

CITY COUNCIL MEETING AGENDA



City of Lake Stevens Vision Statement

By 2030, we are a sustainable community around the lake with a vibrant economy, unsurpassed infrastructure and exceptional quality of life.

March 21, 2023 - 6:00 PM

HYBRID COUNCIL MEETING - TWO WAYS TO PARTICIPATE:

In Person: The Mill, Sawyers Room, 1808 Main Street, Lake Stevens OR

Join Zoom Meeting: <https://us02web.zoom.us/j/82108871154>

or call in at (253) 215-8782 Meeting ID 821 0887 1154

1. **Call to Order**
2. **Pledge of Allegiance** Mayor
3. **Roll Call**
4. **Approval of Agenda** Council President
5. **Citizen Comments**
6. **Guest Business**
 - A. Alternative Public Sector Financing Strategies (No packet materials) Lance Holman, Holman Capital
7. **City Department Report**
 - A. Council Retreat Takeaways Tracker
 - B. Long-Range Work Program - 1st Quarter Report Russ Wright
 - C. Playground Status Update and Survey Results Sarah Garceau
8. **Consent Agenda**
 - A. Amendment to School Resource Officer Interlocal Agreement Jeffrey Beazizo
9. **Public Hearing**
 - A. 2023 Comprehensive Plan Docket Hearing Russ Wright
10. **Discussion Items**
 - A. Short-Term Rentals Russ Wright
 - B. Draft Council Agendas (No packet materials)
11. **Executive Session (Confidential Session of the Council)**

- A. Potential Litigation/Litigation per RCW 42.30.110 1 (i)

12. Adjourn

THE PUBLIC IS INVITED TO ATTEND

The City of Lake Stevens strives to provide accessible opportunities for individuals with disabilities. Please contact Human Resources, City of Lake Stevens ADA Coordinator, (425) 622-9400, at least five business days prior to any City meeting or event if any accommodations are needed. For TDD users, please use the state's toll-free relay service, (800) 833-6384, and ask the operator to dial the City of Lake Stevens City Hall number.

NOTICE: All proceedings of this meeting are audio recorded, except Executive Sessions.

CITY OF LAKE STEVENS, WA

Public Sector Financing Strategy

Investing In America

READINESS
REDUNDANCY
RESILIENCY

SOLAR



ENERGY
CONSERVATION



EQUIPMENT



INFRASTRUCTURE



REAL PROPERTY



CUSTOMIZED FINANCIAL SOLUTIONS

Public Sector Expertise

Financings \$250,000 - \$100,000,000

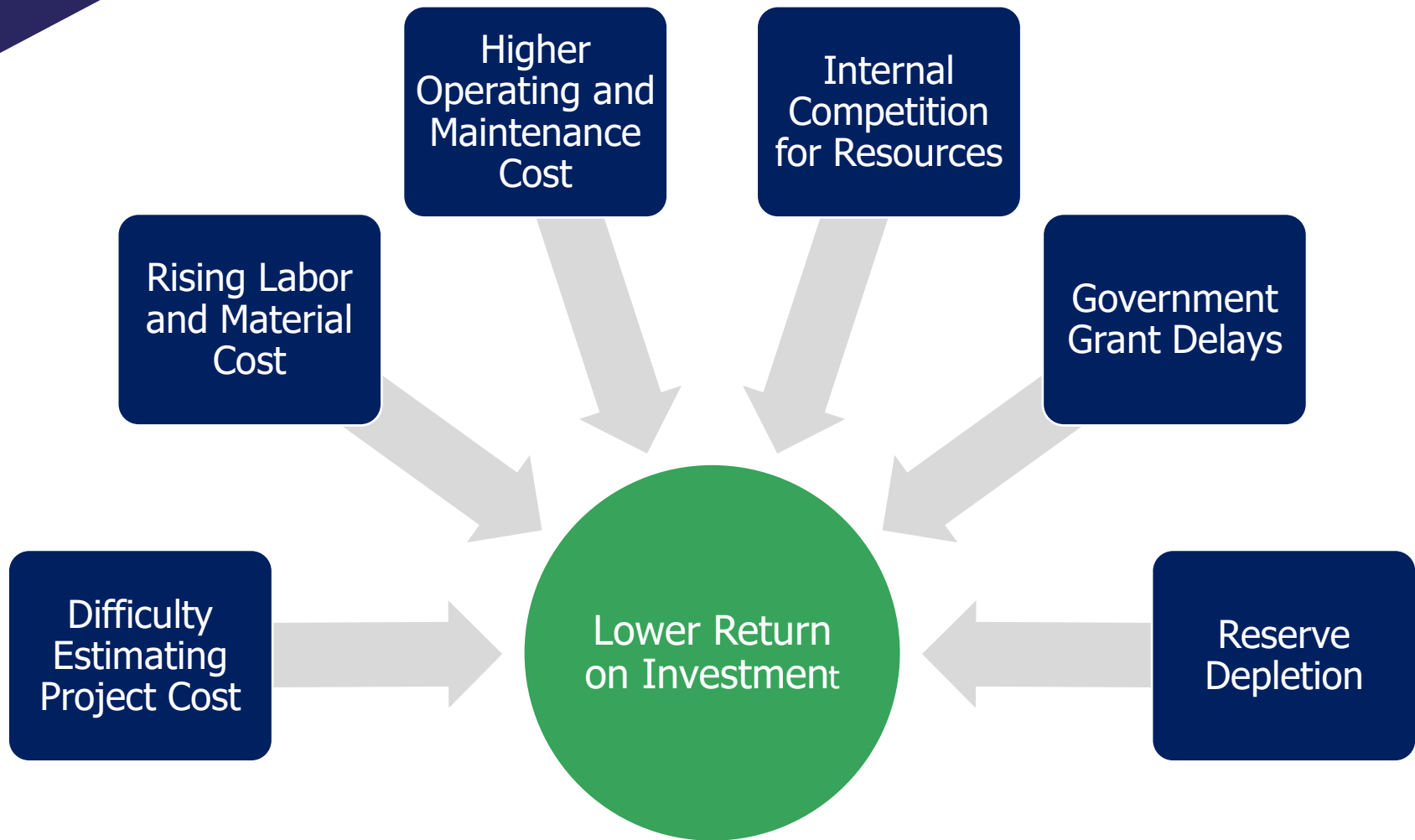
Financings Up To 30 Year Terms

Customized Payment Structures

Fund All Municipal Asset Classes

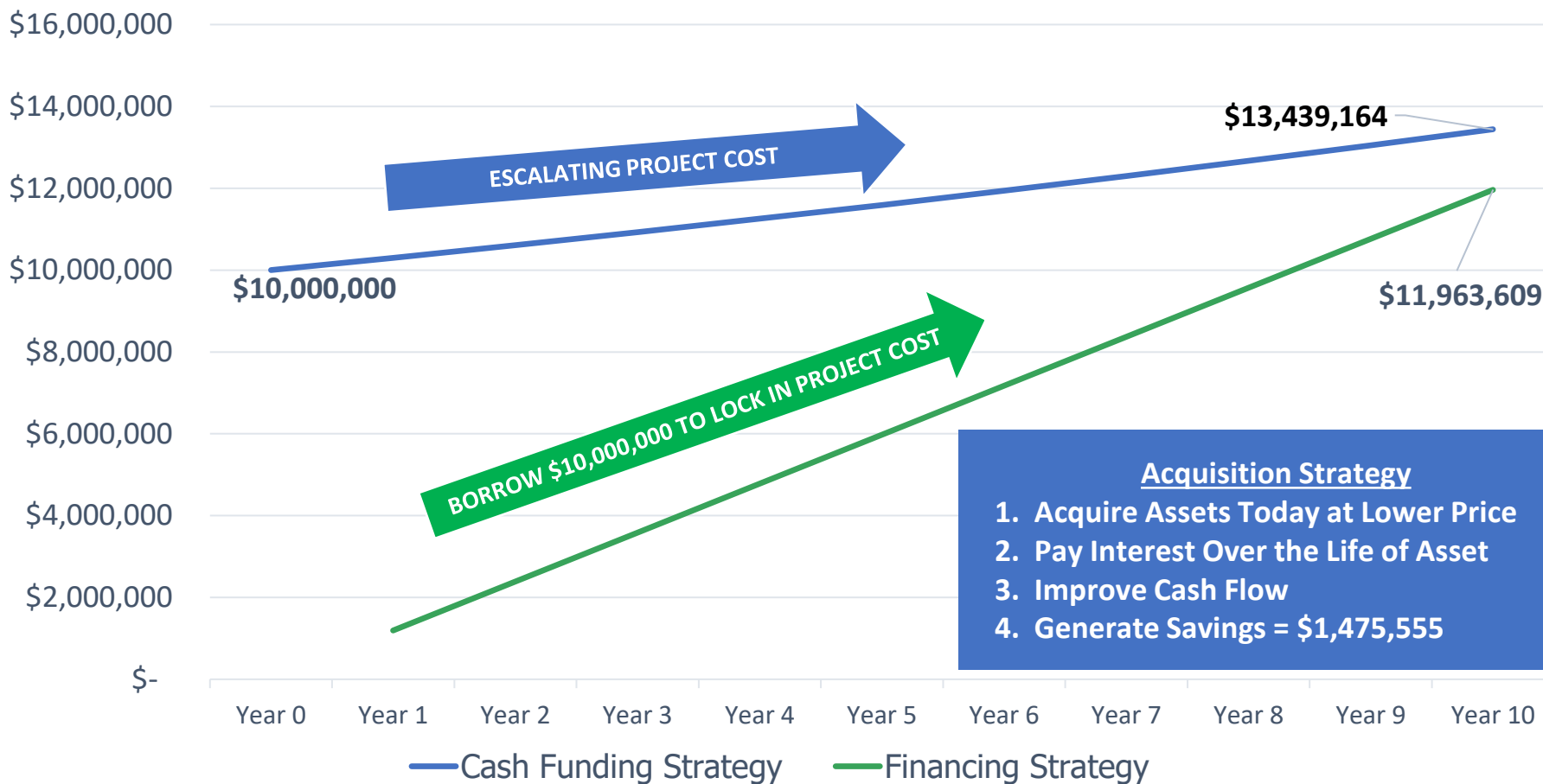
Simplified Documentation

Quick Funding



MUNICIPAL PROJECTS COST OF WAITING

LOCKING IN YOUR PROJECT COST



Public Bonds

- May Require Voter Approval
- Competitive Rates
- Interest Rate Set On Bond Sale Date
- High Fees
- Larger Financings
- Increased Restrictions
- Long Funding Cycle

Direct Lending

- No Voter Approval
- Competitive Rates
- Rate Locks - 30-45 Days
- Minimum Fees
- Up to \$100,000,000
- Less Restrictions
- Quick Funding

TRUE COST OF FUNDING

FINANCING		
Descriptions	Bond	Direct Lending
Financing Amount	\$5,000,000.00	\$5,000,000.00
Interest Rate	2.50%	2.70%
Financing Term	10	10
Payments Per Year	12	12
Periodic Payment	\$47,134.95	\$47,591.06
Annual Payment	\$565,619.41	\$571,092.71
Total Fees & Payments	\$5,734,694.10	\$5,715,927.05

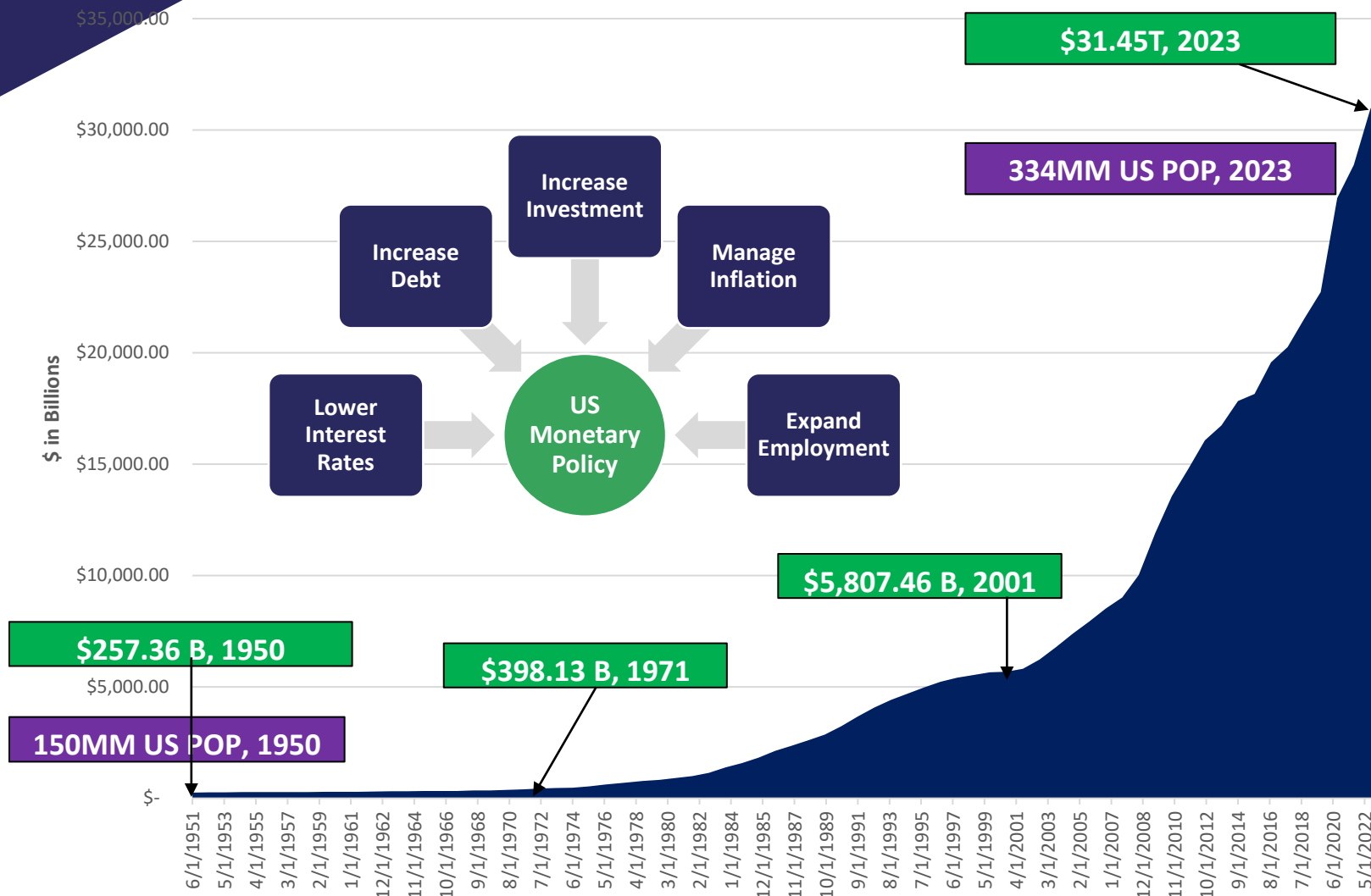
COST OF ISSUANCE		
Debt Issuance Fees	Bond	Direct Lending
Underwriter Fee	\$35,000.00	
Legal Fee/Documentation	\$20,000.00	\$5,000.00
Rating Agency Fee	\$10,000.00	
Trustee Fee	\$5,000.00	
Ongoing Disclosure	\$5,000.00	
Financial Advisor	\$3,500.00	
Total Fees	78,500.00	5,000.00

TRUE COST OF FUNDS		
	Bond	Direct Lending
Financing Amount	\$5,000,000.00	\$5,000,000.00
Less Total Fees	\$78,500.00	\$5,000.00
Net Proceeds Less Fees	\$4,921,500.00	\$4,995,000.00
True Cost of Funds	2.8290%	2.7208%

