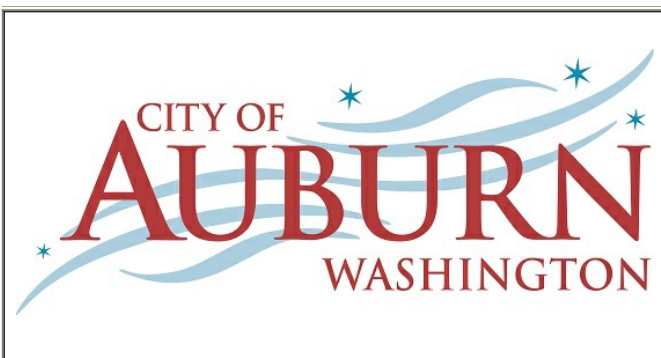


|   |  |
|---|--|
|  | <p><b>City Council Study Session PWCD SFA</b><br/> <b>April 23, 2018 - 5:30 PM</b><br/> <b>Council Chambers - City Hall</b><br/> <b>AGENDA</b><br/> <b>Watch the meeting LIVE!</b></p> <p><b>Watch the meeting video</b><br/> Meeting videos are not available until 72 hours after the meeting has concluded.</p> |
|---|--|

- I. CALL TO ORDER
  - A. Roll Call
- II. ANNOUNCEMENTS, REPORTS, AND PRESENTATIONS
- III. AGENDA ITEMS FOR COUNCIL DISCUSSION
  - A. Airport Facilities Condition Assessment (Gaub) (30 Minutes)
  - B. CP1516 Airport Runway Enhancement Project Update (Gaub) (15 Minutes)
  - C. Solid Waste Contract Procurement (Coleman) (15 Minutes)
  - D. Utility Rate Study Presentation (Coleman) (30 Minutes)
- IV. PUBLIC WORKS AND COMMUNITY DEVELOPMENT DISCUSSION ITEMS
  - A. Private Service Line Warranty Program (Gaub) (10 Minutes)
  - B. Development Incentives (Tate) (20 Minutes)
  - C. SEPA Categorical Exemptions (Tate) (10 Minutes)
- V. OTHER DISCUSSION ITEMS
- VI. NEW BUSINESS
- VII. MATRIX
  - A. Matrix
- VIII. ADJOURNMENT

*Agendas and minutes are available to the public at the City Clerk's Office, on the City website (<http://www.auburnwa.gov>), and via e-mail. Complete agenda packets are available for review at the City Clerk's Office.*



## AGENDA BILL APPROVAL FORM

Agenda Subject:  
Airport Facilities Condition Assessment (Gaub) (30 Minutes)

Date:  
April 17, 2018

Department:  
CD & PW

**Attachments:**  
[Presentation Slides](#)

Budget Impact:  
Current Budget: \$0  
Proposed Revision: \$0  
Revised Budget: \$0

Administrative Recommendation:  
For discussion only.

Background Summary:

To support the City in its capital planning efforts, MENG Analysis completed a condition survey and assessment of City-owned buildings and supporting site infrastructure at the Auburn Municipal Airport. MENG Analysis will present an executive level summary of the assessment findings.

Reviewed by Council Committees:

Councilmember:

Staff:

Gaub

Meeting Date: April 23, 2018

Item Number:



# AIRPORT FACILITIES CONDITION ASSESSMENT STUDY

April 18, 2018



## YOUR FCA TEAM



Sarah Partap

MENG Analysis  
Project Manager



Timothy Buckley

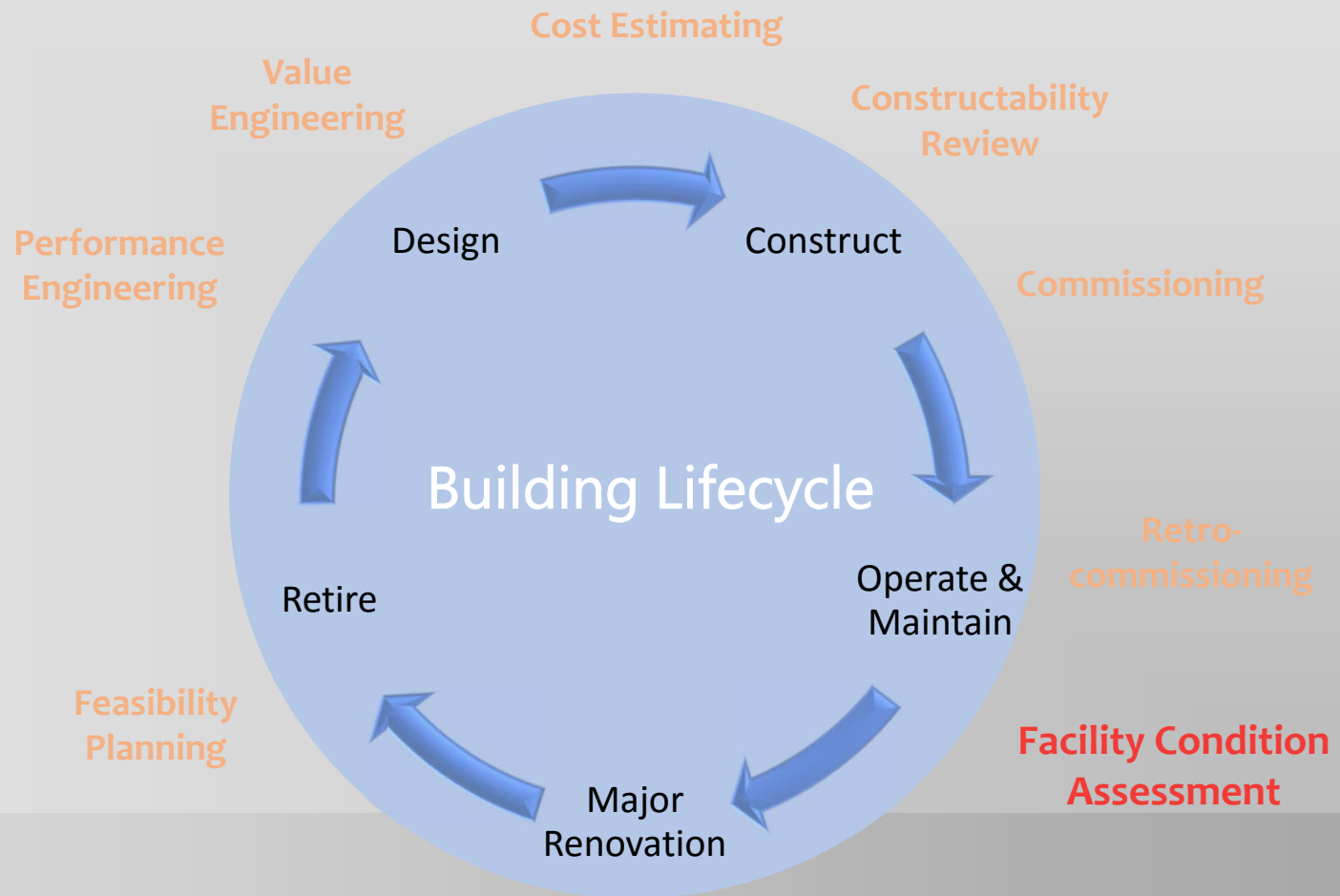
MENG Analysis  
Civil/Structural/Architectural  
Assessment



Doug Smith

MENG Analysis  
Mechanical/Electrical/  
Plumbing Assessment

# ABOUT MENG ANALYSIS



## PIERCE COUNTY AIRPORT FCAs





## FCA CLIENTS



Office of Financial Management  
Better information. Better decisions. Better government.

