



LAKWOOD CITY COUNCIL STUDY SESSION AGENDA

Monday, August 14, 2017

7:00 P.M.

City of Lakewood
City Council Chambers
6000 Main Street SW
Lakewood, WA 98499

Page No.

CALL TO ORDER

ITEMS FOR DISCUSSION:

- (3) 1. Backflow prevention device testing and inspections update. – (Memorandum)
- (15) 2. Overview of the 2017 Legislative Session. – (Memorandum)
- (61) 3. Ft. Steilacoom Park Pavilion project update. – (Memorandum)
- (68) 4. Economic Development update. – (Memorandum)

ITEMS TENTATIVELY SCHEDULED FOR THE AUGUST 21, 2017 REGULAR CITY COUNCIL MEETING:

1. Business showcase. – Pizza Casa - *Mr. Danny Harris, owner*
2. Proclamation recognizing the 100 Year Anniversary of JBLM-McChord. – *Colonel Nicole Lucas, JBLM Base Commander, Colonel Jay Miseli, 2/2 SBCT Commander*
3. Appointing members to serve on the Public Safety Advisory Committee. – (Motion – Consent Agenda)
4. Awarding bids for Ft. Steilacoom Park sports fields improvements. – (Motion – Consent Agenda)
5. Approving the final plat for Megan Court. – (Resolution – Consent Agenda)
6. Approving the Comprehensive Plan amendment process. – (Motion – Regular Agenda)

The Council Chambers is accessible to persons with disabilities. Equipment is available for the hearing impaired. Persons requesting special accommodations or language interpreters should contact the City Clerk's Office, 589-2489, as soon as possible in advance of the Council meeting so that an attempt to provide the special accommodations can be made.

<http://www.cityoflakewood.us>

City Hall will be closed 15 minutes after adjournment of the meeting.

REPORTS BY THE CITY MANAGER**COUNCIL COMMENTS****ADJOURNMENT**

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TO: Mayor and City Councilmembers
FROM: Courtney Casady, Assistant to the City Manager
THROUGH: John Caulfield, City Manager *John E. Caulfield*
DATE: August 14, 2017
SUBJECT: Backflow Prevention (Cross-Connection Control) Inspections & Testing

Purpose:

The purpose of this memo is to update the City Council on discussions between the Lakewood Water District and the City of Lakewood regarding in-premise backflow prevention device testing and inspections.

Background:

WAC 246-292-010 (9) defines “backflow” as the undesirable reversal of flow of nonpotable water or other substances through a cross-connection and into the piping of a public water system or consumer’s potable water system. Backflow into a public water system can pollute or contaminate the water in that system (i.e., backflow into a public water system can make the water in that system unusable or unsafe to drink).

There are two different kinds of backflow prevention used in water management. Premise Isolation¹ backflow prevention devices are located on the Water District’s side of a water main on residential and commercial properties, and located outside of the building. These devices are maintained by the Water District and serve as barriers preventing backflow from entering main water lines. Premise isolation is required for all service connections to residential and non-residential premises WAC 246-290-490 except in situations where in-premise² backflow protections meet the same requirements³.

¹ WAC 246-290-010 (191) "Premises isolation" means a method of protecting a public water system by installation of approved air gaps or approved backflow prevention assemblies at or near the service connection or alternative location acceptable to the purveyor to isolate the consumer's water system from the purveyor's distribution system.

² WAC 246-290-010 (140) "In-premises protection" means a method of protecting the health of consumers served by the consumer's potable water system, located within the property lines of the consumer's premises by the installation of an approved air gap or backflow prevention assembly at the point of hazard, which is generally a plumbing fixture.

The Lakewood Water District has had a backflow Cross-Connection Control (CCC) prevention program since 1989, doing both premise and in-premise inspections. From 1996, when the City of Lakewood incorporated, the District has operated this Cross-Connection Control program and offers both premise and in-premise inspections.

Legal Authority:

WAC 246-290-490 requires that the purveyor⁴ develop and implement procedures to ensure that approved backflow preventers, relied upon to protect the public water system, are inspected and/or tested (as applicable). After speaking with the Department of Health, the interpretation of this WAC is that when an in-premise device is the only backflow prevention method for a property, then it is the purveyor's responsibility to inspect and maintain that device. If however, the property is also equipped with a premise isolation backflow device, the in-premise device is no longer required to protect the public water system. In-premise devices that fall into this category are still required under the Uniform Plumbing Code and become the responsibility of the "authority with jurisdiction," or the City of Lakewood to inspect and test.

Under the Uniform Plumbing Code, the Water District does not currently have the authority to require in-premise inspection or testing of their users and needs to have a formal agreement between the District and the City, granting to the District the City's authority to require in-premise protection. Alternatively, the City may make the decision to take over the in-premise devices already governed by the District (approximately 1,212 backflow devices) and institute its own Cross-Connection Control program.

Proposed MOU:

In order to avoid liability problems and be transferred our legal authority to inspect in-premise devices, the Water District has requested an MOU be drafted. Per the drafted agreement, the annual cost to the City for the Lakewood Water District to continue to administer the in-premise portion of the backflow prevention program is \$18,500. The drafted MOU has a five year term beginning in January 2017, and the City's financial contribution to the program would be subject to an annual increase equal to the local CPI of the previous year. The current MOU includes an \$18,500 allocation for 2017, which covers the cost the Water District has incurred to perform inspections over the previous year.

Alternative:

Staff has explored the option of implementing our own Cross-Connection Control Program for in-premise devices. Initial start-up costs would include: *(See next page.)*

³ WAC 246-290-490 (4)(b)(ii)

⁴ WAC 246-290-010 (206) "Purveyor" means an agency, subdivision of the state, municipal corporation, firm, company, mutual or cooperative association, institution, partnership, or person or other entity owning or operating a public water system. Purveyor also means the authorized agents of these entities.

	Start-up Costs	Ongoing Costs
Database ⁵	\$ 14,550.00	\$ 2,200.00
Mailings ⁶	\$ 1,527.00	\$ 3,055.00
Staffing	\$ 4,207.00 ⁷	\$ 54,778.00 ^{8 9}
	\$ 20,284.00	\$ 60,033.00

Presently, the Community & Economic Development Department (CED) does not have the staff capacity to absorb the administration of this program. Additionally, code enforcement¹⁰ has little availability to perform the necessary actions that will be required if a business or individual does not comply with the testing and/or inspection requirements. Code enforcement would have an active role in ensuring devices are tested annually. Currently, the water district turns off the water at a given location if they do not comply with their testing requirements. For the City to take over enforcement it will require ongoing coordination with the property owners and the water district. Code enforcement staff will coordinate with the water district to turn off the water, verify that the device has been tested and then ask the water district to turn the water back on. In addition, the City may need to issue citations in extreme cases of non-compliance. Given the current workload, this Alternative would include the need to hire an additional part-time administrative assistant and code enforcement officer.

Please note: the estimated cost does not include the fees for inspection, which will be passed onto the customer.

Potential Impacts on Local Residents:

After several meetings with the Water District, it is staff’s opinion that creating a program specific for in-premise backflow prevention may cost Lakewood residents additional fees and inconveniences. The properties where in-premise devices require yearly testing would also have a premise isolation device that needs to be tested annually. By separating the testing programs, residents will have to schedule multiple inspectors and pay two fees averaging \$43.96 per/inspection. Lastly, the residents and inspectors will need to be able to distinguish between the City initiated inspection and the Water District’s inspection in order to know where to send their final reports.

⁵ Quote from TokaySQL software- which comes recommended from several other jurisdictions.

⁶ Quote from TokaySQL to mail out notices for each unit (\$1.25 per notice)- we expect costs would be similar to do the mailings in-house.

⁷ CED expects it will take approximately 480 hours (3 months) for an administrative assistant to coordinate with the water district for the initial transfer of data and program information (\$26.28 p/h).

⁸ Cost of a part-time Administrative Assistant (\$26.28 p/h).

⁹ Cost of a part-time Code Enforcement Officer (\$30.78 p/h).

¹⁰ Code enforcement can mean a code enforcement officer or a building inspector.

Without a formal MOU, the Water District will request additional premise isolation devices be installed in order to ensure that the main water lines are protected. The costs to install these new premise isolation devices will likely be placed on the customers, but they will be necessary in situations where an in-premise device is the only cross-connection control protection. After the additional units are installed there will be fewer in-premise devices that protect the water main. These devices will still need to be tested annually by the City per the Uniform Plumbing Code.

Lakewood Water District's New Initiative - Backflow Survey:

During discussions with the Water District, a concern arose about the number of in-premise backflow devices located throughout the City. It is possible that the City of Lakewood and Water District did not communicate effectively in the past, causing for some devices to not be inspected upon installation and added to the annual testing registry. In order to ensure that all devices are accounted for and receive necessary testing, the Water District proposed conducting a windshield survey on businesses which have undergone tenant improvements that may have required a backflow system. For example, eating and drinking establishments, salons, and medical offices, which have undergone improvements since their initial construction.

The initial cost estimate for this survey was \$80,000 separated into two years. City Staff and the Lakewood Water District are currently working on a cost savings proposal for both agencies to share the work necessary to perform a survey. In addition, using the City's building data, CED is working to narrow down the number of businesses that may need to be inspected for backflow devices. This topic will be revisited during a separate Council meeting should we discover a need to conduct such a study.

Recommendation:

CED recommends that the City Council proceed with moving into a five-year interlocal agreement with the Lakewood Water District (LWD). The basic terms of the interlocal would be as follows:

- The City pays the LWD to assume the City's responsibilities under WAC 246-290-490(1)(e) an annual fee of \$18,500.
- The City's permitting and building division would notify applicants for development permits that the LWD has requirements for cross connection control.
- The LWD assumes responsibility for issuance of all permits for backflow prevention devices, including the in-premises devices that would normally fall under the purview of the City via the plumbing code and WAC 246-290-490(1)(e).
- The LWD performs all inspections of backflow prevention device installations.
- The City provides a monthly report to the LWD identifying all pertinent building permits issued in the prior month.

- The City coordinates the issuance of any final approval and/or certificate of occupancy with the LWD to confirm that all cross connection control requirements are satisfied.
- The City informs the LWD of any potential cross connections that are observed during the course of field inspections of existing or new land use development.
- The LWD reviews new land use development project applications and determine if any backflow prevention is required for compliance with WAC 246-290-490.
- The LWD maintains a database of all backflow prevention assemblies and annual inspection/testing results.

At the end of the five years, staff can reevaluate this agreement and determine at that time if it is in the City's interests to reconsider how we cover our responsibility to complete in-premise inspections/testing in the City.

Attachments:

Draft MOU

Quote from TokaySQL software

Budget provided by the Lakewood Water District

INTERLOCAL AGREEMENT BETWEEN THE CITY OF LAKEWOOD AND LAKEWOOD
WATER DISTRICT RELATED TO CROSS CONNECTION CONTROL

This Agreement ("Agreement") is entered into pursuant to Chapter 39.34 RCW between the City of Lakewood, a Washington municipal corporation ("City") and Lakewood Water District, a municipal corporation ("District") (individually a "Party" and collectively the "Parties") to describe the terms and conditions under which the District and the City will provide cross connection control services to each other.

WHEREAS, the District is a Title 57 water district owning and operating a public water distribution system located in the Lakewood area of Pierce County, Washington; and

WHEREAS, the District has responsibility under Washington Administrative Code ("WAC") 246-290-490 to protect the water distribution system by implementation of a cross connection control program; and,

WHEREAS, the City has the responsibility to protect in-premise water under WAC 246-290-490 (1) (e) and Chapter 19.27 RCW; and,

WHEREAS, it is cost effective to avoid duplication of efforts by having the Parties provide a single system for tracking, inspection and approval of backflow prevention devices installed on properties connected to the District's water system; and,

WHEREAS, the District has staff members with the proper cross connection control training, experience and certifications to perform the District's cross connection control program and the City's responsibilities to provide in-premise cross connection control; and

WHEREAS, the District has performed at the City's request the City's responsibilities to protect in-premise cross connection control since January 1, 2017; and

WHEREAS, the Parties are authorized to undertake joint and cooperative action for mutual advantage and benefit;

NOW THEREFORE, in consideration of the terms and provisions contained herein, the Parties agree as follows:

1. Purpose. The purpose of this Agreement is to document the responsibilities and expected actions for cross connection control efforts between the District and the City Building Division.

2. Responsibilities. Pursuant to WAC 246-290-490(1)(d), the District is responsible for the protection of its water distribution system through implementation and enforcement of a cross connection control program (the "Program") in accordance with WAC 246-290-490 as promulgated by the Washington State Department of Health ("DOH"). As a part of this Agreement, the District will continue to assume responsibility for cross connection control

within the property lines (in-premises) as addressed by WAC 246-290-490(1)(e) and the City's adopted plumbing code chapters 51-56, and as such code may be modified and amended.

3. Procedures. To effectively provide the desired cross connection control protection for the citizens and customers of the City, the Parties agree to the functions specified as follows:

a. The City's permitting and building division shall notify applicants for building and other related permits that the District has requirements for cross connection control. A questionnaire (developed by the District) shall be provided to the permit applicant to complete and submit to the District to assist in evaluation of any potential hazards and needs for cross connection protection under the Program.

b. The City shall provide a monthly report to the District showing the building permits issued by the City so the District may maintain a current database of such permits.

c. The City shall provide a monthly report to the District of all permits issued by the City for installation of any backflow prevention devices as a part of a plumbing permit.

d. The City shall not issue a final approval and/or certificate of occupancy relating to any building permit until notified by the District that any cross connection control requirements related to the building permit have been satisfied.

e. The City shall inform the District of any potential cross connections that are observed during the course of City field inspections of construction or building.

f. The District shall review new project applications to the City and determine if any backflow prevention is required for any new project to be in compliance with WAC 246-290-490 and the Program.

g. The District shall maintain a database of all backflow assemblies and annual inspection/testing results for any properties or premises subject to the Program.

4. Term and Termination. The initial term of this Agreement shall be from the date of execution of this Agreement by both Parties (the "Effective Date") through December 31, 2022 ("Initial Term"). After the expiration of the Initial Term, this Agreement shall automatically be renewed for successive one (1) year terms unless either Party provides at least ninety (90) days written notice to the other Party of its intent not to renew the Agreement prior to the expiration of the Initial Term. Notwithstanding the terms of this Agreement, either Party may terminate this Agreement at any time upon at least ninety (90) days prior written notice to the other Party; in such event, the City shall pay the District to perform the services addressed herein for the months remaining until the Agreement is terminated.

5. Indemnification.

a. The City hereby releases and agrees to defend, indemnify and hold harmless the District, and its elected and appointed officers, employees and agents ("Indemnitees"), from and

against any and all claims of third parties and losses, harm, cost, liabilities, damages and expenses (including, but not limited to, reasonable attorneys' fees) arising from willful or negligent acts or omissions of the City; PROVIDED, however, that the City shall not be required to defend or indemnify any such Indemnitee against liability for damages caused by or resulting from the sole negligence of Indemnitees; PROVIDED FURTHER that if such damages are caused by or result from the concurrent negligence of Indemnitees and of the City or its officers, employees, or agents, then the City's indemnity hereunder shall be limited to the extent of the negligence of the City.

b. The District hereby releases and agrees to indemnify and hold harmless the City, and its elected and appointed officers, employees and agents ("Indemnitees"), from and against any and all claims of third parties and losses, harm, cost, liabilities, damages and expenses (including, but not limited to, reasonable attorneys' fees) arising from willful or negligent acts or omissions of the District; PROVIDED, however, that the District shall not be required to so indemnify any such Indemnitee against liability for damages caused by or resulting from the sole negligence of Indemnitees; PROVIDED FURTHER that if such damages are caused by or result from the concurrent negligence of Indemnitees and of the District or its officers, employees, or agents, then the District's indemnity hereunder shall be limited to the extent of the negligence of the District.

6. Compensation. The City shall pay the District for its role in assuming the City's responsibilities under WAC246-290-490(1) (e) the annual amount of Eighteen Thousand Dollars (\$ 18,500.00) ("Annual Compensation") commencing January 1, 2017. The Annual Compensation shall be increased annually commencing January 1, 2018, at an amount equal to the increase in the Seattle-Tacoma-Bremerton Area CPI-U and CPI-W for the preceding year, provided, the Parties recognize the District presently administers approximately one thousand five hundred (1,500) backflow prevention devices in-premises for the City, and the Parties agree to adjust the Annual Compensation in an agreed amount if the number of new backflow prevention devices increases by more than twenty (20) percent in any calendar year to be effective as the Annual Compensation for the following year.

7. Administration. It is recognized this Agreement provides outlines of the Parties' respective responsibilities, and it is anticipated the further details of the relationship between the Parties will be determined through further written and verbal understandings. In the event the Parties through their respective staff are unable to agree on any provision relative to the administration of this Agreement, the Parties shall endeavor to resolve any such dispute or issue through a meeting of the District's Superintendent and the City's Community Development Director. If the Parties are unable to resolve the dispute, either Party may terminate this Agreement as provided herein.

8. Amendment or Modification. This Agreement may be amended or modified only by a subsequent written document executed by the City's City Manager and the District's General Manager.

9. Notices. Any notices, requests or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by overnight courier service or

mailed by United States registered or certified mail, return receipt requested, postage prepaid, or by facsimile transmission, and addressed to each Party at its address as set forth below:

To the City: City of Lakewood
Attn: City Manager
6000 Main Street
Lakewood, WA 98499
Tel. No. (253) 983-7739
Fac. No. (253) 512-2268

To the District: Lakewood Water District
Attn: General Manager
11900 Gravelly Lake Dr SW
Lakewood, WA 98499
Tel. No. (253) 588-4423
Fac. No. (253) 588-7150

Any such notice, request or other communication shall be considered given or delivered, as the case may be, on the date of personal delivery or upon deposit in the United States mail or with an overnight courier as provided above. In the case of facsimile transmission, the notice shall be deemed to be effective upon confirmation of receipt of facsimile transmission, provided such notice is also hand delivered or sent by overnight courier through United States mail on the date the facsimile notice is given. By giving at least five (5) days prior written notice thereof, either Party may change its mailing address hereunder.

10. Interlocal Provisions.

- a. This Agreement shall terminate by its terms.
- b. No separate legal or administrative entity is created by this Agreement.
- c. Any joint or cooperative undertaking resulting from this Agreement does not require the joint financing, budgeting, acquisition, holding or disposal of any real or personal property.
- d. To the extent necessary, this Agreement shall be administered jointly by the City's City Manager and the District's General Manager.
- e. Consistent with RCW 39.34.040, this Agreement shall be filed for recording with the Pierce County auditor upon full execution or posted on the City's and the District's respective websites listed by subject matter.

11. Authority. The Parties represent and warrant this Agreement has been duly approved and authorized by their respective legislative authorities, that each Party has the full power and authority to enter into this Agreement and to carry out the actions required of them by

this Agreement, and the persons signing this Agreement in a representative capacity represent and warrant they have the full power and authority to bind their respective entities.

12. No Third Party Beneficiaries. This Agreement is for the sole benefit of the Parties and is not intended to benefit any other person or entity.