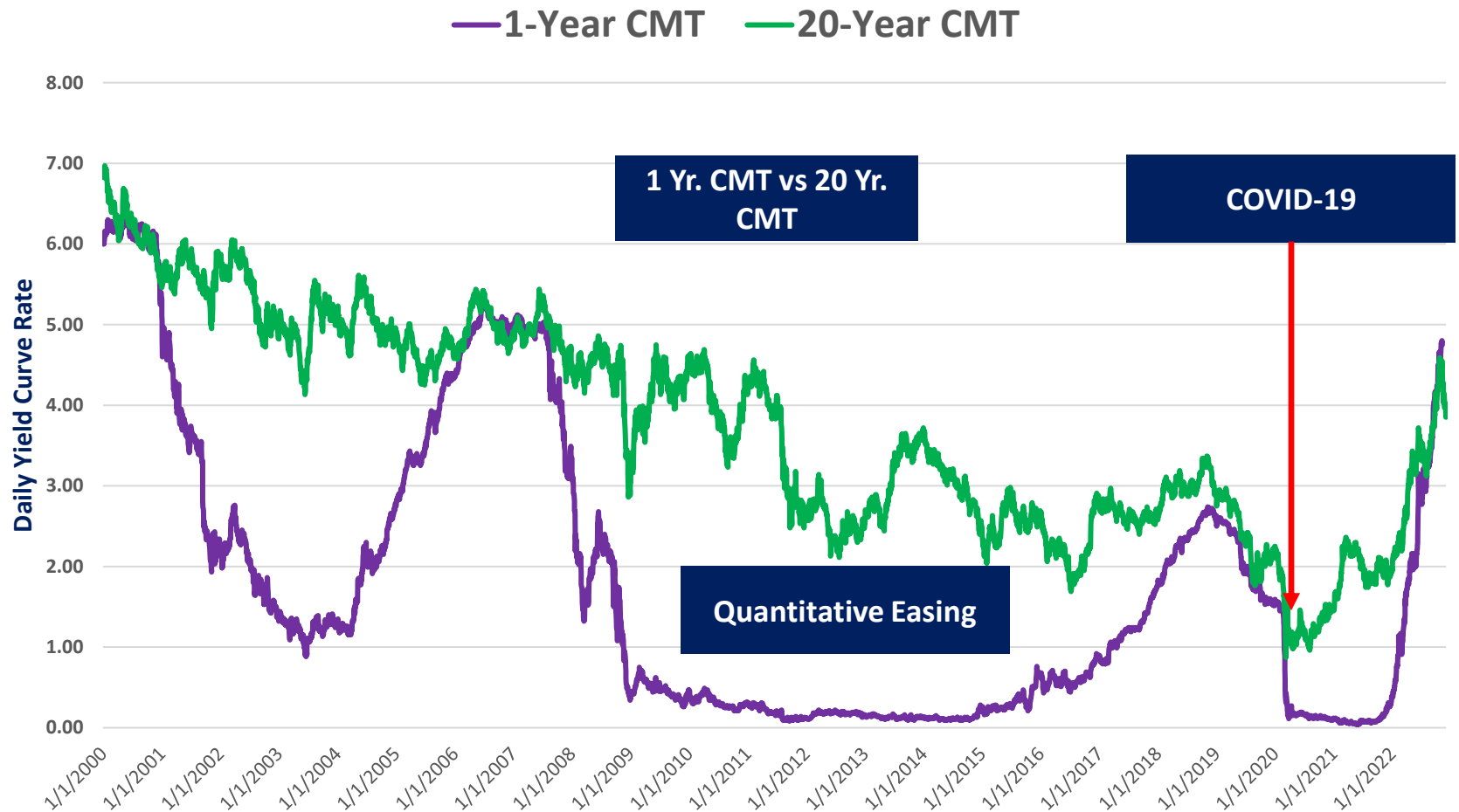
True Cost of Funds

MARKET RATES

US Treasury Debt Market 1950 - 2023

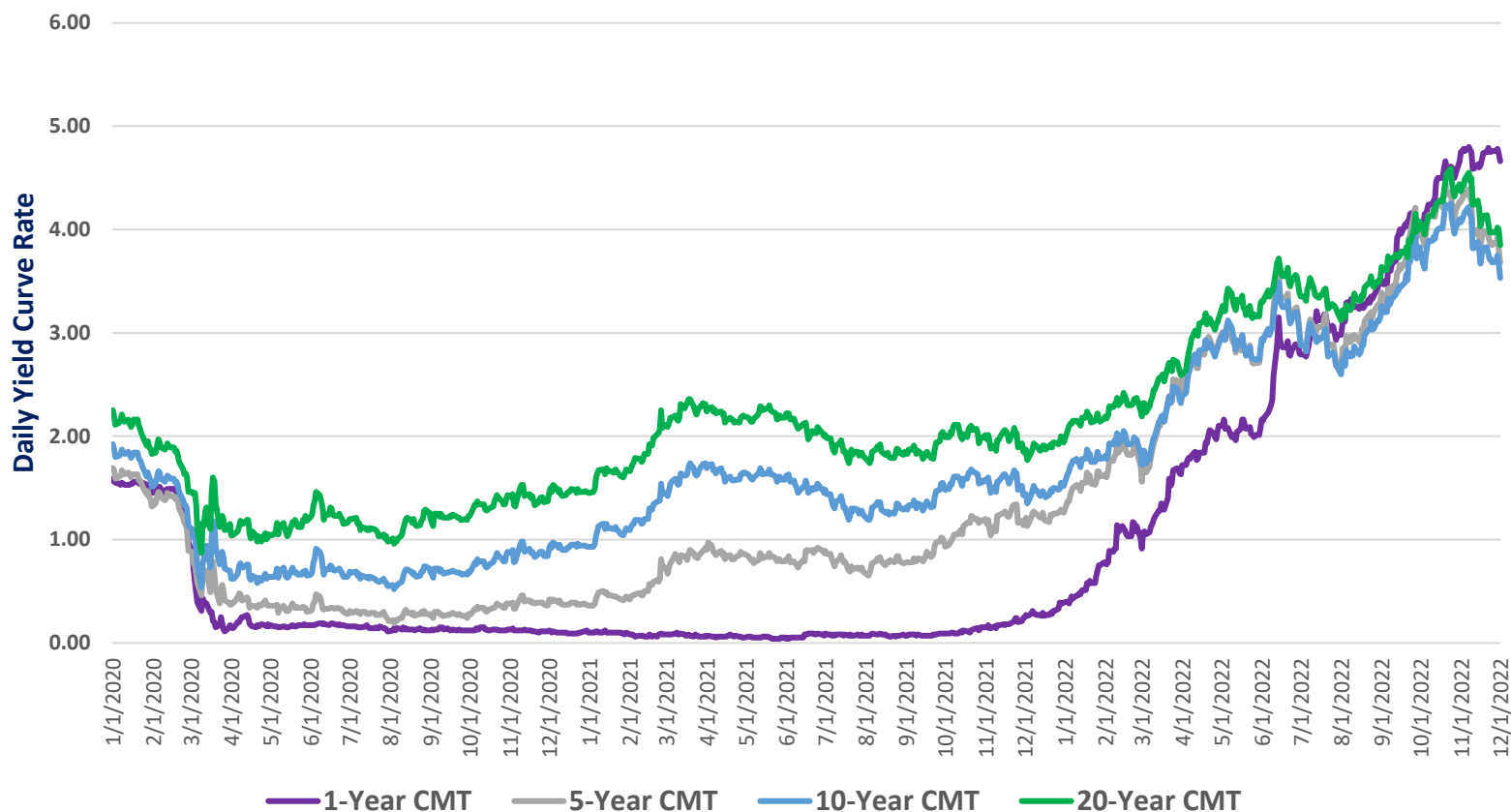


Historical Daily CMT Yields: 2000 - Present



Historical Daily CMT Yields: 2020 - Present

Constant Maturity Treasury Rates January 2020 - Present



Historical Daily CMT Yields: 1962 - Present

Constant Maturity Treasury Rates January 1962 - Present



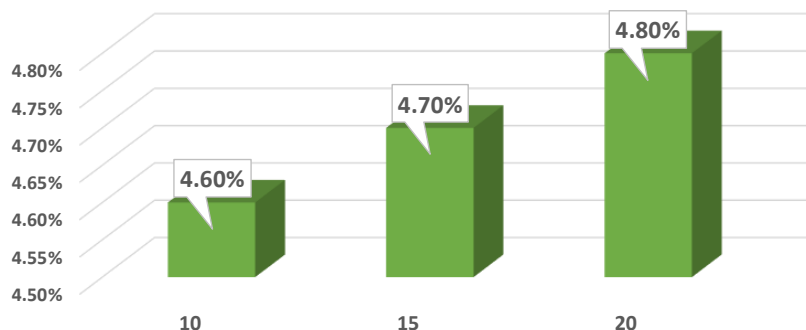
FINANCING OPTIONS

LEVEL PRINCIPAL AND INTEREST

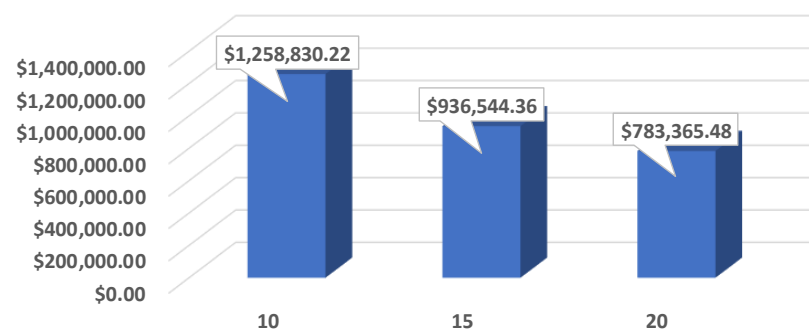
Inputs		
Project Cost	\$	10,000,000.00
(-) Equity Contribution	\$	-
(=) Financing Amount	\$	10,000,000.00
Payment Frequency Per Year		2

Years	Interest Rate	Semi-Annual Payment	Annual Payments	Total Principal and Interest	Excess Cash Flow
10	4.60%	\$629,415.11	\$1,258,830.22	\$12,588,302.20	
15	4.70%	\$468,272.18	\$936,544.36	\$14,048,165.40	\$322,285.86
20	4.80%	\$391,682.74	\$783,365.48	\$15,667,309.60	\$475,464.74

INDICATIVE INTEREST RATES
FOR DISCUSSION PURPOSES ONLY



INDICATIVE ANNUAL PAYMENTS
FOR DISCUSSION PURPOSES ONLY



FOR DISCUSSION PURPOSES ONLY

FINANCING OPTIONS ESCALATING PAYMENTS

**INCREASE
PAYMENTS
\$50,000 PER YEAR**

TVALUE CASH FLOWS ANNUAL ESCALATOR			
Event	Date	Amount	Number
Loan	5/1/2023	Unknown	1
Payment	5/1/2024	\$783,000.00	1
Payment	5/1/2025	\$833,000.00	1
Payment	5/1/2026	\$883,000.00	1
Payment	5/1/2027	\$933,000.00	1
Payment	5/1/2028	\$983,000.00	1
Payment	5/1/2029	\$1,033,000.00	1
Payment	5/1/2030	\$1,083,000.00	1
Payment	5/1/2031	\$1,133,000.00	1
Payment	5/1/2032	\$1,183,000.00	1
Payment	5/1/2033	\$1,233,000.00	1
Payment	5/1/2034	\$1,283,000.00	1
Payment	5/1/2035	\$1,333,000.00	1
Payment	5/1/2036	\$1,383,000.00	1
Payment	5/1/2037	\$1,433,000.00	1
Payment	5/1/2038	\$1,483,000.00	1
Payment	5/1/2039	\$1,533,000.00	1
Payment	5/1/2040	\$1,583,000.00	1
Payment	5/1/2041	\$1,633,000.00	1
Payment	5/1/2042	\$1,683,000.00	1
Payment	5/1/2043	\$1,733,000.00	1

FINANCING OPTIONS ESCALATING PAYMENTS

INTEREST RATE 4.80%
\$50,000 ESCALATOR
ANNUAL PAYMENTS IN ARREARS

AMORTIZATION TABLE					
	Date	Payment	Interest	Principal	Balance
0	5/1/2023				\$14,888,424.29
1	5/1/2024	\$783,000.00	\$723,220.10	\$59,779.90	\$14,828,644.39
2	5/1/2025	\$833,000.00	\$720,316.23	\$112,683.77	\$14,715,960.62
3	5/1/2026	\$883,000.00	\$714,842.50	\$168,157.50	\$14,547,803.12
4	5/1/2027	\$933,000.00	\$706,674.08	\$226,325.92	\$14,321,477.20
5	5/1/2028	\$983,000.00	\$695,680.08	\$287,319.92	\$14,034,157.28
6	5/1/2029	\$1,033,000.00	\$681,723.22	\$351,276.78	\$13,682,880.50
7	5/1/2030	\$1,083,000.00	\$664,659.60	\$418,340.40	\$13,264,540.10
8	5/1/2031	\$1,133,000.00	\$644,338.30	\$488,661.70	\$12,775,878.40
9	5/1/2032	\$1,183,000.00	\$620,601.07	\$562,398.93	\$12,213,479.47
10	5/1/2033	\$1,233,000.00	\$593,281.98	\$639,718.02	\$11,573,761.45
11	5/1/2034	\$1,283,000.00	\$562,207.04	\$720,792.96	\$10,852,968.49
12	5/1/2035	\$1,333,000.00	\$527,193.80	\$805,806.20	\$10,047,162.29
13	5/1/2036	\$1,383,000.00	\$488,050.96	\$894,949.04	\$9,152,213.25
14	5/1/2037	\$1,433,000.00	\$444,577.91	\$988,422.09	\$8,163,791.16
15	5/1/2038	\$1,483,000.00	\$396,564.32	\$1,086,435.68	\$7,077,355.48
16	5/1/2039	\$1,533,000.00	\$343,789.62	\$1,189,210.38	\$5,888,145.10
17	5/1/2040	\$1,583,000.00	\$286,022.54	\$1,296,977.46	\$4,591,167.64
18	5/1/2041	\$1,633,000.00	\$223,020.56	\$1,409,979.44	\$3,181,188.20
19	5/1/2042	\$1,683,000.00	\$154,529.40	\$1,528,470.60	\$1,652,717.60
20	5/1/2043	\$1,733,000.00	\$80,282.40	\$1,652,717.60	\$0.00
Grand Totals		\$25,160,000.00	\$10,271,575.71	\$14,888,424.29	

FINANCING OPTIONS ESCALATING PAYMENTS

**INCREASE
PAYMENTS
\$100,000 PER YEAR**

TVALUE CASH FLOWS ANNUAL ESCALATOR			
Event	Date	Amount	Number
Loan	5/1/2023	Unknown	1
Payment	5/1/2024	\$783,000.00	1
Payment	5/1/2025	\$883,000.00	1
Payment	5/1/2026	\$983,000.00	1
Payment	5/1/2027	\$1,083,000.00	1
Payment	5/1/2028	\$1,183,000.00	1
Payment	5/1/2029	\$1,283,000.00	1
Payment	5/1/2030	\$1,383,000.00	1
Payment	5/1/2031	\$1,483,000.00	1
Payment	5/1/2032	\$1,583,000.00	1
Payment	5/1/2033	\$1,683,000.00	1
Payment	5/1/2034	\$1,783,000.00	1
Payment	5/1/2035	\$1,883,000.00	1
Payment	5/1/2036	\$1,983,000.00	1
Payment	5/1/2037	\$2,083,000.00	1
Payment	5/1/2038	\$2,183,000.00	1
Payment	5/1/2039	\$2,283,000.00	1
Payment	5/1/2040	\$2,383,000.00	1
Payment	5/1/2041	\$2,483,000.00	1
Payment	5/1/2042	\$2,583,000.00	1
Payment	5/1/2043	\$2,683,000.00	1

FINANCING OPTIONS ESCALATING PAYMENTS

INTEREST RATE 4.80%
\$100,000 ESCALATOR
ANNUAL PAYMENTS IN ARREARS

AMORTIZATION TABLE					
	Date	Payment	Interest	Principal	Balance
0	5/1/2023				\$19,900,035.90
1	5/1/2024	\$783,000.00	\$966,664.14	-\$183,664.14	\$20,083,700.04
2	5/1/2025	\$883,000.00	\$975,585.81	-\$92,585.81	\$20,176,285.85
3	5/1/2026	\$983,000.00	\$980,083.26	\$2,916.74	\$20,173,369.11
4	5/1/2027	\$1,083,000.00	\$979,941.58	\$103,058.42	\$20,070,310.69
5	5/1/2028	\$1,183,000.00	\$974,935.41	\$208,064.59	\$19,862,246.10
6	5/1/2029	\$1,283,000.00	\$964,828.47	\$318,171.53	\$19,544,074.57
7	5/1/2030	\$1,383,000.00	\$949,372.97	\$433,627.03	\$19,110,447.54
8	5/1/2031	\$1,483,000.00	\$928,309.10	\$554,690.90	\$18,555,756.64
9	5/1/2032	\$1,583,000.00	\$901,364.43	\$681,635.57	\$17,874,121.07
10	5/1/2033	\$1,683,000.00	\$868,253.31	\$814,746.69	\$17,059,374.38
11	5/1/2034	\$1,783,000.00	\$828,676.17	\$954,323.83	\$16,105,050.55
12	5/1/2035	\$1,883,000.00	\$782,318.94	\$1,100,681.06	\$15,004,369.49
13	5/1/2036	\$1,983,000.00	\$728,852.25	\$1,254,147.75	\$13,750,221.74
14	5/1/2037	\$2,083,000.00	\$667,930.77	\$1,415,069.23	\$12,335,152.51
15	5/1/2038	\$2,183,000.00	\$599,192.37	\$1,583,807.63	\$10,751,344.88
16	5/1/2039	\$2,283,000.00	\$522,257.33	\$1,760,742.67	\$8,990,602.21
17	5/1/2040	\$2,383,000.00	\$436,727.49	\$1,946,272.51	\$7,044,329.70
18	5/1/2041	\$2,483,000.00	\$342,185.36	\$2,140,814.64	\$4,903,515.06
19	5/1/2042	\$2,583,000.00	\$238,193.15	\$2,344,806.85	\$2,558,708.21
20	5/1/2043	\$2,683,000.00	\$124,291.79	\$2,558,708.21	\$0.00
Grand Totals		\$34,660,000.00	\$14,759,964.10	\$19,900,035.90	

WORLD CLASS SOLUTIONS

Public Sector Expertise

Competitive Rates

Term Loans and Capital Leases

Master Financing Agreements

Streamlined Process

Quick Funding

Lance S. Holman

President & CEO

Mr. Holman has nearly 30 years of corporate and public finance experience in product development, sales & trading, underwriting, and management. He manages the mission, strategic planning, and capital deployment of the firm.