## KEY TERMINOLOGY

### **Backlog of maintenance items (Observed Deficiencies)**

- ❖ short term needs (2017-2022)
- ❖ Observed and cost estimated by surveyors
- ❖ exceed \$3,000 direct cost

### **Future Capital Needs (Predicted Renewals)**

- ❖ long term needs (2023-2036)
- ❖ predictive occurrences based on industry average system life
- ❖ costs based on proprietary cost models that are customized and updated by certified Cost Estimator

### **FCI – Facility Condition Index**

- ❖ Ratio of maintenance backlog to current replacement value



## KEY FINDINGS – FCI (Facility Condition Index)

| Facility          | FCI  |      |
|-------------------|------|------|
| Hangar Row C      | 0.20 | Fair |
| Hangar Row D      | 0.20 | Fair |
| Hangar Row E      | 0.23 | Poor |
| Hangar Row F      | 0.21 | Poor |
| Hangar Row G      | 0.21 | Poor |
| Hangar Row H      | 0.13 | Fair |
| Hangar Row J      | 0.21 | Poor |
| Hangar Row Y (10) | 0.07 | Good |
| Hangar Row Z (9)  | 0.07 | Good |
| Main Office       | 0.19 | Fair |
| Spanaflight       | 0.18 | Fair |





## KEY FINDINGS – FCI (Facility Condition Index)

| Facility          | FCI  | Condition |
|-------------------|------|-----------|
| Hangar Row C      | 0.20 | Fair      |
| Hangar Row D      | 0.20 | Fair      |
| Hangar Row E      | 0.23 | Poor      |
| Hangar Row F      | 0.21 | Poor      |
| Hangar Row G      | 0.21 | Poor      |
| Hangar Row H      | 0.13 | Fair      |
| Hangar Row J      | 0.21 | Poor      |
| Hangar Row Y (10) | 0.07 | Good      |
| Hangar Row Z (9)  | 0.07 | Good      |
| Main Office       | 0.19 | Fair      |
| Spanaflight       | 0.18 | Fair      |





## KEY FINDINGS – FCI (Facility Condition Index)

| Facility          | FCI  |      |
|-------------------|------|------|
| Hangar Row C      | 0.20 | Fair |
| Hangar Row D      | 0.20 | Fair |
| Hangar Row E      | 0.23 | Poor |
| Hangar Row F      | 0.21 | Poor |
| Hangar Row G      | 0.21 | Poor |
| Hangar Row H      | 0.13 | Fair |
| Hangar Row J      | 0.21 | Poor |
| Hangar Row Y (10) | 0.07 | Good |
| Hangar Row Z (9)  | 0.07 | Good |
| Main Office       | 0.19 | Fair |
| Spanaflight       | 0.18 | Fair |



## KEY FINDINGS

### Common Issues

- Roofing, exposed beams, light fixtures eroding
- Moisture issues – no barrier under slab on grade
- Electrical