LAKESWOOD WATER DISTRICT

CITY OF LAKESWOOD

Randall M. Black
District Manager
Date: _____

John J. Caulfield
City Manager
Date: _____ -

Attest:

Attest:

Christie K. Butler
District Secretary

Alice M. Bush
City Clerk

Approved as to form:

Approved as to form:

John W. Milne
District Attorney

Heidi Ann Wachter
City Attorney

City of Lakewood		Quotation: TokaySQL Hybrid-Cloud	
Microsoft SQL 2008/2008R2/2012/2016 database/Microsoft.NET application			
	Base Application User Licenses: 2 named users and 1 floating user Datasets: 2	\$11,050	\$11,050
	Support 1 st year		Included
	Link to Water Customer Database	\$3,500	\$3,500
	Conversion of Backflow Records (per database)	\$2,500	
Sub Total			\$ 14,550
<i>Strongly Suggested Option</i>			
	Training Workshop – 4 days (3 days on-site) Software Setup, Data Verification, User Training *all expenses included	\$6,900	\$6,900*
Total with Workshop			
Tokay Hybrid-Cloud Services			
	Tokay Web Test Entry annual hosting fee* setup fee ** Web Test Gold: fee per Hazard option ** Web Test Silver: fee per Test option *** <i>Special Pricing – no fee for utility owned devices</i>	* 600 0 \$1.00	* 600
	Tokay Mail Service annual hosting fee* Setup fee Per Letter (includes first class postage)**	* \$0 \$0 \$1.25	*\$0 \$0 \$1.25
<i>Additional Options</i>			
	User License Sets – 2 named users / 1 floating user	2,900	
	Datasets – per dataset	950	
Support – after the 1 st year			
	Support – Base Application - annual	1,250	
	Support – Data Link - annual	350	
	Support – Per Additional User License Set - annual	450	
	Support – Per Additional Dataset - annual	150	
Date: May 17, 2017 Terms: Net 30 days Prepared By: Lora Peers User Support lora@tokay.com			
Quotation: Valid for 60 days			

Tokay Hybrid Cloud Services

* Tokay Hybrid-Cloud Services

A single hosting fee of \$600 annually enables the user to benefit from our Tokay Web Test and/or our Tokay Mail service.

Tokay WebTest 2 Options

** Tokay WebTest Gold: *fee per testable backflow assembly*

- \$1.00 per active testable Hazard
- Water Customer Dashboard
- Water Customer -Online Approved Tester List
- Utility Water Customer, Water Use Questionnaire
- Utility Survey - Table Entry
- Program Statistics
- Optional Tester collection by credit card at test submission
- Tokay hosted website
- Tablet Test Entry
- Tester Data Corrections / Graded Test Results
- Field Replacement of Assemblies (by tester)
- Field Entry of New Cross-Connections (by tester)
- *** *Special Pricing: no fee for utility owned devices*

*** Tokay WebTest Gold - the utility can enter tests on-line *without charge*

** Tokay Web Test Silver: *fee per submitted Test*

- \$1.00 per test - submitted online
- Optional Tester collection by credit card at test submission
- Tokay hosted website
- Tablet Test Entry
- Tester Data Corrections / Graded Test Results
- Field Replacement of Assemblies
- Field Entry of New Cross-Connections

Tokay Software / www.tokay.com / 800.865.2965

2016		A/C 1664.100 CROSS CONNECTION EXPENSE				
G/L DATE	BUDGET HOURS	ACTUAL WS HRS	ACTUAL EXPENSES			ACCUM TOTAL
			PAYROLL	A/P	TOTAL	
03/31/16	167	144	5,760.13		5,760.13	5,760.13
04/30/16	167	198	7,801.73		7,801.73	13,561.86
05/31/16	167	139	5,949.49	2,654.89	8,604.38	22,166.24
06/30/16	167	164	6,685.69	2,803.32	9,489.01	31,655.25
07/31/16	167	115	5,448.03	1,797.41	7,245.44	38,900.69
08/31/16	167	183	7,685.42	1,714.95	9,400.37	48,301.06
09/30/16	167	100	4,397.26	1,762.15	6,159.41	54,460.47
10/31/16	167	155	6,990.79	1,137.81	8,128.60	62,589.07
11/30/16	166	120	5,250.61	1,731.45	6,982.06	69,571.13
12/31/16	166	152	6,590.94	1,632.51	8,223.45	77,794.58
01/31/17	166	137	5,954.20	1,302.71	7,256.91	85,051.49
02/28/17	166	150	7,068.41	1,764.43	8,832.84	93,884.33
ANNUAL TOTAL	2,000	1,757	75,583	18,302	93,884	

COST ALLOCATION BY TASK					PER WARREN	
MANAGE IN-PREMISE ISOLATION	24%	18,399	-	18,399	1,222	ASSEMBLIES
MANAGE PREMISE ISOLATION PERMITTING/TEST RESULTS	59%	44,386	2,191	46,577	2,948	ASSEMBLIES
IN-HOUSE TESTING	17%	12,798	16,111	28,909	850	CUSTOMERS SIGNED-UP
TOTAL		75,583	18,302	93,884	5,020	



City of Lakewood Government Relations Report 2017 Legislative Session

Dear Lakewood City Council & City Staff,

It was a pleasure to once again represent the City of Lakewood in Olympia for the 2017 legislative session. The 2017 session was the first of the two-year legislative biennium, and the Legislature had the primary task of adopting new biennial budgets. In recent years, this task has become increasingly challenging in light of the outstanding obligation that the state must fully fund K-12 education by 2018 to comply with the *McCleary* Supreme Court decision. This obligation, coupled with the unprecedented number of school bonds passed at the local level, placed tight restraints on both the state's Operating and Capital budgets.

Despite the budget constraints, we worked together to successfully advance the City's legislative priorities and secured full funding for the Community Policing Program for the upcoming biennium - \$621,000. This adds to a long list of successes over our 10 years of working together. A large part of the city's success in the pursuing legislative objectives is attributable to an active and supportive legislative delegation – Sen. Steve O'Ban, Rep. Christine Kilduff, Rep. Dick Muri, Sen. Steve Conway, Rep. Steve Kirby & Rep. David Sawyer.

In addition to the city's legislative priorities, there were many bills introduced that impact the city. Legislation amending the Public Records Act passed into law, Washington State became the 5th state to adopt a Family & Medical Leave Act, and enacted legislation has brought the state into compliance with the Federal REAL ID Act. Throughout the regular and special sessions, 2,687 bills were introduced and 391 were signed into law, a pass rate of 15%. Through our work together, we not only advanced the City's legislative priorities, but also provided information and influence on many of these new laws.

In keeping with the tradition of years past, the Legislature did not finish its work during the Regular Session and was called back 3 times for Special Sessions. The Legislature adopted a 17-19 \$43.7 billion Operating Budget and a 17-19 Transportation Budget, but failed to adopt a full 17-19 Capital Budget. Given this remaining budget and lack of resolution to the *Hirst* Decision, it is unknown whether yet another Special Session will be needed.

Now that session is officially over, attention has turned to legislative campaigns. There are eight state legislative seats up for election in November. Most notable is the open Senate position in the 45th district, located on the northeast end of Lake Washington. The outcome of the election will determine which party has control of the Senate. If a Republican wins, the Majority Coalition Caucus will remain in control of the Senate and there will continue to be a divided Legislature. If a Democrat wins, Democrats will have control of the House, Senate, and the Governor's mansion – a dynamic that was last seen in 2013.

The ever changing political climate requires adaptive and consistent advocacy. We look forward to working with the City of Lakewood throughout the interim months to continue advancing the city's priorities and prepare for the 2018 legislative session.

Thank you,

Briahna Murray & Shelly Helder

City of Lakewood Legislative Priorities

Each year, the City Council adopts a biennial legislative agenda that directs GTHGA and city staff's lobbying efforts. Oftentimes, it takes many years of work to accomplish a legislative priority item. This year, the city's legislative agenda included some new items that will take many more years of work, and some items that we have already invested significant time and energy in to getting across the finish line. As we move forward into the second year of the legislative biennium, the City should maintain the momentum it has built on items that are not completed, and remove items that we can consider a success. The status of each legislative priority item is outlined below:

Fort Steilacoom Park: Transfer Ownership

This is the second legislative session that the City has pursued budget proviso language to transfer the ownership of Fort Steilacoom Park from the Department of Social & Human Services to the City of Lakewood and Pierce College. During the 2016 session, the Department of Social & Human Services indicated that while they had engaged in multiple conversations with City staff, that they were not satisfied that all questions and concerns had been answered in order to move forward with the proviso. Given this, over the legislative interim, GTHGA worked closely with the Governor's staff and DSHS to ensure there were no concerns from either office regarding the transfer of ownership of Fort Steilacoom Park. This required multiple meetings outlining details of the transfer.

The goal was to have the park transfer included in the Governor's proposed capital budget – the document that becomes a starting place for the House and Senate capital budgets. We were successful in that endeavor. At the beginning of the legislative session, all members of the Lakewood legislative delegation signed on to a letter requesting that the proviso language also be included in the House and Senate capital budget proposals. As a result, and the language directing transfer of ownership was included in both the House and Senate capital budget proposals. The budget proviso directs DSHS to transfer Fort Steilacoom Park to the City and Pierce College along existing lease boundary lines by June 30, 2019. Since then, capital budget negotiators have released multiple versions of the capital budget that all include the proviso language. Unfortunately, since the Legislature did not adopt a Capital budget this year, the proviso language was not enacted into law. However, if/when a capital budget is adopted, it is highly likely that the budget proviso language will be included.

Increased & Permanent Funding for the Western State Hospital Community Policing Program

Since 2007, the city has received state funding for the Western State Hospital Community Policing Program. The funding level has never been adjusted for increased costs and inflation, resulting in the City subsidizing the program. In previous years, the city's legislative agenda requested that the funds for the program be re-appropriated; however, in recent years the City also requested that the funding to the program be made permanent and that the level of funding be increased to the actual cost of the program.

In previous legislative sessions, we worked to advance this concept, but faced opposition from budget leadership who resisted any changes that increased costs to the state. In light of this, over the legislative interim, we met with budget leadership to get feedback. Based on the feedback we received, we decided to also include Eastern State Hospital in the legislation and budget requests to engage more legislators. We also learned from introducing legislation in previous sessions, that to be successful, legislation should address distributions to the City of Lakewood and City of Medical Lake holistically, and include not only the funding for community policing, but also address the \$90,000 in funding allocated each biennium for general public safety services. Finally, we received early feedback that the request to increase the funding would be better received than the request to make it permanent. Generally, the Legislature wants to retain control over budget provisos from year-to-year rather than make them automatic.

To advance this priority, GTHGA advanced a two-prong strategy: pursue legislation making funding to both Lakewood and Medical Lake permanent, and submit a budget request to have the funding level increased. To pursue legislation, we worked with the City's legislative delegation to introduce House Bill 1370, sponsored by Rep. Kilduff and cosponsored by Rep. Muri, Rep. Sawyer, Rep. Kirby, and Rep. Holy, and Senate Bill 5159, sponsored by Sen. Baumgartner and cosponsored by Sen. O'Ban. All of the sponsors/cosponsors represent either the City of Lakewood or the City of Medical Lake. The companion bills would have required Western State Hospital and Eastern State Hospital to enter into contracts with the cities in which they are located to compensate the cities for providing general public safety services, including but not limited to 911 response service and police calls. The compensation would have been 9 cents per square foot of the respective state hospital and adjusted in each subsequent biennium for changes in square footage. Additionally, the bill would have included an increase to the WSH Community Policing Program to be no less than \$621,000 in 2017-19 and adjusted for inflation in subsequent biennia.

The House bill had a public hearing in House Appropriations where the bill's sponsor, Rep. Christine Kilduff, City Manager John Caulfield and Police Chief Mike Zaro all testified in support of the legislation. The Senate bill had two public hearings, one in the committee on Human Services, Mental Health & Housing and another in the Senate Ways & Means committee. City staff testified in support at both hearings. Unfortunately, both bills died in their respective fiscal committees but they served their intended purpose of drawing attention to the need for increased and permanent funding of the Community Policing Program at Western State Hospital. The reasons given for not advancing the bills reflect the early feedback we received – there is a general resistance amongst legislators to make budget provisos permanent because they like to maintain control from year to year. The public hearings provided an opportunity to educate legislators who would otherwise not be aware of Lakewood's priorities as to the importance and impact of the community policing program.

The legislation bolstered the second prong of the strategy - advancing a budget request for increased funding. First, we worked with the Governor's Office to have the increased funding amount included in the Governor's proposed Operating Budget. The City's participation in the Select Committee on Quality Improvement in State Hospitals (SCQUISH) opened the door to a strong relationship with the Governor's Office regarding Western State Hospital. The Governor's proposed Operating Budget included the funding, but combined the funding amount with the other funding distributions for general public safety services. While combining the funds into one distribution did not present a problem for the City, it created some confusion that needed to be resolved amongst legislative staff.

Once the legislative session began, we worked with the 28th district legislators to submit a budget request to the House and Senate Operating Budget negotiators to have the increased funding level included in their respective operating budget proposals. The funding was included in both the House and Senate operating budget proposals, ultimately leading to the increased funding for the program being included in the final 2017-19 operating budget. Additionally, the \$90,000 in public safety services funding was included. Here is the specific proviso language:

(b) \$311,000 of the general fund—state appropriation for fiscal year 2018 and \$310,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a community partnership between western state hospital and the city of Lakewood to support community policing efforts in the Lakewood community surrounding western state hospital. The amounts provided in this subsection (2)(b) are for the salaries, benefits, supplies, and equipment for one full-time investigator, one full-time police officer, and one full-time community service officer at the city of Lakewood. The department must collect data from the city of Lakewood on the use of the funds and the number of calls responded to by the community policing program and submit a report with this information to the office of financial management and the appropriate fiscal committees of the legislature each December of the fiscal biennium.

(c) \$45,000 of the general fund—state appropriation for fiscal year 2018 and \$45,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for payment to the city of Lakewood for police services provided by the city at western state hospital and adjacent areas.

(d) \$44,000 of the general fund—state appropriation for fiscal year 2018 and \$19,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for payment to the city of Medical Lake for police services provided by the city at eastern state hospital and adjacent areas. The city must develop a proposal and estimated costs for developing a community policing program in the area surrounding eastern state hospital and submit the proposal to the department by September 30, 2017.

It's worth noting that the City of Medical Lake benefitted from our strategy of including both Eastern and Western State Hospital. Moving forward, the City will want to re-evaluate whether to continue to push to make the funding permanent. It seems that the Legislature has clearly stated a resistance to making the program funding permanent. This is reinforced by the additional reporting language that was included in the budget proviso language. The Legislature has directed many changes at Western State Hospital, including an overall reduction in the number of patients at the hospital. It is likely that the Legislature will ask how the reduction in patient numbers affected the costs of the community policing program. The City may want to focus on ensuring that as changes are made at Western State Hospital, the funding for the community policing program remains adequate.

Capital Budget Requests: Fort Steilacoom Park, Motor Ave, and WWRP

Over the past 5 years, the City has received over \$900,000 from the state Capital budget for local & community projects. Capital budget requests often require several years of advocacy before being funding. This year we raised awareness of the City's long term plans for improvements at Fort Steilacoom Park and the revitalization of the area around Motor Avenue. The City's legislative delegation, through GTHGA's coordination, submitted funding request forms for both projects. However, neither project received funding in the proposed House or Senate capital budgets. And, to further complicate the situation, the Legislature failed to adopt a final 17-19 capital budget.

Through our work this session, we received good feedback on how best to move the projects forward in future years. Fort Steilacoom Park received funding during the 2016 legislative session, so the delegation prioritized other regional requests over the park improvements but indicated support for the request moving forward. In other words, it is just a matter of time before Fort Steilacoom Park investments are once again at the top of the list. For the Motor Avenue project, we heard feedback from our immediate legislative delegation that we should reframe the project with a different description. We will work over the legislative interim to position the requests for success in future years. Depending on what happens with the final 2017-19 capital budget in the coming months and 2018 session, another funding opportunity may not occur until the 2019 session.

In addition to these individual capital budget projects, the City supported funding of the WA Wildlife and Recreation Program (WWRP). The City applied for a \$600,000 competitive grant through WWRP and was highly ranked in the Water

Access category for Improvements at Harry Todd Waterfront Park. Due to the funding level and formula, the City would have received \$476,000 if a Capital budget was adopted.

Support for WSDOT Relocation/Pacific Avenue Economic Development

City staff have worked diligently with the Washington State Department of Transportation to advance the Pacific Avenue Economic Development, which includes many elements including relocating a WSDOT maintenance facility. While this project is not yet ready for legislative action, we used the 2017 legislative session to continue to inform the city's legislative delegation on the project. Additionally, GTHGA connected with the Office of Financial Management to get more background on how other similar projects have progressed forward. We will continue to work with city staff to advance this project, and keep legislators informed.

Overview of the 2017 Legislative Session

The 2017 legislative session was expected to be a long 105-day session, focused on passing a biennial budget and addressing the *McCleary* Supreme Court decision mandating that the Legislature fully fund basic education. At the outset, it was understood that the *McCleary* funding challenge would cause session to run long – not to mention the plethora of other challenges ranging from water to housing that the Legislature faced. Additionally, the November election left the House and Senate divided with a 50-48 Democrat majority in the House and 26-25 Republican majority in the Senate. Given this large challenge and political back drop, it is no surprise that the 2017 session was historic.

Fully funding K-12 Education took center stage, but a number of other issues followed closely behind. Some of the highlights:

- After receiving polling information indicating voters would likely approve an initiative-driven Family & Medical Leave Act, the Legislature took the issue up and found agreement on legislation that passed into law during the third special session.
- Housing and homelessness advocates pushed for a significant investment in the Housing Trust Fund, as well as extending and increasing a controversial \$40 document recording fee dedicated to housing and homelessness services that was scheduled to sunset in 2019. Meanwhile, realtor and developer interests advocated for changes in the Growth Management Act and the Buildable Lands Report. A carefully crafted compromise that extends to 2023, but does not increase, the document recording fee passed into law during the third special session.
- Following a series of national police shootings, the Legislature considered many bills regarding police use of deadly force. However, agreement could not be reached and the issue may be brought forward as an initiative. Additionally, the budget allocated \$1.2 million toward updating and providing basic and in-service training for peace officers and corrections officers that emphasizes de-escalation and use of less lethal force.
- Vehicle owners in the Puget Sound began receiving new car tab bills that reflect the MVET increase approved by voters in the Sound Transit 3 package, prompting legislators to bring forward a series of bills that would lower the MVET, and consequently lower revenue to Sound Transit. While both parties agreed a change should be made in the MVET, nothing passed the Legislature.
- Last, but certainly not least, just prior to the beginning of the legislative session, the Supreme Court ruled in *Hirst* that counties had to verify water availability prior to approving building permits for properties utilizing permit exempt wells as a water source – significantly impacting property values for many rural residents throughout the state. Specific legislators are continuing to explore legislation responding to this case but have been unable to reach an agreement thus far.

At the end of the regular session, the Legislature did not reach agreement on an operating or a capital budget, and many of the other policy issues outlined above, making a special session inevitable. The Governor called for a special session on April 24th, which was scheduled to last 30 days, or until the Legislature reached an agreement on the budget. Since the Legislature did not finish its work within 30 days, the Governor called a second special session beginning May 23rd and a third special session on June 21st.