Mr. Holman worked for US Bank in fixed income sales & trading and Ford Motor Credit in global product strategy. He worked for Banc One Leasing Corporation and SunTrust Equipment Finance Corp originating tax-exempt and taxable equipment financings for state and local governments.

Mr. Holman graduated from Indiana University with a B.S. Public Finance in 1988 and the University of Colorado Denver with a MBA/M.S. Finance in 1993. He resides in Orange County, CA.



QUESTIONS & ANSWERS



Lance Holman
President & CEO

949-981-0237

Lance.Holman@HolmanCapital.com

HolmanCapital.com

Date Entered	Title	Topic Information	Primary Staff	Action/Current Status	City Council Meeting Type	Council Communication Method	Assumed Delivery	Final Status
3/15/2023	Fireworks	New Years, No Fireworks signs (Should we shut the Gates?)	Parks Dir/Police Chief	Give staff notice mid December	Regular Meeting/Discussion	Verbal	New Years Eve	Ongoing
3/15/2023	Sound walls	Can we get paint from WSDOT for sound wall, vegetation growth on wall	Public Works Director	Sound walls are a maintenance responsibility of WSDOT. Public Works has contacted WSDOT to request a maintenance schedule. LSMC requires that graffiti is removed within 10 days of notification, this applies to WSDOT assets.	Regular Meeting/Discussion	Verbal	Ongoing	Ongoing
3/15/2023	Gateway signs	Who will take care of the gateway signs	Public Works Director	Maintenance of the gateway signs are the responsibility of the City. This also applies to landscaping in the islands and surrounding areas. A maintenance agreement with labor estimates will be provided to City Council in the next few weeks.	Regular Meeting/Discussion	Verbal	Apr-23	In Progress
3/15/2023	Board and Commission/Volunteers	Organize recognition of the City volunteers	City Clerk	Work with Directors to get a list, prepare certificates, plan recognition date at Council	Regular Meeting/Discussion	Verbal	Jun-23	Ongoing
3/15/2023	Website	Link to the Emergency Management Site/PUD	City Admin/Risk Manager/ITS Director	Get permission from PUD to link, City ITS to implement	Either	Written Staff Report	Sep-23	Planning
3/15/2023	Public Records Requests	Generate a report from Next Request to calculate staff hours	City Clerk	Schedule a report date	Workshop	Written Staff Report	Jul-23	Planning
3/15/2023	Council Procedures	Incorporate changes requested from Council at the retreat	City Clerk	Scheduled for 3/28/23 Meeting	Regular Meeting/Discussion	Verbal	Mar-23	In Progress
3/15/2023	Old Library		City Administrator	Review as part of City Hall master plan	Workshop	Written Staff Report	Jun-23	Planning
3/15/2023	Revenue Sources	Have Lance Holman from Holman Capital present to Council	Finance Director	Presenting at 3/21/23 Meeting, council to consider this as a funding option for future city projects	Workshop	Written/Verbal in person	Mar-23	In Progress
3/15/2023	Lake Stevens Industrial Center	Follow-up on other uses for the industrial park verses just industrial	Community Dev Director	Consultant currently working on this	Either	Written/Verbal in person	Jun-23	In Progress
3/15/2023	91st Avenue NE Streetscape	Get property owners involved ASAP, get ROI from other cities visited, 91st St	Community Dev Director	Consultant currently working on this	Either	Written/Verbal in person	Jun-23	In Progress
3/15/2023	Human Services	Continue to keep an eye on social services and who and how many people are receiving services in Lake Stevens	Police Chief	Establish tracking system, perhaps link to outside agencies	Workshop	Written/Verbal in person	Sep-23	In Progress
3/15/2023	Council Break	Council Break, July 12 - August 15? Bring recommendation back to Council.	City Administrator	Bring back recommendation	Either	Verbal	Apr-23	Planning
3/15/2023	Vision Statement	Bring 2 members from the community group to finalize V Statement (Anji and Marcus, Russ & Anya to be on committee)	Council President/Staff	Organize meeting, bring back recommendation	Workshop	Written/Verbal in person	Jun-23	Planning

CITY DEPARTMENT REPORT



Agenda Date: 3/21/2023

Contact Person/Department: Russ Wright, Community Development

Each year, staff develops a Long-Range Planning Work Program that is reviewed by the Planning Commission and approved by the City Council. The work program includes comprehensive plan amendments, development code amendments, annexations and other long-range planning projects. In 2022, the City Council requested staff provide regular updates on the work program to increase communication between the Planning Commission and City Council. This report identifies the status of activities on the work program. An updated work program with a status row is attached for review (Attachment 1). Items with revised action dates by different bodies are shown in underline mode.



Lake Stevens 2023 Long Range Work Program					
Amendments	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	Status / Notes
<i>Zoning Code</i>					
1. Short Term Rentals Jill/Russ	PC/CC				Carryover from 2022 – adopt an ordinance for Short Term Rentals that will replace the current Tourist Home ordinance.
Status	City Council convened a subcommittee comprised of Council Members, Planning Commissioners and Citizens to re-evaluate the short-term rental ordinance. The committee met four times between December 12, 2022 and February 6, 2023. This committee recommended draft short-term rental regulations be forwarded to the PC and CC for consideration. Both bodies have reviewed the findings. City Council asked for more review with specific comments from council members be submitted by March 15. Council will determine if the draft regulations should be remanded to the Planning Commission.				
2. Park Impact Fee Update Sarah/Russ	PC	CC			Streamline Code Carryover – will work with Parks Dept to review the impact fees code and projects listed in adopted capital facilities plan.
Status	Not started				
3. Code Clean Up Nico/Christi		<u>PC</u>	<u>CC</u>		Carryover – started 4 th Quarter 2022
Status	1 st briefing with the Planning Commission scheduled for April 5, 2023. Review moved to 2 nd and 3 rd quarters.				
4. Review Process Code 14.16A and 14.16B Melissa		PC	CC		Streamline Code Carryover – tentative start May
5. Mixed-use Code Update – Review the city's mixed-use regulations both within subareas and the city's designated mixed-use zoning districts Jill		PC/CC	PC/CC		Streamline Code Carryover – tentative start June

6. Solicitors License – Chapter 4.04 City's solicitors license code is out of date and includes elements that cannot be practically administered. Jill		<u>PC</u>	<u>CC</u>		Streamline Code Coordinate with PD and city attorney's office. <i>PC briefing, no PC hearing required</i>
Status	PCD and PD staff have coordinated on a first draft that will be presented to the Planning Commission in April. Schedule moved to 2nd and 3rd quarters.				
7. LS Industrial Center Update implementation of any actions identified in the LSIC analysis Christi			<u>PC/CC</u>	<u>PC/CC</u>	Economic Development Potential zoning code updates to implement the LSIC analysis
Status	The consultant has submitted a draft report with development scenarios. Implementation tasks have moved to 3rd and 4th quarters.				
8. ICC Code Updates – Periodic updates to the International Building and Fire Codes Carol/Tyler		<u>PC</u>	<u>CC</u>		State Mandate: Periodic updates to the ICC codes <i>PC briefing, no PC hearing required</i>
Status	Schedule has shifted to 2nd and 3rd quarters – will be completed by June 2023.				
9. HAP implementation of actions, including refinements to the infill code, tiny houses, incentives and others identified in the plan Russ/ Jill			TBD – 12 to 18 months depending on HAP		State Mandate: Housing Options / Economic Development Carryover to 2023 – HAP measures w/ specific scope 3rd quarter 2023
10. Climate Mitigation Plan (CMP), implementation of actions identified in the CMP including tree retention and other items identified in the plan Melissa			TBD – 12 to 18 months depending on CMP		Comp Plan Update: Environment Carryover to 2023 – CMP measures w/ specific scope 3rd quarter 2023



Status	The consultant has submitted draft goals. Staff held workshops with the Planning Commission and City Council and developed a community survey. The project is on track for completion this year.				
11. Streets and Sidewalk Code Christi			TBD – 12 to 18 months depending on CMP		Comp Plan Update: Public Facilities Carryover to 2023 – to be completed with periodic comprehensive plan update of the transportation element in 2024
<i>Comprehensive Plan</i>					
1. 2024 Periodic Update / Annual Docket (if needed) a. 2023 Docket (limited) Russ b. All Elements PCD, PW and PR staff	PC / CC	PC	PC	PC / CC	• Annual Update and Periodic Update • Limited 2023 Update (capital facilities; can occur separately from citizen-initiated if needed, per RCW) • Start mandatory 2024 periodic update including scoping, public engagement, land use alternatives analysis and revised elements and maps
Status	2023 Docket: The Planning Commission have been briefed on proposed docket items with public hearings scheduled for March 15 and March 21. 2024 Docket: Staff advertised for consultant assistance to complete the periodic update and has selected a consultant. A kickoff meeting will be held March 17 to go over the scope and budget. The contract will be presented to Council for action in April.				
2. Hartford / Machias Infrastructure & Market Analysis Christi		PC / CC			Economic Development Carryover – will carry over to Q2 2023
Status	The consultant has submitted a draft report with development scenarios. Staff held workshops with the Planning Commission and City Council and held a public open house. The project is on track for completion this summer.				



3. Housing Action Plan Russ/Jill	PC	PC / CC			2024 Comp Plan In progress - will carry over to Q2 2023. Due to Commerce in June 2023
Status	The consultant has submitted a draft report. Staff held workshops with the Planning Commission and City Council and has provided public outreach opportunities. The project is on track for completion this year.				
4. SMP User Guide and Photographic Inventory Jill/Zach (GIS)	Work with Watershed Company on list of items for User Guide. Look for examples from other cities.			Does not require PC/CC approval. Due to Ecology by June 30, 2023. Quarterly progress reports.	
Status	The consultant has submitted draft graphics and coordinated with staff on FAQs. Initial grant deliverables presented to DOE for reimbursement.				
5. Minor SMP Update Russ/New PM	Dave working on ordinance and staff report for PC.			PC public hearing: February 1 CC public hearing: Feb 14/28	
Status	Done – Ordinance 1156				
6. Transportation Analysis Christi				PC / CC	2024 Comp Plan Will carry over to 2023 as part of Periodic Comp Plan Update
Annexations					
Northeastern Annexation New PM	TBD			Implement Annexation Plan	
Petition Placeholder PM/depends on location	TBD			Process citizen-initiated annexations as requested	
Other Items					
1. Micro Transit Options Russ/Christi	TBD – Regular check-ins with City Council			Coordinate w/ Community Transit on options for Micro-Transit as a pilot program	
Status	Underway – staff has worked with Community Transit’s consultant to identify community outreach. Meeting 1 is scheduled for 3/21.				
2. Snohomish County Tomorrow / Alliance for Affordable Housing Russ	Continue participation in SCT, TAC and AHA – report out to PC and Council on actions. Community Development Director will continue to serve as Chair of the SCT Planning Advisory Committee in 2023.				
3. RUTA Analysis (Potential UGA Expansions) Russ	Ongoing – All application materials and fees have been submitted to Snohomish County and are being considered as part of their 2024 Comprehensive Plan Update. The city will provide comments as needed.				



One Community Around the Lake

4. Economic Development Marketing Materials Russ	Ongoing
---	---------

General Schedule – subject to change based on staff and funding availability.

1st Quarter January through March

2nd Quarter April through June

3rd Quarter July through September

4th Quarter October through December

CITY DEPARTMENT REPORT



Agenda Date: 3/21/2023

Contact Person/Department: Sarah Garceau, Parks Department

The Parks and Recreation Department performed playground inspections at 14 locations in February 2023. Of those, four playgrounds were identified as needing to be removed due to safety concerns. The department is actively working on a replacement for one of the locations.

On March 2, 2023, a public meeting was hosted by the parks department regarding the playgrounds. Six different playground surveys were made available through Monday, March 20, 2023 at 10:00 am. One survey was created for all playgrounds throughout the City, and the other five were specific to an individual park location. The results of the survey are in the presentation tonight.

Attached is a list of all the playgrounds that were inspected, including their current status and updates since the March 2nd public meeting.

Park	Address	Property Ownership	Maintenance	Status
Lundeen Park	10020 Lundeen Pkwy	COLS	COLS	Fall material replenished. Loose part tightened. Parts on order.
North Cove Park	1806 Main Street	COLS	COLS	Parts ordered.
Timberlake / Jakes Place	Across 13027 12th Pl NE	COLS	COLS	Repairs made.
Frontier Heights	8801 Frontier Circle	COLS	COLS	Parts ordered.
Crossings at Catherine Creek	Across 2902 127th Ave NE	COLS	COLS	Repairs made. Additional fall material is needed.
Mandolin Court	Next to 3104 Mandolin Ct	COLS	COLS	Removed two spring rockers.
Oak Hill	10300 33rd St NE	COLS	COLS	Parks will work with the community to identify
Baker Vista	Across from 3315 116th Ave NE	COLS	HOA	Repairs made.
Bryce Park	Next to 3403 Bryce Dr	COLS	HOA	Parts ordered.
Summer Hill Estates	Next to 11318 36th St NE	COLS	HOA	Removed single component tube.
The Reserve 2 (Greenwood Village 1)	Next to 502 125th Ave NE	COLS	HOA	Removed two spring rockers.
The Reserve	Next to 603 125th Ave NE	COLS	HOA	Researching parts for minor repairs.
Greenwood Village 2	Next to 12305 4th St NE	COLS	HOA	Repairs made. Reopened to the public.
The Reserve 3	10th Street	COLS	HOA	Repairs pending.

COLS = City of Lake Stevens

HOA = Homeowners Association

MEMORANDUM



Finance Department

DATE: March 21, 2023

TO: City Council

FROM: Barb Stevens

SUBJECT: Finance Payroll Accountant
> Combined/Shared Payroll Function with Sewer District
> Posting/Hiring of Accountant-Payroll Position

As announced during the Council Retreat in February, our Payroll Accountant will be retiring soon, opening a position in the finance department. The impending opening gave an opportunity to consider a shared position between the City and Sewer District.

Combined/Shared Payroll Function with Sewer District

To determine the feasibility of a combined payroll function prior to assumption, we first reached out to MRSC to determine if there were any legal issues that would prohibit this action. Although there were no legal issues addressed, what was received was extremely strong caution against it, and a list of potential challenges. The responses received from MRSC, listing just a few identified issues, can be found below:

MRSC Response:

Local governments are able to contract out payroll services. That being said, as someone who has done payroll in the past, I would strongly caution any local government considering outsourcing payroll. Payroll is a complex process with lots of moving parts. Here are some things to consider:

1. An organization must still review and reconcile the various payroll benefits, taxes, and deductions. I know of two instances where local governments outsourced payroll and had some pretty big problems arise from staff not reviewing and reconciling payroll. One organization had incorrect W-2's issued for all of their employees which required them to pay \$10,000 for an outside consultant to come in and fix them. Another organization overpaid L&I premiums for several years and was out over \$30,000. In order to avoid such problems, someone with payroll knowledge at the sewer district will still need to review payroll processed by the city.
2. An employee at the sewer district would still need to make sure employees are being paid according to any labor contract(s).
3. Financial data and employee data still needs to get into the accounting software of the organization. Most likely the sewer district and city have different financial software. The sewer district would need to figure out how it needs to get the payroll data from the city in order to get the data into its own accounting system.

4. Are the payroll dates for both the city and sewer district the same? This could cause problems because 2 separate payrolls might have to be run on the same days, one for the sewer district and one for the city.
5. Payroll must be sent to the bank two days in advance of payday in order to be guaranteed deposited in employees' bank accounts. This would require payroll to be processed an additional two days earlier to make sure the city received the money from the sewer district two days before payroll in order to have funds available for payday.
6. The city would need to make modifications to its accounting software to process the sewer districts' payroll benefits. It needs to set up additional benefit and deductions codes for all benefits and deductions. It would need to report, and file separate 941 reports, 941 deposits, W-2s, L&I reports, PFML reports, unemployment, medical, dental, vision, etc., since the sewer district is a separate legal entity.

