to the customer's area or property (a "long connection"), the director may allow a long connection to existing facilities. The decision to allow a long

connection is discretionary, considering the needs of the existing customers, the limits of the current system or any other appropriate factors.

2. As a condition of a long connection, the customer must satisfy any conditions imposed by the director, including obtaining any necessary easements, payment of all costs of additional installations and payment of a non-refundable charge determined by the director based on engineering principles estimated to be what the customer would be required to pay if connection were deferred until direct service became available. Such charge may be accepted as a nonrefundable prepayment for the size of the connection furnished. This option may also be applied to upgrades.

Section 4: That SMC section 13.04.2042 is amended to read as follows:

13.04.2042 Water General Facilities Charge – Schedule of Charges

A. Findings – General Facilities Charge (GFC).

The City Council finds:

1. The purpose of GFC charges is to defray costs created by new system demand, such as costs of providing increased system capacity for new or increased demand and other capital costs associated with new system connections to the water system such that the property owners bear their equitable share of the cost of the system. ~~((under the previous system providing for collection of latecomer connection charges under chapter 35.91 RCW or special connection changes under RCW 35.92.025, customers happening to connect in certain areas must pay extra costs, although the primary benefit of access to the public water system is the same to a new customer, whether the customer is within or outside an area subject to such special connection charges. Additionally, upgraded customers moving from a smaller to a larger connection capacity gain additional system benefits but may otherwise escape paying a special connection or latecomer charge, once having connected and paid an initial connection charge based on a smaller size connection.~~
2. ~~Undue administrative burdens and costs are created in administering various connection and latecomer charges, each of which may have differing trigger dates and which may also have differing limits in terms of allowable interest accruing on such payments as well as the period or periods such charges may be collected.~~
- 3.)) 2. There is a system-wide benefit, served by a uniform, adjustable GFC, in encouraging system growth ~~((through infilling certain unserved areas and))~~ considering that expanding the overall customer rate base and customer densities will reduce fixed costs which must otherwise be spread over all classes of ratepayers.

~~((4.))~~ 3. It is in the public interest to provide for a ~~((more uniform rate structure and to replace individual area connection or latecomer fees with a single))~~ GFC rate structure to cover costs associated with new or increased system demand. GFC charges have not been updated in over 20 years and new growth proposals are stressing current system capacity and will require investment in infrastructure for water service. ((, except only as may be distinguished by the size of connection or connection upgrade, as provided hereafter.))

~~((5.))~~ 4. It is further in the public interest that those adding additional costs or burdens to the City water system by creating need and demand for new system growth and infill needs in the City water system should pay a GFC therefore. Furthermore, it is not in the public interest to continue to waive GFCs, because without adequate GFCs, the City's current utility customers bear the burden of paying for new capacity to serve growth and a fund should be established to cover the cost of all or a portion of GFCs for certain development projects, including permanent affordable housing. ((Such customers should be treated and classified in common with customers formerly also subject to a special connection or latecomer connection charge, so that only one uniform GFC should be paid by all customers with new or upgraded utility service.))

5. Generally, there are increased costs associated with the needed booster stations, pipes and tanks which provide service to the Upper Zone. More facilities are needed to move water further out into the system. Evaluation analysis shows costs should be divided between two zones, an upper and lower zone, based on needed booster stations, pipes and tanks to deliver water outside the central pumping area. Furthermore, there are identified areas within the City's water system which currently lack capacity and require new infrastructure prior to availability of future service and are included within the Upper Zone.

6. There is an ongoing local and national housing crisis justifying a waiver of GFCs for permanent affordable housing, as defined in SMC 8.15.020.A.