June 30th marked the final day for the Legislature to adopt an operating budget in order to avoid a state government shutdown. While the Legislature was able to pass a 2017-2019 operating budget they were unable to agree about how to address the *Hirst* Supreme Court case which emerged as a key issue early in session. This further halted the passage of a final capital budget, which only passed the House. Outlined below is a high-level summary of each budget:

Transportation Budget

The transportation budget was adopted during the 105-day session, and caused little controversy. For the most part, the transportation budget focused on continuing the implementation of the Connecting Washington funding package. The House and Senate each released transportation proposals midway through session – neither proposal included funding for new projects. Once the final transportation budget was negotiated, the Transportation Committee Chairs and Ranking Members accepted a limited number of amendments that added a small number of projects into the Connecting Washington package.

Within the final budget, only minor changes to the Connecting Washington package were made. Additionally, flexibility was given to the Department of Transportation to make adjustments to current project schedules, to manage project spending, and efficiently deliver all projects. Such changes would be subject to a few criteria and occur upon the authorization by the Office of Financial Management. To view the final transportation budget documents, [click here](#).

Capital Budget

The capital budget funds brick and mortar construction throughout the state, excluding transportation. Historically, the Legislature has always adopted a capital budget in the first year of the biennium, but on rare occasion the Legislature chooses not to adopt a supplemental budget during the second year of the biennium. For the first time in state history, the Legislature failed to adopt a final Capital Budget in the first year of the biennium.

The House and Senate each released proposed 17-19 Capital Budgets during the regular legislative session. While the content of the capital budgets moderately varied from one another, negotiations on developing a compromise capital budget did not begin until the third special session. The Senate instead insisted that prior to negotiating a capital budget, legislation needed to be agreed to that responds to the *Hirst* decision.

During the third special session, the House passed a revised House Proposed capital budget, 92-0 (with 5 excused). However, the House did not pass legislation responding to the *Hirst* position. Holding firm on their position not to pass a capital budget until a *Hirst* solution was signed into law, the Senate did not vote on this budget. The Legislature did approve a 17-19 Capital Budget that re-appropriates funds for projects that were funded in previous years and were mid construction. This action ensured that the state did not breach hundreds of construction contracts. By the end of the third special session legislators reached an agreement on a full Capital budget but failed attempts at a *Hirst* fix prevented advancement of the Capital budget.

The failed, though agreed upon, Capital Budget proposed to make new appropriations totaling \$2.75 billion. Of that, \$760 million is appropriated for K-12 education facility construction, renovation, or modernization. Given the State's constitutional debt limit of 8.25%, this left \$7 million in bond capacity reserved for the 2018 Supplemental budget. Also, \$130.6 million was allocated to local community projects (traditionally received by local governments for community projects). Additionally, major changes were made to the Public Works Assistant Account this session and \$97 million

was included in the capital budget to fund the Public Works Board’s current loan list. To view the negotiated (but not adopted) capital budget documents as of July 20th, [click here](#).

Operating Budget

The Operating Budget funds the operating costs for all state agencies, including the K-12 education system and higher education. The greatest challenge facing the Legislature was to fully fund the K-12 education system within the biennium. While both the House and Senate agreed that additional revenue would be required to fully fund education, each chamber had a very different approach on how to increase revenue. The Senate proposed a statewide property tax increase, coupled with lowering local school district property tax levies. The House proposed a combination of revenue sources including capital gains, sales tax on bottled water, an increase in business and occupation tax, the Marketplace Fairness Act, and more. Resolving these stark differences and developing a compromise left the Legislature at an impasse for months, nearly causing a state government shut down. Thankfully, a compromise operating budget was adopted on June 30th, the final day to pass the budget in order to avoid a state government shutdown. The final operating budget allocates \$2.6 billion in new revenue from a statewide property tax, repeals the state sales tax exemption on bottled water and extracted fuel, and enacts the Marketplace Fairness Act to impose sales tax on internet sales from retailers outside of the state. To view the final operating budget documents, [click here](#).

Education Funding

The state’s K-12 education system is funded out of the operating budget. After the 2015 session, the Supreme Court held the state in contempt for not developing a plan on how to fully fund education by 2018 as called for by *McCleary*, and imposed sanctions against the state of \$100,000/day. With the funding deadline at the forefront of budget negotiations, legislators devoted a tremendous amount of time to finding an agreeable solution on class size, teacher salaries, and amount of funding per student. The 2017-19 biennial operating budget provides \$1.8 billion in additional spending for public schools. Over the 2017-19 and 2019-21 biennia, the projected total increase in K-12 spending is \$7.3 billion. The additional funding comes from a variety of sources, most notably a \$0.82 cent increase to the state property tax rate. In 2017, the state property tax rate was \$1.88 per \$1000 of assessed value. The budget proposes an increase to \$2.70 per \$1000 of assessed value, which will generate an estimated \$1.61 billion for this biennium.

Some of the items to note in the final operating budget that impact local governments:

- **Public Works Assistance Account:** Following recent trends, \$254 million in revenue diversions from the Public Works Assistance Account will fund education in the next biennium. These revenue diversions are expected to continue through 2023. However, it is anticipated that if/when the Legislature adopts a capital budget, that bonds will “backfill” the sweep of the Public Works Assistance Account revenues, and pay for the current loan list.

Additionally, House Bill 1677, or the AWC Public Works Assistance Account 2.0 bill, passed the Legislature and made policy changes responsive to concerns about the Account. The Public Works Board (PWB) is no longer required to submit a project list to the Legislature for authorization – this will cut the application process from approximately 18 months to 6 months. Also, a new reporting requirement is placed on the PWB, along with the addition of an improvement team. Notably, the Governor vetoed a section of the budget, which would have increased membership of the PWB from 13 to 17 with the addition of 4 legislators, one from each caucus.

- **LEOFF 2:** The Senate’s operating budget proposal would have eliminated the state contribution to LEOFF 2, shifting these costs to the local level. Due to significant lobbying efforts, the elimination of the state contribution to LEOFF 2 was not included in the final operating budget. However, there is a provision in the budget that when jurisdictions contract with a third party to provide support for a special event; then cities are

obligated to pay the state obligation of LEOFF for those individuals for the special event. Given the significant diversion that was proposed in the original Senate budget, this is a good result.

- **Streamlined Sales Tax Mitigation:** Streamlined Sales Tax Mitigation payments have been paid to cities since the switch to destination based collection of sales tax. These payments will be phased out once revenues from the Marketplace Fairness Act increase such that cities are not experiencing a loss from the change in sourcing laws. This phase out will coincide with a study by the Department of Revenue analyzing when expected revenue gains will be equal to or exceed revenue losses to local taxing districts. The Department's analysis will include a comprehensive review of tax, wage, census, and economic data. It will also consider online sales tax and streamlined sales tax mitigation trends for areas with rich concentrations of warehousing distribution and manufacturing centers. A report with recommendations is due to the Legislature by November 1, 2018.
- **Homelessness:** \$8.9 million was allocated to housing and homelessness services in the 2017-2019 biennium including services for homeless youth and individuals with a history of mental illness. \$3.6 million of this amount is dedicated to services for homeless youth. Additionally, \$106 million was allocated to the Housing Trust Fund which is in the Capital budget that did not pass.
- **Office of Public Defense:** \$1.8 million over the fiscal biennium is appropriated to indigent defense grants; half of the funding is dedicated to cities; half of the funding is dedicated to counties.
- **Basic Law Enforcement Academy (BLEA) Classes:** \$2.6 million is included for 6 additional Basic Law Enforcement Academy classes for each year of the biennium with 25% of the cost falling on the employing agencies. An additional \$1.2 million is allocated to update training for peace officers on the use of lethal force and to create a leadership development program.
- **Family & Medical Leave Insurance Program:** As previously reported, an agreement was reached on policy for a statewide family and medical leave insurance program. While the legislation is still being fine-tuned and changes could be made to the policy, the proposed budget allocates \$82 million to initiate the program. Based on the current version of the proposed legislation, ongoing funding of the program comes from premiums, 45% from employees and 55% from employers. Employees must work 820 hours in the last five quarters to qualify. Once qualified, employees are vested and there is no waiting period to use the benefit if they change employers. The program provides for 12 weeks of family leave and 12 weeks of disability leave with a combined 16 week cap in a 12 month period. Premium payments will begin in 2019 and benefits will begin in 2020. Business with less than 50 employees will not be obligated to participate, however all employees, no matter the size of the business, are obligated to participate in the program through premium payments deducted from their paycheck. Cities and counties can establish programs that provide greater benefits, but are otherwise preempted from establishing codes, or ordinances.

Policy Bills

Against the backdrop of these budget activities, 2,687 policy bills were introduced in 2017, 391 of which passed the Legislature and were signed into law. Those bills that impact the city (both those that died and passed) are outlined in the report below.

Bills that Passed the Legislature

Business Licensing: [House Bill 2005](#), is sponsored by [Representative Kris Lytton](#) (D – Anacortes), and its companion, Senate Bill 5777, is sponsored by [Senator Sharon Brown](#) (R – Kennewick). Cities and the business community reached agreement and have amended the bill as follows: (1) all cities that require a business license would adopt a uniform definition of the minimum amount of activity a business would need to engage in before a business license is required; (2) a subsequent work group would discuss potential changes to the local business & occupation tax apportionment formula; (3) requires cities to join the state business licensing system unless they participate in FileLocal by 2022 or the city council indicates that it would be a hardship for the city to join the state system. The bill was passed into law at the end of Regular Session.

Eminent Domain Reimbursement: [House Bill 1615](#), sponsored by [Representative Shelley Kloba](#) (D – Kirkland), and its companion, [Senate Bill 5365](#), sponsored by Senator Curtis King (R – Yakima), syncs the state and federal reimbursement amounts by an agency who is displacing a person from their home or farm. The reimbursement amount varies by situation; however, several situations would only permit the reimbursement of \$25,000 pursuant to federal law. The House version of the bill was passed into law at the end of Regular Session.

Creation of Creative Districts: [House Bill 1183](#), sponsored by [Representative Joan McBride](#) (D – Kirkland), designates a creative district as a geographical, mixed-use area of a community in which a high concentration of cultural facilities, creative businesses, or arts-related businesses serves as a collective anchor of public attraction. This bill authorizes a local government to designate a creative district within its territorial boundaries subject to certification as a state-certified creative district by the state arts commission. It also authorizes the state arts commission to create a process for review of applications submitted by local governments or federally recognized Indian tribes for certification of state-certified creative districts. The bill was signed by the Governor on May 8th and takes effect on July 23rd.

Eminent Domain Requirements: [Senate Bill 5049](#), sponsored by [Senator Curtis King](#) (R – Yakima), changes the eminent domain procedure so that local public agencies must comply with relocation assistance laws, even when a project does not include federal funds. Additionally, this bill mandates nongovernmental entities comply with acquisition procedures and reimbursement of expenses when acquiring property via eminent domain. The bill was signed into law and takes effect on July 23rd.

Federal Background Checks for Certain Employees: [House Bill 1620](#), sponsored by [Representative John Lovick](#) (D – Mill Creek), authorizes cities and counties to require federal background checks of individuals who work unsupervised with children, vulnerable adults, and those with developmental disabilities. These checks would go through the Washington State Patrol and may include a federal FBI background check and fingerprinting. The bill also allows metropolitan park districts to require federal record checks for park district employees, applicants for employment, volunteers, vendors and independent contractors, who in the course of their work may: have access to children, persons with developmental disabilities or vulnerable adults; or be responsible for collecting disbursing cash or processing credit/debit card transactions. These checks would also go through the Washington State patrol and may include a federal FBI background check and fingerprinting. The local government would pay for the background check. The City supported this bill during the public hearings by signing in. The bill was signed into law on May 16th and takes effect on July 23rd.

Metropolitan Park Districts: [Senate Bill 5138](#), sponsored by [Senator Guy Palumbo](#) (D – Maltby) and its companion, [House Bill 1456](#), sponsored by [Representative Shelley Kloba](#) (D – Kirkland), changes several aspects of the metropolitan park districts (MPD) statute. Of note, it authorizes a local jurisdiction proposing or approving

a petition regarding the formation of a MPD to limit the purpose and taxing powers of the proposed MPD in its resolution. It generalized the allowable purposes under which a MPD may contract indebtedness and extends the maximum term for general bond obligations. The Senate version was passed into law and takes effect on July 23rd.

Public Notices of Public Health, Safety, and Welfare: [Senate Bill 5046](#), sponsored by [Senator Bob Hasegawa](#) (D–Beacon Hill), is the companion to, [House Bill 1540](#), sponsored by [Representative Sharon Tomiko Santos](#) (D – Seattle). The Senate Bill requires any state agency that provides life safety information during an emergency or disaster to provide the Legislature with a copy of its current communication plan. Those agencies must also submit an annual report identifying instances of emergency or disaster in the preceding year in which safety information was provided, and identifying what public messaging strategies were used to notify citizens with limited English proficiency. Each local emergency management organization that produces a local emergency management plan must include a communication plan for notifying significant populations of life safety information. The plan must take into consideration several factors, one of which is the number of limited English proficient individuals likely to be encountered. The plans must be submitted to the Washington Military Department Emergency Management Division (WMD). The Senate version was signed into law on May 16th and was funded for \$372,000 under Section 143 of the 2017-19 operating budget.

Puget Sound Partnership Plan Updates: [House Bill 1121](#), sponsored by [Representative Dick Muri](#) (R – Steilacoom), allows the Puget Sound Partnership to update its Action Agenda Implementation strategies and the Science work Plan every 4 years instead of every 2 years. The intent of the bill is to reduce the process burden on Puget Sound Partnership partners and staff, reduce budgetary request for the next year and align management cycles with the rate of change in the ecosystem and project implementation. The bill was passed signed into law and takes effect on July 23rd.

Public Facility District Financing: [House Bill 1201](#), sponsored by [Representative Monica Stonier](#) (D – Vancouver), changes the timeline for bond financing so that taxes imposed to finance a regional center or regional theater expire after 40 years rather than 25 years, assuming the bonds have not yet retired. Proceeds from the taxes can now be used to retire bonds issued not only for construction but also for the improvement, rehabilitation, or expansion of the regional center (or regional theater) and parking facilities, so long as the PFD has at least one regional center where construction commenced prior to January 1, 2004. There were several public hearings on this bill as it went through the legislative process and at every opportunity, GTHGA expressed the City’s support through public sign in. The bill was signed into law and takes effect on July 23rd.

Bills that did not pass the Legislature

Increasing the property tax cap of 1% to 5%: [House Bill 1764](#), [Representative Kris Lytton](#) (D – Anacortes) and [Representative John Koster](#) (R – Arlington), permits the 1% cap on property tax revenue to increase up to 5% per year based off of population growth and the Consumer Price Index for all urban consumers (CPI-U). The bill died in the House Rules committee.

Liquor Revenue Bill: [House Bill 1113](#), sponsored by [Rep. Dave Hayes](#) (R – Camano Island), gradually increases the local government share of excess liquor revenues until the percentage-based method for distributions is restored in 2024. Sixty percent of the additional revenues would go to public safety. This bill made it to the House Rules committee where it died but was considered necessary to implement the budget for the majority of session. The concept was not included in the final operating budget. When this bill was heard in committee, GTHGA signed the City in support of the legislation.

Harmful Lodging Tax Revenue Legislation: [Sen. John Braun](#) (R-Chehalis) sponsored [Senate Bill 5827](#), which would have negatively impacted lodging tax revenues. This bill adds a definition of “tourist” under the lodging tax statute. A "Tourist" could be a person who stays overnight in paid accommodations in a place 50 miles away or more from the person's place of residence or business or is from another country or state. Cities and counties would therefore be restricted from using Lodging Tax funds on community events that draw in more local crowds. This bill made it out of the Senate Ways & Means committee but died in Senate Rules.

Commercial Office Space Incentive: [House Bill 1495](#), introduced by [Representative Jake Fey](#) (D-Tacoma), allows cities outside of King County with a population over 35,000 to exempt the city portion of property tax and the city portion of sales tax on the construction of commercial office space. The bill passed the House after significant amendments and was amended further in the Senate. The differences between the bills could not be reconciled before the end of the regular session and the bill died. GTHGA signed the City in support of this bill during the public hearings. This bill is likely to return next session.

Background checks: [Senate Bill 5399](#), sponsored by [Sen. Steve O’Ban](#) (R-University Place), requires cities, counties, and metropolitan park districts to establish requirements for background checks for persons who work with children, persons with developmental disabilities and vulnerable adults. The City supported this legislation through public sign in. The bill passed the Senate unanimously but died in the House Rules committee.

Indigent Defense Standards: [Senate Bill 5676](#), sponsored by [Sen. Dean Takko](#) (D-Longview), is similar to bills introduced in prior sessions that have been unsuccessful. In 2015, the Washington State Supreme Court utilized authority to increase revenue via traffic fines to fund public defense. Of the revenue generated by the traffic fines, \$900,000 was allocated to cities and counties with the intent that the revenue would be shared by equally by cities and counties, and be allocated to specific jurisdictions via a grant program. While this was the intent, a statutory change needs to be made to have the revenue shared equally between cities and counties; current law directs the revenue to go 90% to counties and 10% to cities. Senate Bill 5676 makes the needed statutory change. While this legislation does not provide a significant increase in funding for public defense for all jurisdictions, it is an incremental step forward and honors the agreement that was made to distribute these grant funds equally between cities and counties. The city supported this legislation through public sign in.

Local preemption of Transportation Network Companies: [Senate Bill 5620](#), sponsored by [Senator Curtis King](#) (R-Yakima), preempts local authority to regulate transportation network companies and establishes statewide regulations. The bill advanced from the House but died in the Senate during the regular session. There will be a stakeholder work group on this issue during the legislative interim.

Safety procedures for sewage disposal systems: [House Bill 1476](#), sponsored by [Representative Strom Peterson](#) (D – Edmonds), sets forth new standards for best practices regarding safety procedures for local health officers and on-site program management for sewage disposal systems. The bill was heard in the Senate Local Government Committee, but was never scheduled for executive action and died at the end of Regular Session.

Model Toxic Control Act (MTCA) Taxes: [House Bill 2182](#), sponsored by [Representative Strom Peterson](#) (D – Edmonds), establishes a tiered rate for the Hazardous Substance tax based on revenue thresholds for fiscal years 2018 through 2025. The tiered rate would revert back to 0.7% after 8 years. The proposed tiered rates are:

- 0.9% until annual revenue collected reaches \$110 million dollars;
- 0.7% until annual revenue collected reaches \$170 million dollars; and
- 0.21% until the first day of the next fiscal year.

The bill was heard in the Senate Ways & Means Committee but was never scheduled for executive action and died at the end of Regular Session.

Real Estate Excise Tax (REET) exemptions for mobile home communities: [House Bill 1798](#), sponsored by [Representative Joan McBride](#) (D – Kirkland) extends the REET exemption for qualified sales of a manufactured/mobile home community from 1.28% to 5.12% of the selling price for certain buyers. Some of this funding would go into the Public Works Assistance Account. The bill also requires mobile home park landlords to provide written notice to the Department of Commerce within three days of receiving a bona fide offer for the purchase of the manufactured/mobile home community or the property it is on. From that date of notice, the landlord must also wait 90 days to close the park. There is also a civil penalty for landowners who do not comply with the notice provisions of the bill. One aspect of the bill that could be improved includes directing some funds to the mobile home relocation assistance program rather than the public works assistance account. Also, “bona fide offer” is not defined in the bill. The Senate version of the bill, [Senate Bill 5627](#), is sponsored by [Senator Patty Kuderer](#) (D – Bellevue). The House version was heard in the Judiciary Committee but died thereafter; the Senate version was referred to the Financial Institutions and Insurance Committee, but never received a hearing.