These are some of the bigger areas, but likely there are more. There could be some legal concerns as well. I recommend consulting with your city attorney for their guidance on this proposal.

Unlike a payroll processing service (like ADP) which has the resources tailored to providing payroll processing services, I doubt the city's financial software is set up in such a manner. Again, I would be cautious before agreeing to process payroll for another local government. Let me know if you have further questions concerning this inquiry.

Of note, our attorney weighed-in with similar concerns as those addressed by MRSC.

In summary, the payroll function is extremely complicated and contracting for this function would not save time nor money for the District or City.

Based on these concerns, and lack of cost savings, I recommend we do not seek to take on the district's payroll function until full assumption occurs.

Posting/Hiring of Accountant-Payroll Position

Joan Norris is retiring after 16+ years with the City. She has been an asset all these years, having been the other half of my two-person team for the first 7+ years of my tenure. Joan's knowledge and expertise has helped shape our department taking the lead in financial software conversion, training our Accounts Payable Accountant, back-up training multiple accountants in payroll, and assisting with all matters financial.

Joan's retirement date is June 30th, and to minimize any disruptions in the payroll process, and to capture as much payroll knowledge and expertise as possible, I would like to have the new payroll accountant hired while Joan is still employed and have a minimum of 6-8 weeks of training with her. This will be a temporary "in-waiting" position only, with no budget change, as there should be a salary savings from Joan's departure (she is top step and receives longevity) to cover the expenses related to the overlapping positions.

I would recommend that we post the job opening immediately, with hopes to hire an overlapping replacement by May 1st, or as soon as possible.

CITY COUNCIL STAFF REPORT



Agenda Date: 3/21/2023

Subject: Amendment to School Resource Officer Interlocal Agreement

Contact Person/Department: Jeffrey Beazizo, Police Department

Budget Impact:

Legal Review: Yes

RECOMMENDATION(S)/ACTION REQUESTED:

Authorize the Mayor to Sign Amendment No. 1 to School Resource Officer Interlocal Agreement

SUMMARY/BACKGROUND:

The School Resource Officer (SRO) Interlocal Agreement Amendment 1 is a written modification for when an extended leave of absence is necessary for the assigned SRO. The parties agree that an amendment of Interlocal Agreement is necessary to be fair to both parties regarding scheduling of a temporary SRO.

APPLICABLE CITY POLICIES:

ATTACHMENTS:

1. LS School District School Resource Officer ILA_Amendment No 1

AMENDMENT NO. 1
SCHOOL RESOURCE OFFICER INTERLOCAL AGREEMENT

This Amendment NO. 1 – School Resource Officer Interlocal Agreement is made and entered into this ____ day of March, 2023 by and between the LAKE STEVENS SCHOOL DISTRICT (“School District”) and the CITY OF LAKE STEVENS (“City”).

WHEREAS School District and City are parties to a School Resource Officer Interlocal Agreement (the “SRO-ILA”) dated September 15, 2020;

WHEREAS the SRO-ILA allows for written modification if mutually agreed upon and signed by both parties; and

WHEREAS an extended leave of absence is necessary for the assigned SRO and the parties agree that an amendment of the SRO-ILA is necessary to be fair to both parties regarding scheduling of a temporary SRO and fairness in the financial impact on the parties from such scheduling;

NOW, THEREFORE, School District and City agree as follows:

1. Definition of “Temporary SRO” is a fully commissioned law enforcement officer who is properly trained according to WA State law and OSPI regulations to provide school resource officer coverage.
2. Add to language in Section II SRO ROLES, DUTIES, AND LIMITATIONS at the end of paragraph 3: When the SRO is unavailable for more than two consecutive weeks, the School District and the City, to the best of our ability, will meet to develop a Temporary SRO schedule that tries to equate to the level of service provided had there been no leave of absence.
3. Both parties agree that if the assigned SRO is unavailable for more than two consecutive weeks for SRO coverage and the City provides a less than five (5) days/week temporary SRO, billing for services provided will move from monthly to the hourly rate for all hours worked. This change in billing will commence on the third week that the assigned SRO is unavailable. All hours billed will be in accordance with the collective bargaining agreement between the City of Lake Stevens and the Lake Stevens Police Guild.
4. During the absence of the assigned SRO, the LSSD and LSPD will meet and confer concerning the level of service needed and the availability of trained officers to provide the level of service requested.
5. The terms of the SRO-ILA, except as provided herein, shall remain in full force and effect, unchanged and the LSSD and City of Lake Stevens hereby ratify and confirm all the other terms of the School Resource Officer Interlocal Agreement.
6. This Amendment NO. 1 shall be recorded or posted as required by RCW 39.34.040.

In WITNESS WHERETO, the parties have caused duplicate originals of this Amendment NO. 1 to be signed by their duly authorized officers.

CITY OF LAKE STEVENS

LAKE STEVENS SCHOOL DISTRICT

Brett Gailey, Mayor

Dr. Ken Collins, Superintendent

ATTEST:

Kelly Chelin, City Clerk

APPROVED AS TO FORM:

Greg Rubstello, City Attorney

CITY COUNCIL STAFF REPORT



Agenda Date: 3/21/2023

Subject: 2023 Comprehensive Plan Docket Hearing

Contact Person/Department: Russ Wright, Community Development

Budget Impact: NA

Legal Review: No

RECOMMENDATION(S)/ACTION REQUESTED:

1. Review the Planning Commission's 2023 Comprehensive Plan Docket recommendation.
2. Adopt Resolution 2023-03 to set the 2023 Comprehensive Plan Docket.

SUMMARY/BACKGROUND:

Under the Growth Management Act, the city can amend its Comprehensive Plan and Future Land Use Map, with a few exceptions, through an annual docket process. The purpose of this public hearing is to provide a list of map and text amendments for the Council's consideration to set the 2023 Comprehensive Plan Docket through Resolution 2023-03 (**Attachment 1**).

The Planning Commission held a public hearing on March 15, 2023. It reviewed two city-initiated map changes (M-1 and M-2) along with potential text amendments (T-1) and one citizen-initiated map change (M-3). The Planning Commission voted by a 6-0 margin to recommend that the City Council ratify the 2023 docket, as proposed for additional review (**Attachment 1 – Exhibit B**).

A staff summary and analysis for each amendment describes how each proposed amendment complies with the ratification criteria (**Attachment 1 – Exhibits A1 – A4**)

Amendments Recommended for Docket

- M-1 is a city-initiated request to change the land use designation and associated zoning of the Cedarwood property (Parcel ID 00698100010200), acquired by the city in 2021 for park and recreation purposes, to Public/Semi-Public (**Attachment 1 - Exhibit A2**).
- M-2 is a city-initiated request to change the land use designation and associated zoning of two parcels (parcel Nos. 00402800001600 and 00457000002604) at 9705 South Lake Stevens Rd from High Density Residential to Commercial with a concurrent rezone from R8-12 to Commercial District (**Attachment 1 - Exhibit A3**). Parcel 00457000002604 is an approximate 369 square foot parcel attached to 9705 South Lake Stevens Road under common ownership.
- M-3 is a citizen-initiated request to change the land use designation of parcels 00385500402200 and 00385500402202/ 00385500402203 from Mixed Use to High Density Residential with an associated rezone to R8-12 (**Attachment 1 - Exhibit A4**).
- T-1 is a placeholder for any changes to the Plan Elements along with standard administrative amendments including the Cover, Title Page, Table of Contents, Executive Summary, Introduction and Appendices (including SEPA Addenda) as needed.

If docketed, city staff will conduct additional analysis based on the merits of the application compared to established review criteria to be presented to the Planning Commission and City Council. This action is to set the 2023 Docket and is not a recommendation of approval or denial of any amendments.

APPLICABLE CITY POLICIES:

Comprehensive Plan Introduction, pages I-15 to I-20

ATTACHMENTS:

1. Att-1 Resolution 2023-03

Attachment 1

RESOLUTION 2023-03

A RESOLUTION OF THE CITY OF LAKE STEVENS CITY COUNCIL RATIFYING A LIST OF ITEMS FOR FURTHER ANALYSIS AS PART OF THE 2023 COMPREHENSIVE PLAN DOCKET.

WHEREAS, the Washington City of Lake Stevens is a City in Snohomish County, Washington, planning under the Growth Management Act; and

WHEREAS, the City of Lake Stevens has established procedures and schedules to update, amend or revise the Comprehensive Plan as required under RCW 36.70A.130(2)(a) no more frequently than once every year; and

WHEREAS, city-initiated text amendments (T-1) along with map amendments and associated rezones (M-1 and M-2) are proposed for inclusion on the 2023 Comprehensive Plan Docket; and

WHEREAS, the city received and considered a single citizen-initiated map amendment with an associated rezone (M-3); and

WHEREAS, the Planning Commission conducted a duly noticed public hearing on March 15, 2023 to consider the proposed list of docket items, attached hereto as Exhibit A, and all public testimony has been given full consideration and is included in the Planning Commission's recommendation to the City Council; and

WHEREAS, each individual proposal will undergo a full and complete SEPA review per Chapter 197-11 WAC and Chapter 16.04 LSMC during the analysis phase taking into consideration the interrelationship and cumulative effect of all requests as required under the Growth Management Act per Chapter 36.70A RCW.

WHEREAS, the City Council considered all public testimony and the Planning Commission's recommendation (Exhibit B) on the proposed list of docket items listed in Exhibit A on March 21, 2023 after a separate duly noticed public hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKE STEVENS AS FOLLOWS:

Section 1. Requested Action. The Lake Stevens City Council requests the Planning and Community Development Department analyze the attached list of docket items, prepare reports and present the detailed findings for each item to the Planning Commission and the City Council for action.

Section 2. 2023 Docket. The 2023 Docket includes city-initiated text amendment and procedural amendments (T-1); city-initiated amendments to the land use map with associated rezones (M-1 and M-2); and a citizen-initiated map amendment to the land use map with an associated rezone (M-3) and constitutes the annual list of Comprehensive Plan changes allowed under RCW 36.70A.130(2)(a) and the City of Lake Stevens Comprehensive Plan.

Section 3. Severability. If any section, sentence, clause or phrase of this resolution should be held invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this resolution.

Section 4. Effective Date. This resolution shall take effect immediately upon passage by the Lake Stevens City Council.

PASSED by the City Council of the City of Lake Stevens this 21st day of March, 2023.

Brett Gailey, Mayor

ATTEST:

Kelly Chelin, City Clerk

APPROVED AS TO FORM:

Greg Rubstello, City Attorney

SUMMARY OF 2023 DOCKET PROPOSALS

RATIFICATION MAPS		
#	NAME	REQUEST
M-1	City-Initiated Map Amendment	Change the land use designation and associated zoning of the Cedarwood property, acquired by the city in 2021 for park purposes, to Public/Semi-Public (Exhibits 1a and 1b)
M-2	City-Initiated Map Amendment	City-initiated request to change the land use designation and associated zoning of two parcels (parcel Nos. 00402800001600 and 00457000002604) at 9705 South Lake Stevens Rd from High Density Residential to Commercial with a concurrent rezone from R8-12 to Commercial District (see map in Exhibit 1).
M-3	Citizen-Initiated Map Amendment	A citizen-initiated request to change the land use designation of parcels 00385500402200 and 00385500402202/ 00385500402203 from Mixed Use to High Density Residential with an associated rezone to R8-12 (Exhibits 3a through 3d)
RATIFICATION TEXT		
#	NAME	REQUEST
T-1	Minor text amendments	Placeholder for any changes to the Plan Elements along with standard administrative amendments including the changes to the Capital Projects List, Cover, Title Page, Table of Contents, Executive Summary, Introduction and Appendices (including SEPA Addenda) as needed.

Factors for Consideration, per Comprehensive Plan [Chapter 1: Introduction](#), Revision and Amendments to the Comprehensive Plan Section G (page I-18):

Map Amendments

- *How is the proposed land use designation supported by or consistent with the existing policies of the various elements of the Comprehensive Plan? If it isn't, the development should demonstrate how the change is in the best long-term interest of the city.*
 - Staff analyzed the proposed map amendments against the ratification criteria in Section H Revisions and Amendments to the Comprehensive Plan and applicable goals and policies of the Comprehensive Plan, which are included as Attachments 2 - 4. Staff believes proposals M-1 through M-3 comply with the policies of the Comprehensive Plan for inclusion on the docket.
- *How does the proposed land use designation promote a more desirable land use pattern for the community? If so, a detailed description of the qualities of the proposed land use designation that make the land use pattern for the community more desirable should be provided to enable the Planning Commission and City Council to find that the proposed land use designation is in the community's best interest.*

- M-1 promotes a desirable land use pattern by providing sufficient land for public facilities to meet required levels of service for parks and recreation, ensuring recreation opportunities for all ages, maximizing park facilities, coordinating land use decision with capital needs and designating land that is publicly owned as Public-Semi Public, as identified in Land Use Policy 2.2.4.
- M-2 promotes a desirable land use pattern by providing sufficient land for employment and supporting employment growth. The change would serve the public benefit by reviewing land use changes as part of the annual docket and by supporting business startups, small businesses and locally owned businesses, as identified in Economic Development Policy 6.8.2.
- M-3 promotes a desirable land use pattern by providing sufficient land for housing and providing access to different housing types. supporting employment growth. The change would serve the public benefit by reviewing land use changes as part of the annual docket and by supporting flexibility in housing type and promoting residential development in areas in proximity to commercial areas, employment, public transportation routes, schools and park or recreational areas, as identified in Housing Policy 6.8.2.
- *What impacts would the proposed change of land use designation have on the current use of other properties in the vicinity, and what measures should be taken to ensure compatibility with the uses of other properties in the vicinity?*
 - Staff believes that the proposals would have minimal impacts on other properties in the vicinity.
 - The property identified in M-1 has historically been used for park and recreation purposes.
 - The properties identified in M-2 have been previously designated commercial, it is adjacent to commercially designated properties; access is from South Lake Stevens Road (a collector), not from a residential street; and existing development regulations would be applied to buffer the commercial use from adjacent residential uses.
 - The properties identified in M-3 are adjacent to multifamily properties to the west and single-family properties to the east. The properties are in proximity to a major park, transit and neighborhood commercial.
- *Comments received from affected property owners and residents.*
 - If docketed, property owners within proximity of M-1, M-2 and M-3 will receive notice of the proposed land use designation changes to solicit public input.

Text Amendment Ratification Criteria

1. *Is the proposed amendment appropriate to the Comprehensive Plan rather than implementation as a development regulation or program?*
 - The proposed changes are not development regulations. Any changes will be minor in nature such as updates to the Capital Projects List, Cover, Title Page, Table of Contents, Executive Summary, Introduction and Appendices (including SEPA Addenda) as needed.
2. *Is the proposed amendment legal? Does the proposed amendment meet existing state and local laws?*
 - a. Yes, all amendments proposed shall follow an established legal process and criteria.
3. *Is it practical to consider the proposed amendment? Reapplications for reclassification of property reviewed as part of a previous proposal are prohibited unless the applicant establishes there has been a substantial change of circumstances and support a plan or regulation change at this time.*

- a. The proposed text amendments are limited in scope. Any major changes will be considered as part of the 2024 Periodic Update.
4. *Does the City have the resources, including staff and budget, necessary to review the proposed amendment?*
 - a. The city has adequate staffing and budget to process the proposed amendments.
5. *Does the proposed amendment correct an inconsistency within or make a clarification to a provision of the Plan?*
 - a. Any changes will ensure the most up to date information is included in the plan and will create internal consistency within the plan. The proposed amendments will correct inconsistencies as they are discovered.
6. *OR All of the following:*
 - a. *The proposed amendment demonstrates a strong potential to serve the public interest by implementing specifically identified goals and policies of the Comprehensive Plan; and*
 - The proposed amendments aim to serve the public interest by keeping the plan up to date, including capital project lists.
 - b. *The public interest would best be served by considering the proposal in the current year, rather than delaying consideration to a later subarea plan review or plan amendment process.*
 - The proposed amendments are necessary during this review period to keep the Comprehensive Plan updated with the most recent and accurate information. A more thorough update to the Comprehensive Plan will be completed as part of the 2024 Periodic Update.



2023 Comprehensive Plan Docket Ratification

M-1 – Cedarwood Map Amendment - Staff Summary Lake Stevens City Council & Planning Commission

City Council Hearing Date: March 21, 2023
Planning Commission Hearing Date: March 15, 2023

SUBJECT: City-initiated map amendment to the Comprehensive Plan and Zoning Map.