~~((B. Findings; Central Incentives Area.~~

The City Council finds:

- ~~1. Washington State's growth management laws, including RCW 36.70A.110, encourage development first within existing urban areas before moving to other areas.~~
- ~~2. the City of Spokane's comprehensive plan and state growth management policies encourage the "infilling" of developed areas that still have some growth capacity. A consequence of not doing this is sprawling development out in long corridors or scattered areas, making the extension of needed urban services more expensive and less efficient for the public.~~

- ~~3. costs of encouraging development in more densely populated areas already served by existing utility lines is lower than extending new lines to more remote undeveloped areas. Existing utility lines are installed and designed to serve the full growth potential of an area, so it is an unwise use of resources to continue extending lines where some growth can still occur in developed areas.~~
- ~~4. the Central Incentives Area (CIA) established herein is in the category of a more densely populated area rather than a more remote, undeveloped area. The savings that City sewer and water utilities realize by encouraging development in the CIA, through not assessing a GFC to customers located there, is roughly proportional to the loss of the GFC revenues.~~
- ~~5. properties within the CIA are identified as generally of lower value investment than other areas served. The opportunity for new development in the CIA to recover acceptable investment value is of a more marginal, doubtful and unlikely character than customers connecting in areas outside the CIA. Adding a GFC charge to the class of customers in the CIA would make it significantly more difficult for further development or new connections in such areas. This result is contrary to public policy, growth management laws, and responsible utility system management for the overall benefit of the ratepayers. Encouraging development in the CIA will benefit the City sewer and water utilities by new customer revenues, which would otherwise be lost if a GFC were assessed because such development would be less likely to occur.~~
- ~~6. the CIA as an area substantially deficient in development and heavily populated with low income and fixed income, poor or elderly customers.~~
- ~~7. there is a reasonable basis to classify customers seeking connections to premises in an CIA not to be subject to GFC charge))~~

B. Water GFCs shall be assessed based on location within either the Lower Zone or Upper Zone defined as follows:

1. The Lower Zone is generally defined as all parcels with water connection within the City of Spokane's water service area and have current capacity for water service. This definition includes the entire Intermediate Pressure Zone, the Low-Pressure Zone north of 16th Avenue, and the North Hill Pressure Zone, but excludes area and connections located north of West Excell Avenue and West Tiffany Avenue West.
2. The Upper Zone is defined as all parcels not included in the geographic area of the Lower Zone and/or require additional capacity to safely serve water. ((Findings; Central Incentives Area.

C. The boundaries of the CIA are:

On the west, the Spokane River;

On the south, a line running from Latah Creek to 9th Avenue, then east on 9th Avenue to Lincoln Street, then north on Lincoln Street to 5th Avenue, then east on 5th Avenue to Sherman Street, then south on Sherman Street to 9th Avenue, then east on 9th Avenue from Sherman Street to Havana Street;

On the east, a line running north on Havana Street from 9th Avenue to Francis Avenue, excluding Minnehaha Park and Esmerelda Golf Course;

On the north, a line running west along Francis Avenue from Havana to Division Street, then south on Division Street to Indiana Avenue, then west on Indiana Avenue to Monroe Street, then north on Monroe Street to Garland Avenue, then west on Garland Avenue to Ash Street, then south on Ash Street to Fairview Avenue, then west on Fairview Avenue to Cochran Street, then south on Cochran Street and T.J. Meenach Drive to the Spokane River; and

All land within the designated geographic boundaries of and established Public Development Authority (PDA) Board established cooperatively between the City of Spokane and the County. ((City Limits of the City of Spokane which is owned or controlled by, or which is subject to proprietary interest of, the Spokane Airport Board.))

3. The Director of Public Works shall maintain a copy of the map of the ((CIA)) Lower and Upper Water Zones ([Attachment A to this ordinance](#)) for public inspection.))

C. ((D-))Charge for new service or new upgrades ((inside the CIA: No charge)) .

((E. Service Outside CIA.))