## KEY FINDINGS

### Highest FCI Facilities – Row E





## KEY FINDINGS

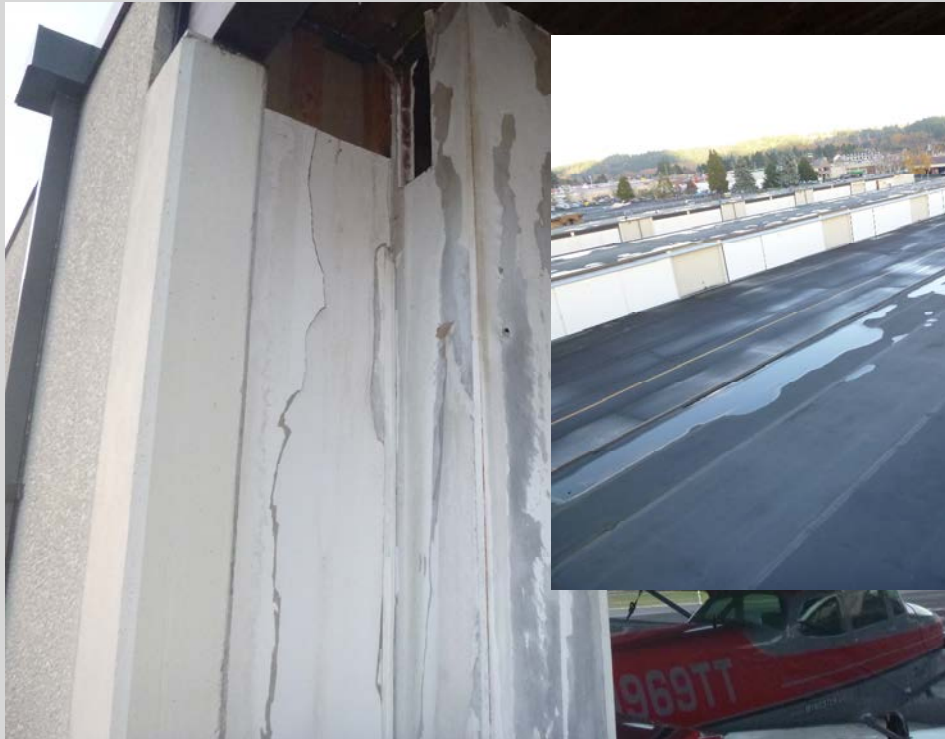
### Highest FCI Facilities – Row F





## KEY FINDINGS

### Highest FCI Facilities – Row G

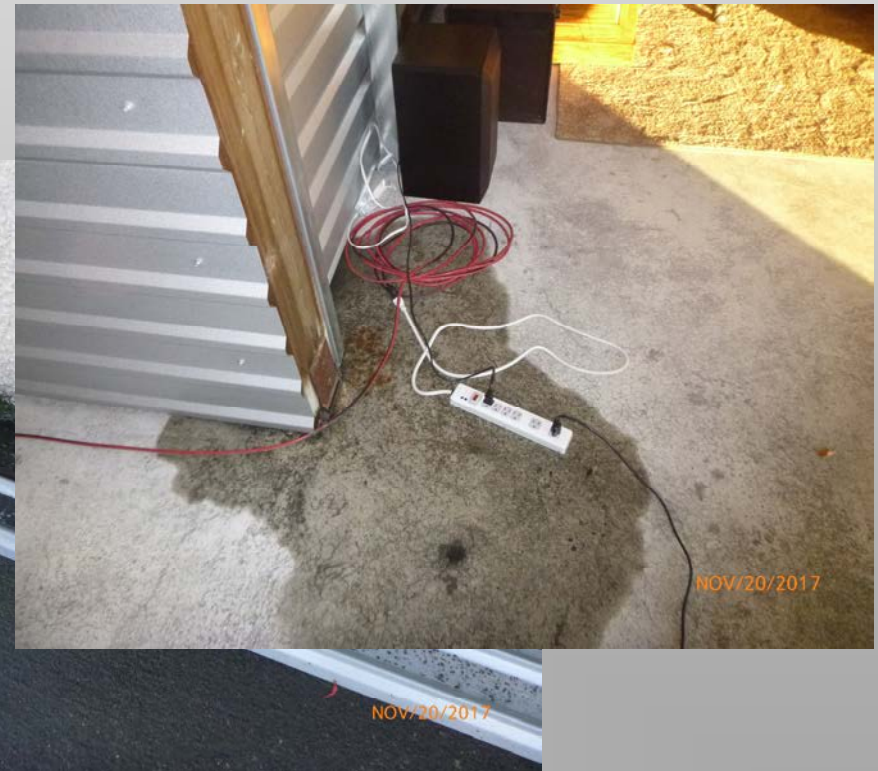


NOV/30/2017

NOV/20/2017

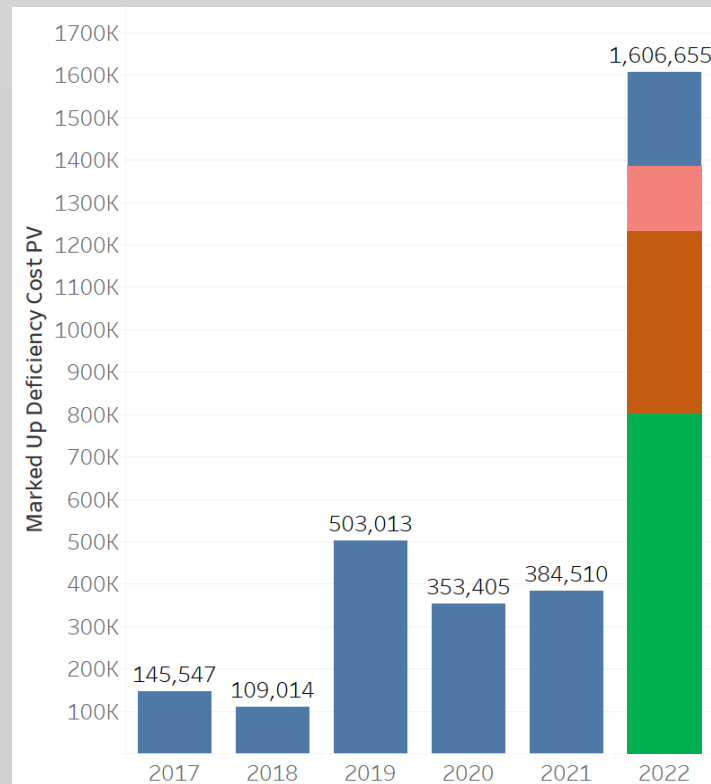
## KEY FINDINGS

### Highest FCI Facilities – Row H



## KEY FINDINGS

### Short Term



Electrical Service & Dist., Lighting & Branch Wiring, rain water drainage, terminal & package units, domestic water distribution, etc.

Exterior Doors

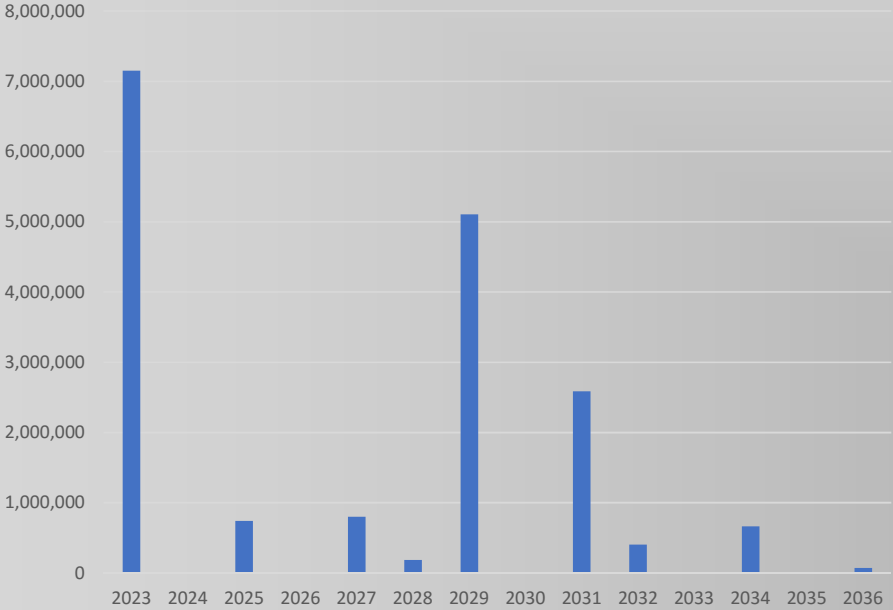
Exterior Walls

Slab on grade

**Across all buildings and sites, ODs (2017 – 2022) total just over \$3M**

# KEY FINDINGS

## LONG TERM (2023 – 2036)



2023 – Electrical Systems

2029 - Roofing

2031 – Exterior Closure

Across all building and sites PRs (2023– 2036) total \$ 17.7M



## KEY FINDINGS

### Longer-term (2023 – 2036)



### Replacement and Upgrade Opportunities

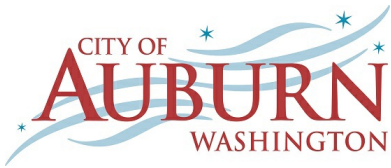
- Replace hangar building(s)
  - Accommodate wider-span planes
  - Closed hangars
  - HVAC Systems
  - Fire Alarm and Sprinkler Systems

Approx. demo and re-build \$200/SF  
(\$3 million for a new hangar building)

- Replace portable toilets with restrooms
- ADA Improvements



**Questions?**



## AGENDA BILL APPROVAL FORM

**Agenda Subject:**

CP1516 Airport Runway Enhancement Project Update (Gaub)  
(15 Minutes)

**Date:**

April 17, 2018

**Department:**

CD & PW

**Attachments:**

[Airport Master Plan Map](#)

**Budget Impact:**

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

**Administrative Recommendation:**

For discussion only.

**Background Summary:**

CP1516, Airport Runway Enhancements, includes the enhancement of Runway 16/34 to be consistent with the 2015 Approved Airport Layout Plan and Master Plan. This involves the extension of the runway from 3,400 feet to approximately 4,000 feet, the relocation of the taxiway connections to the runway, relocation of an airport storm facility, and pavement markings.

As discussed previously with the Council, the Federal Aviation Administration (FAA) has raised concerns regarding the justified runway length for the federal grant and is not currently supportive of the full 4,000 foot runway length as identified in the Airport Master Plan. Based on the identification of the "critical aircraft" from the Master Plan for the Airport the FAA believes that only an extension to a total length of 3,600 feet is eligible under the Federal Airport Improvement Program (AIP) grant. The Master Plan identified the 4,000 foot runway based on a "warm/wet" factor of safety for the stopping distance of the "critical aircraft" which added 15% to the length. At this time FAA has indicated that they do not support the use of this factor of safety for the "critical aircraft".

Given the FAA's current position, the City has limited options to consider for moving forward with the project. These options are being discussed with the Airport Advisory Board and Airport Management and their input will be provided at the Council Study Session along with the options to be considered.

**Reviewed by Council Committees:****Councilmember:****Staff:**

Gaub

**Meeting Date:** April 23, 2018

Item Number:







**RUNWAY 3400' X 75' (EXISTING)**



**NOTE:**

1. THE INFORMATION DEPICTED IN THIS FIGURE IS FOR RUNWAY LENGTH ILLUSTRATION PURPOSES ONLY AND DOES NOT REFLECT A SPECIFIC RECOMMENDATION OR RUNWAY CONFIGURATION.