Summary	
Location in Comprehensive Plan: Chapter 2 Land Use Element – Figure 2.3 Land Use Map	
Proposed Change(s): City-initiated request to change the land use designation and associated zoning of the Cedarwood property (Parcel ID 00698100010200), acquired by the city in 2021 for park purposes, to Public/Semi-Public (Exhibits 1a and 1b).	
Applicant: City of Lake Stevens	Property Location(s): Intersection of 101 st Ave SE and 5 th Place SE, Lake Stevens, WA
Existing Land Use Designations	Proposed Land Use Designation
Medium-Density Residential	Public/Semi-Public
Existing Zoning Districts	Proposed Zoning District
R8-12	Public/Semi-Public

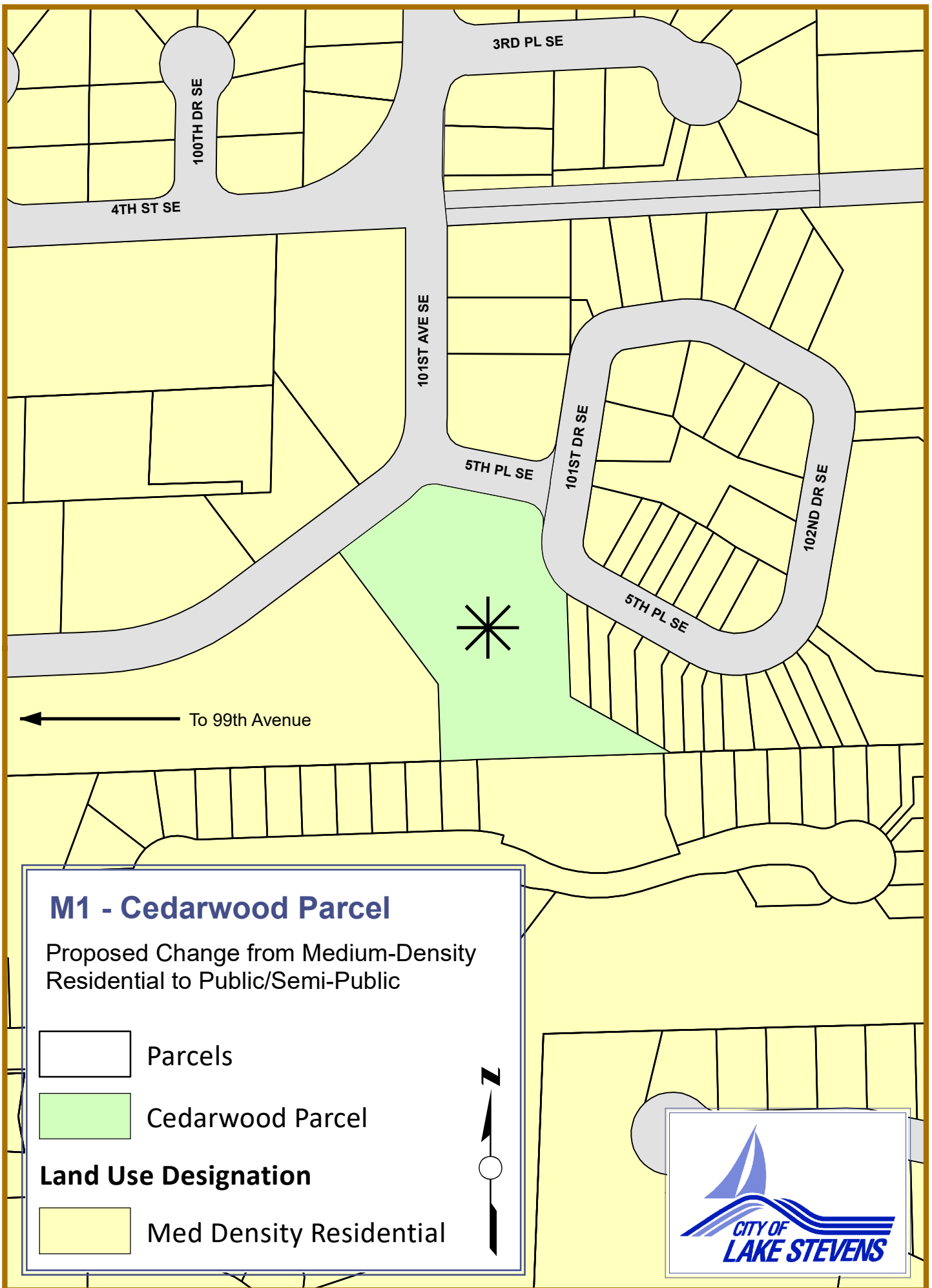
ANALYSIS: Annual amendments shall not include significant policy changes inconsistent with the adopted Comprehensive Plan Element Visions and must meet the identified criteria included in [Ratification of Docket and Authorization Hearing Section H](#) (page I-9).

Ratification Review – Decision Criteria	Yes	No
1. Is the proposed amendment appropriate to the Comprehensive Plan rather than implementation as a development regulation or program? Discussion: The proposed land use map change does not implement a development regulation or program. The change will create consistency between the Land Use Element , Park Element and Capital Facilities Element of the Comprehensive Plan, as this property is designated a special use park (page P-23) and is identified for future capital improvements (page P-35 and page CF-38).	X	
2. Is the proposed amendment legal? Does the proposed amendment meet existing state and local laws? Discussion: The proposed land use map change would be reviewed against the current Comprehensive Plan and applicable state laws related to process and environmental review.	X	
3. Is it practical to consider the proposed amendment? Reapplications for reclassification of property reviewed as part of a previous proposal are prohibited, unless the applicant establishes there has been a substantial change of circumstances and support a plan or regulation change at this time.	X	

Discussion: The land use designation change is requested to reflect the change to city ownership and for consistency with the adopted park plan and capital facilities plan. This property has not been considered previously for a map change.		
4. Does the city have the resources, including staff and budget, necessary to review the proposed amendment? Discussion: The Growth Management Act and the city's Comprehensive Plan set a process to review annual amendments to the Comprehensive Plan. By extension, this is a Planning and Community Development function.	X	
5. Does the proposed amendment correct an inconsistency within or make a clarification to a provision of the Plan? Discussion: The land use designation change for the subject property will create consistency between the land use map, Park Element and Capital Facilities Element of the Comprehensive Plan, as this property is designated a special use park (page P-23) and is identified for future capital improvements (page P-35 and page CF-38) in the adopted park plan and capital facilities plan. Land Use Policy 2.2.4 states, "allow the Public/Semi-Public land use designation, which is intended for use on all land that is publicly owned. It allows public buildings and services, recreational uses, utilities, and transportation facilities."	X	
6. All the following: a. The proposed amendment demonstrates a strong potential to serve the public interest by implementing specifically identified goals of the Comprehensive Plan? AND b. The public interest would best be served by considering the proposal in the current year, rather than delaying consideration to a later subarea plan review or plan amendment process. Discussion: 6.a – The change would serve the public benefit by allowing a city-owned asset to be designated to the appropriate land use designation. Multiples goals and policies demonstrate potential to serve the public interest. LAND USE GOAL 2.1 provide sufficient land area to meet the projected needs for housing, employment and public facilities within the city of Lake Stevens. Along with policies 2.1.1, 2.1.2 and 2.1.5 (page LU-26). LAND USE GOAL 2.2 Achieve a well balanced and well-organized combination of residential, commercial, industrial, open space, recreation and public uses. Along with policy 2.24 (page LU-26 and LU-28). LAND USE GOAL 2.14 Design and build a healthy community to improve the quality of life for all people who live, work, learn, and play within the city. Along with policy 2.14.4 (page LU-36). PARK GOAL 5.1 Provide a high-quality, diversified parks, recreation and open space system that provides recreational and cultural opportunities for all ages and interest groups. Along with policies 5.1.2, 5.1.3, 5.1.5, 5.1.6 and 5.1.7 (pages P-37 – P38). PARK GOAL 5.5 Maximize park facilities by leveraging, sharing and efficiently using resources. Along with policies 5.5.1, 5.5.2, 5.5.3 and 5.5.4 (page P-40).	X	

PARK GOAL 5.7 The city recognizes that land is in high demand and that acquisitions must be pursued as quickly as possible to implement the community's vision concurrently with developing and improving existing facilities to achieve a high-quality and balanced park and recreation system. Along with policies 5.7.1, 5.7.2, 5.7.3, 5.7.4 and 5.7.5 (pages P-41 – P-42). CAPITAL FACILITIES GOAL 9.2 Provide public facilities in a manner which protects investments in, and maximizes use of, existing facilities and promotes orderly compact urban growth. Along with policies 9.2.1 and 9.2.3 (page CF-27). CAPITAL FACILITIES GOAL 9.5 Coordinate land use decisions and financial resources with a schedule of capital improvements to meet adopted level of service standards, measurable objectives. Along with policies 9.5.2 and 9.5.4 (pages CF-28 – CF-30). 6.b – The change would serve the public benefit by moving forward this year to maintain consistency with adopted levels of service and identified capital plans to improve the property for community use.		
---	--	--

Recommendation	Yes	No
Staff recommends City Council and the Planning Commission consider this proposal for inclusion in the 2023 Comprehensive Plan Docket.	X	
The Planning Commission recommends City Council consider this proposal for inclusion in the 2023 Comprehensive Plan Docket (see attached recommendation letter, if applicable).	X	
The City Council accepts this proposal for inclusion in the 2023 Comprehensive Plan Docket.		





2023 Comprehensive Plan Docket Ratification

M-2 – South Lake Stevens Map Amendment - Staff Summary Lake Stevens City Council & Planning Commission

City Council Hearing Date: March 21, 2023
Planning Commission Hearing Date: March 15, 2023

SUBJECT: City-initiated map amendment to the Comprehensive Plan and Zoning Map.

Summary	
Location in Comprehensive Plan: Chapter 2 Land Use Element – Figure 2.3 Land Use Map	
Proposed Change(s): City-initiated request to change the land use designation and associated zoning of two parcels (parcel Nos. 00402800001600 and 00457000002604 ¹) at 9705 South Lake Stevens Rd from High Density Residential to Commercial with a concurrent rezone from R8-12 to Commercial District (see map in Exhibit 1).	
Applicant: City of Lake Stevens	Property Location(s): Intersection of 101 st Ave SE and 5 th Place SE, Lake Stevens, WA
Existing Land Use Designations	Proposed Land Use Designation
Medium-Density Residential	Commercial
Existing Zoning Districts	Proposed Zoning District
R8-12	Commercial District

ANALYSIS: Annual amendments shall not include significant policy changes inconsistent with the adopted Comprehensive Plan Element Visions and must meet the identified criteria included in [Ratification of Docket and Authorization Hearing Section H](#) (page I-9).

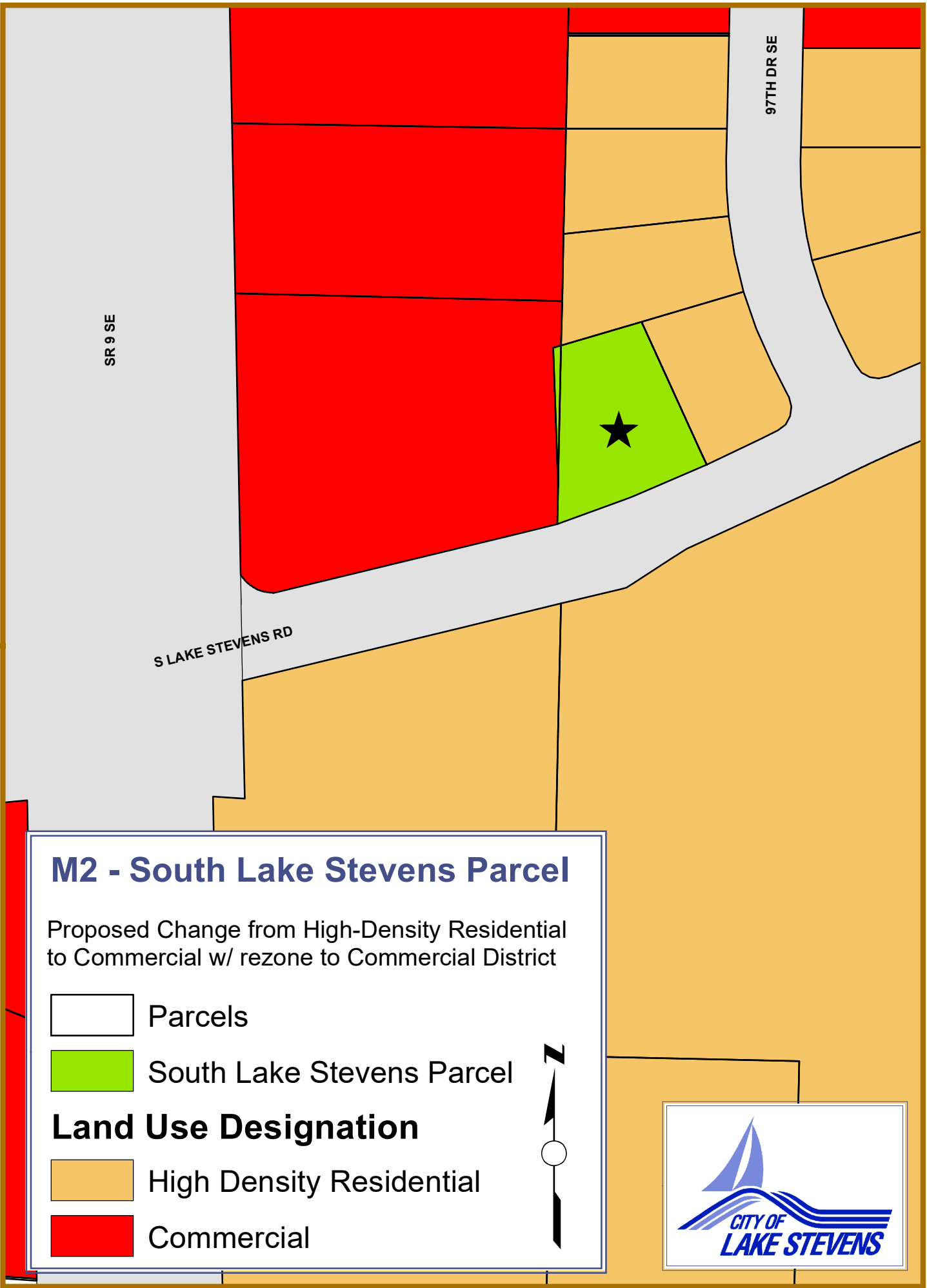
Ratification Review – Decision Criteria	Yes	No
1. Is the proposed amendment appropriate to the Comprehensive Plan rather than implementation as a development regulation or program? Discussion: The proposed land use map change does not implement a development regulation or program. Any future development would be reviewed against the codes in place at the time of application.	X	
2. Is the proposed amendment legal? Does the proposed amendment meet existing state and local laws? Discussion: The proposed land use map change would be reviewed against the current Comprehensive Plan and applicable state laws related to process and environmental review.	X	

¹ Parcel 00457000002604 is an approximate 369 square foot parcel attached to 9705 South Lake Stevens Road under common ownership.

3. Is it practical to consider the proposed amendment? Reapplications for reclassification of property reviewed as part of a previous proposal are prohibited, unless the applicant establishes there has been a substantial change of circumstances and support a plan or regulation change at this time. Discussion: The land use designation change is requested to consider an oversight from the 2022 docket process. The mitigating change in circumstance for review is that the property changed hands towards the end of the public process. After the land use hearings were completed, staff learned that the most western property had changed ownership and the new owner was unaware of the pending change. This property borders South Lake Stevens Road and the remaining commercially designated properties (see Attachment 2). The new owner had purchased the property for commercial purposes and did not have knowledge of the pending change affecting the property. If the new property owner had advanced notice of the proposed change, they would have been able to provide testimony to the Planning Commission and City Council about proposed courses of action.	X	
4. Does the city have the resources, including staff and budget, necessary to review the proposed amendment? Discussion: The Growth Management Act and the city's Comprehensive Plan set a process to review annual amendments to the Comprehensive Plan. By extension, this is a Planning and Community Development function.	X	
5. Does the proposed amendment correct an inconsistency within or make a clarification to a provision of the Plan? Discussion: The land use designation change for the subject property does not correct an inconsistency. Likewise, this change would not create an inconsistency with land use patterns in the vicinity.		X
6. All the following: a. The proposed amendment demonstrates a strong potential to serve the public interest by implementing specifically identified goals of the Comprehensive Plan? AND b. The public interest would best be served by considering the proposal in the current year, rather than delaying consideration to a later subarea plan review or plan amendment process. Discussion: 6.a – Identified goals and policies from the Land Use Element and Economic Development Element demonstrate how the proposed land use map change serves the public interest. LAND USE GOAL 2.1 Provide sufficient land area to meet the projected needs for housing, employment and public facilities within the city of Lake Stevens. Along with policies 2.1.1, 2.1.2, 2.1.3 and 2.1.4 (page LU-26). LAND USE GOAL 2.2 Achieve a well balanced and well-organized combination of residential, commercial, industrial, open space, recreation and public uses. Along with policy 2.2.23 (page LU-26 and LU-28).	X	

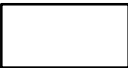
LAND USE GOAL 2.3 Apply the comprehensive plan as a guide for community development implemented through the city’s development regulations to ensure preferred community growth patterns are achieved. Along with policies 2.3.1, 2.3.3 and 2.3.9 (pages LU-28 – LU-29). LAND USE GOAL 2.14 Design and build a healthy community to improve the quality of life for all people who live, work, learn, and play within the city. Along with policy 2.14.1 (page LU-36). ECONOMIC DEVELOPMENT GOAL 6.2 Manage commercial growth in centers. Along with policy 6.2.1, 6.2.2 and 6.2.3 (page ED-8). ECONOMIC DEVELOPMENT GOAL 6.4 Support employment growth in the city. Along with policy 6.4. (page ED-9). ECONOMIC DEVELOPMENT GOAL 6.8 Support businesses and job creation, investing in all people, sustaining environmental quality, and creating great central places, diverse communities and high quality of life. Along with policies 6.8.1 and 6.8.2 (pages ED-9 – ED-10). 6.b – The change would serve the public benefit by supporting a review of land use zones as part of the annual docket and by supporting business startups, small businesses and locally owned businesses proposed to locate in centers.		
---	--	--

Recommendation	Yes	No
Staff recommends City Council and the Planning Commission consider this proposal for inclusion in the 2023 Comprehensive Plan Docket.	X	
The Planning Commission recommends City Council consider this proposal for inclusion in the 2023 Comprehensive Plan Docket (see attached recommendation letter, if applicable).	X	
The City Council accepts this proposal for inclusion in the 2023 Comprehensive Plan Docket.		