1. For new service or new upgrades of existing service to the City water system, a GFC is assessed as provided hereafter. The charge will be based upon the ((tap)) meter size(s) required for domestic and irrigation water service to the facility and location of the property within the Upper or Lower Zone. If the size of a previous connection is upgraded to a larger connection, upgrades are charged at the current difference between the old and new connection size charges.((-))

((TYPE	Water TAP Size	GFC))
((House*	NA	\$1,232
Duplex	NA	\$2,464
Multi-family**	2-inch or less	\$3,485
Multi-family	3-inch	\$6,402
Multi-family	4-inch	\$9,857

Multi-family	6-inch	\$18,108
Multi-family	8-inch	\$27,878
Multi-family	10-inch	\$38,964
Multi-family	12-inch	\$51,216
Commercial	1-inch or less	\$1,232
Commercial	2-inch	\$3,485
Commercial	3-inch	\$6,402
Commercial	4-inch	\$9,857
Commercial	6-inch	\$18,108
Commercial	8-inch	\$27,878
Commercial	10-inch	\$38,964
Commercial	12-inch	\$51,216))
<p>((* In a PUD, each house is charged individually the rate listed for _____ "house." ** Multi-family represents three or more living units.))</p>		

2. The GFC is to be used to finance impacts to the system created by new system growth and infill needs created by new or upgraded customers.
2. 3. Meters used solely for fire protection purposes would not incur GFC charges, unless needed flow rate exceeds the current largest fire flow rate in that pressure zone. ((The water GFC is intended to supersede all prior special connection capital charges assessed to defray an equitable share of the cost of the City water system, except for such charges the City may be bound to continue pursuant to chapter 35.91 RCW (developer latecomer charges), or which the City remains legally bound to collect.
- a. ~~Except for such charges, it is the intent of the City Council to supersede all previous special connection capital charges of any form or nature, replacing all such charges with a single water GFC for any new connections or connection or service demand upgrades to the City water system at any location served by said system.~~
- b. ~~The GFC is to be used to finance new system growth and infill needs created by new or upgraded customers. In the case of latecomer contracts entered into under chapter 35.91 RCW and the like, the GFC herein supersedes the amount to be collected from a party seeking connection.~~
- c. ~~However, any GFC collected does not increase or decrease amounts the City may previously have contracted to reimburse to a third party at the time~~

~~of allowing a connection, said parties to be paid by the City as provided under the preexisting contract.~~

~~d. Hereafter, consistent with this ordinance, the Director of Public Works may make provision for reimbursement of third parties for facility construction costs, but hereafter, the amount of reimbursement per connection shall not exceed the GFC amount collected, which may change from year to year as the City may adjust the GFC.)~~

4. Annual Increase: The GFC Charges in SMC 13.04.2044 are generated from an analytical analysis, one copy which shall be kept on file with the office of the city clerk and incorporated herein by reference. GFC charges in SMC 13.04.2044 will increase annually based on a five-year rolling average of the Engineering News Record Construction Cost Index calculated by City Staff, for the previous year. This annual increase will start January 1, 2024 and occur each January 1 thereafter. Comprehensive review and update of GFC charges should be conducted at least every (5) years, but no more frequently than three (3) years.

5. Adjustments.

Prior Payment of Similar Charges: The charge for a water connection can be adjusted upon a showing of prior payment of similar charges, or for other sound considerations of fairness, as determined by the Director of Public Works.

a. To be eligible for such adjustment, a party required to pay a water GFC must submit a written application to the Director of Public Works, together with any supporting materials and explanation.

b. The Director of Public Works must receive such materials no later than the time of connection of the subject premises.

c. No adjustment may exceed the amount of the water GFC applicable to the connection requested.

6. ((4)) The water GFC applies, in addition to all other ((non-capital)) connection, permit or other fees required by this code or elsewhere. ((The charge is due and payable in full at or before the time of connection or as otherwise ordered by the Director of Public Works.))

7. ((5)) The Director of Public Works may record appropriate notice with the county auditor concerning areas subject to the water GFC pursuant to the requirements of RCW 65.08.170 and RCW 65.08.180, as applicable, reserving the possibility of upgrade charges.