**RUNWAY 4060' X 75' (SMALL AIRPLANES WITH 10 OR MORE SEATS)**



## AGENDA BILL APPROVAL FORM

Agenda Subject:  
Solid Waste Contract Procurement (Coleman) (15 Minutes)

Date:  
March 20, 2018

Department: **Attachments:**  
Finance [memo](#)

Budget Impact:

Administrative Recommendation:

For consideration.

Background Summary:

The City of Auburn's solid waste contract expires September 30, 2019. This presentation covers options for the procurement of the next solid waste contract and recommended service options to consider. The new contract would be effective October 1, 2019, and encompass the entire City. The City has one more two-year contract extension to implement if we proceed with a request for proposal process.

Reviewed by Council Committees:

Councilmember:  
Meeting Date: April 23, 2018

Staff: Coleman  
Item Number:



## Interoffice Memorandum

**To:** City Council  
**From:** Joan Nelson, Solid Waste Supervisor  
**CC:** Nancy Backus, Mayor, Shelley Coleman, Finance Director,  
Brenda Goodson-Moore, Utilities Customer Care Manager  
**Date:** April 23, 2018  
**Re:** Solid Waste Contract Procurement

---

### **Background**

The City of Auburn's current solid waste contract expires September 30, 2019. However, the City still has the option for one extension of the existing contract for a period of up to two years.

In 2016, the City solicited a Request for Bids (RFB). However, the City received only one bid, from its current provider, Waste Management. Republic Services and Recology-CleanScapes stated that they declined to bid because it was based on price only. They believe they have innovative services and programs to offer and consider. Both expressed interest in competing for the Auburn contract if it was a Request for Proposal (RFP).

At this point in time, the City has two options:

- Negotiate a new contract with Waste Management. If negotiations are not successful, the City can implement an RFP process.
- Proceed with an RFP process. This will require the City to exercise its final contract extension since RFP processes take one to two years to complete.

### **Proposed Negotiating Schedule\***

- May-August 2018 – Negotiate a draft contract with Waste Management
- September-October 2018 – Draft of new Waste Management contract to City Council for review
- November 2018 – City executes new Waste Management Contract



- October 1, 2019 – Start of new collection services

\*Should negotiations be unsuccessful, the City will need to proceed with an RFP process and exercise its final two-year contract extension. The City should begin an RFP process no later than June 2019.

### **Current Services**

Key services and provisions staff intend to maintain in the next solid waste contract include:

- City provides customer service and billing for solid waste services
- Special events: Christmas Tree Recycling & Bulky Item Collection
- Unlimited recycling capacity for residential and multifamily customers
- Weekly garbage and compostables (yard and food waste) services
- Garbage, recycling, and compostables service for all City facilities
- Contractor mails annual single-family recycling guides
- Contractor provides business and multifamily outreach
- Next day recovery of missed pick-ups
- Compressed Natural Gas (CNG) contractor trucks
- Performance fees for work stoppages and labor disruptions

### **Service Enhancements**

Service and provision enhancements to include in the next solid waste contract:

- Shift customer service to the contractor
- Voucher program for bulky items
- Unlimited recycling capacity for business customers
- Contractor services city-owned public garbage and recycle cans
- Cart tagging protocols for address recycling and compostables contamination
- No limit on free carryout service for disabled residents (currently limited to 100)
- Add 45-gallon garbage cart option
- Change 10-gallon garbage can to 13-gallon garbage cart

- Change container color for consistency:
  - All recycle containers blue
  - All garbage containers gray
  - All compostables containers green

### **Additional Service Options**

The following are services and provisions that are offered in other cities:

- Weekly embedded compostables service for single-family residents
- Weekly embedded recycle service for single-family residents
- Retail store where customers can pay their bill, ask questions, and drop off hard-to-recycle items such as bicycles and car seats
- No fee for extra yard waste after City-declared storm events
- Garbage and recycle services at City parks
- Curbside collection of compact fluorescent bulbs, cooking oil, motor oil, plastic bags, rigid plastics, batteries, textiles, small propane canisters, and bicycles
- Graffiti removal and illegal dumping clean-up service
- Local customer service center

### **Other Cities**

#### **City of Kirkland**

Prior to 2016, the City of Kirkland's last competitive procurement process was in 2002. In 2011, Kirkland re-negotiated their contract with Waste Management to accommodate annexations. In 2016, Kirkland chose an RFP process after a consultant's study showed cities were receiving a large array of services for relatively low costs. Kirkland staff were also interested in creative and innovative solutions for their residents and businesses.

The City of Kirkland completed the RFP process in 2017. Kirkland received proposals from: Recology CleanScapes, Republic Services, and Waste Management. The proposals were evaluated based on pricing (70%) and qualitative elements (30%). Kirkland's evaluation included interviews, site visits, and reference checks. Republic services received the best score because its rates were the lowest (5.8% overall increase). Recology CleanScapes received the highest qualitative score, but its overall rate increase was 17%. Waste Management proposed an overall 10.9% increase.

On June 20, 2017, Kirkland staff recommended awarding a new contract to Republic Services or exercising the first of its contract extension options with Waste Management.

Kirkland City Council directed staff to exercise the first extension and enter into negotiations with Waste Management. Kirkland staff are scheduled to report back to City Council later this spring.

#### City of Federal Way

The City of Federal Way has just entered its first contract extension with Waste Management. Federal Way also has a second, two-year extension option. Staff should be presenting contract procurement options to the Federal Way City Council soon.

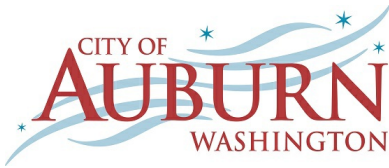
#### **Discussion**

City staff have heard from industry experts that contract prices are on the rise. Solid waste haulers are expecting cities to use their extensions and are wary of submitting proposals for contracts that still have extension options.

The City of Auburn still has two contractors providing service to residents and businesses. The annexation areas on West Hill and Lea Hill receive similar services as the rest of the City, but residents typically pay more in those areas.

Entering into negotiations with Waste Management, who submitted the only bid in 2016, would make a new contract start of October 1, 2019, possible. This would allow the entire City to be under the same solid waste contract.

If negotiations with Waste Management are not successful, the City can use its second extension option and initiate an RFP process.



## AGENDA BILL APPROVAL FORM

**Agenda Subject:**

Utility Rate Study Presentation (Coleman) (30 Minutes)

**Date:**

April 9, 2018

**Department:**

Finance

**Attachments:**

No Attachments Available

**Budget Impact:****Administrative Recommendation:**

City Council to discuss results of cost of service study for water, sewer, and stormwater utilities.

**Background Summary:**

The City of Auburn provides water, sewer, and stormwater services to its utility customers. In 2017, the City contracted with FCS Group to perform a Water, Sewer, and Stormwater Rate Study to review the adequacy of existing rates and to propose new rates as appropriate.

The FCS study elements completed to date include:

1. A review of "revenue requirements" for each utility, which encompass the costs that the City needs to recover on an ongoing basis from utility ratepayers; and
2. A cost of service analysis that determines the relative burden each customer class places on the utility. A comparison of existing revenues with the cost of service results then indicates whether each class of service is paying its fair share of costs for each utility system.