M2 - South Lake Stevens Parcel

Proposed Change from High-Density Residential to Commercial w/ rezone to Commercial District

-  Parcels
-  South Lake Stevens Parcel

Land Use Designation

-  High Density Residential
-  Commercial





2023 Comprehensive Plan Docket Ratification

M-3 – Chapman Map Amendment - Staff Summary Lake Stevens City Council & Planning Commission

City Council Hearing Date: March 21, 2023
Planning Commission Hearing Date: March 15, 2023

SUBJECT: City-initiated map amendment to the Comprehensive Plan and Zoning Map.

Summary	
Location in Comprehensive Plan: Chapter 2 Land Use Element – Figure 2.3 Land Use Map	
Proposed Change(s): A citizen-initiated request to change the land use designation of parcels 00385500402200 and 00385500402202/ 00385500402203 from Mixed Use to High Density Residential with an associated rezone to R8-12 (Exhibits 3a through 3d).	
Applicant: City of Lake Stevens	Property Location(s): Intersection of 101 st Ave SE and 5 th Place SE, Lake Stevens, WA
Existing Land Use Designations	Proposed Land Use Designation
Medium-Density Residential	Commercial
Existing Zoning Districts	Proposed Zoning District
R8-12	Commercial District

ANALYSIS: Annual amendments shall not include significant policy changes inconsistent with the adopted Comprehensive Plan Element Visions and must meet the identified criteria included in [Ratification of Docket and Authorization Hearing Section H](#) (page I-9).

Ratification Review – Decision Criteria	Yes	No
1. Is the proposed amendment appropriate to the Comprehensive Plan rather than implementation as a development regulation or program? Discussion: The proposed land use map change does not implement a development regulation or program. Any future development would be reviewed against the codes in place at the time of application.	X	
2. Is the proposed amendment legal? Does the proposed amendment meet existing state and local laws? Discussion: The proposed land use map change would be reviewed against the current Comprehensive Plan and applicable state laws related to process and environmental review.	X	
3. Is it practical to consider the proposed amendment? Reapplications for reclassification of property reviewed as part of a previous proposal are prohibited, unless the applicant establishes there has been a substantial change of circumstances and support a plan or regulation change at this time.	X	

Discussion: The proponent has provided all initial information required to consider a land use and zoning change. The land use designation change is requested by the owner who has been unable to sell and/or develop the property as a mixed-use site due the physical constraints of the site over the last 15 years when the land use and zoning designations were changed to Mixed Use. At this point, the family wishes to remain on the property and look to build additional residential units in the future for family members (see Attachments 3c and 3d).		
4. Does the city have the resources, including staff and budget, necessary to review the proposed amendment? Discussion: The Growth Management Act and the city’s Comprehensive Plan set a process to review annual amendments to the Comprehensive Plan. By extension, this is a Planning and Community Development function.	X	
5. Does the proposed amendment correct an inconsistency within or make a clarification to a provision of the Plan? Discussion: The land use designation change for the subject property does not correct an inconsistency. Likewise, this change would not create an inconsistency with land use patterns in the vicinity. All surrounding properties are residential.		X
6. All the following: a. The proposed amendment demonstrates a strong potential to serve the public interest by implementing specifically identified goals of the Comprehensive Plan? AND b. The public interest would best be served by considering the proposal in the current year, rather than delaying consideration to a later subarea plan review or plan amendment process. Discussion: 6.a – Identified goals and policies from the Land Use Element and Housing Element demonstrate how the proposed land use map change serves the public interest. LAND USE GOAL 2.1 Provide sufficient land area to meet the projected needs for housing, employment and public facilities within the city of Lake Stevens. Along with policies 2.1.1, 2.1.2, 2.1.3 and 2.1.4 (page LU-26). LAND USE GOAL 2.2 Achieve a well balanced and well-organized combination of residential, commercial, industrial, open space, recreation and public uses. Along with policy 2.2.1 (page LU-26). LAND USE GOAL 2.3 Apply the comprehensive plan as a guide for community development implemented through the city’s development regulations to ensure preferred community growth patterns are achieved. Along with policies 2.3.1, 2.3.2 and 2.3.3 (pages LU-28 – LU-29). LAND USE GOAL 2.14 Design and build a healthy community to improve the quality of life for all people who live, work, learn, and play within the city. Along with policy 2.14.1, 2.14.5 and 2.14.6 (page LU-36). HOUSING GOAL 3.1 Provide fair and equal access to a range of housing types and choices to meet the existing and projected housing Needs of all lake stevens residents regardless of income level or demographic status. Along with policy 3.1.1, 3.1.2 and 3.1.4 (page H-17).	X	

HOUSING GOAL 3.3 Encourage the use of innovative techniques to provide a broad range of infill housing types for all income levels and housing needs. Along with policy 3.3.1 (page H-18). HOUSING GOAL 3.5 Provide a balanced development pattern, which promotes pedestrian activities, a sense of community and safety. Along with policies 3.5.1 and 3.5.7 (pages H-19 – H-20). 6.b – The change would serve the public benefit by supporting a review of land use zones as part of the annual docket and by supporting flexibility in housing type throughout the community.		
---	--	--

Recommendation	Yes	No
Staff recommends City Council and the Planning Commission consider this proposal for inclusion in the 2023 Comprehensive Plan Docket.	X	
The Planning Commission recommends City Council consider this proposal for inclusion in the 2023 Comprehensive Plan Docket (see attached recommendation letter, if applicable).	X	
The City Council accepts this proposal for inclusion in the 2023 Comprehensive Plan Docket.		

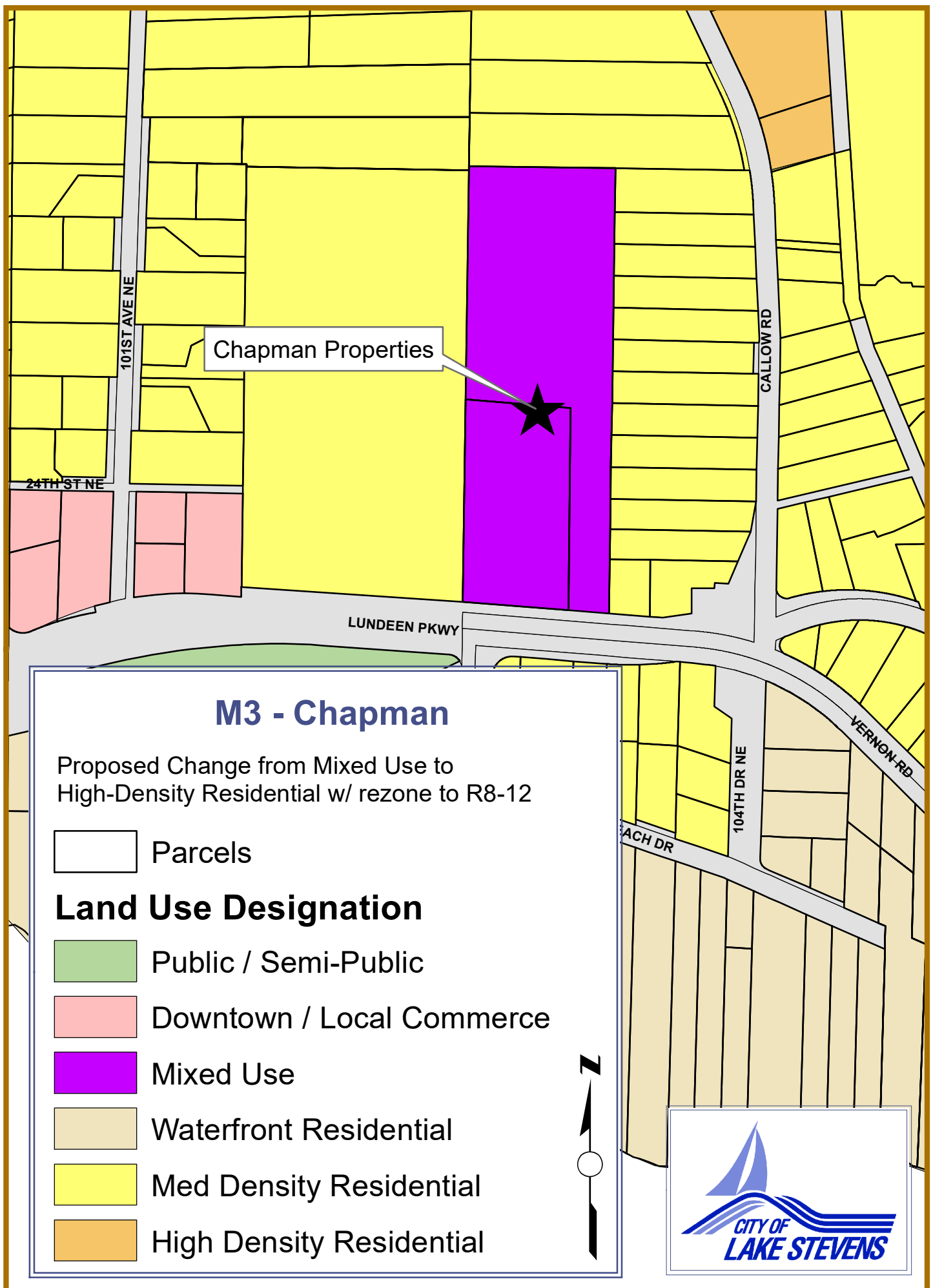




Exhibit B

March 16, 2023

Lake Stevens City Council
1812 Main Street
Lake Stevens, WA 98258

RE: Planning Commission Recommendation on Ratification of 2023 Comprehensive Plan Docket

Commissioners Present: Michael Duerr (Chair), Jennifer Davis (Vice-Chair), Connor Davis, Janice Huxford, Linda Hoult, and Todd Welch

PLANNING COMMISSION PUBLIC HEARING

On March 15, 2023, Planning and Community Development staff presented items proposed for ratification as part of the 2023 Comprehensive Plan Docket and responded to questions and comments during the Planning Commission's public hearing. Staff discussed the background and overview of the proposed text and map amendments to be considered and analyzed as part of the 2023 Docket. One member of the public provided public testimony in support of city-initiated map amendment proposal M-2.

PLANNING COMMISSION FINDINGS AND RECOMMENDATION

Commissioner Welch made a motion to forward a recommendation to the City Council to ratify the 2023 Comprehensive Plan docket and include text amendment T-1 and map amendments M-1 through M-3 for additional study. Commissioner Huxford seconded. The motion passed 6-0.

Respectfully Submitted,

Lake Stevens Planning Commission

CITY COUNCIL STAFF REPORT



Agenda Date: 3/21/2023

Subject: Short-Term Rentals

Contact Person/Department: Russ Wright, Community Development

Budget Impact: NA

Legal Review: No

RECOMMENDATION(S)/ACTION REQUESTED:

Review Council comments and determine if the code amendment should be remanded to the Planning Commission

SUMMARY/BACKGROUND:

The city adopted supplementary use regulations for tourist homes (commonly known as short-term rentals) in 1998 ([LSMC 14.44.064](#)). City staff have worked with the Planning Commission, City Council and a Citizen Advisory group to develop a set of clear and objective standards to balance neighborhood concerns and property rights.

The Planning Commission held three work sessions on the proposed code amendment in 2022 and one in 2023. The Planning Commission held a public hearing [April 20, 2022](#). The majority of the Planning Commission expressed support for hosted rentals. The Commission discussed proposed amendments to allow local representatives in place of prohibiting unhosted rentals. Ultimately, the Planning Commission forwarded a recommendation to the City Council to approve the revised regulations.

On [May 3, 2022](#), the City Council held a work session to consider the Planning Commission's recommendation. Several councilmembers expressed concerns about the prohibition on unhosted rentals, party size limits and inspection requirements. Others were concerned that there had not been adequate outreach to operators of STRs.

Staff provided all public comments received through June 1, 2022 to the City Council at its [June 7, 2022](#) work session. Staff provided a spreadsheet identifying concerns raised by the Council and potential options to address those concerns. Councilmembers felt there were still several unresolved issues. The City Council formed a three-member subcommittee, comprised of councilmembers Ewing, Frederick and Jorstad, to refine the regulations. The committee met between June 2022 and August 2022.

On [September 13, 2022](#), the City Council held a public hearing to consider the subcommittee's STR regulations. The packet included additional written public comments. Nine members of the public provided additional testimony. Councilmembers deliberated the code amendment and continued the public hearing to allow an additional work session. Councilmembers requested information about emergency calls and incident reports related to STRs to assess the scale of law enforcement issues. Additionally, councilmembers wanted more information on the subcommittee process, including materials reviewed and prepared by subcommittee members.

At the [October 4, 2022](#) work session, councilmembers reviewed LSPD data for existing STRs. Councilmembers reviewed the subcommittee's various iterations and other available information. Councilmembers directed staff to incorporate additional changes, re-notice the public hearing and allow additional public comment in advance of the public hearing.

At its [October 25 public hearing](#), City Council continued the public hearing and requested an additional work session. During the [November 1 work session](#) session, councilmembers reviewed and discussed the changes and directed staff to make additional revisions, including changes to definitions; review process; adding insurance requirements; and changing the period an owner, with a revoked short-term rental permit, must wait to apply for a new short-term rental permit to one year. Council held an additional work session [November 8](#) to review the changes in advance of the planned November 15 public hearing. Councilmembers supported the proposed changes and fees.

At the public hearing, 11 citizens testified. The council deliberated and considered amendments to the ordinance. No action was taken. Councilmember Daughtry made a motion to form an advisory committee comprised of citizens, planning commissioners and councilmembers. The motion passed.

The advisory committee held four meetings between December 12, 2022 and February 6, 2023.

- At its December 12, 2022 meeting, the committee was briefed on basic growth management act principles, developed a project goal statement and discussed short-term rentals.

- At its January 9, 2023 meeting, the committee re-affirmed points including limiting corporate interest in neighborhoods, a preference for hosted rentals, prohibiting non-lodging activities in STRs. They received recent public comments, reviewed an updated comparison table of regulations from other jurisdictions and discussed a proposed code outline with a purpose statement and definitions. They debated several questions to guide development of a draft code.
 1. How much of the year should the STR operator live onsite?
 2. What permit process should STRs follow?
 3. What are appropriate occupancy limits?
- At its January 23, 2023 meeting, the committee received additional public comments. They discussed the draft code, which included different alternative sections to consider. They re-evaluated if unhosted rentals should be allowed, permit types and distance requirements for contact. The code as presented and discussed blended elements reviewed by the Planning Commission and City Council and highlighted the direction of the advisory committee. Most committee members agreed on the following things:
 1. The definition of hosted should be changed to include a 24/7 contact within 10 miles.
 2. The 'unhosted' definition should be removed
 3. Self-certification for safety with documentation (e.g., photos)
 4. Reference penalty for fraudulent or otherwise misrepresented applications
- At its February 6, 2023 meeting, the committee discussed the revised code, as reviewed by the city attorney for legal compliance. Refinements from the previous version follow.
 1. The revised code was reorganized and condensed for overall clarity
 2. Definitions were updated as needed for consistency
 3. A modification section was added
 4. Language requiring notice to adjacent properties was added
 5. A separation requirement was provided with optional cap language.

After its deliberation, the STR committee recommended the current draft regulations (**Attachment 1**) be moved forward and appointed a spokesperson to present its work to the Planning Commission and City Council.

The Planning Commission discussed the code process and the current version of the code [February 15, 2023](#). Commissioners Davis and Duerr provided feedback on the STR committee process and main issues. The Planning Commission discussed the following issues: STR caps, occupancy requirements, rental party makeup, ownership and fees. The Planning Commission generally supported the revised amendments for the City Council's action.