8. ~~((6)) ((In response to the ongoing local and national housing crisis, the City Council has decided to provide relief to residents and businesses by waiving all))~~ All applicable fees within this Section 13.04.2042 for the construction of ADUs on lots located at least partially within ½ mile of a Center or Corridor, Context Area, or Downtown zone or CC3 zoning overlay shall be waived. Distances are measured in a straight line between the zone/overlay boundary to the lot line of the site containing the development. This fee waiver shall expire at 5:00 p.m. on December 31, 2024.
9. GFCs under this section shall be waived for the construction of permanent affordable housing, as defined in SMC 8.15.020.A.

Section 5: Adopting a new section SMC 13.03.0734 to read as follows:

13.03.0734 Appendix A – General Facilities Charge Schedule

Appendix A – Wastewater General Facilities Charge Schedule

Section 6: Adoption a new section SMC 13.04.2044 to read as follows:

13.04.2044 Appendix A – General Facilities Charge Schedule

Appendix A – Water General Facilities Charge Schedule

Section 7: Effective Date.

This Ordinance, passed by a majority plus one of the whole membership of the City Council as a public emergency ordinance is necessary for the protection of the public safety and for the immediate support of City government and its existing public institutions, shall become effective immediately upon its passage. Without the updates approved by this Ordinance, the City would not be able to require new growth and development to pay its proportionate share of the costs of system improvements that reasonably benefit the new development current GFC charges collected by the City will be inadequate to cover the cost of system improvements that are reasonably related to and that will reasonably benefit new growth and development occurring and anticipated in the City, thereby slowing the City's ability to finance and construct the needed system improvements.

Section 8. Severability.

Any portion of this ordinance that is determined by a competent adjudicator to be illegal or pre-empted shall be severed from this law and the balance of the law preserved.

ADOPTED BY THE CITY COUNCIL ON _____

(Delivered to the Mayor on the _____ day of _____)

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date

Section 13.04.2044

Appendix A

Water GFC Fee Schedule

Appendix A

Water General Facility Charge Schedule - Lower Zone – Phase in over 2 years.

Meter Size	Water Lower Zone	2023	2024
3/4"	\$ 2,823	\$ 1,232	\$2,823
1"	4,705	\$1,800	\$4,705
1.5"	9,409	\$3,485	\$9,409
2"	15,055	\$4,000	\$15,055
3"	32,932	\$6,402	\$32,932
4"	56,455	\$9,857	\$56,455
6"	127,025	\$18,108	\$127,025
8"			
10"	Based on needed flow rates		Will be calculated

Each year after year 1, charges will be annually adjusted based on a five-year rolling average of the Engineering News Record Construction Costs Index pursuant to SMC 13.04.2044. Numbers above are representative only. Actual charges in 2024 will include annual adjustment.

Water General Facility Charge Schedule - Upper Zone

Meter Size	Water Upper Zone 2023
3/4"	\$ 10,407
1"	17,345
1.5"	34,690
2"	55,503
3"	121,413
4"	208,137
6"	468,309
8"	
10"	Based on needed flow rates
	Will be calculated

Each year after year 1, will be annually adjusted based on a five-year rolling average of the Engineering News Record Construction Costs Index pursuant to SMC 13.04.2044.

Section 13.03.0734

Appendix A

Wastewater GFC Fee Schedule

Appendix A

Wastewater General Facility Charge Schedule

Meter Size	Sewer City Wide - 2023
3/4"	\$7,461
1"	\$12,435
1.5"	\$24,870
2"	\$39,792
3"	\$87,046
4"	\$149,221
6"	\$335,747
8"	Based on needed flow rates that utilizes
10"	sewer capacity Will be calculated

Each year after year 1, charges will be annually adjusted based on a five-year rolling average of the Engineering News Record Construction Costs Index pursuant to SMC 13.03.0732.