The remaining task is to review the rate structures for each utility in the context of both the cost of service findings and the City's rate policy objectives and develop a set of proposed rates for 2019 and beyond.

This discussion will review the work performed by FCS Group, summarize their findings, and identify potential modifications to existing rate structures to enhance rate equity among customers and address other ratemaking criteria such as revenue stability and efficiency of use.

**Reviewed by Council Committees:**

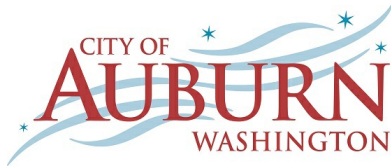
**Councilmember:**

**Staff:**

Coleman

**Meeting Date:** April 23, 2018

Item Number:



## AGENDA BILL APPROVAL FORM

**Agenda Subject:**

Private Service Line Warranty Program (Gaub) (10 Minutes)

**Date:**

April 16, 2018

**Department:**

CD & PW

**Attachments:**

**No Attachments Available**

**Budget Impact:**

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

**Administrative Recommendation:**

For discussion only.

**Background Summary:**

On March 28, 2018, Utility Service Partners (USP) made a presentation regarding their Service Line Warranty Program (SLWP) to repair private water service lines and side sewers for Auburn's single-family property owners. To date, the program has been accepted in Kenmore, College Place, Kelso, Sunnyside, and Dayton within Washington State.

Previously, Staff identified concerns regarding USP's proposed program requirements. Therefore, Staff has performed additional research into the program to address the Councilmembers' outstanding questions from March 28, 2018 and to explore how the program has been implemented in the other five cities in Washington. The results of this additional research will be presented at the Study Session.

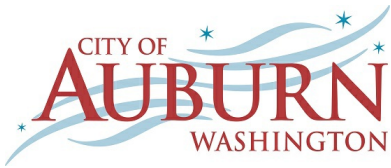
**Reviewed by Council Committees:****Councilmember:****Staff:**

Coleman/Gaub/Roscoe

**Meeting Date:** April 23, 2018

Item Number:





## AGENDA BILL APPROVAL FORM

---

**Agenda Subject:**

Development Incentives (Tate) (20 Minutes)

**Department:**

Community Development &  
Public Works

**Attachments:**

[Memorandum](#)

**Date:**

April 16, 2018

**Budget Impact:**

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

**Administrative Recommendation:****Background Summary:**

Please see the attached memorandum. Thank you.

**Reviewed by Council Committees:****Councilmember:**

**Meeting Date:** April 23, 2018

**Staff:**

Tate

Item Number:



## Memorandum

**To:** City Council Members

**From:** Jeff Tate, Assistant Director of Community Development

**CC:** Mayor Nancy Backus

**Date:** April 13, 2018

**Re:** Development Incentives

---

### **INCENTIVE OVERVIEW AND COMPARISON**

Community Development consulted with Economic Development staff to evaluate the range of incentives currently offered by the City of Auburn. Staff also looked at several other surrounding jurisdictions in order to understand the range of incentives being offered by others. A table that summarizes the jurisdictional comparison is attached to this memo.

The City of Auburn offers a mix of incentives that provide both financial relief and increased utilization of land, as well as those that are both geographically applicable and those that are available city wide. Note that there are programs and fees listed in the table that the City does not implement or collect that are classified as incentives because they allow Auburn to market itself as more business friendly over other municipalities (e.g. Auburn does not charge a Business and Occupation tax while many other municipalities in the area do).

### **WHAT IS THE BEST WAY TO STRUCTURE AN INCENTIVE PACKAGE?**

The answer to this question requires that a separate question be answered first – “What city objectives deserve to be incentivized?” The City has the choice to decide what objectives and outcomes are of the highest priority and can therefore choose to incentivize the developments and businesses that help are consistent with these goals. The City can choose to identify geographic areas where certain incentives apply (e.g. in downtown as a way of promoting transit oriented development), can choose to identify a broader public objective that is incentivized (e.g. environmentally sustainable construction, or affordable housing), or can choose to identify uses and activities that provide the City with a higher long term financial return (e.g. retail over warehousing).

It is important to consider a number of questions and thoughts when trying to assemble the best incentive package that helps further the City's long term social and financial objectives.

1. Incentives should be focused on development activity and business activity that the City believes has the greatest long term sustainable impact on the community.
2. Incentives should be tied directly to an outcome that the City desires to achieve.
3. Desired outcomes in one part of the City may be different than desired outcomes in other parts of the City.
4. Incentives do not always have to be in the form of reduced financial contributions to the City. They can come in the form of value that is added to the property, which helps the customer realize a higher financial return.
5. Commercially zoned land is a limited commodity. Some development activities and business activities yield a higher long-term return to the City than others do.
6. Due to the property taxing structure in Washington State, it is difficult, if not impossible, for single family residential to pay for the services that it demands over the long term.

### **DISCUSSION:**

1. Does Auburn offer a competitive package of development incentives?
2. Besides development incentives, are there other types of incentives that should be researched and discussed (e.g. business retention and recruitment, but local or incentives that draw more consumers)?
3. Should incentives be strategic and focused on certain types of development, uses and businesses?
4. Is there a preference on financial incentives vs. intensity and density bonus incentives?
5. Over the last 15-20 years, there have been a number of actions outside the control of the City of Auburn that have reduced local revenue streams (e.g. streamlined sales tax, caps on property tax increases). These changes have made it increasingly difficult to establish sustainable and consistent revenues. Land use policy and zoning are a tools that can be considered when evaluating the appropriateness of different kinds of incentives. Commercially zoned land offers greater potential for establishing activities that can contribute to long term, sustainable, and consistent revenue streams. Commercial land is a limited commodity. Commercial land use policy should be focused in a manner that provides the greatest potential return.

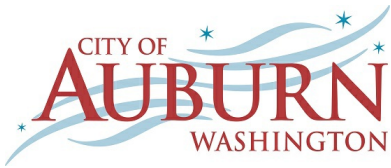
### **Powerpoint Example of Land Use Exercise to Help Focus Incentive Efforts**

| Business and Development Incentive  | Auburn | Kent | Renton | Puyallup | Sumner | Federal Way |
|---|--------|------|--------|----------|--------|-------------|
| Multi-Family Property Tax Exemption Program – 8 year tax exemption for market rate; 12 year exemption for affordable housing                    | Yes    | Yes  | Yes    |          |        | Yes         |
| Targeted Fee Reductions – ADUs (Renton), Reduced Parking Impact Fee near transit (Sumner), Small Business (Auburn)                              | Yes    |      | Yes    |          | Yes    |             |
| Construction Sales Tax Rebate – Up to 20% of paid construction sales tax not to exceed \$100,000  | Yes    |      |        |          |        |             |
| Relief from Business and Occupation (B & O) Tax   | Yes    |      |        | Yes      |        | Yes         |
| Relief from Business License Employee Fees (a.k.a. Head Fee)  | Yes    |      |        |          | Yes    |             |
| WA State Local Infrastructure Financing Tool (LIFT) – Allows infrastructure improvements to be financed through future, anticipated tax revenue |        |      |        | Yes      |        | Yes         |
| Community Development Block Grants (low interest business loans)  |        |      |        |          |        | Yes         |
| New Market Tax Credits – A federal program that allows below market loans and future tax credits  | Yes    |      |        |          |        |             |
| Planned Action EIS – Allows for projects to be exempt from SEPA review in certain parts of the City, such as the downtown                       | Yes    | Yes  |        | Yes      |        | Yes         |
| Expedited Permit Review – Certain projects may have expedited review, but such review is done by third party and paid for by the applicant      |        |      |        |          |        | Yes         |
| Development Agreements – Allows for more flexibility on larger projects, such as modified setbacks, density, landscaping, etc.                  |        | Yes  | Yes    |          | Yes    |             |
| Density Bonuses – Increases in density in exchange for a public benefit   | Yes    |      | Yes    |          |        |             |