The city council reviewed the findings of the STR committee and discussed next steps

in February. There was no consensus on the draft code as presented. The Council discussed remanding the short-term rental regulations back to the Planning Commission. The Council agreed to provide specific written comments on outstanding issues by March 15, 2023. Councilmembers Donoghue, Ewing and Petershagen provided written comments (**Attachments 2 through 4**) for the Council's consideration.

APPLICABLE CITY POLICIES:

Chapter 14.16B - Part VI. Type VI Review - Legislative, City Council Decisions with Planning Commission Recommendation

ATTACHMENTS:

1. Attachment 1 - Clean_Code Draft_2-21-2023
2. Attachment 2 - Donoghue STR Ordinance Notes
3. Attachment 3 - Ewing_STR Feedback Due March 15
4. Attachment 4 - Petershagen

Attachment 1 - LSMC 14.44.064 – Short-Term Rentals

(a) Purpose and Restrictions

- (1) Short-term rentals allow temporary lodging in residential dwelling units for less than 30 days for direct or indirect compensation. Specific standards and reasonable limitations related to operating lawful short-term rentals are designed to minimize potential adverse commercial impacts in residential areas; protect against public nuisance activities; preserve the availability of housing stock and rental housing; allow property owners to efficiently use their properties and permit temporary accommodations. This section does not authorize any property owner to violate any covenants, conditions or restrictions applicable to the owners' residential dwelling unit.

(2) Restrictions

- i. It shall be unlawful for any person to offer or to rent a short-term rental without obtaining a valid short-term rental permit issued by the department of Planning and Community Development.
- ii. Only one short-term rental is permitted per parcel, which may be in the primary dwelling unit or an accessory dwelling unit, but not both.
- iii. Short-term rental permits are not transferable to another operator or location.
- iv. Use of the short-term rental for weddings, banquets, parties, charitable fundraising or other gatherings other than temporary lodging for direct or indirect compensation is prohibited.

(b) Licensing and Registration

- (1) Short-term rentals are allowed in the zoning districts identified in Table 14.40-I of Chapter 14.40 LSMC.
- (2) Short-term rentals shall be separated by at least 500 feet between parcel boundaries, as confirmed by the city, based upon the Snohomish County Assessor's parcel data. Distance shall be measured using the shortest possible straight line from the closest edge of the parcel boundary on the same side of the street.
- (3) The maximum total number of short-term rental licenses allowed at any one time to be issued per year shall be 30, no more than 10 of which shall be within the Waterfront Residential zoning district.
- (4) Short-term rentals require a Type I application per Table 14.16-A-I, applicable fees and a written description of the proposed short-term rental identifying the following:
 - i. The name, phone number, email address and postal address providing valid current contact information for the owner and the operator (see definitions) and any other local contact. Any changes to the name or telephone number(s) of contact(s) must be submitted to the department of Planning and Community Development and adjacent property owners within 14 days of the change.;
 - ii. The address of the structure where the short-term rental use will occur;
 - iii. The area to be rented, including number of bedrooms, to overnight guests; and
 - iv. The initial short-term rental permit fee and renewal fee shall be established by resolution of the City Council.

- (5) Short-term rental operators shall obtain and maintain a city business license per Chapter 4.04 LSMC.
- (6) Short-term rental owners/operators shall maintain current insurance per RCW 64.37.050.
- (7) The short-term rental operator shall provide written notification, on a form provided by the city, to adjacent property (see definitions) owners of their intent to operate a short-term rental. The short-term rental operator shall provide a completed copy of the notice and signed statement made under penalty of perjury of the adjacent property provided the notice to the department of Planning and Community Development, as part of the review process.
- (8) The short-term rental operator shall attest that the short-term rental unit provides basic health and safety standards for rental parties and provide photographic and/or video documentation to the department of Planning and Community Development as part of the review process and annual renewal.
 - i. Basic health and safety standards mean the short-term rental is equipped with working fire extinguishers, smoke detectors, carbon monoxide detectors and clearly marked exits within the unit.
 - ii. The city reserves the right to conduct inspections of the short-term rental in response to health and safety complaints, subject to any fees identified in the current Fees Resolution.
- (9) The Planning and Community Development Director or designee will evaluate short-term rental applications for compliance with the requirements of this section, other applicable sections of the Lake Stevens Municipal Code and Chapter 64.37 RCW.
- (10) Duration of Approval and Renewal
 - i. Short-term rental approvals shall be valid for a period of one year, with the effective date running from the date of issuance.
 - ii. Short-term rentals must be renewed annually with the department of Planning and Community Development, provided all the approval criteria continue to be met.
 - iii. It is the owner's / operator's responsibility to ensure that the short-term rental remain in substantial compliance with all applicable codes and laws.
 - iv. It is the owner's / operator's responsibility to verify or update current contact information annually, upon renewal of the license, for the owner, operator and local contact to be provided to the city and adjacent property owners.

(c) General Operating Requirements

- (1) Short-term rentals must be occupied by the short-term rental operator as a primary residence at least 240 days a calendar year unless the owner/operator has a primary residence within the Lake Stevens Urban Growth Area. When not onsite or absent from their primary residence and unavailable for contact by the rental party or city employees during a short-term rental, the operator must designate an available local contact.
- (2) Short-term rentals shall be located within a permanent, legal conforming residential dwelling units. No structures located overwater, either partly or wholly, shall be rented as a short-term rental for lodging and sleeping. Rental of temporary structures, open land and recreational vehicles as a short-term rental is prohibited.

- (3) No more than two guests, excluding children under six years old, are permitted per bedroom.
 - (4) No more than two short-term rental parties can occupy the short-term rental at any time.
 - (5) The short-term rental operator shall post a set of “good neighbor guidelines” in a conspicuous place in the short-term rental unit, on a form provided by the city, with the following information:
 - i. Contact information for the operator and designated local contact who is available 24-hours a day and seven days per week;
 - ii. Emergency and non-emergency contact information for medical, police and fire services;
 - iii. Quiet hours are between 10 pm and 7 am.
 - iv. The location of the rental’s designated parking space(s);
 - v. The location of emergency shut-offs, fire extinguisher(s), fire exits and escape routes;
 - vi. The location of trash, compost and recycling containers; and
 - vii. Guests must follow all applicable local, state and federal regulations.
 - (6) A minimum of one off-street parking space shall be provided per bedroom rented.
 - i. Per LSMC Table 14.72-I a minimum of two off-street parking spaces shall be provided for the dwelling unit.
 - ii. Parking of boat trailers and recreation vehicles is only allowed when adequate parking is provided onsite.
 - (9) Short-term rental operators must remit all applicable local, state, and federal taxes and other assessments per RCW 64.37.020 for the short-term rental.
 - (10) The short-term rental operator must comply with Chapter 64.37 RCW. When the standards of this section and Chapter 64.37 RCW differ, the stricter standards shall apply.
- (d) Permit Modifications
- (1) The Director of Planning and Community Development, or designee may modify the operational requirements, based on site-specific circumstances for the purpose of allowing reasonable accommodation of a short-term rental.
 - (2) All requests must be in writing and shall identify how the strict application of the operational requirements creates an unreasonable hardship to a property or property owner, and if the requirement is not modified, reasonable use of the property for a short-term rental would not be allowed.
 - (3) Any hardships identified must relate to physical constraints to the subject site. Such hardships cannot be self-induced or economic.
 - (4) In addition, any modification to the operational requirements cannot further exacerbate an already existing problem.
- (e) Nuisance Activity – It shall constitute a public nuisance for any short-term rental operator to allow rental parties to create raucous noise or host unruly gathering at a short-term rental in violation of Chapter 9.56 LSMC and other applicable sections of the Lake Stevens Municipal Code.

- (1) A raucous noise may include but is not limited to yelling, screaming, shouting or the transmission of any loud or amplified noise, which unreasonably interferes with the peace and quiet of the nearby residents or members of the public.
 - (2) A loud and unruly gathering may include but is not limited to exceeding the number of allowed occupants; activities of rental parties that create raucous noise that may be heard by nearby residents or members of the public; and/or occupants and/or guests engage in disorderly conduct that disturbs the public peace.
 - (3) The short-term rental operator shall, upon receiving notification from the city, Police Department or any other means, that any rental party has created a public nuisance, engaged in disorderly conduct or committed violations of the Lake Stevens Municipal Code or applicable laws must promptly respond to the complaint and document corrective actions taken. Failure to respond to complaints in a timely manner may be grounds for penalties as set forth in this section. It is not intended that the short-term rental operator or local contact place himself or herself in an at-risk situation.
- (f) Complaints and Enforcement
- (1) Complaints and enforcement are subject to the processes identified in Chapters 4.04 and 17.20 LSMC including any applicable fines and penalties.
 - (2) Multiple violations of the short-term rental code will result in progressive enforcement as identified in LSMC 17.20.030.
 - (3) A new short-term rental permit will not be issued to the short-term rental operator of a revoked short-term rental permit and business license until one year from the time of revocation has passed.
 - (4) Permits issued based on applications containing misrepresented or misleading information may be revoked.

14.08 Definitions

Adjacent property means any property contiguous to a property on which a short-term rental location is located.

Boarding house means a residential use consisting of at least one single-family dwelling unit together with more than two rooms that are rented or are designed or intended to be rented but which rooms, individually or collectively, do not constitute separate dwelling units. A rooming house or boarding house does not include adult family homes, clean and sober facilities, rest homes or convalescent homes and is distinguished from a short-term rental in that the former is designed to be occupied by longer term residents (at least month-to-month tenants) as opposed to overnight or weekly guests.

Local contact means the person designated by the owner or operator who is the point of contact for the short-term rental; who is available 24 hours per day, seven days per week; and who can respond to complaints and take remedial actions.

Long-term rental means the rental of a room or dwelling unit for residential use as a permanent or semi-permanent for a period of 30 or more days.

Primary residence means a person's usual place of return for housing where one makes their home and conducts their daily affairs, including, without limitations, paying bills and receiving mail. A primary residence is generally the dwelling unit with the residential address used on documentation related to identification, taxation and insurance purposes, including, without limitation, income tax returns, medical

service plans, voter registration, paycheck stubs, lease or rental agreement, mortgage agreements, bank statements, driver's licenses, valid state identifications, and/or vehicle registrations.

Short-term rental means a residential dwelling unit, in which all or part of the structure including an accessory dwelling unit is rented to a rental party, on a nightly or weekly basis for temporary lodging of less than 30 days, subject to the standards identified in LSMC 14.44.064. Short-term rentals do not include bed and breakfasts, inns, hotels and motels.

Short-term rental party means an overnight guest or group of renters renting the short-term rental for a specified period of one or more nights but less than 30 days and visitors of the overnight occupants.

Short-term rental owner means the owner of the short-term rental who has an interest in the property as provided for in the property deed. All persons listed in the deed that have an ownership interest are required to sign the short-term rental permit application. If the property is held in a trust or is part of a limited liability company (LLC), the trustee or the general member of the LLC must sign the short-term rental permit application. If the property is held in a corporation's name, the corporation's duly authorized agent shall sign the short-term rental permit application. Each owner shall be held jointly and severally liable for any violations of this chapter.

Short-term rental operator (or operator) means the owner, property management company, or another entity or person designated by the owner to act on their behalf as the main contact for rental parties responsible for day-to-day operations of the short-term rental, addressing any complaints and to ensure compliance with the requirements of LSMC 14.44.064.

Table 14-16A-I: Classification of Permits and Decisions

Type of Review	Land Use Actions and Permits	Recommendation By	Public Hearing Prior to Decision	Permit-Issuing Authority	Administrative Appeal Body and Hearing
TYPE I Administrative without Public Notice	• Shoreline Exemptions • <u>Short-Term Rentals</u> • Signs	None	Open Record	Department director or designee	Hearing Examiner, except shoreline permits to State Shoreline Hearings Board, and Open Record

Table 14.40-I: Table of Residential Uses by Zones

A blank box indicates a use is not allowed in a specific zone. Note: Reference numbers within matrix indicate special conditions apply. P – Permitted Use; A – Administrative Conditional Use; C – Conditional Use (See Section 14.40.070 for explanation of combinations)																
NAICS Code	Use	R4	WR	R6	R8-12	MFR	LB	MU ¹	PBD ²	BD	CBD	CD	LI	GI	P/SP	
MISCELLANEOUS AND ACCESSORY USES																
<u>N/A</u>	<u>Short-Term Rentals¹</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>		<u>P</u>								
<u>N/A</u>	<u>Tourist homes</u>	A	A	A	A	A		A								

TABLE 14.72-I: TABLE OF PARKING REQUIREMENTS

¹ Subject to Type I review and requirements of LSMC 14.44.064.

Rooming and boarding houses	1 space for each bedroom.
<u>Short-Term Rentals</u>	<u>1 space per bedroom rented plus 2 spaces for owner / agent when occupied</u>

Attachment 2 – Councilmember Donoghue comments:

LSMC 14.44.064 – Short-Term Rentals

(a) Purpose and Restrictions

(1) Short-term rentals allow temporary lodging in residential dwelling units for less than 30 days for direct or indirect compensation. Specific standards and reasonable limitations related to operating lawful short-term rentals are designed to minimize potential adverse commercial impacts in residential areas; protect against public nuisance activities; preserve the availability of housing stock and rental housing; allow property owners to efficiently use their properties and permit temporary accommodations. This section does not authorize any property owner to violate any covenants, conditions or restrictions applicable to the owners' residential dwelling unit.

(2) Restrictions

- i. It shall be unlawful for any person to offer or to rent a short-term rental without obtaining a valid short-term rental permit issued by the department of Planning and Community Development.
- ii. Only one short-term rental is permitted per parcel, which may be in the primary dwelling unit or an accessory dwelling unit, but not both.
- iii. Short-term rental permits are not transferable to another operator or location.
- iv. Use of the short-term rental for weddings, banquets, parties, charitable fundraising or other gatherings other than temporary lodging for direct or indirect compensation is prohibited.

(b) Licensing and Registration

- (1) Short-term rentals are allowed in the zoning districts identified in Table 14.40-I of Chapter 14.40 LSMC.
- (2) Short-term rentals shall be separated by at least 500 feet between parcel boundaries, as confirmed by the city, based upon the Snohomish County Assessor's parcel data. Distance shall be measured using the shortest possible straight line from the closest edge of the parcel boundary on the same side of the street.
- (3) The maximum total number of short-term rental licenses allowed at any one time to be

Commented [RD1]: Understand this type of language is not uncommon, but just want to make sure City Council is aware it would be allowing entities like HOAs to prohibit STRs in certain parts of LS.

issued per year shall be 30, no more than 10 of which shall be within the Waterfront Residential zoning district.

(4) Short-term rentals require a Type I application per Table 14.16-A-I, applicable fees and a written description of the proposed short-term rental identifying the following:

- i. The name, phone number, email address and postal address providing valid current contact information for the owner and the operator (see definitions) and any other local contact. Any changes to the name or telephone number(s) of contact(s) must be submitted to the department of Planning and Community Development and adjacent property owners within 14 days of the change;
- ii. The address of the structure where the short-term rental use will occur;
- iii. The area to be rented, including number of bedrooms, to overnight guests; and
- iv. The initial short-term rental permit fee and renewal fee shall be established by resolution of the City Council.

(5) Short-term rental operators shall obtain and maintain a city business license per Chapter 4.04 LSMC.

(6) Short-term rental owners/operators shall maintain current insurance per RCW 64.37.050.

(7) The short-term rental operator shall provide written notification, on a form provided by the city, to adjacent property (see definitions) owners of their intent to operate a short-term rental. The short-term rental operator shall provide a completed copy of the notice and signed statement made under penalty of perjury of the adjacent property provided the notice to the department of Planning and Community Development, as part of the review process.

(8) The short-term rental operator shall attest that the short-term rental unit provides basic health and safety standards for rental parties and provide photographic and/or video documentation to the department of Planning and Community Development as part of the review process and annual renewal.

- i. Basic health and safety standards mean the short-term rental is equipped with working fire extinguishers, smoke detectors, carbon monoxide detectors and clearly marked exits within the unit.
- ii. The city reserves the right to conduct inspections of the short-term rental in response

Commented [RD2]: Personally, I'm not in favor of a separate cap for the area around the lake. With pending plans to develop other areas of LS, I would rather use/adjust the separation provision of (b)(2) to control STR density across the entire city than create special areas. A uniform standard would help avoid future STR hotspots and/or the need ordinance revisions.

In general, I also think a bifurcated system sends the wrong message to the public in view of LS's "One community around the lake" slogan.

Commented [RD3]: What is this "signed statement" in addition to the notice form ("shall provide...notice and signed statement")? I'm not clear on what this signed statement is and why it requires the threat of perjury. Is this referring to the attestation in subsection (b)(8)? I feel "signed statement" should be more clearly defined in this subsection if it could result in perjury (or even some lesser offense, as I know perjury is being looked at as too severe a penalty).