Mobile home landlord disclosure obligations: [House Bill 1822](#) sponsored by [Representative Matt Manweller](#) (R – Ellensburg) states that mobile home tenants can request that the landlord provide written receipts and invoices regarding additional charges beyond rent to allow the tenant to verify that the additional charges are utilized for the stated purpose. The bill was not voted out of the House Judiciary Committee and died during Regular Session.

Property tax exemptions for mobile & manufactured homes: [House Bill 1998](#), sponsored by [Representative Mike Volz](#) (R – Spokane), requires mobile homes, manufactured homes and park model trailers that were manufactured before 1976 to be exempt from property taxes. The bill was referred to the House Finance Committee but never received a hearing.

Funding for the Community Economic Revitalization Board (CERB): [House Bill 1912](#), sponsored by [Representative Cindy Ryu](#) (D – Shoreline), appropriates 8 million dollars from the Public Facility Construction Loan Revolving Account to the Community Economic Revitalization Board (CERB) in order to finance public facilities. The bill also requires the CERB to develop specific guidelines and strategies for how the funding will be distributed, which must be submitted to the Legislature by December 31st, 2017. The bill died in the House Rules Committee during Regular Session.

Local preemption of commercial property rent control: [House Bill 1082](#), sponsored by [Representative Matt Manweller](#) (R – Ellensburg), preempts local jurisdictions from imposing any control on the amount of rent charged for commercial properties or sites. The bill still permits a city or town to enter into an agreement with private persons which regulate rent on commercial properties. The bill was heard but was not voted out of the House Local Government Committee and died early on in Regular Session.

Economic Development not an appropriate use for eminent domain: [Senate Bill 5445](#), sponsored by [Senator Mike Padden](#) (R – Spokane Valley), states that “economic development” is not considered a “public use” for the purposes of eminent domain. When this bill was heard during Regular Session, AWC and others expressed opposition to the bill because it significantly limits the ability of local governments to pursue economic development objectives. The bill died in the House Rules Committee late in Regular Session.

Local government flexibility with using existing resources: [House Bill 2006](#), sponsored by [Representative John Koster](#) (R – Arlington), allows cities and counties increased flexibility with existing revenues. Specifically, the bill eliminates non-supplant language for revenue from the Municipal Criminal Justice Assistance Account and

revenues from the locally imposed mental health and substance abuse sales tax. The bill also makes the following provisions:

- Allows all county authorities to seek voter approval for the criminal justice regular levy
- Allows jurisdictions to use revenue generated with a levy lid lift to supplant existing funds
- Eliminates the 6-year levy limit for the criminal justice property tax
- Eliminates the 6-year limit in which levy lid lifts can be authorized

The bill died in the Senate Rules Committee late in Regular Session. The City supported this legislation.

District-based or hybrid voting systems: [Senate Bill 5068](#), also sponsored by [Senator Mark Miloscia](#) (R – Federal Way) authorizes district-based or hybrid voting systems in cities, town, code cities, and counties. The bill was placed on the Rules White Sheet in the Senate but died at the end of Regular Session.

Elimination of interest on legal financial obligations: [House Bill 1783](#), sponsored by [Representative Jeff Holy](#) (R–Cheney) eliminates any interest accrued by an offender’s legal financial obligations, except costs pertaining to restitution. The bill would also prohibit a court from imposing costs on an individual who is indigent when sentenced, establish a payment plan for legal financial obligations, and require that accrued interest be placed in a fund for crime victim and witness programs. The bill passed the House and was referred to Ways & Means in the Senate, but never received a hearing. However, the House reintroduced and once again voted the bill out of the chamber during the first two special sessions. As of the third special session, the bill has died.

Local pre-emption of restrictions on homeless encampments: [Senate Bill 5657](#), sponsored by [Senator Mark Miloscia](#) (R – Federal Way), creates new limitations for counties, cities, or towns and code cities when regulating a religious organization's ability to host homeless persons on property it owns or controls. The bill was scheduled for Executive Session in the House Community Development Committee, but no action was taken. It died during Regular Session.

Full funding for public defense services: [House Bill 2031](#), sponsored by [Representative Sherry Appleton](#) (D – Poulsbo), requires the state to fully fund public defense services for cities and counties. The bill was referred to the House Appropriations Committee, but no initial hearing was scheduled.

Establishing a State Voting Rights Act: [House Bill 1934](#), sponsored by [Representative Larry Haler](#) (R – Richland), creates a State voting rights act and a cause of action where local elections exhibit polarized voting between voters in a protected class and other voters. The Act applies to elections held within counties, and cities or towns with a population over 30,000. The bill was heard in the House State Government Committee early in Regular Session but did not progress further.

Establishing a Washington Tourism Marketing Authority: [House Bill 1123](#), sponsored by [Representative Cary Condotta](#) (R – Chelan), establishes the Washington Tourism Marketing Authority funded by a 0.1 % retail sales credit on lodging, car rentals, and restaurants. This sales tax is already being collected but is currently directed to the Multimodal Transportation Account. Under the bill, the tax would be set aside to fund the program, up to \$ 5 million/biennium. The companion bill is [Senate Bill 5251](#), and is sponsored by [Senator Dean Takko](#) (D – Longview). The House version was not voted out of the House Appropriations committee and died at the fiscal committee cutoff. The Senate version was not voted out of the Senate Ways & Means committee and also died at the fiscal committee cutoff.

Study on local government obligations compared to revenue capacity: [House Bill 2011](#), sponsored by [Representative John Koster](#) (R – Arlington) directs the Washington Institute for Public Policy to study the statutory obligations in comparison with revenue capacity of local governments. This bill includes a total

appropriation of \$250,000 from the Liquor Revolving Fund for the costs associated with the study. The bill was heard in the House Local Government committee but was not scheduled for Executive Session and died.

Housing

Passed

Document recording fee extension & buildable lands: [Senate Bill 5254](#), sponsored by [Sen. Joe Fain](#) (R-Auburn), as originally introduced would have made several changes to buildable lands requirements and extended the document recording fee surcharge until 2027. This bill was heavily negotiated between affordable housing advocates, developers, and all four caucuses. The final bill extends the \$40 document recording fee to June 30, 2023. For comprehensive plans required to be updated before 2024, the evaluation must be completed no more than 2 years before the review deadline. The zoned capacity of land alone is insufficient to deem land suitable or likely for development or redevelopment. To determine whether land is suitable for development or redevelopment, counties and cities must:

- review regulations and conditions which may impact development or prevent achievement of planned densities; and
- use a reasonable land market supply factor identifying reductions in suitable land for residential development and employment activities.

By December 1, 2018, the Department of Commerce, in cooperation with local governments and stakeholders, must develop guidance materials on the Buildable Lands Report process. The bill also allows local real estate excise tax (REE II) to be used for homeless housing development until 2019. Lastly, when a planned action in an area that contains or will contain a major transit stop is carried out in conjunction with a comprehensive plan, significant environmental impacts must be adequately addressed in a threshold determination or in an environmental impact statement. This bill goes into effect on October 19th.

Adding additional types of land eligible for Affordable Housing Land Acquisition Revolving Loan Funds: [House Bill 1616](#), sponsored by [Representative Joan McBride](#) (D – Kirkland), expands the type of property eligible for purchase under the Affordable Housing Land Acquisition Revolving Loan Fund Program to include “vacant or improved land”. The bill passed the Legislature and will take effect on July 23rd.

Affordable Housing: [Senate Bill 5252](#), sponsored by [Senator Jan Angel](#) (R – Gig Harbor), requires the Department of Commerce to work in consultation with the interagency council on homelessness, the Affordable Housing Advisory Board, and the State Advisory Council on Homelessness to develop performance measures that address the limitations of the annual point-in-time count on measuring the effectiveness of the document recording fee surcharge funds in supporting homeless programs. The bill also requires the joint legislative audit and review committee to review how the surcharge fees are expended to address homelessness, including a review of the related program performance measures and targets. The bill passed the Legislature during the 3rd Special Session and was signed into law by the Governor on July 6th. The law will take effect on October 19th.

Did not pass

Increase & extension of document recording fee: [House Bill 1570](#), sponsored by [Rep. Nicole Macri](#) (D-Capitol Hill), removes the sunset on the document recording fee and makes the \$40 document recording fee permanent. The bill also allows counties to charge and retain an additional fee, up to \$50. The county supported this bill throughout the process but it died in the House Rules committee. The bill was considered necessary to implement the budget and was being negotiated throughout the special session until an agreement was reached in the form of [Senate Bill 5254](#) which extends the DRF sunset to 2023 and makes changes to Buildable Lands requirements.

Encouraging affordable housing outside urban areas: [House Bill 2051](#), sponsored by [Representative Vincent Buys](#) (R – Lynden), encourages affordable housing outside of urban areas or urban growth areas by removing “urban” and “urban growth area” from the definition of a “residential targeted area.” The bill was referred to House Finance, but did not receive a hearing.

Zoning flexibility for affordable housing offered by religious organizations: [House Bill 1987](#), sponsored by [Representative Joan McBride](#) (D – Kirkland) allows religious organizations to construct affordable housing on their property at two times the density of the adjacent zoned area. Additionally, religious organizations constructing an affordable housing unit are required to pay all costs associated with the construction and must work with the local transit agency to ensure appropriate transit services are provided to the affordable housing development. The bill died in the House Rules committee.

Affordable Housing: [House Bill 1797](#), sponsored by [Representative Joan McBride](#) (D – Kirkland), aims to provide cities with 3 tools to increase affordable housing within their community:

- Establishes a 4.37% credit against the state sales and use tax for cities to construct or purchase affordable housing. The city is required to match this revenue with .85 percent of any local sales and use taxes related to the acquisition or construction of affordable housing within the city (does not include counties).
 - Allows the governing body of a county with a population over 1.5 million (King County) and the cities within such county to authorize the existing 0.1 percent local sales and use tax used for mental health services and affordable housing.
 - Allows revenue from the local real estate excise tax to be used for affordable housing development through 2022, so long as other local capital projects have adequate funding.
- The bill died in the House Rules committee.

Closure notice for mobile and manufactured homes: [House Bill 1514](#), sponsored by [Representative June Robinson](#) (D – Everett) requires 18 months of written closure or conversion notice to mobile or manufactured home tenants who will be displaced from their manufactured/mobile home. Additionally, a tenant selling a home within a park must provide the buyer with a copy of any closure notice provided by a landlord at least seven days in advance of the intended sale and transfer. The 18-month closure notice requirement does not apply if:

- the manufactured/mobile home community has been acquired for, or is under imminent threat of condemnation;
- the manufactured/mobile home community is sold to:
 - an organization comprised of park or community tenants;
 - a nonprofit organization;
 - a local government; or
 - a housing authority for the purposes of preserving the park or community; or
- the landlord compensates the tenants for the loss of their homes at their assessed value prior to a change of use or sale of the property.

The bill passed the House, but died in the Senate Financial Institutions committee without receiving a public hearing.

Mobile home relocation assistance: [House Bill 5678](#), sponsored by [Senator Mark Miloscia](#) (R – Federal Way), opens the door for a tenant to receive relocation assistance if the park undergoes redevelopment, undergoes change within its age-restricted community use, or is closed or converted to rehabilitate and relocate a pre-HUD mobile home within the park. The bill also removes the “low income household” restriction for a tenant to

qualify for relocation funds. In addition to the assistance that is currently available, a tenant of a ground set home can collect up to an additional \$2,500. For tenants who wish to abandon their home, they can receive ¼ of the allowable moving expenses from the relocation fund if they give the landlord a notarized title of the home, release all liens shown on the title certificate and pay all property taxes on the home. The companion bill is [House Bill 1884](#), sponsored by [Representative Cindy Ryu](#) (D – Shoreline). The Senate bill died after a public hearing in the Senate Financial Institutions committee and the House bill died in the House Rules Committee.

Adult Family Home Inspection Requirements: [House Bill 2027](#), sponsored by [Representative Christine Kilduff](#) (D– University Place), requires that when performing an inspection of an adult family home, the Department of Social & Health Services interview at least 3 neighbors, located within 500 feet of the home, unless such interviews are impractical. The interviews would help ensure that the adult family home’s outdoor areas are well-maintained, and uncluttered without any accumulation of garbage, debris, or offensive odors. These additional interviews provide an opportunity for surrounding neighbors to formally provide feedback to the Department of Social & Health Services on the operation of the adult family home. GTHGA testified in support of this bill at the public hearing on the City’s behalf. The bill died in the House Health Care committee.

Adult Family Homes in Residential Neighborhoods: [Senate Bill 5060](#), sponsored by [Sen. Steve O’Ban](#) (R- University Place), limits the number of adult family homes to no more than 2 homes in a 4 block area of a residential community. City Manager John Caulfield testified in support of this bill during the public hearing. The bill passed the Senate committee on Healthcare along party lines but died in the Senate Rules committee.

Automatic renewal of rental agreements for mobile or manufactured homes: [House Bill 1720](#), sponsored by [Representative Matt Shea](#) (R – Spokane Valley), changes the Manufactured/Mobile Home Landlord-Tenant Act regarding automatic renewal of rental agreements, park rules, and termination of tenancy. Any rental agreement that is initially set for over one year will be automatically renewed for one year unless another amount of time is specified in the agreement. However, a landlord may change the terms of the agreement at renewal as long as the landlord gives 3 months’ notice to the tenant of the proposed revisions. Additionally, the landlord would still be required to provide 12 months’ notice to the tenant of an intention not to renew the rental agreement. At the expiration of the current rental agreement, the tenant shall be considered a month-to-month tenant. The bill died in the House Judiciary Committee.

Source of income discrimination: [House Bill 1633](#), sponsored by [Representative Marcus Riccelli](#) (D-Spokane), is the companion to [Senate Bill 5407](#), sponsored by [Senator David Frockt](#) (D–Seattle), which prohibits landlords from discrimination based on an applicant's or tenant's lawful source of income. It also creates a civil action for such violations. Many jurisdictions have local ordinances on already imposing this prohibition; this bill makes the prohibition statewide. The bill died in the House Rules Committee.

Human Services

Bills that Passed the Legislature

Opioid treatment programs: [House Bill 1427](#), sponsored by [Representative Eileen Cody](#) (D – Seattle), removes the 350 participant limit for opioid treatment programs and allows counties to impose a participant limit of no less than 350. Stigmatizing language in reference to opioid treatment programs is also removed from statute. The bill directs specific medical authorities to adopt rules establishing requirements for prescribing opioid drugs. Lastly, this bill makes changes to the Prescription Drug Monitoring Program to increase transparency between providers and the Department of Health as to how opioids are prescribed and used as treatment within the state. The bill was signed into law on May 16th and different sections of the bill take effect on different dates.

Bills that did not pass the Legislature

Pharmaceutical Take-Back Program: [House Bill 1047](#), sponsored by [Rep. Strom Peterson](#) (D- Edmonds), establishes a statewide industry-funded, secure medicine disposal program. Manufacturers would be required to create a drug take-back program that includes a collection system, disposal plan, promotion plan, funding mechanism, and other necessary details as outlined in the bill. Under a [substitute version](#) of the bill any existing drug take back program would be grandfathered into the state program for up to 18 months. This bill advanced to the House Rules committee where it died.

Homelessness services: [Senate Bill 5903](#), sponsored by [Sen. Jeannie Darneille](#) (D-Tacoma), makes several changes to provide funding and services to address homelessness. Among many other things, the bill increases the document recording fee from \$40 to \$90, eliminates the 45% set aside for private rental housing, expands the use of funds to include innovative strategies to provide homeless housing support, provides that families receiving TANF receive priority for housing programs, and provides local governments the authority to enact a 1/10th of 1% tax for homeless needing chemical dependency or mental health treatment. The bill had a hearing in the Senate Human Services, Mental Health and Housing committee but it died in committee.

Local pre-emption of safe injection sites: [Senate Bill 5223](#), sponsored by [Senator Mark Miloscia](#) (R – Federal Way), and its companion, [House Bill 1761](#), sponsored by [Representative Drew Stokesbary](#) (R – Auburn) preempts local safe injection sites. Each local health board must provide an annual certification to the Legislature and the State Board of Health that no private or public safe injection sites are operating within its local health department jurisdiction. The bill was amended to exclude needle exchange from the definition of a safe injection site. Finally, all funding claims by the local government will be denied until the state, health district, or county is able to certify that there are no safe injection sites operating within its jurisdiction. The Senate version died after its referral to the House Health Care committee. The House version did not receive a public hearing.

Changing indigent defense parameters: [Senate Bill 5376](#), sponsored by [Senator Tim Sheldon](#) (D – Potlatch) modifies provisions relating to indigent defense, including making changes to determine how counsel is appointed, defining an indigent individual and determining whether or not they are able to contribute before appointing counsel. The bill died after a public hearing in the House Judiciary committee.

Youth shelter notification requirements: [House Bill 2061](#), sponsored by [Representative Mike Sells](#) (D – Everett) excludes weekends and holidays from the 72-hour period of time that youth shelters are required to notifying parents of a minor’s presence without parental permission. The bill received a public hearing in the Early Learning & Human Services Committee but did not advance further.

Labor

Bills that Passed the Legislature

Decreases mandatory penalties for violations to mobile or manufactured home installer violations: [House Bill 1329](#), sponsored by [Representative Gina McCabe](#) (R – Goldendale), changes the mandatory penalty for mobile, or manufactured home certified installers for infractions of the mobile and manufactured home installation requirements set by the Department of Commerce. The bill replaces the mandatory penalty of \$1,000 for each infraction with a discretionary penalty not to exceed \$1,000. The range is from \$250 for a first infraction up to \$1,000 for subsequent infractions. The bill was passed into law during Regular Session and takes effect on July 23rd.

Bills that did not pass the Legislature

Criminal Record Discrimination Prohibition: [Senate Bill 5312](#), sponsored by [Senator Michael Baumgartner](#) (R – Spokane) prohibits public agencies, private employers, corporations, or contractors from including any question on an application about an applicant's criminal record, inquiring either orally or in writing about an applicant's criminal records, or obtaining information from a criminal background check, until after the employer initially determines that the applicant is otherwise qualified. The bill died in the House Rules committee.

Marijuana

Bills that passed the Legislature

Restrictions on Marijuana Advertising: [Senate Bill 5131](#), sponsored by [Senator Ann Rivers](#) (R – La Center), and its companion [House Bill 1857](#), sponsored by [Representative Shelley Kloba](#) (D – Kirkland) restricts certain marijuana advertising and licensed marijuana businesses. This bill includes the following provisions: (1) authorizes the sale of immature marijuana plants, clones and seeds to medical marijuana patients; (2) authorizes adults to share limited quantities of marijuana with other adults on a non-commercial basis; (3) grants rulemaking authority to the Washington State Department of Agriculture (WSDA); (4) directs a study to be conducted by WSDA and the Liquor and Cannabis Board to on the feasibility of allowing recreational marijuana users to grow marijuana plants and a allowing marijuana processors to purchase industrial hemp for processing. The bill was signed into law and takes effect on July 23rd.