|  |     |  |  |  |  |     |
|--|-----|--|--|--|--|-----|
| EB-5 Zone – Allows for foreign investors to gain American Citizenship through investing in certain area                |     |  |  |  |  | Yes |
| Innovation Partnership Zone (IPZ) – Provides grant eligibility for the promotion of sustainable industrial development | Yes |  |  |  |  |     |
| Business Incubator – Subsidized low cost office and meeting space for startup businesses                               | Yes |  |  |  |  |     |

|   |
|---|
| <b>Fee and Tax Reductions</b>           |
| <b>Fee and Tax Burdens</b>              |
| <b>Loans and Financing</b>              |
| <b>Permitting Process Related</b>       |
| <b>Development Standard Flexibility</b> |
| <b>Miscellaneous</b>                    |





## AGENDA BILL APPROVAL FORM

---

**Agenda Subject:**

SEPA Categorical Exemptions (Tate) (10 Minutes)

**Department:**

Community Development &  
Public Works

**Attachments:**

[Memorandum](#)  
[Attachment A](#)

**Date:**

April 16, 2018

**Budget Impact:**

Current Budget: \$0  
Proposed Revision: \$0  
Revised Budget: \$0

**Administrative Recommendation:****Background Summary:**

Please see the attached memorandum. Thank you.

**Reviewed by Council Committees:****Councilmember:**

**Meeting Date:** April 23, 2018

**Staff:**

Tate

Item Number:



## Memorandum

**To:** City Council Members

**From:** Jeff Tate, Assistant Director of Community Development

**CC:** Mayor Nancy Backus

**Date:** April 13, 2018

**Re:** SEPA Categorical Exemptions

---

### **PURPOSE**

During prior City Council Study Session discussions, the subject of SEPA Categorical Exemptions has come up with respect to the options that exist within State law for how a city can modify its local code to meet local conditions. More specifically, the options that exist when establishing thresholds for projects that trigger SEPA review and those that are exempt. The purpose of this memo is to provide background information regarding SEPA, to describe the minimum thresholds established under SEPA, and the options for modifying the minimum thresholds.

### **GENERAL SEPA OVERVIEW – RCW 43.21C, WAC 197-11, & ACC 16.06**

The State Legislature enacted the State Environmental Policy Act (SEPA) in 1971. It was established prior to cities and counties adopting critical areas ordinances, impact fee ordinances, shoreline management programs, stormwater management requirements, and many other types of development regulations that are designed to address the potential impacts of development activity. The legislature's initial action and subsequent amendments are contained in RCW 43.21C.

RCW 43.21C.110 required that rules and regulations be established that implement SEPA. WAC 197-11 is the State's administrative code that sets forth the details related to SEPA requirements, procedures, exemptions, definitions, and application forms. Certain portions of WAC 197-11 also establish options for how and when a local municipality conducts SEPA review.

Because the City can make certain choices within the construct of WAC 197-11 the City is required to adopt a local city code that implements SEPA. ACC 16.06 is the local chapter of city code that implements the requirements of SEPA.

### **CATEGORICAL EXEMPTIONS – OVERVIEW OF EXISTING THRESHOLDS AND OPTIONS**

WAC 197-11-800 outlines specific "Categorical Exemptions" which exempts certain actions from SEPA threshold determinations and EIS requirements. ACC 16.06.055 modifies the categorical exemption thresholds. The table below helps describe WAC 197-11-800 and ACC 16.06.055.

Table 1 – Existing Regulations/Threshold Limits

| <b>SEPA Categorical Exemption Language<br/>(WAC 197-11-800)</b>   | <b>Existing City Code Language<br/>(ACC 16.06.055)</b>   |
|---|--|
| <b>4</b> residential dwelling units or less   | <b>20</b> residential dwelling units or less.  |
| For office, school, commercial, recreational, service or storage buildings, buildings of <b>4,000</b> square feet or less <u>and</u> with associated parking facilities designed for <b>20</b> or less automobiles.   | For office, school, commercial, recreational, service or storage buildings, buildings of <b>12,000</b> square feet or less <u>and</u> with associated parking facilities designed for <b>40</b> or less automobiles. |
| Parking lots of <b>20</b> or fewer automobile spaces.   | Parking lots of <b>40</b> or fewer automobile spaces.  |
| Fill and excavations of <b>100</b> cubic yards or less.   | Fill and excavations of <b>500</b> cubic yards or less.  |
| * In 2005 the Auburn City Council adopted Ordinance No. 5908, which increased the categorical exemption threshold limits from what is shown in the left hand column to what is shown in the right hand column. As an example, prior to 2005, a residential subdivision of 5 lots was subject to SEPA environmental review; after 2005, any residential subdivision of 20 lots or less was no longer subject to SEPA environmental review. |  |

The reason that SEPA rules allow a municipality to increase its threshold limits is because most cities are now required to have critical areas ordinances, shoreline regulations, stormwater requirements, and a variety of other types of development regulations that adequately address the impacts of a development proposal.

In 2012 the State Legislature passed 2ESSB 6406, the Natural Resources Reform Bill which intended to streamline regulatory process while at the same time maintaining current levels of natural resource protection. In response to 2ESSB 6406 the Washington State Department of Ecology updated the SEPA administrative rules which created an allowance for municipalities to increase their thresholds even further. The new rules took effect on May 10, 2014. The table below adds a third column that highlights what is now allowed under SEPA:

Table 2 – Existing and **Allowed** Regulations/Threshold Limits

| <b>SEPA Categorical Exemption Language<br/>(WAC 197-11-800)</b>   | <b>Existing City Code Language<br/>(ACC 16.06.055)</b>   | <b>2014 Updates to the SEPA Categorical Exemption Language<br/>(WAC 197-11-800)</b>  |
|---|--|--|
| <b>4</b> residential dwelling units or less   | <b>20</b> residential dwelling units or less.  | <b>30</b> residential dwelling units or less.  |
| For office, school, commercial, recreational, service or storage buildings, buildings of <b>4,000</b> square feet or less <u>and</u> with associated parking facilities designed for <b>20</b> or less automobiles. | For office, school, commercial, recreational, service or storage buildings, buildings of <b>12,000</b> square feet or less <u>and</u> with associated parking facilities designed for <b>40</b> or less automobiles. | For office, school, commercial, recreational, service or storage buildings, buildings of <b>30,000</b> square feet or less <u>and</u> with associated parking facilities designed for <b>90</b> or less automobiles. |
| Parking lots of <b>20</b> or fewer automobile spaces.   | Parking lots of <b>40</b> or fewer automobile spaces.  | Parking lots of <b>90</b> or fewer automobile spaces.  |
| Fill and excavations of <b>100</b> cubic yards or less.   | Fill and excavations of <b>500</b> cubic yards or less.  | Fill and excavations of <b>1,000</b> cubic yards or less.  |
| * The first two columns repeat what was shown in Table 1. The third column identifies how the City could modify its exemption thresholds through Ordinance action.  |  |  |