Commented [RD4]: What "review process" is this referring to? Is this in reference to subsection (b)(9)? It would be helpful to specify. E.g., if it's referring to (b)(9), "as part of the review process outline in subsection (b)(9)" or "as part of the review process for short-term rental permit applications."

Commented [RD5]: Similar to previous comment, not entirely clear to me what review process is being discussed here in addition to the annual renewal ("as part of the review process and annual renewal"). Would be helpful to specify, either here directly or by clarifying the first usage of the term "review process" above in subsection (b)(7).

to health and safety complaints, subject to any fees identified in the current Fees Resolution.

(9) The Planning and Community Development Director or designee will evaluate short-term rental applications for compliance with the requirements of this section, other applicable sections of the Lake Stevens Municipal Code and Chapter 64.37 RCW.

(10) Duration of Approval and Renewal

i. Short-term rental approvals shall be valid for a period of one year, with the effective date running from the date of issuance.

ii. Short-term rentals must be renewed annually with the department of Planning and Community Development, provided all the approval criteria continue to be met.

iii. It is the owner's / operator's responsibility to ensure that the short-term rental remain in substantial compliance with all applicable codes and laws.

iv. It is the owner's / operator's responsibility to verify or update current contact information annually, upon renewal of the license, for the owner, operator and local contact to be provided to the city and adjacent property owners.

(c) General Operating Requirements

(1) Short-term rentals must be occupied by the short-term rental operator as a primary residence at least 240 days a calendar year unless the owner/operator has a primary residence within the Lake Stevens Urban Growth Area. When not onsite or absent from their primary residence and unavailable for contact by the rental party or city employees during a short-term rental, the operator must designate an available local contact.

(2) Short-term rentals shall be located within a permanent, legal conforming residential dwelling units. No structures located overwater, either partly or wholly, shall be rented as a short-term rental for lodging and sleeping. Rental of temporary structures, open land and recreational vehicles as a short-term rental is prohibited.

(3) No more than two guests, excluding children under six years old, are permitted per bedroom.

(4) No more than two short-term rental parties can occupy the short-term rental at any time.

(5) The short-term rental operator shall post a set of "good neighbor guidelines" in a

Commented [RD6]: Can we provide specific LSMC sections here? Understand if there are too many to list outright, but identifying at least some of the key sections before using the catchall "other applicable sections" would make it easier for applicants to ensure compliance before submitting their applications for evaluation.

Commented [RD7]: Is the requirement to update this contact information not already covered by (b)(4)(i)? Do we need to explicitly require it again here as part of the annual renewal? Seems like we could delete this subsection.

Commented [RD8]: 1) Did we ultimately decide owner occupancy was a requirement we could legally impose under the current case law?

2) If so, why do we need owners outside the LSUGA to occupy 240 days a year? With the city-wide permit cap (i.e., corporations can't eat up all of LS's housing stock), is it not enough to specify an owner living outside the LSUGA can't use the home for STR 240 days a year (or, inversely, use it for STR 125 days a year)? Are there legal prohibitions on directly limiting the number of days a residence can be used for STR?

Requiring owners who don't live in the area to use the home as a part-time primary residence seems onerous if we can otherwise address people's concerns about housing stock and unsupervised STR activity.

Commented [RD9]: Is it possible to have a "legal conforming residential dwelling unit" partially over water in Lake Stevens? Does this need to be revised to exclude any homes on the water?

Commented [RD10]: Seems overly restrictive and virtually impossible to enforce. Can we remove language about children and, if possible, tie maximum bedroom or dwelling occupancy to some other established occupancy standard, e.g., fire, building/construction, health, etc.?

conspicuous place in the short-term rental unit, on a form provided by the city, with the following information:

- i. Contact information for the operator and designated local contact who is available 24-hours a day and seven days per week;
- ii. Emergency and non-emergency contact information for medical, police and fire services;
- iii. Quiet hours are between 10 pm and 7 am.
- iv. The location of the rental's designated parking space(s);
- v. The location of emergency shut-offs, fire extinguisher(s), fire exits and escape routes;
- vi. The location of trash, compost and recycling containers; and
- vii. Guests must follow all applicable local, state and federal regulations.

(6) A minimum of one off-street parking space shall be provided per bedroom rented.

- i. Per LSMC Table 14.72-I a minimum of two off-street parking spaces shall be provided for the dwelling unit.
- ii. Parking of boat trailers and recreation vehicles is only allowed when adequate parking is provided onsite.

(9) Short-term rental operators must remit all applicable local, state, and federal taxes and other assessments per RCW 64.37.020 for the short-term rental.

(10) The short-term rental operator must comply with Chapter 64.37 RCW. When the standards of this section and Chapter 64.37 RCW differ, the stricter standards shall apply.

(d) Permit Modifications

(1) The Director of Planning and Community Development, or designee may modify the operational requirements, based on site-specific circumstances for the purpose of allowing reasonable accommodation of a short-term rental.

(2) All requests must be in writing and shall identify how the strict application of the operational requirements creates an unreasonable hardship to a property or property owner, and if the requirement is not modified, reasonable use of the property for a short-term rental would not be allowed.

(3) Any hardships identified must relate to physical constraints to the subject site. Such

hardships cannot be self-induced or economic.

(4) In addition, any modification to the operational requirements cannot further exacerbate an already existing problem.

(e) Nuisance Activity – It shall constitute a public nuisance for any short-term rental operator to allow rental parties to create raucous noise or host unruly gathering at a short-term rental in violation of Chapter 9.56 LSMC and other applicable sections of the Lake Stevens Municipal Code.

(1) A raucous noise may include but is not limited to yelling, screaming, shouting or the transmission of any loud or amplified noise, which unreasonably interferes with the peace and quiet of the nearby residents or members of the public.

(2) A loud and unruly gathering may include but is not limited to exceeding the number of allowed occupants; activities of rental parties that create raucous noise that may be heard by nearby residents or members of the public; and/or occupants and/or guests engage in disorderly conduct that disturbs the public peace.

(3) The short-term rental operator shall, upon receiving notification from the city, Police Department or any other means, that any rental party has created a public nuisance, engaged in disorderly conduct or committed violations of the Lake Stevens Municipal Code or applicable laws must promptly respond to the complaint and document corrective actions taken. Failure to respond to complaints in a timely manner may be grounds for penalties as set forth in this section. It is not intended that the short-term rental operator or local contact place himself or herself in an at-risk situation.

(f) Complaints and Enforcement

(1) Complaints and enforcement are subject to the processes identified in Chapters 4.04 and 17.20 LSMC including any applicable fines and penalties.

(2) Multiple violations of the short-term rental code will result in progressive enforcement as identified in LSMC 17.20.030.

(3) A new short-term rental permit will not be issued to the short-term rental operator of a revoked short-term rental permit and business license until one year from the time of revocation has passed.

(4) Permits issued based on applications containing misrepresented or misleading information

Commented [RD11]: Are these definitions necessary if ordinance already includes reference back to LSMC Chapter 9.56? If 9.56 is insufficient to address STR noise concerns, my preference would be amending 9.56 (e.g., 9.56.040) as needed so we can avoid multiple code provisions related to “nuisance” noise.

Commented [RD12]: This appears to conflict with LSMC 17.20.030(d). Can we change the beginning of this subsection to “A violation...” and remove the word “progressive”? LSMC 17.20.030(d) expressly allows the Code Enforcement Officer to take any of the listed enforcement actions in any order they deem appropriate based on the severity of a violation.

may be revoked.

14.08 Definitions

Adjacent property means any property contiguous to a property on which a short-term rental location is located.

Boarding house means a residential use consisting of at least one single-family dwelling unit together with more than two rooms that are rented or are designed or intended to be rented but which rooms, individually or collectively, do not constitute separate dwelling units. A rooming house or boarding house does not include adult family homes, clean and sober facilities, rest homes or convalescent homes and is distinguished from a short-term rental in that the former is designed to be occupied by longer term residents (at least month-to-month tenants) as opposed to overnight or weekly guests.

Local contact means the person designated by the owner or operator who is the point of contact for the short-term rental; who is available 24 hours per day, seven days per week; and who can respond to complaints and take remedial actions.

Long-term rental means the rental of a room or dwelling unit for residential use as a permanent or semipermanent for a period of 30 or more days.

Primary residence means a person's usual place of return for housing where one makes their home and conducts their daily affairs, including, without limitations, paying bills and receiving mail. A primary residence is generally the dwelling unit with the residential address used on documentation related to identification, taxation and insurance purposes, including, without limitation, income tax returns, medical service plans, voter registration, paycheck stubs, lease or rental agreement, mortgage agreements, bank statements, driver's licenses, valid state identifications, and/or vehicle registrations.

Commented [RD13]: The term "boarding house" does not seem to be used anywhere in this ordinance outside of its own definition. Is that term going to be added somewhere else, or can we remove this definition?

Short-term rental means a residential dwelling unit, in which all or part of the structure including an accessory dwelling unit is rented to a rental party, on a nightly or weekly basis for temporary lodging of less than 30 days, subject to the standards identified in LSMC 14.44.064. Short-term rentals do not include bed and breakfasts, inns, hotels and motels.

Short-term rental party means an overnight guest or group of renters renting the short-term rental for a specified period of one or more nights but less than 30 days and visitors of the overnight occupants.

Short-term rental owner means the owner of the short-term rental who has an interest in the property as provided for in the property deed. All persons listed in the deed that have an ownership interest are required to sign the short-term rental permit application. If the property is held in a trust or is part of a limited liability company (LLC), the trustee or the general member of the LLC must sign the short-term rental permit application. If the property is held in a corporation's name, the corporation's duly authorized agent shall sign the short-term rental permit application. Each owner shall be held jointly and severally liable for any violations of this chapter.

Short-term rental operator (or operator) means the owner, property management company, or another entity or person designated by the owner to act on their behalf as the main contact for rental parties responsible for day-to-day operations of the short-term rental, addressing any complaints and to ensure compliance with the requirements of LSMC 14.44.064.

Commented [RD14]: Text of ordinance does not use term "short-term rental party," it only says "rental party." Would suggest changing one or the other to make these consistent.

Attachment 3 – Councilmember Ewing comments:

Short-Term Rental (STR) Feedback

General feedback:

- 1) This proposed ordinance is unduly restrictive and includes numerous elements that are not enforceable and based on conjecture with no data to support it.
- 2) Virtually every change that has been made since the Council subcommittee has been increasingly restrictive.
- 3) \$250 is an appropriate fee for a STR business license. \$500 is excessive.
- 4) The ordinance has significant unnecessary language that spells out matters covered in other city ordinances.
- 5) I am not a fan of notifying neighbors of the STR. We have an example of a neighbor-to-neighbor dispute that is in our city when it seems that one neighbor is using the STR ordinance as a tool in their dispute against their neighbor. This will only be exacerbated as neighbors on both sides of the STR are notified.

A1 References housing stock. What data do we have to support a depletion of housing stock? If 100 of our 14,818 housing units were designated for STR would this be considered a depletion of available housing stock?

B2 During the subcommittee meetings there was a discussion about distances being between 250 feet and 500 feet. The final product was the most restrictive at 500 feet without any explanation given for why this happened. Would it make sense to make the distance between short-term rentals be based on a number of parcels between short-term rental units instead of a distance requirement that doesn't take into account the densities that occur through out the city? Or a combination of distance and/parcels that accounts for different densities?

B3 We are told this is an ordinance for the entire city. During the subcommittee meeting there was discussion of limiting the number of short-term rental licenses. One committee member suggested limiting the number of licenses to 1-3% of the housing units. Kim Daughtery suggested limiting the number of licenses to 30 total with a maximum of 10 being for the lakefront zone. His view was shared by Mike Duer. Rick Trout and Connor Davis suggested limiting the number of licenses to 50 total. Somehow Kim and Mike's position trumped Rick and Connor's suggestion. There was no compromise at 40. Not sure how that happened.

There are approximately 14,418 residential units of which approximately 400 are on the lake. Why are 10 of the 30 licenses allotted for the approximately 400 lakefront lots, and for the remaining 14,000 lots in the city there are only 20 STR licenses. An explanation of the equity and methodology of this allotment of licenses would be helpful because it certainly doesn't seem balanced. Limiting the distance between neighboring STR to 250 feet or five lots, whichever is less may be something to consider.

If there is one STR for every 40 housing units on the lake, we can use this same formula for the remaining 14,418 housing units in the city. This equates to about 360 STR licenses for those who do not live on the lake.

B7 The language in this section “under penalty of perjury” needs to be stricken. Threatening a felony for failure to comply with this section seems extreme and heavy handed. This whole section should be removed.

C1 During the subcommittee meeting all seemed to agree that there isn’t an effective means to enforce the requirement that the STR be the operator’s primary residence. Why are we including items in this code that aren’t reasonably enforceable? This seems like a backdoor means of requiring the local contact or operator to live within the city UGA.

C3 This is totally unenforceable unless we include a requirement to have cameras in the bedrooms.

C5v Should spell out gas, water and electrical emergency shutoffs.

C5vii Federal regulations prohibit the possession and use marijuana, but state law allows it. How do we want to handle state and federal laws that conflict?

C6 One parking space for two bedrooms rented NOT one parking space per one bedroom.

E 1,2,3 should be stricken. No other ordinance spells out this nuisance activity, including our Title 10 parks ordinance where much nuisance activity happens often.

14:08 Definitions

Local Contact: A local contact does not need to live in the Lake Stevens UGA. If we need to spell out the parameters of this we can allow the local contact to live in Snohomish County. The overwhelming majority of property management issues will be handled telephonically or electronically. If there is a major issue the local contact will not put themselves at risk by personally addressing it and will call law enforcement.

Attachment 4 - Councilmember Petershagen comments:

March 15th, 2023

Kelly Chelin
City Clerk
City of Lake Stevens
1812 Main St.
Lake Stevens, WA 98258

Re: Comments on the STR's

Clerk Chelin,

Below are my comments as it relates to the Short Term Rentals (STR's) as recommended by the Citizen Subcommittee (Mayor Gailey's appointed participants).

- a) I support all of the items in the Section a – Purpose and Restrictions, items 1&2
- b) Section b Licensing and Regulations, item #2 I would support the distance measured to be 500 ft. as measured by drawing a circle from the outer edges of the STR – not by limiting it to the properties on the same side of the street.
- c) Section b Licensing and Regulations, item #3 I support the number of 30 being the total of STR's being licensed in any one year. Justification for this figure has been determined by factoring 3 bedrooms per STR resulting in 90 +/- units of accommodations. This would likely be the approximate size of a hotel if it were to open in Lake Stevens. This comparison seems valid.
- d) Section b Licensing and Regulations, item #4 I do not support the idea of a Type 1 application process. There should be notification to the surrounding properties (similar to notation "b" above i.e. 500 ft). The effect of transient activity in a neighborhood should be disclosed to those most closely impacted. This notice combined with the process of allowing the impacted properties to comment on the proposed activity is a vital part of accountability on the part of the operator.
- e) Section b Licensing and Regulations, item 8.i. I would support adding the language "in accordance with State and local regulations".
- f) Section b Licensing and Regulations, item 9 I would add language of allowing the Community Development to base his/ her decision upon compliance with the requirements, as well as consideration of the public comments received.

- g) Section b Licensing and Regulations, item 10. iv. Even though it is not permissible to transfer STR permits – it should still be the responsibility of the owner/ operator to notify the City in the event of a sale (change of ownership).
- h) I would like to have a discussion concerning the last sentence of Section e Nuisance Activity, item 3. The proposed ordinance indicates that “it is not intended that the short term rental operator or local contact place himself or herself in an at- risk situation”. Is the Police Dept the only one that is responsible to solve “Nuisance Activity”?
- i) Section f Complaints and Enforcement, item 2 I would support the elimination of the word “multiple”.

Definitions –

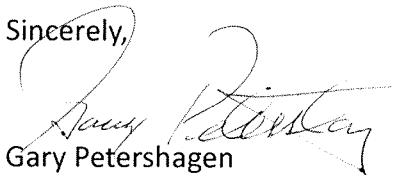
- a) I would support changing the definition of the term “Adjacent property”. The definition should include property that is across a street, access or easement area. Webster’s defines “adjacent” as contiguous or sharing a common border. This could be interpreted as the same side of the street.
- b) Local contact – confused with the ability to respond to complaints and take remedial action – seem contrary to the language in “h” above.

Also,

- 1) I would to encourage that language be inserted dealing with the situation of STR’s that are operating currently. With passage of a new ordinance – what kind of measures do we put in place to stimulate them to come into compliance?
- 2) How is the STR license process to start? What happens in the event we have more than 30 applications once the ordinance is adopted?

Thank you for facilitating this process.

Sincerely,



Gary Petershagen

Position #2 – Lake Stevens City Council