Bills that did not pass the Legislature

Requiring a city to have a fully operational marijuana retail facility to receive marijuana revenue: [House Bill 2060](#), sponsored by [Representative David Taylor](#) (R – Moxee), says that if a city allows marijuana then it must have a fully operational marijuana retail facility within its boundaries in order to receive marijuana tax distributions. Any money forfeited in this circumstance is transferred to the state general fund. This bill died in the House Appropriations committee.

Prohibiting the use of state resources to assist federal action relating to marijuana: [House Bill 2124](#), sponsored by [Representative David Sawyer](#) (D – Parkland), prohibits all public employees from assisting or expending state resources in order to assist the federal government with respect to an activity or inquiry related to a federal action or effort that may result in the loss of revenue by interfering with the state's marijuana market. This bill did not receive a public hearing and died early in Regular Session.

Incrementally increasing marijuana excise tax for local governments: [House Bill 2076](#), sponsored by [Representative Cary Condotta](#) (R – Wenatchee) steadily increases the amount of money that local governments receive from the marijuana excise tax over the course of the biennium. The funding would increase to \$20 million in 2018, \$30 million in 2019, and \$40 million for each consecutive year, as long as the total transfer to the general fund is at least \$5 million greater than the previous year, in which case, the cap would remain the same as the previous year. This bill did not receive a public hearing.

Marijuana Regulation Tied to Liquor Revenue: [House Bill 1099](#), sponsored by [Rep. David Sawyer](#) (D-Lakewood), was initially drafted to only impact the City of Lakewood but was amended to apply more broadly. The bill states that if a city does not issue a business license to a marijuana retail store for zoning or other regulatory reasons, that the city would lose 75% of its liquor revenue distributions, and its full marijuana revenue distribution. This amended, broader version of the bill was referred to the House Appropriations Committee where it was heard in committee. In the hearing in the House Appropriations Committee, the bill sponsor, Rep. David Sawyer,

indicated that he planned to amend the bill back to its initial language to only apply to Lakewood. However, the amendment was never adopted because the bill died in the Appropriations committee.

Planning

Passed

School Siting outside the urban growth area: [House Bill 1017](#), sponsored by [Representative Bob McCaslin](#) (R – Spokane Valley) and nearly two dozen other Representatives, addresses the siting of schools in rural areas that serve urban students. The version that passed the Legislature has three sections. The first section states that a county is not prohibited from authorizing the extension of public facilities and utilities so long as specific criteria are met. The second and third sections apply specifically to Pierce County and are set to expire on June 30, 2031. The bill also directed the Puget Sound Regional Council to amend its policies to address the siting of schools in rural areas. The Governor signed the 2nd and 3rd sections of the bill into law but vetoed section 1. In the veto message the Governor requested the Legislature work on a new version of section 1 to address three concerns:

- Extension of utilities outside the UGA should only be used for schools;
- The school site must maintain rural character and housing density; and
- The school district must demonstrate there is no suitable land available in the UGA.

The bill was signed with a partial veto by the Governor on April 26th, which rejected Section 1. During the third Special session, a second bill to address these concerns was introduced. [House Bill 2243](#), also sponsored by [Representative Bob McCaslin](#) (R – Spokane Valley), modifies the Growth Management Act to provide counties the local authority to extend public facilities and utilities to serve a school sited in a rural area, provided it serves students from rural areas. In addition, counties are allowed the expansion and modernization of existing rural schools or use of portable classrooms. The bill passed both houses on June 30th and was signed by the Governor on July 7th.

Removing the requirement for sanitary sewer systems where an on-site sewage system exists: [House Bill 1683](#), sponsored by [Representative Sherry Appleton](#) (D – Poulsbo) specifies that counties, cities, and utilities are not obligated to install sanitary sewer systems to certain properties within the Urban Growth Areas that are already served by on-site sewage systems. The bill passed into law and takes effect on July 23rd.

Local government input on Growth Management Act deficiencies: [Senate Bill 5790](#), sponsored by [Senator Shelly Short](#) (R – Addy) and its companion, [House Bill 1525](#), sponsored by [Representative Dan Griffey](#) (R – Allyn) permits counties of under 75,000 people as of 2014 and cities located within, to identify and adopt policies to address any economically deteriorating aspects of the Growth Management Act (GMA), and defers to these same counties on local development choices in order to prioritize economic development. The bill was signed into law and takes effect on July 23rd.

Delegation of final plat approval: [Senate Bill 5674](#), sponsored by [Senator Guy Palumbo](#) (D – Maltby) allows counties, cities, and towns to, by ordinance, delegate final plat approval to an established planning commission or agency or other administrative personnel in accord with state law and local charter. The companion, [House Bill 1862](#), is sponsored by [Representative Joe Fitzgibbon](#) (D – Burien). The bill was signed into law and takes effect on July 23rd.

Encouraging expeditious completion of Environmental Impact Statements: [House Bill 1086](#), sponsored by [Representative Brian Blake](#) (D – Aberdeen), requires a lead agency to aspire to prepare a final environmental impact statement in as expeditious a manner as possible while not compromising the integrity of the analysis.

This is aimed to cut down on the 24-month timeline currently in statute. The bill was signed into law and takes effect on July 23rd.

Did not pass

Annexation of Unincorporated Urban Islands: [House Bill 1681](#), sponsored by Rep. [Sherry Appleton](#) (D-Poulsbo), is a companion to [Senate Bill 5215](#). The bills make several changes to the state's annexation laws, notably re-establishing a credit against the sales tax incentive for certain annexations and changing the requirements of the 80% island method of annexation. When the House bill had a public hearing, GTHGA signed the City in support. Neither bill made it out of its original committee.

Requires that State Environmental Policy Act (SEPA) impacts be serious in order to deny a proposal: [House Bill 1009](#), sponsored by [Representative Matt Shea](#) (R – Spokane Valley) requires environmental impacts identified under the State Environmental Policy Act (SEPA) to be significant, specific, and adverse, in order for the lead agency to condition or deny a proposal on the basis of those environmental impacts. The bill died after a public hearing in the House Environment Committee.

Removing redundancies in the State Environmental Policy Act (SEPA): [House Bill 1013](#), also sponsored by [Representative Matt Shea](#) (R – Spokane Valley), reduces redundancies between SEPA and other state laws. First, it alters the requirements for analysis and mitigation under the State Environmental Policy Act (SEPA) for actions that are addressed by development regulations, plans, and other legal authorities. Also, it requires, rather than authorizes, SEPA lead agencies to identify elements of the environment addressed by questions on the SEPA checklist that are adequately covered by other legal authorities. It authorizes SEPA lead agencies to ignore adequately covered elements of the environment during SEPA analysis and to delete adequately covered SEPA checklist questions, and prohibits appeals on the basis of impacts to adequately covered elements of the environment. Finally, it directs appeals courts to expedite appeals of certain land use and planning decisions. Both bills died after a public hearing in the House Environment Committee.

Changing the authority of Boundary Review Boards: [Senate Bill 5652](#), sponsored by [Senator Jan Angel](#) (R – Gig Harbor), changes the authority of Boundary Review Boards (BRBs) to respond to annexation proposals. The bill states that a BRB may allow, rather than direct, affected jurisdictions to enter into agreements to address conflicts with the board's factors and objectives. It also requires a boundary review board to consider the effect of a proposal on mutual fiscal interests. The companion is [House Bill 1682](#), sponsored by [Representative Joe Fitzgibbon](#) (D – Burien). The Senate Bill died in the House Rules Committee and the House version of the bill died after it received a hearing in the House Local Government Committee.

Addressing state vesting laws after *Snohomish County v. Pollution Control Hearings Board*: [House Bill 2023](#), sponsored by [Representative Joe Fitzgibbon](#) (D – Burien), makes several changes to the effective date of certain actions taken under the Growth Management Act in an effort to address disputes regarding state vesting laws. Different versions of the bill passed both the House and Senate, but neither chamber agreed to a final version so the bill died. Advocates of the bill are environmental groups and the Department of Commerce. The building industry opposed the bill. This is likely to be an issue that will resurface in the 2018 session.

Allowing mobile home communities outside the Urban Growth Area: [Senate Bill 5615](#), sponsored by [Senator Tim Sheldon](#) (D – Potlatch), authorizes counties, that are required to plan under the Growth Management Act, to establish a process as part of its urban growth area for reviewing proposals to authorize new fully contained manufactured housing communities located outside of the initially designated urban growth areas. The

companion is [House Bill 1846](#), sponsored by [Representative Dan Griffey](#) (R – Allyn). The Senate Bill died after a public hearing in the House Environment committee and the House bill did not receive a public hearing.

Addressing state vesting laws after *Snohomish County v. Pollution Control Hearings Board*: [Senate Bill 5212](#), sponsored by [Senator Lynda Wilson](#) (R – Vancouver), clarifies the scope of land use ordinances for purposes of vesting by amending the building permit and subdivision vesting statutes to state that permits and proposed divisions of land shall be considered under the environmental and development regulations, as well as the building/subdivision and zoning, or other land use control ordinances that are in effect on the date of application/submission. This should be done without respect to whether the regulation or ordinance was enacted for the purpose of complying with state law. This bill is responsive to *Snohomish County v. Pollution Control Hearings Board* that was ruled on last year. The bill died in the House after a public hearing in the Judiciary committee.

Making composting comply with nuisance regulations: [House Bill 1590](#), sponsored by [Representative Brian Blake](#) (D – Aberdeen) and its companion, [Senate Bill 5431](#), sponsored by [Senator Judy Warnick](#) (R – Moses Lake), designates composting as an agricultural activity which precludes it from nuisance regulations except under special circumstances. The Senate version of the bill passed the Senate unanimously but did not pass the House. The House bill passed out of the House Agriculture and Natural Resources Committee, but died in the House Rules committee.

Allowing cities to limit State Environmental Policy Act (SEPA) appeals: [House Bill 1740](#), sponsored by [Representative Joan McBride](#) (D – Kirkland), extends the option, until 2028, for a city to adopt an optional subarea element that limits State Environmental Policy Act (SEPA) appeals of qualifying projects. In order to be exempt from SEPA appeals, projects must set aside at least 10% of dwelling units for sale or rental to low-income households at affordable prices. The bill was heard in House Appropriations, but was not scheduled for a vote and did not make the house of fiscal cutoff deadline.

Addressing state vesting laws after *Snohomish County v. Pollution Control Hearings Board*: [House Bill 2100](#), sponsored by [Representative Roger Goodman](#) (D – Kirkland), modifies the common law vested rights doctrine in response to *Snohomish County v. Pollution Control Hearings Board* which held that storm water regulations are not “land use control ordinances” that are subject to the state’s statutory vested rights doctrine. The bill was referred to House Environment, but did not receive a hearing.

Allowing cities to eliminate single-family dwelling floor space requirements: [House Bill 1085](#), sponsored by [Representative Brian Blake](#) (D – Aberdeen), permits cities, or counties to eliminate any minimum floor space requirements for single-family detached dwellings, or reduce requirements below the minimum standards in the State Building Code. The bill died in the House Rules committee.

Creating the Environmental Protection Land Exchange Act: [House Bill 1774](#), sponsored by [Representative Dan Griffey](#) (R – Allyn), establishes the Environmental Protection Land Exchange Act. The bill authorizes local governments within rural counties to designate and permit development on parcels of property outside of urban growth areas to urban levels of service without expanding the urban growth areas if certain square footage requirements are met. The bill explicitly states that the Growth Management Hearings Board should not hear petitions alleging noncompliance with the Act. The bill was referred to House Environment and was not scheduled for a hearing.

Encouraging Annexation of unincorporated urban growth areas: [Senate Bill 5215](#), sponsored by [Senator Steve Conway](#) (D – Lakewood), encourages the annexation of unincorporated urban growth areas through the following provisions:

- Re-establishes a credit against the sales tax incentive for certain annexations.
- Expands the ability of cities to annex areas through the 80% island method of annexation.
- Increases the percentage of voters who must sign a petition in order to request a referendum on an 80% island method annexation. The number of signatures of voters residing within the annexation area required to sign the petition to request a referendum would be increased to 15% of the votes in the most recent election, rather than the current 10%.
- Eliminates the requirement to publish the entire proposed interlocal agreement for a 60% island interlocal agreement method annexation as part of the public hearing notice. Instead, a summary could be published, like for other interlocal agreements.

The bill died without receiving a public hearing.

Police, Fire & Corrections

Passed

Increasing Community Impact Statements notice for the release of certain offenders: [House Bill 1626](#), sponsored by [Representative Brian Blake](#) (D – Aberdeen), and its companion, [Senate Bill 5458](#), sponsored by [Senator Dean Takko](#) (D – Longview) increases the amount of time a local government has to provide the Department of Corrections with a community impact statement related to new community custody housing providers from 10 to 25 days. This would provide additional notice for communities before a person enters transitional housing. The House version of this bill was passed into law during Regular Session and takes effect on July 23rd.

Clarification that a crime can be committed in any location in which a defendant commits an act or commits part of the crime: [House Bill 1184](#), sponsored by [Representative Tina Orwall](#) (D – Des Moines) clarifies the Patronizing a Prostitute statute to clarify that the crime can be committed in any location in which the defendant commits any act that constitutes part of the crime. For instance, a person who sends a communication to patronize a prostitute is considered to have committed the crime both at the place from which the contact was made and where the communication is received. [Senate Bill 5184](#) is the companion bill and is sponsored by [Senator Mike Padden](#) (R – Spokane Valley). The House version of this bill was passed into law at the end of Regular Session and takes effect on July 23rd.

Making a 4th DUI in 10 years a felony charge: [Senate Bill 5037](#), sponsored by [Senator Mike Padden](#) (R – Pasco), classifies an individual's fourth driving under the influence (DUI) charge within 10 years as a felony. This bill was passed into law at the end of Regular Session and takes effect on July 23rd.

Possibility for vacating a crime if it was the result of human trafficking: [Senate Bill 5272](#), sponsored by [Senator Rebecca Saldana](#) (D – Seattle) and its companion [House Bill 1112](#), sponsored by [Representative Tina Orwall](#) (D – Des Moines) permits an individual to be vacated of a crime if the person has a prior conviction of prostitution and if the person is able to prove that the crime was as a result of being a victim of trafficking. The Senate version of this bill was passed into law at the end of Regular Session and takes effect on July 23rd.

Did not pass

Use of deadly force in community policing: [House Bill 1769](#), sponsored by [Representative Roger Goodman](#) (D – Kirkland), implements recommendations from the joint legislative task force on the use of deadly force in community policing. The bill requires that: (1) law enforcement agencies report on data and rate of deadly force incidents to the Attorney General, (2) a study be completed regarding methods to increase diversity in law enforcement, (3) the Criminal Justice Training Commission develop and provide an advanced training to commissioned officers, including crisis intervention training, (4) a grant program is established to help law enforcement agencies procure less lethal weapons for primary responding officers and to develop and enhance community engagement, (5) the CJTC to provide enhanced crisis intervention training (40 hours) to 50 percent of all general authority peace officers assigned to patrol duties. This bill died in the House after a public hearing in the Public Safety committee.

Redefining crime of “pursuing a police vehicle”: [House Bill 1844](#), sponsored by [Representative Mike Sells](#) (D – Everett) modifies the definition of “pursuing a police vehicle” to include a police vehicle that does not initiate or terminates a pursuit. This bill passed the House and died in the Senate Law & Justice committee.

Strengthens ramifications for attempting to elude a police vehicle: [House Bill 1642](#), sponsored by [Representative Morgan Irwin](#) (R – Enumclaw) strengthens the legal ramifications of “attempting to elude a pursuing police vehicle” from a level II seriousness to a level III. This bill died in the Appropriations committee.

Public Records

Bills that passed the Legislature

Public Records Act Reform: [House Bill 1594](#), sponsored by [Representative Joan McBride](#) (D – Kirkland), [House Bill 1595](#), sponsored by [Representative Terry Nealey](#) (R- Dayton), are the two Public Records Act Reform bills introduced this session as the result of the 2016 interim stakeholder working group. As these bills went through the public process, GTHGA expressed the City’s support through public sign in. Together, the bills include the following reforms:

- Authorizes agencies to charge for providing copies of electronically produced public records and sets a default fee schedule for electronic records at 10 cents/gigabyte. This fee is optional. Local governments may also choose to pursue a flat fee and the rate of that fee was reduced to \$2.
- Authorizes a customized service charge for exceptionally complicated requests.
- Provides that a request for all, or substantially all agency records is not a valid “identifiable records request” under the Public Records Act.
- Allows agencies to deny frequent automatically generated requests for public records that would interfere with the other essential functions of the agency.
- A study about establishing a statewide internet portal for public records management; \$25,000 for the study is provided in the bill, which has been funded by the House’s budget proposal.
- Authorizes a \$1 surcharge on county recorded documents to fund the State Archives local competitive grant program for records retention which sunsets in 2020.
- Local government consultation program operated by the Attorney General’s Office operating through 2020 and funded out of the \$1 surcharge.
- JLARC review of the grant and consultation programs.
- Performance measurement reporting requirements for agencies with JLARC to administer the reporting.
- Clarification about how to address a records request when the requestor doesn’t respond to an agency’s request for clarification.
- Language exempting certain volunteer records.

After coordinating with the Washington Coalition for Open Government and Allied Daily Newspapers, these bills were amended many times and eventually passed the Legislature, signed into law and take effect on July 23rd.

Public Records Act disclosure exemption for public employee residence location: [Senate Bill 5207](#), sponsored by [Senator Patty Kuderer](#) (D – Bellevue) and its companion, [House Bill 1317](#), sponsored by [Representative Joan McBride](#) (D – Kirkland), create a disclosure exemption under the Public Records Act for global positioning system (GPS) data that would indicate the location of the residence of a public employee, or volunteer. While the House version died in the House Rules committee, the Senate version of this bill was passed into law during Regular Session and takes effect on July 23rd.

Bills that did not pass the Legislature

Creation of an internet-based data storage system for public records: [House Bill 1516](#), sponsored by [Representative Drew MacEwen](#) (R – Union), directs the state’s Chief Information Officer to establish a public, internet-based data storage system in order to store agency public records and increase public accessibility. The bill would also impose a fee on collection of these records through the state website. This bill died in the Appropriations committee early on in Regular Session.

Public Records Act exemption for state employee personal information: [House Bill 1160](#), sponsored by [Representative Larry Springer](#) (D – Kirkland), and its companion, [Senate Bill 5418](#), sponsored by [Senator Maralyn Chase](#) (D – Edmonds), make modifications to the Public Records Act by requiring that personal information regarding state employees be exempt from public disclosure. This information would include volunteer passport and visa numbers, ongoing investigation of employment-related discrimination and trade secrets. In addition, this bill also awards attorney fees to a defendant that is able to adequately defend against an injunction of public disclosure of records pertaining to financial, commercial or proprietary information. The House version of this bill died in the Senate Rules committee and the Senate version died after its first public hearing.

Violations of the Public Records Act: [Senate Bill 5710](#), sponsored by [Sen. Patty Kuderer](#) (D-Bellevue), says that if the court determines an agency acted in good faith in denying a person the right to a public record, the maximum penalty that may be awarded is \$5,000. The bill was heard in committee but never made it out of the Senate State Government committee.