### **INCREASING SEPA CATEGORICAL EXEMPTION THRESHOLDS**

WAC 197-11-800(1)(c) establishes the procedures that a local municipality must follow in order to raise its threshold limits. Attachment A provides the full text of this section of the WAC. In sum, there are four requirements that must be met in order to increase the threshold limits. They are as follows:

- (i) Documentation that the requirements for environmental analysis, protection and mitigation for impacts to elements of the environment have been adequately addressed for the development exempted. The requirements may be addressed in specific adopted development regulations, and applicable state and federal regulations.
- (ii) Description in the findings or other appropriate section of the adopting ordinance or resolution of the locally established notice and comment opportunities for the public, affected tribes, and agencies regarding permitting or development projects included in these increased exemption levels.
- (iii) Before adopting the ordinance or resolution containing the proposed new exemption levels, the agency shall provide a minimum of sixty days notice to affected tribes, agencies with expertise, affected jurisdictions, the department of ecology, and the public and provide an opportunity for comment.
- (iv) The city, town, or county must document how specific adopted development regulations and applicable state and federal laws provide adequate protections for cultural and historic resources when exemption levels are raised. The requirements for notice and opportunity to comment for the public, affected tribes, and agencies in (c)(i) and (ii) of this subsection and the requirements for protection and mitigation in (c)(i) of this

subsection must be specifically documented. The local ordinance or resolution shall include, but not be limited to, the following:

- a. Use of available data and other project review tools regarding known and likely cultural and historic resources, such as inventories and predictive models provided by the Washington department of archaeology and historic preservation, other agencies, and tribal governments.
- b. Planning and permitting processes that ensure compliance with applicable laws including chapters 27.44, 27.53, 68.50, and 68.60 RCW.
- c. Local development regulations that include at minimum pre-project cultural resource review where warranted, and standard inadvertent discovery language (SIDL) for all projects.

The following table helps break down the above steps into the work efforts and action items that would be required if the City were to move forward with increasing the SEPA exemption thresholds:

| WAC Citation   | Action Items   | Resource Commitment     |
|--|--|-------------------------|
| Documentation that the requirements for environmental analysis, protection and mitigation for impacts to elements of the environment have been adequately addressed for the development exempted. The requirements may be addressed in specific adopted development regulations, and applicable state and federal regulations. | <ol style="list-style-type: none"> <li>1. Research codes from other local municipalities.</li> <li>2. Draft a new chapter of city code that outlines procedures, exemptions, standards, and requirements related to cultural resource protection.</li> <li>3. Administer the legislative process for Planning Commission, SEPA review, State agency review, and City Council.</li> </ol> | 250 hours of staff time |
| Description in the findings or other appropriate section of the adopting ordinance or resolution of the locally established notice and comment opportunities for the public, affected tribes, and agencies regarding permitting or development projects included in these increased exemption levels.                          | <ol style="list-style-type: none"> <li>1. Development of notification procedures (codified or via policy).</li> <li>2. Coordinate with MIT on the procedures to ensure that they adequately address tribal concerns.</li> </ol>  | 75 hours of staff time  |
| Before adopting the ordinance or resolution containing the proposed new exemption levels, the agency shall provide a minimum of sixty days notice to affected tribes, agencies with expertise, affected jurisdictions, the department of   | <ol style="list-style-type: none"> <li>1. Administration of rule adoption public notification.</li> <li>2. Distribution of notices, responding to inquiries received during the process, modification of</li> </ol>  | 75 hours of staff time  |



| ecology, and the public and provide an opportunity for comment.   | rules and procedures in response to comments.  |                                |
|---|--|--------------------------------|
| <p>The city, town, or county must document how specific adopted development regulations and applicable state and federal laws provide adequate protections for cultural and historic resources when exemption levels are raised. The requirements for notice and opportunity to comment for the public, affected tribes, and agencies in (c)(i) and (ii) of this subsection and the requirements for protection and mitigation in (c)(i) of this subsection must be specifically documented. The local ordinance or resolution shall include, but not be limited to, the following:</p> <ul style="list-style-type: none"> <li>a. Use of available data and other project review tools regarding known and likely cultural and historic resources, such as inventories and predictive models provided by the Washington department of archaeology and historic preservation, other agencies, and tribal governments.</li> <li>b. Planning and permitting processes that ensure compliance with applicable laws including chapters 27.44, 27.53, 68.50, and 68.60 RCW.</li> <li>c. Local development regulations that include at minimum pre-project cultural resource review where warranted, and standard inadvertent discovery language (SIDL) for all projects.</li> </ul> | <ul style="list-style-type: none"> <li>1. This step will require heavy coordination with the State Office of Archeology and Historic Preservation, MIT, and other parties who have cultural resource data and have an interest in protecting resources.</li> <li>2. Development of data sharing agreements as well as standard operating procedures and interlocal agreements on how data will be used, shared (or not shared) with the public and outside agencies, etc.</li> <li>3. Coordination with City and external GIS experts regarding mapped data, associated metadata, frequency of map updates, retention of archived mapped data and hard copy maps, etc.</li> <li>4. Revisions to City development application forms, templates for staff reports, templates for the findings of fact utilized by Planning Commission and City Council and development of permitting SOP's.</li> </ul> | <p>400 hours of staff time</p> |

**OVERVIEW OF PROJECTS IN THE LAST 5 YEARS THAT WOULD HAVE BENEFITED FROM AN INCREASED THRESHOLD LIMIT**

| <b>Residential Subdivisions<br/>(Subdivisions of more than 20 lots but less than 31 lots)</b> | <b>Commercial (Projects that were more than 12,000 square feet but less than 30,001 square feet <u>and</u> that were more than 40 parking space but less than 91 parking spaces)</b> | <b>Grade and Fill (Projects with more than 500 cubic yards of grade or fill but less than 1,001 cubic yards)</b> |
|---|--|--|
| 4 (out of 14 submittals)  | 5 (out of 40 submittals)   | 0 (out of 146 submittals)  |

**QUESTIONS:**

1. Does this briefing memo provide adequate information? Or are there additional questions?
2. Should City staff pursue an increase in SEPA exemption thresholds?
3. If yes on question 2, given the time commitment (approximately one person working half time over a 12-month period) what is the priority level for this work? The staff that is assigned to a project like this is a Planner. The City's Planners are dedicated primarily to reviewing development proposals submitted by private developers. Committing a Planner to working on this assignment will result in a decreased level of service to development customers.

## ATTACHMENT A – WAC 197-11-800(1)(c)

(c) Cities, towns or counties may raise the exempt levels up to the maximum specified in (d) of this subsection by implementing ordinance or resolution. Such levels shall be specified in the agency's SEPA procedures (WAC [197-11-904](#)). Separate maximum optional thresholds are established in (d) of this subsection applying to both incorporated areas and unincorporated urban growth areas in fully planning jurisdictions under RCW [36.70A.040](#); other unincorporated areas in fully planning counties; and jurisdictions in all other counties. Agencies may adopt the maximum level or a level between the minimum and maximum level. An agency may adopt a system of several exempt levels, such as different levels for different geographic areas, and mixed use projects.

At a minimum, the following process shall be met in order to raise the exempt levels.