Public Works

Bills that Passed the Legislature

Local Infrastructure Funding: [House Bill 1677](#), sponsored by [Representative Strom Peterson](#) (D – Edmonds) makes reforms to the Public Works Assistance Account in an effort to regain political support for the program. This bill is considered the AWC PWAA 2.0 Bill. The bill does the following:

- Increases the Public Works Board from 13 to 17 members by adding a legislator from each caucus to the Board.
- Authorizes the Board to provide grants, forgivable loans, and interest rate buy-downs for certain preconstruction, construction, and emergency projects.
- Removes a requirement that the Board submit a ranked list for funding and that the Legislature fund specific projects from the ranked list.
- Specifies criteria the Board must use when prioritizing funding for projects and adds requirements related to determining loan interest rates.

- Requires an annual report regarding the prior fiscal year activities related to applications received, projects funded, and obligations of funding.
- Increases the amount of funds for preconstruction and emergency projects from 15 percent to 20 percent of appropriated amounts and sets the amount of funds for grants at 10 percent of appropriated amounts.
- Establishes a system improvement team that reports to the Board.
- Requires the Board to provide a report regarding other financing options for local government infrastructure.

This bill was signed with a partial veto by the Governor on July 6th. The Governor vetoed Section 3, which would modify the composition of the Public Works Board to include members of the legislature. Governor Inslee indicated support in adding members with applicable skill sets and making legislators as ex-office and non-voting members.

Bills that did not pass the Legislature

Requiring easement holders to share costs for easements to private road: [House Bill 1494](#), sponsored by [Representative Jeff Morris](#) (D – Anacortes) requires easement holders to share maintenance and other necessary costs for an easement to a private road, unless the holders have already entered into a maintenance agreement. In addition, this bill would allow for legal action if an easement holder fails to pay his or her portion of the maintenance costs. This bill died in the Senate Law & Justice committee.

Clarifying what constitutes a public nuisance leading to a potential abatement: [House Bill 1332](#), sponsored by [Representative Jake Fey](#) (D – Tacoma), establishes that any structure, device, natural or artificial thing that threatens or endangers a county road or bridges is a public nuisance and the county may take action in abatement. This bill was brought forward by Pierce County in an effort to more expediently clear private roads in order to provide services in case of an emergency. This bill died in the House Rules committee.

Requiring emergency preparedness guidance for oil train accidents: [House Bill 1698](#), sponsored by [Representative Christine Kilduff](#) (D – University Place), directs the Department of Health to develop emergency preparedness guidance for oil train accidents and associated hazards, and to implement public awareness outreach programs in collaboration with local officials. This bill had a public hearing in the House Public Safety committee and the House Appropriations committee. GTHGA testified in support of the bill on the City’s behalf at both hearings. This bill ultimately died in the House Appropriations committee during Regular Session.

Local Infrastructure Funding: [Senate Bill 5088](#), sponsored by [Senator Jim Honeyford](#) (R – Sunnyside), allows the Housing Finance Commission to establish a program to provide financing to local governments for infrastructure projects through the issuance of bonds or loans. This bill died in the Senate Ways and Means Committee.

Local Infrastructure Funding: [Senate Bill 5033](#) and [Senate Joint Resolution 8201](#), related to financing local infrastructure are both sponsored by [Senator Karen Keiser](#) (D – Kent). Together these bills would allow jurisdictions to access the bond market by having the state secure the bonds for a project backed by the full faith and credit of the state (this would be of benefit to jurisdictions that otherwise face obstacles to entering the bond market). In the Senate Ways and Means Committee, this bill was amended to permanently redirect many of the revenue streams going into the account, for the purpose of funding education. This and other subsequent amendments led to the Senate refusing to concur with House amendments and the bill died during Regular Session. When this bill was heard in committee, GTHGA signed the City in as “other” which indicated the City’s interest in the topic but did not express a support or oppose position.

Creating State Environmental Policy Act review exemptions: [House Bill 1268](#), sponsored by [Representative Mark Harmsworth](#), (R-Mill Creek) exempts the construction of sidewalks, sidewalk extensions, paths, and pedestrian walks from State Environmental Policy Act review processes so long as additional automobile lanes are not added by the project. This bill died in the House Rules Committee.

Main Street Tax Credit Incentive Program: [House Bill 2094](#), sponsored by [Representative Sharon Wylie](#) (D – Vancouver) was introduced mid-session to provide an additional option to address Main Street Tax Credit Incentive Program reform efforts. The bill was identical to another Main Street bill and it did not advance past the House Finance committee.

Transportation

Passed

Removal of arterial network reporting requirements for local governments: [House Bill 1490](#), sponsored by [Representative Jake Fey](#) (D – Tacoma) eliminates the requirement that a city, or town provide preservation rating information on a certain percentage of its arterial network during the 2017-19 fiscal biennium. The WA State Department of Transportation is required, in consultation with cities and the State Transportation Commission, to review existing pavement preservation rating reporting requirements and recommend whether a repeal of the rating report is warranted. The report is due to the Legislature by December 1, 2017. The Governor signed this bill into law on April 27th and it takes effect on July 23rd.

REAL ID Act: [Senate Bill 5008](#), sponsored by [Senator Curtis King](#) (R – Yakima) and its companion bill, [House Bill 1041](#), sponsored by [Representative Judy Clibborn](#) (D – Mercer Island), Chairs of their respective Transportation Committees. The proposed legislation would require driver's licenses be affirmatively marked in a manner consistent with federal law and repeals existing state law that prevents the Department of Licensing from complying with the REAL ID Act. Additionally, the base fee for enhanced driver's licenses would be increased from \$18 to \$36 dollars for four years and then up to \$54 after the first four years. The Senate version of the bill was passed into law at the end of Regular Session and will take effect on July 1, 2018.

Did not pass

Restrictions on Regional Transit Authority (RTA) collection of Motor Vehicle Excise Tax: [Senate Bill 5893](#), sponsored by [Senator Steve O'Ban](#) (R – University Place), states that a Regional Transit Authority (RTA) can only use the Department of Licensing to collect Motor Vehicle Excise Tax (MVET) if the vehicle valuation method previously adopted by the Legislature is used. It also states that the RTA is responsible for any administrative costs the Department of Licensing (DOL) incurs during the tax collection process. This is a companion to [House Bill 2168](#), sponsored by [Representative Mark Harmsworth](#) (R – Mill Creek). The Senate Bill died in the House Transportation committee at the end of Regular Session. The bill was reintroduced in the Senate during each Special Session, although no further action has been taken by the House. It has been passed out and now resides in the House Transportation Committee once again. The House bill did not receive a public hearing.

Sound Transit Board governance changes: [Senate Bill 5001](#), sponsored by [Senator Steve O'Ban](#) (R – University Place), and its companion, [House Bill 1029](#), sponsored by [Representative Mark Harmsworth](#) (R – Mill Creek), changes the governance of the Sound Transit Board. Under current law, the Sound Transit Board is a *federated* board, meaning that the board members serve as local elected officials and are appointed to serve on the Sound Transit Board. These bills make the Sound Transit Board an *elected board*, where members are directly elected from nineteen districts containing approximate equal shares of the population. Sound Transit Board members

would not be able to hold any other elected office. Last session, Senator O’Ban filed a bill similar to this one which received a hearing in the Senate. This bill died in the House during Regular Session, and was reintroduced and subsequently died for all three special sessions.

First right of refusal for formerly condemned homes: [House Bill 1205](#), sponsored by [Representative Jesse Young](#) (R – Gig Harbor), gives a former owner the right of repurchase if the Department of Transportation determines that all or a portion of the former owner's real property or an interest in the real property that was acquired through condemnation within the previous ten years is no longer necessary for a transportation purpose. The Department would need to give 90 days’ notice of the potential sale date to the former owner. The bill died in the House Transportation Committee.

Proportional representation for Public Transportation Benefit Areas members (PTBA): [House Bill 1860](#), sponsored by [Representative Jake Fey](#) (D – Tacoma), requires the members of the governing board of certain Public Transportation Benefit Areas (PTBA) be selected to assure proportional representation of the cities and unincorporated sections of counties that are located within the PTBA’s boundaries. The bill had a public hearing in the House Transportation Committee and was amended to limit the number of board members a single component city may have to less than a majority of the board. The bill died in the House Rules Committee.

Expanding the Lemon Law: [House Bill 2017](#), sponsored by [Representative Mike Sells](#) (D – Everett), expands the scope of the Motor Vehicle Warranty Act (Lemon Law) to include recreational vehicles and all parts of motor homes. The bill received a public hearing in the House Committee on Business & Financial Services, but did not advance.

Increasing transparency between taxpayers and Regional Transit Authorities (RTAs): [House Bill 2201](#), sponsored by [Representative Mike Pellicciotti](#) (D – Federal Way), requires further transparency between taxpayers and Regional Transit Authorities (RTAs) regarding the amount of taxes owed. This communication must include a clear notification to taxpayers regarding the expected amount owed under current law, when the expected tax is due, and the net impact after a new tax is imposed. The bill requires a market value adjustment program to be implemented in determining the fair valuation of vehicles in order to calculate the motor vehicle excise tax. In addition, RTAs would be required to detail cost-saving methods by creating efficiencies through coordination with other transit agencies, by revising project contingency budgets and further transparency on project design. The bill died in the House Rules Committee.

Water

Passed

No bills

Did not pass

Whatcom County vs. Hirst “Fix” Legislation: [Senate Bill 5239](#), sponsored by [Senator Judy Warnick](#) (R – Moses Lake), attempts to return to a pre-*Hirst* world. The bill states that if an applicant for a building permit proposes to use a permit exempt well, the local building permitting authority may approve the permit by relying on or referring to applicable water resources management rules adopted by Ecology to determine if water is available. The bill died in the House at the end of Special Session, but was reintroduced in the Senate at the beginning of

Special Session. The bill was voted out of the Senate four times, once during each session. It remains unclear if an agreement on how to fix the *Hirst* Decision will be reached prior to next session.

Whatcom County vs. Hirst “Fix” Legislation: [House Bill 1885](#), sponsored by [Representative Larry Springer](#) (D – Kirkland) offers a middle of the road approach to fixing the *Hirst* Supreme Court decision on permit exempt wells and water availability. The bill states that a local government can rely on or refer to applicable water resource management rules adopted by the Department of Ecology. Additionally, a well water report is sufficient to demonstrate water availability. Also, the local government can impose a fee of up to \$250 for new building permits which necessitate potable water from a permit exempt well. In basins with in-stream flow rules, DOE will need to create a program to mitigate the cumulative impacts of domestic withdrawals that are exempt from permit review. The bill died in the House Appropriations committee.

Whatcom County vs. Hirst “Fix” Legislation: [House Bill 1918](#), sponsored by [Representative Derek Stanford](#) (D – Bothell) is an approach that more closely aligns with the Washington Supreme Court’s decision in *Hirst*. This bill states that a mitigation certificate issued by the county would be sufficient to demonstrate adequate water supply. However, the bill goes on to state that water must be physically available and the source must be in hydraulic continuity with surface waters that Ecology has determined to have flows in excess of minimum instream flows and other senior water rights’ needs. The bill also creates the water withdrawal mitigation assistance account for implementing mitigation programs pursuant to the bill. The bill died in the House Appropriations committee.

Whatcom County vs. Hirst “Fix” Legislation: [House Bill 2248](#), sponsored by [Representative Larry Springer](#) (D– Kirkland), was the House Democrat’s proposal to provide a temporary solution. The bill would have postponed the enforcement of the *Hirst* Decision until July 1, 2019 which would allow land owners already in the process of building to continue their projects. However, the uncertainty of a long term resolution may have prevented banks from lending to land owners so Senate Republicans refused this temporary fix. The bill was never scheduled for a vote on the House floor and is now dead.

City of Lakewood Legislative Update

Briahna Murray
Vice President

Shelly Helder
Consultant

Gordon Thomas Honeywell Governmental Affairs



Session Overview

- Primary task in a “long” legislative session: write budgets!
 - Additional challenges: Funding *McCleary*, addressing *Hirst*, extension of the document recording fee to fund homelessness, paid family leave, & more.
- The “long” 105-Day regular session ended on 4/23
- The Legislature was not able to come to an agreement on the operating and capital budgets in that time.
- The Governor called three special sessions.
- Still no agreement on capital budget.
- Perhaps a 4th special session coming?

What *did* the Legislature do?

Operating Budget

- Passed June 30th – narrowly avoiding shutdown
- \$43.7 billion biennial budget
- \$2.6 billion in new revenue
 - Tax on bottled water
 - Tax on extracted fuel
 - Marketplace Fairness Act
- Increase in K-12 education spending of \$7.3 billion over 4 years via “property tax levy swap”
 - Everyone sees an increase in 2018;
 - In 2019, it varies.
 - E.G: Clover Park School District increases to \$5.32/\$1,000 AV increase in 2018 and then decreases to \$2.49/\$1,000 AV in 2019 and after.
- For the most part, local government revenues remain whole.

Policy Bills

- 2,687 bills introduced in the 2017 regular session
 - 391 passed by the Legislature (15%)

Capital Budget

- Negotiations stalled
- “Re-appropriations” budget passed.
- House passed a capital budget July 1st; Senate has yet to take action.

Transportation Budget

- Passed April 21st
- Only minor changes to Connecting Washington package

Legislative Priorities

- ✓ Increased funding for Community Policing Program
- ❖ Fort Steilacoom Park Land Transfer
- ✗ Capital Funding: Fort Steilacoom
- ✗ Capital Funding: Motor Avenue
- ❖ Pacific Avenue Economic Development

Many more items in Policy Document

Increased funding for Community Policing Program

- **Introduced HB 1370 and SB 5159**
- **Raised awareness through public testimony in House and Senate committee hearings**
- **\$621,000 included in final operating budget**
- **Budget proviso directs DSHS to collect data from the City on the use of the funds and submit to appropriate legislative committees each biennium.**

Fort Steilacoom Park Land Transfer

- Extensive outreach with Governor's office and DSHS prior to 2017 session
- Proviso directing land transfer was included in Governor's proposed budget, House budget proposal & Senate budget proposal
- Proviso language is included in the negotiated capital budget that has not passed the Legislature

Capital Funding Requests

- Requested \$\$ for Fort Steilacoom Park
- Requested \$\$ for Motor Avenue
- Funding not included in House or Senate proposed capital budgets.
- Received good feedback from legislative delegation on how to advance the funding requests in future years.

Pacific Avenue Economic Development/ WSDOT Relocation

- **City staff is working with WSDOT and other stakeholders.**
- **Project is not yet ready for legislative action.**
- **Continue to inform legislators and foster communication with state agencies (e.g. Office of Financial Management).**

Policy Document Items

- State-shared revenues
- Public Records Act reform
- PWAA funding
- BLEA funding
- Unfunded mandates: Paid Family Leave
- Adult family home/ ESF legislation
- Marijuana/Revenue Legislation
- Pierce County annexation legislation
- Small cell network preemption
- SSMPC legislative priorities

and more!

State-Shared Revenues

- **Streamlined Sales Tax Mitigation Revenue**
 - House proposed cut would have cost the City \$50,000
- **LEOFF 2**
 - Senate proposed cut would have cost the City \$290,000
- **Liquor Excise Tax Account**
- **Liquor Board Profits**
- **Restoration of 50/50 liquor revenue sharing relationship**
 - House Bill 1113, GTHGA supported the bill; it did not pass this session

Public Records Act Reform

- After years of work, **two bills passed the Legislature!!**
- What are the changes?
 - Agencies can charge fees for providing records electronically:
 - 10 cents per scanned page; 5 cents per four files or attachments; 10 cents per gigabyte
 - Agencies can deny “bot” requests.
 - Agencies can deny “any and all” requests.
 - Service charges available on exceptionally complex requests.
 - \$1 document recording fee to fund a grant program for local governments to improve their public record management systems AND consultation program on best practices .
 - One downside: agencies with budgeted PRA costs over \$100,000 to report certain performance measurements to JLARC.

Infrastructure Funding: PWAA

- PWAA 2.0 introduced as House Bill 1677
- House Bill 1677 passed the Legislature; awaiting a capital budget that will fund the loan list for the first time in recent years
- \$254 million in revenue diverted to fund education this biennium. Diversion to continue through 2023.
- Reform to the Account:
 - Focus on smaller jurisdictions.
 - Removes Legislative authorization of project list requirement.
 - Requires an annual report regarding the prior fiscal year activities related to applications received, projects funded, and obligations of funding.
 - Establishes a system improvement team that reports to the Board.

Basic Law Enforcement Academy

- **\$2.6 million is included for 6 additional Basic Law Enforcement Academy classes for each year of the biennium with 25% of the cost falling on the employing agencies.**
- **An increase of \$1.3 million for 2018 and \$1.3 million in 2019.**
- **BLEA funding is provided in the 2017 supplemental budget.**

Adult Family Homes

- **Adult Family Home Inspection Requirements: House Bill 2027**, sponsored by Rep. Christine Kilduff, requires that when performs an inspection of an adult family home, the DSHS interview at least 3 neighbors, located within 500 feet of the home. These interviews provide an opportunity for surrounding neighbors to formally provide feedback to DSHS on the operation of the adult family home.
- **Adult Family Homes in Residential Neighborhoods: Senate Bill 5060**, sponsored by Sen. Steve O'Ban limits the number of adult family homes to no more than 2 homes in a 4 block area of a residential community.
- Both bills died in their respective committees.

Marijuana Regulation tied to Liquor Revenues

- [House Bill 1099](#) : If a city does not issue a business license to a marijuana retail store for zoning or other regulatory reasons, the city would lose 75% of its liquor revenue distributions, and its full marijuana revenue distribution.
- As originally drafted, the bill would only have impacted the City of Lakewood. It was later amended to apply more broadly but there was an indication the bill would be narrowed to only the City of Lakewood if it advanced.
- Ultimately, the bill died in the House Appropriations committee but it is likely to return next year.

Bills the City weighed in on in 2017

Support

House Bill 1113
House Bill 1201
House Bill 1370
House Bill 1495
House Bill 1594
House Bill 1595
House Bill 1620
House Bill 1681
House Bill 1698
House Bill 2027
Senate Bill 5060
Senate Bill 5159
Senate Bill 5399
Senate Bill 5676

Opposed

House Bill 1024

Other

Senate Bill 5033

What to expect moving forward?

- **Capital Budget?**
- **Senate race could change balance of power in Legislature**
- **2018 session is a “short” session**
- **October retreat to set 2018 legislative priorities**

Questions?

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To: Mayor and City Councilmembers

From: Mary Dodsworth, Parks, Recreation & Community Services Director

Through: John J. Caulfield, City Manager 

Date: August 8, 2017

Subject: Park Pavilion Project Update

Attachments: Preferred design option and cost estimate

Background: Over the past three years, the City and the Rotary Club of Lakewood have collaborated to establish a community gathering space at Fort Steilacoom Park. The purpose of the project was to provide a new venue for community get-togethers, ceremonies, performances and entertainment. After a two year community review process and several potential design options, a preferred multi-use enclosable structure and location was selected for the “Pavilion in the Park” project at Fort Steilacoom Park. The footprint for the proposed structure is approximately an acre in size and includes a stage, storage rooms, utilities and access and open space improvements to support building needs, landscaping and spectator seating. On June 19, 2017, Council approved an MOU with the Rotary Club of Lakewood to formalize the partnership and to ensure completion of the project.

A subcommittee was created to finalize the design and create a cost estimate for budgeting and construction purposes. Committee members included a local architect and contractor, Rotary Club representative, council members and city staff. A preferred option is presented for your review along with a cost estimate for construction.

Recommendation: Staff recommends moving forward to complete construction drawings and other site development improvements (cultural survey, water system enhancements, etc.) needed to support the project. Based on current cost estimates, the City will submit a lodging tax grant to offset revenue shortfalls. Once building and site development permits are obtained the project can be bid to determine actual project costs. Following these actions Council can make final decisions regarding funding and site development.

Project Cost Estimate

Expenditures	Lead Agency	MOU Values	8/14/2017 estimated values / changes		Estimated Totals	% of project cost
			in kind	cash		
Development Costs						
Survey / Geotechnical Report	City	\$6,000		\$11,000	\$11,000	
Fire Flow Approval	City	\$40,000		\$190,000	\$190,000	
Building Permit	City	\$6,500		\$6,500	\$6,500	
Construction Bidding	City	\$3,000		\$3,000	\$3,000	
Planning / drawings	Rotary	\$25,000	\$36,300	\$43,000	\$79,300	
Construction Management	Rotary	\$25,000	\$25,000		\$25,000	
subtotal					\$314,800	25%
Building Costs						
Construction Costs	City	\$600,000		\$555,300	\$555,300	
Construction Costs	Rotary	\$44,500	\$38,700	\$47,700	\$86,400	
Added Alternatives	Rotary			\$109,300	\$109,300	
Contractor, taxes, bond, overhead/contingency	City			\$170,000	\$170,000	
Subtotal					\$921,000	75%
TOTAL PROJECT COST						
		\$750,000	\$100,000	\$1,135,800	\$1,235,800	100%
Revenues						
Rotary			\$100,000	\$200,000	\$300,000	25%
City – 2017 Lodging tax grant				\$450,000	\$450,000	36%
2018 Lodging Tax Grant (TBD)					\$485,800	39%
Total Project Revenues					\$1,235,800	100%

Detail Building Cost Estimate to follow

Pavilion Building Cost Estimate

	6/9/2017	6/22/2017	7/21/2017	7/21/2017 Comments
Ft. Steilacoom Pavilion Building				
OPINION OF PROBABLE COST				
SITE COSTS				
Sitework & Utilities - Based on 25,000 SF of Affected Area	\$ 150,000	\$ 110,172	\$ 92,595	Reduced scope - Storm below
Storm Detention / Infiltration System -Included above	\$ -	\$ -	\$ 24,306	Reduced Storm pond or pipe
Asphalt Paving & Pavement Markings	\$ 35,600	\$ 17,800	\$ 32,400	8,100 SF of Asphalt
Audience Seat Walls - See Alternate Below	\$ -	\$ -	\$ -	
Retaining Wall & Footing at Stage	\$ 20,873	\$ 12,524	\$ 12,524	
Plaza In Front of Stage	\$ 16,016	\$ 2,850	\$ 900	Pads for Speakers as shown
Ramps & Cheek Walls at Stage	\$ 9,870	\$ -	\$ 9,870	Added back in
Concrete Stage	\$ 6,706	\$ 4,493	\$ 4,493	
Fencing & New Gate	\$ 13,525	\$ 13,525	\$ 13,525	
Landscaping - See Alternate Below	\$ -	\$ -	\$ -	
SITE SUBTOTAL	\$ 252,590	\$ 161,364	\$ 190,612	
BUILDING COSTS				
Foundation & Slabs	\$ 58,413	\$ 50,413	\$ 50,413	
Exterior Wall Framing	\$ 72,890	\$ 60,892	\$ 52,920	Building size reduction
Roof Framing	\$ 77,088	\$ 40,680	\$ 40,500	Roof framing recalculated
Floor Framing (2nd Floor)	\$ 5,400	\$ -	\$ -	No second floor
Interior Framing	\$ 7,829	\$ 5,152	\$ 3,840	Reduced scope
Stair Construction	\$ 10,522	\$ -	\$ -	No stairs
Exterior Wall Insulation	\$ 4,138	\$ 3,570	\$ 2,940	Building size reduction
Masonry Wall & Columns	\$ -	\$ -	\$ 19,920	Added masonry features (W.C. & Cols)
Masonry Veneer - See Alternate Below	\$ -	\$ -	\$ -	Hardi as shown except for masonry above
Metal Siding - See Alternate Below	\$ -	\$ -	\$ -	No metal siding
Hardi Siding in lieu of Masonry and Metal	\$ 48,180	\$ 28,560	\$ 27,300	
Metal Roofing & Roof Insulation - See Alternate Below	\$ -	\$ -	\$ -	Asphalt shingles
Asphalt Shingle Roofing in lieu of Metal	\$ 21,465	\$ 14,916	\$ 13,400	Roof area recalculated
Batt Roof Insulation in lieu of Metal Roof w/ Insulation	\$ 8,586	\$ 4,752	\$ 5,360	Roof area recalculated
Gutters/Downspouts/Flashing	\$ 13,858	\$ 6,929	\$ 6,929	
Caulking & Sealants	\$ 1,335	\$ 1,335	\$ 1,335	
Exterior Doors & Hardware	\$ 9,052	\$ 6,035	\$ 9,052	Back to 3 exterior leafs
Interior Doors & Hardware	\$ 19,021	\$ 8,152	\$ -	None shown in current design
Tilting Performance Door - See Alternate Below	\$ -	\$ -	\$ -	
Wood Stacking Barn Doors Allowance in lieu of Tilting Door	\$ 30,000	\$ 24,000	\$ 24,000	
Standard OH Door	\$ 5,500	\$ -	\$ 5,500	Added back
Special Window (Emblem by others)	\$ 3,088	\$ 3,088	\$ 3,088	
GWB Walls (Hang, Tape, & Finish)	\$ 33,481	\$ 19,012	\$ 18,060	Building size reduction
GWB Ceilings (Hang, Tape, & Finish)	\$ 2,912	\$ 9,504	\$ 7,200	Building size reduction
Polished Concrete Flooring	\$ 9,345	\$ -	\$ -	Eliminated from design?
Painting	\$ 10,680	\$ 10,680	\$ 10,680	
Mechanical (HVAC) Systems - See Alternate Below	\$ -	\$ -	\$ -	
Plumbing (Rough-in Only) - See Alternate Below	\$ -	\$ -	\$ -	
Electrical - Service Allowance	\$ 50,000	\$ 50,000	\$ 50,000	
Electrical - Building Electrical & Lighting	\$ 53,400	\$ 53,460	\$ 53,460	
Electrical - Temp Power for Construction	\$ 6,788	\$ 6,788	\$ 6,788	
BUILDING SUBTOTAL	\$ 562,971	\$ 407,918	\$ 412,685	
Site & Building Subtotal	\$ 815,561	\$ 569,281	\$ 603,297	
GC's - Based on 4 Months of Construction	\$ 133,192	\$ 100,000	\$ 100,000	
Mark-ups, B&O Tax, & Liability Insurance	\$ 80,729	\$ 70,000	\$ 70,000	
Contingency 5%	\$ 51,474	\$ 36,964	\$ 38,665	
Grand Totals	\$ 1,080,957	\$ 776,245	\$ 811,962	

109,300 additives
\$ 921,262

Additive Alternates			
Audience Seat Walls		\$ 91,317	\$ 91,317
	Mark-ups	\$ 7,853	\$ 7,853
	TOTAL	\$ 99,170	\$ 99,170
Landscaping		\$ 75,000	\$ 75,000
	Mark-ups	\$ 6,450	\$ 6,450
	TOTAL	\$ 81,450	\$ 81,450
Masonry Veneer		\$ 130,320	\$ 115,200
	Less Hardi	\$ (32,580)	\$ (27,300)
	Mark-ups	\$ 8,406	\$ 7,559
	TOTAL	\$ 106,146	\$ 95,459
Metal Siding		\$ 28,080	\$ 62,400
	Less Hardi	\$ (15,600)	\$ (27,300)
	Mark-ups	\$ 1,073	\$ 3,019
	TOTAL	\$ 13,553	\$ 38,119
Metal Roofing & Roof Insulation		\$ 94,446	\$ 67,000
	Less Asphalt Shingles	\$ (21,465)	\$ (13,400)
	Less Batt Insulation	\$ (8,586)	\$ (5,360)
	Mark-ups	\$ 5,538	\$ 4,149
	TOTAL	\$ 69,933	\$ 52,389
Tilting Performance Door		\$ 50,000	\$ 50,000
	Less Wood Barn Door	\$ (30,000)	\$ (24,000)
	Mark-ups	\$ 1,720	\$ 2,236
	TOTAL	\$ 21,720	\$ 28,236
Mechanical (HVAC) Systems		\$ 15,000	\$ 15,000
	Mark-ups	\$ 1,290	\$ 1,290
	TOTAL	\$ 16,290	\$ 16,290
Plumbing (Rough-In Only, Not Incl. Service to Bldg.)		\$ 8,000	\$ 8,000
	Mark-ups	\$ 688	\$ 688
	TOTAL	\$ 8,688	\$ 8,688

Recommended

one seat wall
\$ 20,000

\$ 16,000

28,300

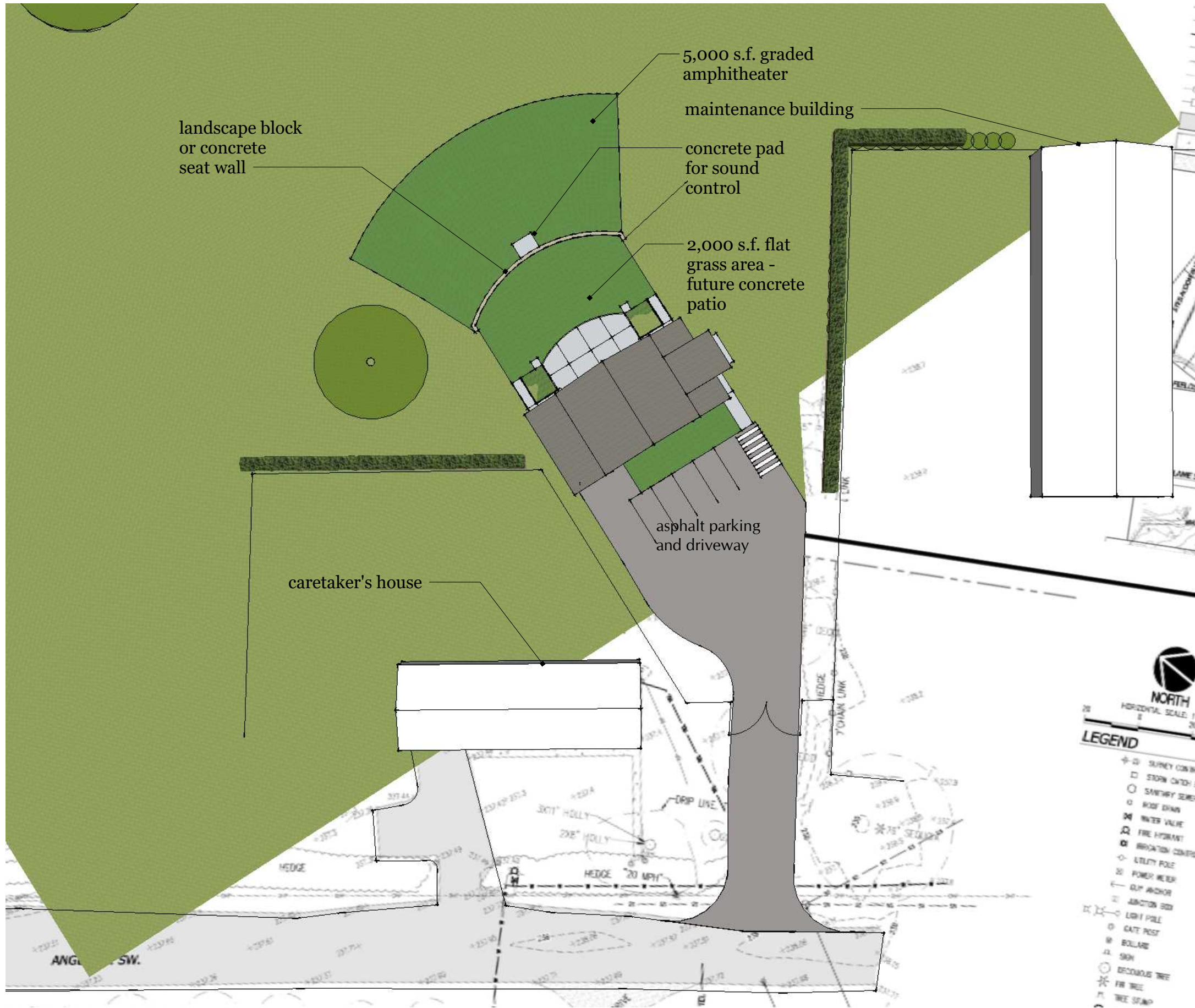
14,300

8,700

20,000

\$ 109,300

Donor sign



landscape block
or concrete
seat wall

5,000 s.f. graded
amphitheater

maintenance building

concrete pad
for sound
control

2,000 s.f. flat
grass area -
future concrete
patio

asphalt parking
and driveway

caretaker's house

NORTH

HORIZONTAL SCALE: 1" = 40'-0"

LEGEND

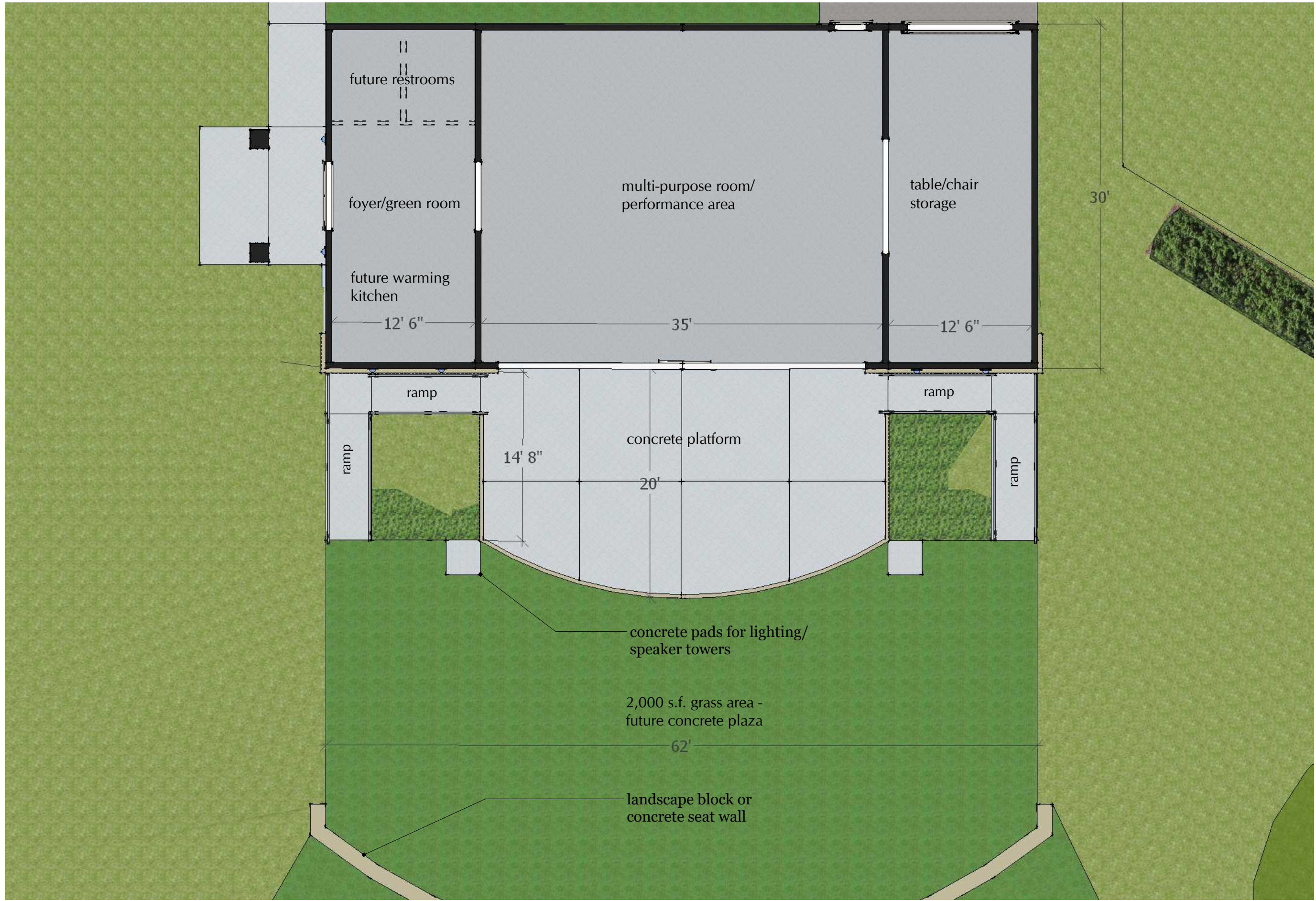
- ⊕ SURVEY CORNER
- ☐ STORM CATCHER
- SANITARY SEWER
- ROOF DRAIN
- WATER VALVE
- ⊕ FIRE HYDRANT
- ⊕ IRRIGATION CENTER
- UTILITY POLE
- POWER METER
- ⊕ SLIP ANCHOR
- ⊕ JUNCTION BOX
- LIGHT POLE
- GATE POST
- BOLLARD
- SIGN
- DECIDUOUS TREE
- FIR TREE
- TREE STUMP

Schematic Site Plan

1" = 40'-0"

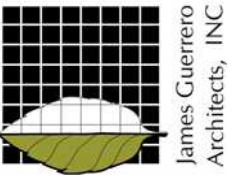
James Guerrero Architects, Inc.
11150 Gravelly Lake Drive SW
Lakewood, WA 98499
Tel. No. (253) 581-6000
Web Site: jgarch.net





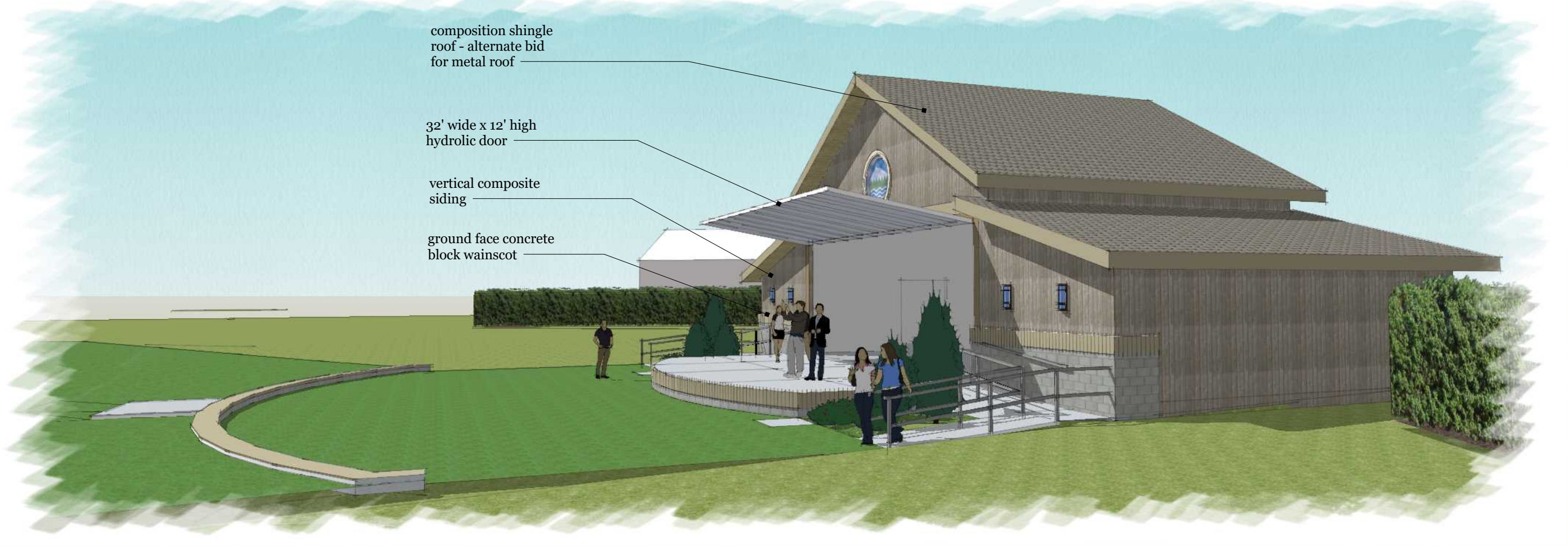
Floor Plan

James Guerrero Architects, Inc.
 11150 Gravelly Lake Drive SW
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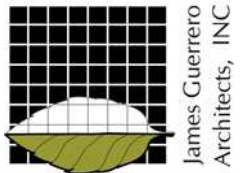


entry



side view with seat wall

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James Guerrero
 Architects, INC

Fort Steilacoom Pavilion
Schematic Exterior
July 8, 2017
Page 3 of 3



To: Mayor and City Councilmembers
From: Becky Newton, Economic Development Manager
Through: John J. Caulfield, City Manager *John J. Caulfield*
Meeting Date: August 14, 2017
Subject: Economic Development Update

Summary

This memorandum provides an overview of activities by the Lakewood economic development team for Q2 2017.