(i) Documentation that the requirements for environmental analysis, protection and mitigation for impacts to elements of the environment (listed in WAC [197-11-444](#)) have been adequately addressed for the development exempted. The requirements may be addressed in specific adopted development regulations, and applicable state and federal regulations.

(ii) Description in the findings or other appropriate section of the adopting ordinance or resolution of the locally established notice and comment opportunities for the public, affected tribes, and agencies regarding permitting of development projects included in these increased exemption levels.

(iii) Before adopting the ordinance or resolution containing the proposed new exemption levels, the agency shall provide a minimum of sixty days notice to affected tribes, agencies with expertise, affected jurisdictions, the department of ecology, and the public and provide an opportunity for comment.

(iv) The city, town, or county must document how specific adopted development regulations and applicable state and federal laws provide adequate protections for cultural and historic resources when exemption levels are raised. The requirements for notice and opportunity to comment for the public, affected tribes, and agencies in (c)(i) and (ii) of this subsection and the requirements for protection and mitigation in (c)(i) of this subsection must be specifically documented. The local ordinance or resolution shall include, but not be limited to, the following:

- Use of available data and other project review tools regarding known and likely cultural and historic resources, such as inventories and predictive models provided by the Washington department of archaeology and historic preservation, other agencies, and tribal governments.
- Planning and permitting processes that ensure compliance with applicable laws including chapters [27.44](#), 27.53, 68.50, and [68.60](#) RCW.
- Local development regulations that include at minimum preproject cultural resource review where warranted, and standard inadvertent discovery language (SIDL) for all projects.



## AGENDA BILL APPROVAL FORM

Agenda Subject:  
Matrix

Department:  
City Council

**Attachments:**

[Special Focus Areas Key](#)  
[Matrix](#)

Date:  
April 18, 2018

Budget Impact:  
Current Budget: \$0  
Proposed Revision: \$0  
Revised Budget: \$0

Administrative Recommendation:

Background Summary:

Reviewed by Council Committees:

Councilmember:

Meeting Date: April 23, 2018

Staff:

Item Number:

# SPECIAL FOCUS AREAS

| HEALTH & HUMAN SERVICES  | FINANCE & ECONOMIC DEVELOPMENT  | PUBLIC WORKS & COMMUNITY DEVELOPMENT   | MUNICIPAL SERVICES  |
|--|---|--|---|
| HUMAN SERVICES FUNDING<br>PUBLIC WELLNESS<br>DOMESTIC VIOLENCE SERVICES<br>HOMELESSNESS SERVICES<br>AFFORDABLE HOUSING<br>COMMUNITY SERVICES<br>HUMAN RESOURCES<br>MEDICAL COMMUNITY RELATIONS | CITY BUDGET & AMENDMENTS<br>RISK MANAGEMENT<br>EQUIPMENT RENTAL<br>FACILITIES<br>CITY REAL PROPERTY<br>LEGAL<br>DEVELOPMENT INCENTIVES<br>BUSINESS DEVELOPMENT<br>ECONOMIC DEVELOPMENT STRATEGIES | UTILITIES<br>ZONING, CODES & PERMITS<br>INNOVATION & TECHNOLOGY<br>TRANSPORTATION<br>STREETS<br>ENGINEERING<br>CAPITAL PROJECTS<br>SUSTAINABILITY<br>ENVIRONMENTAL PROTECTION<br>CULTURAL ARTS & PUBLIC ARTS<br>PLANNING | POLICE<br>SCORE JAIL<br>DISTRICT COURT<br>PARKS & RECREATION<br>ANIMAL CONTROL<br>SOLID WASTE<br>EMERGENCY PLANNING<br>AIRPORT<br>AIRPORT BUSINESSES<br>SISTER CITIES<br>MULTIMEDIA |
| Councilmember Trout-Manuel, Chair<br>Councilmember Wales, Vice Chair   | Councilmember Holman, Chair<br>Councilmember Brown, Vice Chair  | Councilmember DaCorsi, Chair<br>Deputy Mayor Baggett, Vice Chair   | Councilmember Brown, Chair<br>Councilmember Pelozo, Vice Chair  |
| 2018 MEETING DATES<br>January 22, 2018<br>March 26, 2018<br>May 29, 2018<br>July 23, 2018<br>September 24, 2018<br>November 26, 2018   | 2018 MEETING DATES<br>February 12, 2018<br>April 9, 2018<br>June 11, 2018<br>August 13, 2018<br>October 8, 2018<br>December 10, 2018  | 2018 MEETING DATES<br>February 26, 2018<br>April 23, 2018<br>June 25, 2018<br>August 27, 2018<br>October 22, 2018<br>December 24, 2018   | 2018 MEETING DATES<br>January 8, 2018<br>March 12, 2018<br>May 14, 2018<br>July 9, 2018<br>September 10, 2018<br>November 13, 2018  |



## COUNCIL MATRIX

| NO. | TOPIC   | Chair  | STAFF LEAD(S)                     | STUDY SESSION REVIEW DATE(S) | COUNCIL DISCUSSION SUMMARY | ACTION DATE |
|-----|---|--|-----------------------------------|------------------------------|----------------------------|-------------|
| 1   | Capital Projects Update and Featured Capital Project Discussion                           | Chair DaCorsi<br>Vice Chair Deputy Mayor Baggett | Asst. Director Gaub               | 5/14/2018                    |                            |             |
| 2   | Community Sustainability Series: Economic and Statutory Considerations for Municipalities | Chair DaCorsi<br>Vice Chair Deputy Mayor Baggett | Asst. Director Tate               | 6/25/2018                    |                            |             |
| 3   | Sign Requirments  | Chair DaCorsi<br>Vice Chair Deputy Mayor Baggett | Asst. Director Tate               | 6/25/2018                    |                            |             |
| 4   | Court Fees  | Chair Brown<br>Vice Chair Pelosa                 | City Attorney Heid                | 5/14/2018                    |                            |             |
| 5   | Multi-year Budgets  | Chair Brown<br>Vice Chair Pelosa                 | Finance Director Coleman          | 6/11/2018                    |                            |             |
| 6   | Homelessness Update   | Chair Trout-Manuel<br>Vice Chair Wales           | Director Hinman                   | 5/29/2018                    |                            |             |
| 7   | Multicare Behavioral Health Facility Update   | Chair Trout-Manuel<br>Vice Chair Wales           | Director Hinman                   | 5/29/2018                    |                            |             |
| 8   | Update on Court-DV Filings/Hearings and DV Model Firearms Program                         | Chair Trout-Manuel<br>Vice Chair Wales           | City Attorney Heid                | TBD                          |                            |             |
| 9   | One Table Presentation  | Chair Trout-Manuel<br>Vice Chair Wales           | Pat Bailey and City Attorney Heid | 5/29/2018                    |                            |             |
| 10  | Cost of Service Study - Planning and Development Fees                                     | Chair Holman<br>Vice Chair Brown                 | Finance Director Coleman          | TBD                          |                            |             |
| 11  | Livable Cities Update   | Chair Holman<br>Vice Chair Brown                 | Asst. Director Tate               | 6/11/2018                    |                            |             |
| 12  | Annexations (islands and peninsulas)  | Chair Holman<br>Vice Chair Brown                 | City Attorney Heid                | TBD                          |                            |             |
| 13  | Council Rules of Procedure  | Deputy Mayor Baggett                             | City Attorney Heid                | 4/30/2018                    |                            |             |