Economic Development Priorities

The Central Business District (CBD), Pacific Highway TOC, and Woodbrook Business Park continue to be the primary focus with an eye on priority projects. These include the CBD sub-area plan, a new Lakewood Library, Motor Avenue complete streets, new industrial warehouses, hotels, restaurants, and filling spaces with quality tenants. Other high priorities are the dangerous building abatement program, code enforcement, rental housing safety program, and completing the infrastructure projects that will increase health and safety, and enable and encourage future growth and redevelopment.

Supporting our local businesses and providing resources, including business forums and trainings, is key to ensuring a stable future for all. Many businesses are expanding and new businesses want to come to Lakewood due to our business friendly staff, City Council, location, and favorable tax structure. We continue to strengthen our partnerships with key agencies to move significant projects along, and to build new connections that will serve our community for many years to come.

Increased collaboration with brokers and investors has garnered new interest in opportunities within the City of Lakewood from beyond the state border. We will increase promotional activities and work to create a strategy and brand for the City.

Topics of Discussion

- Activity by Target Area
- New Lakewood Library
- Contaminated Sites Review
- Branding/Marketing
- Business Retention & Expansion Visits
- New Lakewood Businesses
- Business Forums
- Residential and Commercial Market Activity

Attachment
PowerPoint



Economic Development Update

City Council Study Session
August 14, 2017



Discussion Topics

- Activity by Target Area
- New Lakewood Library
- Contaminated Sites Review
- Branding / Marketing
- Business Retention & Expansion Visits
- New Lakewood Businesses
- Business Forums
- Residential and Commercial Market Activity



Project Activity – Central Business District

Current Permit Activity

Name	Address	Sq Ft	Value
Chick-fil-A	5429 100TH ST SW	4,626	\$610,586
Chipotle Grill	10427 GRAVELL LAKE DR SW	2,400	\$350,000
Happy Teriyaki	6007 100TH ST SW	2,900	\$382,771
Hop Jacks	5711 MAIN ST SW	4,780	\$613,714
MOD Pizza	10427 GRAVELLY LAKE DR SW	2,540	\$250,000
CVS Pharmacy	9400 GRAVELLY LAKE DR	13,000	\$1,900,965
DaVita	5831 Main Street SW	19,000	\$80,000
	TOTALS	49,246	\$4,188,036

Now Open! American Lake Credit Union, Crunch Fitness & Party City





Projects Update – Pacific Highway/TOC

Current Permit Activity

Name	Address	Sq Ft	Valuation
Harbor Freight	10640 PACIFIC HWY SW	14,538	\$2,085,000
Jack in the Box	11023 BRIDGEPORT WAY SW	2,543	\$335,498
Marriott TownePlace Suites	11725 PACIFIC HWY SW	65,775	\$9,001,309
Rainier Terrace Apartments (MFTE)	4110 108TH ST SW	19,800	\$1,353,942
	TOTALS	135,745	\$17,068,422

Now Open! Advanced Auto &
Welcher's Gun Shop & Indoor Range

Current Activity for Retail Redevelopment:

- Concept Development
- WSDOT MOU

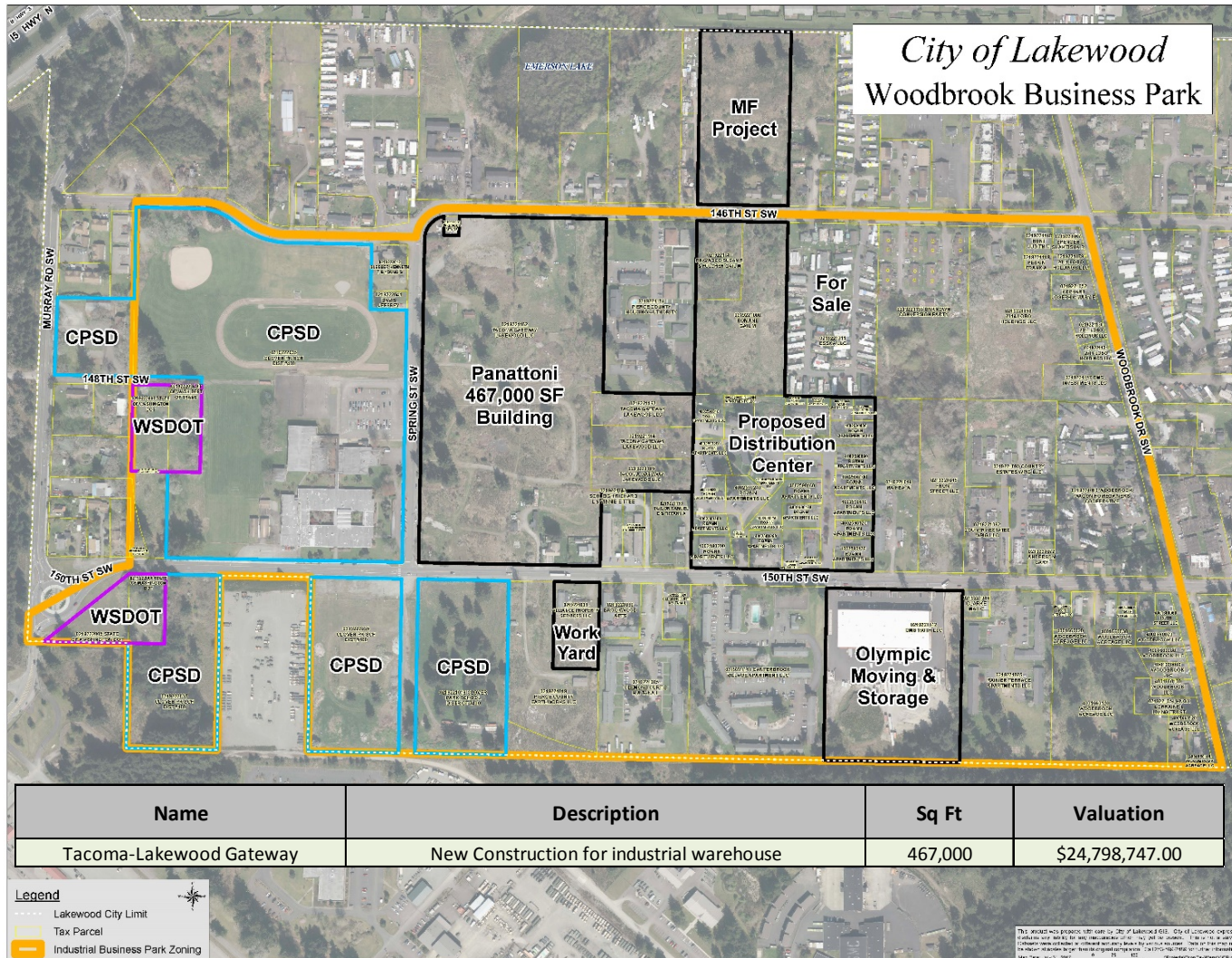
Next Steps:

- Property Owner/Stakeholder Outreach
- Finalize and Issue Broker RFP





Projects Update – Woodbrook Business Park





Projects Update – Other Areas

Permit Activity

Name	Address	Sq Ft	Valuation
Ft Steil Soccer Field & Ballpark Renovation	8714 STEILACOOM BLVD SW	N/A	Unknown
Good Pharmacy	8511 SOUTH TACOMA WAY	5,078	\$138,460
Kulchin Foundation & Drill	9904 SALES RD S	4,796	\$593,552.96
Direct Export	10903 SOUTH TACOMA WAY	N/A	\$74,776.00
New Canopy between Bldgs 11 & 12	9216 47TH AVE SW	31,437	\$1,852,897.00
Front Street Industrial Tilt	2911 96th ST S	1,125	Unknown
Interlaken 32-lot Subdivision	11604 INTERLAKEN DR SW	N/A	\$11,200,000.00
Multi-family at Washington & Interlaken	Not addressed	Unknown	Unknown
Northwest Idea House	48 COUNTRY CLUB DR	4,583	\$562,467.00
Springbrook Apartments	12623 BRIDGEPORT WAY SW	214,593	\$35,000,000.00
Walker Ridge 41-lot Subdivision	10526 100TH STCT SW*	112,750	\$15,375,000.00
Arco Fuel Facility	13005 GRAVELLY LAKE DRIVE	2,488	\$626,254.00
Emergency Food Network	3318 92nd ST S	2,495	\$216,441.25
Euro Shack	10519 BRIDGEPORT WAY SW	1,500	\$196,500.00
Chevron - South Tacoma Way	8902 TO 8904 S TACOMA WAY	Unknown	Unknown
Comfort Inn & Suites	12704 PACIFIC HWY SW	34,521	\$16,400,000.00
Los Guererro's Grocery	10515 S TACOMA WAY	2,543	\$500,000.00
McDonald's Remodel	8201 STEILACOOM BLVD SW	N/A	\$238,100.00
Taqueria El Antojo Expansion	11916 PACIFIC HWY S	1,350	\$22,500.00

TOTALS 414,181 \$82,858,488.21

*Square footage is based on an average of 2,750 SF per home

Now Open!

- Black Bear Diner
- H&L Expansion
- Lee Medical Shell (TI's in process)

Removed:

- Ehrhart Durango Shell
- Lux Motors



Projects Update - New

New Permit Activity
issued this year
Through Q2 2017

Permit Type Description	YTD 2016			YTD 2017		
	Number of Permits	Permit Fees	Valuation	Number of Permits	Permit Fees	Valuation
New Commercial Building	5	\$131,365	\$14,984,718	9	\$56,472	\$3,841,609
New Commercial Bldg - Multi-Family	0	\$0	\$0	2	\$20,307	\$1,353,942
Commercial Re-roof	7	\$8,173	\$498,537	30	\$40,290	2,126,584.00
Commerical - All Other Permits	165	\$162,534	\$8,024,624	217	\$343,978	\$15,718,959
New Single Family Residence	12	\$62,603	\$3,603,759	20	\$100,839	\$5,485,083
Residential Remodel/Repair	28	\$24,475	\$662,586	63	\$69,081	\$1,918,145
Residential Accessory Structure	8	\$12,287	\$483,009	11	\$13,382	\$445,200
Residential - All Other Permits	354	\$53,335	\$1,462,678	412	\$62,749	\$1,431,879
TOTALS	579	\$454,773	\$29,719,911	764	\$707,098	\$32,321,401

Average Valuation of New Single Family Homes: \$355,352



Lakewood Library

- Memorandum of Understanding
- Libraries
 - Central Business District
 - Springbrook
 - Tillicum
- Timing and Next Steps

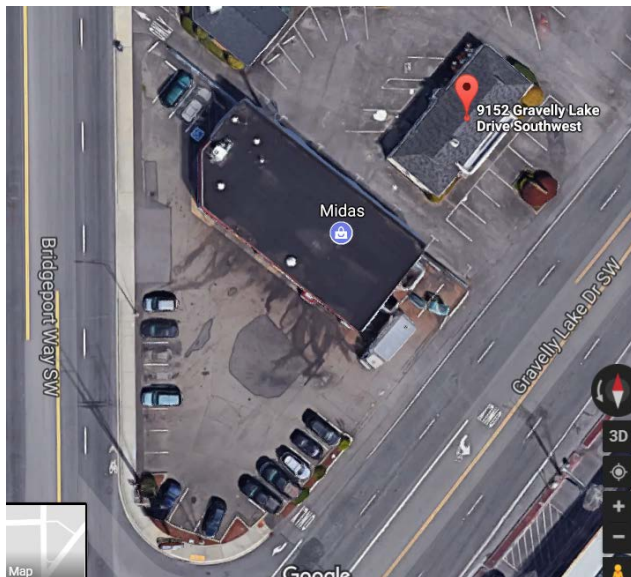


Attractive * Compelling * Convenient * Efficient * Engaging
Flexible * Inclusive * Influential * Innovative * Interactive * Sustainable



Contaminated Sites

- Types
- Challenges
- Best Practices
- Why Now?
- Recommendations
- Options

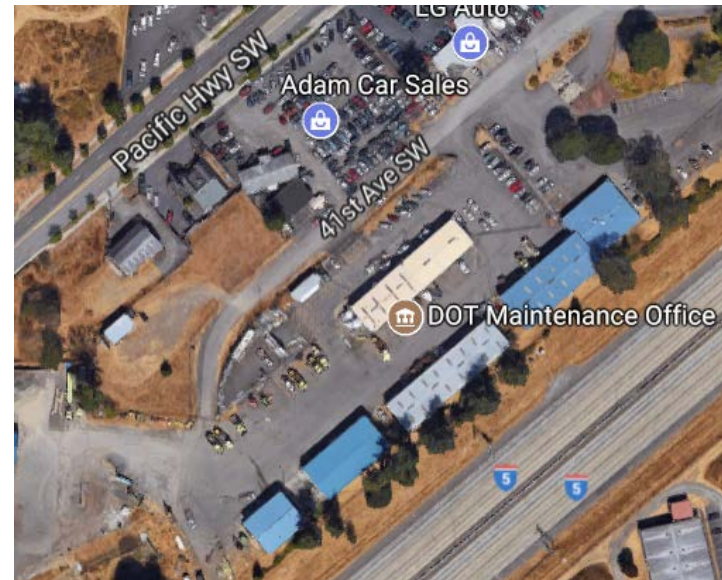




Contaminated Sites

Redevelopment for
Community Revitalization

CBD - International District
Pacific Highway - Woodbrook





Marketing / Branding

- Social Media Ads
 - Facebook
 - Google
 - Bing
- Branding the City
- Strategy

#IamLakewood





Business Retention & Expansion

Business Retention and Expansion (BRE) Visits		
Industry	Q2 2017	
	# Companies	# Jobs
Construction	1	11
Manufacturing		
Durable Goods	2	186
Nondurable Goods	3	68
Trade, Transportation, and Utilities		
Wholesale Trade	1	31
Retail Trade	9	265
Trans, Warehousing and Utilities	1	28
Services		
Finance and Insurance	3	8
Real Estate, Rental and Leasing	4	142
Professional, Scientific and Tech	2	53
Leisure and Hospitality		
Accommodation and Food Services	6	176
Arts, Recreation and Entertainment	2	40
Other Services		
TOTALS	34	1008



New Businesses

Business Type	Q1	Q2
Adult Family Home	1	1
Architect	1	0
Arts, Entertainment, Recreation	0	4
Attorney	1	0
Auto Sales	1	0
Beauty Salon / Operator	8	7
Church	1	0
Construction	8	1
Education - Private	0	1
Engineering	0	1
Financial Services	4	1
Health Care	11	0
Health Care Recruiting	0	1
Information Technology	2	0
Manufacturing - Non Durable	0	1
Marketing Services	1	0
Real Estate	0	1
Retail - General	1	9
Security Services	0	1
Storage	0	1
Transportation / Warehousing	0	1
Waste Management	1	0
Wholesale Trade	0	1
<i>Subtotals</i>	41	32
Contractor	61	86
Home Occupation	15	7
Total New Licenses Issued	117	125





Business Forums

- Developers Forum
- Marketing to Government Buyers
- Procurement Forum & Trade Show
- Minimum Wage & Sick Leave Implementation





Housing Activity

Residential Real Estate Activity								
Category	Q1 2017				Q2 2017			
	City of Lakewood	Pierce County	Thurston County	King County	City of Lakewood	Pierce County	Thurston County	King County
Median Sales Price	\$276,000	\$218,000	\$268,000	\$571,000	\$288,000	\$309,000	\$286,000	\$758,000
Average List Price	\$305,000	\$492,000	\$390,000	\$1,257,000	\$324,000	\$510,000	\$418,000	\$1,274,000
Active Listings	58	1,319	590	1,423	95	2,000	664	1,831
Closed Sales	43	1,423	351	5,219	57	1,831	490	7,853
Days on Market	65	52	59	39	28	33	40	20
Foreclosures	15	62	32	40	13	70	25	31

Source: Pat Brewer

Lakewood 2016 Numbers		
Category	Q1	Q2
Median Sales Price	\$235,000	\$246,000
Average List Price	\$501,000	\$521,000
Active Listings	99	62
Closed Sales	42	57
Days on Market	90	46
Foreclosures	17	24



Commercial Trends

Lakewood	Survey (1/1/2015-8/1/2017)			5-Year Average		
	Office	Retail	Industrial	Office	Retail	Industrial
Number of Bldgs	154	433	100	154	433	99
Existing Sq Ft	1,143,560	4,294,298	3,867,207	1,143,560	4,306,659	3,482,642
Gross Rent/SF	\$19.50	-	\$8.00	\$18.94	-	\$5.76
NNN Rent/SF	-	\$17.68	-	-	\$15.08	-
Vacancy Rate	7.10%	6.40%	7.10%	9.40%	7.90%	8.70%
SALES						
Months on Market	13.5	12.3	-	18.5	24.2	-
Cap Rate	-	6.50%	7.68%	6.90%	6.60%	-

Multifamily						
	Survey (1/1/15-8/1/17)			5-Year Average		
	Lakewood	Pierce County	King County	Lakewood	Pierce County	King County
Vacancy Rate	3.8%	4.0%	4.6%	5.2%	5.2%	5.6%
Cap Rate	6.5%	6.1%	4.8%	7.4%	6.6%	5.1%
ASKING RENTS						
Studio	\$662	\$943	\$1,330	\$606	\$830	\$1,134
1 Bedroom	\$819	\$983	\$1,538	\$700	\$838	\$1,281
2 Bedroom	\$1,011	\$1,180	\$1,834	\$862	\$1,003	\$1,520
3+ Bedroom	\$1,460	\$1,500	\$2,059	\$1,197	\$1,274	\$1,834