

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.

June 7, 2022 - 6:00 PM

HYBRID MEETING - TWO WAYS TO PARTICIPATE:

Join Zoom Meeting: <https://us02web.zoom.us/j/87362377722>

or call in at: 253-215-8782 Meeting ID: 873 6237 7722 OR

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

- 1. Call to Order**
- 2. Pledge of Allegiance** Mayor
- 3. Roll Call**
- 4. Approval of Agenda** Council President
- 5. Citizen Comments**
- 6. City Department Report**
 - A. Public Works - Teams Task/Planner Update Aaron Halverson
 - B. 2021 Impact Fee Report Barb Stevens
 - C. Lake Stevens Industrial Center Infrastructure and Market Analysis Russ Wright
 - D. Youth Recreation Amenities Russ Wright
- 7. Action Items**
 - A. Wireless Microphone System for The Mill Troy Stevens
 - B. Contract with Data Transfer Solutions for deployment of VUEWorks Troy Stevens
- 8. Discussion Items**
 - A. Briefing on Short Term Rentals David Levitan
 - B. Capital Projects Update Russ Wright,
Aaron Halverson, Barb Stevens

9. **Executive Session (Confidential Session of the Council)**
 - A. Discussion of Collective Bargaining
10. **Adjourn**

THE PUBLIC IS INVITED TO ATTEND

Special Needs: *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.

MEMORANDUM



Finance Department

DATE: May 31, 2022

TO: Brett Gailey, Mayor
City Councilmembers

FROM: Barb Stevens, Finance Director

SUBJECT: Impact Fee Report - 2021

RCW 82.02.070 related to impact fees provides that: "Annually, each county, city or town imposing impact fees shall provide a report on each impact fee account showing the source and amount of all moneys collected, earned, or received and system improvements that were financed in whole or in part by impact fees." This report is presented to City Council in response to that requirement.

The city began collecting impact fees for transportation and parks in the 1990's. Park impact fees are Growth Management Act based impact fees for mitigation of residential impacts on parks. These are accounted for collectively citywide.

In 2012, the city completed a traffic mitigation study to determine GMA-related traffic mitigation fees and related code amendments to ensure adequate transportation facilities both within subareas and citywide. With the passage of Ordinance 876, in September 2012, three traffic impact zones (TIZ) were established. They consist of TIZ 1 – East Lake Stevens, TIZ 2 – West Lake Stevens, and TIZ 3 – South Lake Stevens.

Prior to these changes, traffic impact fees were authorized within the Transportation Improvement Project (TIP) element of the Comprehensive Plan and accounted for by individual project. These are included in the Pre 2011 SEPA column.

During 2021, \$752,329 in transportation impact fees and \$771,148 in park impact fees were collected. Investment interest is allocated proportionally to each mitigation zone and type.

Year	Park Mitigation	Tree Mitigation	Impact Fee Revenues 2013 - 2021					
			Traffic	Traffic	Traffic	Traffic	Traffic	Traffic
			Pre 2011 SEPA	GMA County Pre-Annexation	WSDOT	TIZ 1	TIZ 2	TIZ 3
2013	\$168,896		\$50,528	\$272,605	\$408	\$38,416	\$2,917	\$14,585
2014	\$317,546		\$0	\$324,708	\$0	\$69,979	\$5,863	\$11,668
2015	\$371,940	\$1,716	\$0	\$303,970	\$0	\$41,498	\$229,803	\$24,625
2016	\$788,944	\$8,960	\$0	\$97,989	\$0	\$32,186	\$189,605	\$284,169

2017	\$346,153	\$1,645	\$0	\$0	\$0	\$14,450	\$36,615	\$510,554
2018	\$700,607	\$9,583	\$0	\$0	\$0	\$121,573	\$154,280	\$736,530
2019	\$1,365,087	\$23,100	\$0	\$0	\$0	\$176,031	\$3,500	\$959,554
2020	\$1,512,002	\$22,105	\$0	\$0	\$0	\$313,902	\$14,000	\$830,270
2021	\$771,148	\$127,714	\$0	\$0	\$0	\$130,274	\$42,000	\$580,055

Note: Impact fee revenues above are exclusive of interest earnings.

Transportation Projects

20th Street Phase II Construction

Engineering and Design began in 2015 and construction began in 2020. The project was completed in 2021 spending an additional \$390,875. Total mitigation dollars used for this project were \$1,866,257 and grant funds totaled \$4,376,842.

24th & 91st Construction

The city contracted with Reece Construction for 24th road construction over the Everett water lines. In 2021 the city spent \$37,441 in TIZ 3 Funds. The remaining contract continues into 2022 where the remaining costs will be paid from mitigation dollars, REET, and a Bond.

Project Management costs allocated to traffic mitigation funds were \$5,551 in 2021.

Parks & Tree Projects

In 2020, \$2,169,985 of park mitigation dollars were spent as follows:

- North Cove Phase I of \$502,985 in mitigation and a Commerce grant of \$87,936.
- North Cove Phase II of \$1,131,486 in mitigation. The city will receive grant funds of \$980,000 in 2021 for this project.
- The Cavelero Park project was completed with an additional \$124,034 in park mitigation.
- Frontier Heights received \$152,105 in park mitigation.
- The War Memorial spent \$47,476 in mitigation.
- Festival Street design work of \$81,381 was spent in 2020.
- 20th Street Soccer/Powerline Trail spent \$11,759 in mitigation.

A total of \$62,822 was spent on tree replacement in the city.

In 2021, \$1,329,408 of park mitigation dollars were spent as follows:

- North Cove Phase II was completed in 2021 using \$545,662 in mitigation. The city received grant funds of \$980,000 in 2021 for this project.
- Lundeen Park project used 30,539 in park mitigation.
- Festival Street design work of \$40,360 was spent in 2021.
- 20th Street Soccer/Powerline Trail spent \$111,009 in mitigation.
- Davies Beach dock restoration received \$107,358 in mitigation funds.
- Sunset Beach project started in 2021 using \$3,595.
- Vehicle Charging Stations installed at North Cove Park received \$21,484 in mitigation.

- North Cove Phase 3 which includes Mill Spur and North Cove spent \$401,050 in 2021. Additional funding will come from REET and the city will receive a \$2,000,000 grant for this project in 2022.
- Project Management costs allocated to park mitigation funds were \$61,312 in 2021.

A total of \$7,039 was spent on tree replacement in the city.

The city spends an average of \$1.5 Million on parks/open space per year. The city continues to leverage park mitigation dollars from the building climate in Lake Stevens with grant funds to get large park projects completed for the community.

At yearend 2021, the total of all mitigation capital funds was \$4,777,983 which is made up of multiple types of mitigation zones and uses as seen below:

Mitigation Funds as of December 31st, 2021							
	2015	2016	2017	2018	2019	2020	2021
Ending Fund Balance-Pre 2011 SEPA	\$ 1,061,418	\$ 911,085	\$ 921,355	\$ 315,852	\$ 323,848	\$ -	\$ -
Ending Fund Balance-TSA/TDM	\$ 1,553,766	\$ 1,401,600	\$ 1,239,985	\$ 1,305,361	\$ 1,094,012	\$ (100,629)	\$ 375,767
Ending Fund Balance-WSDOT ANNEX	\$ 7,288	\$ 7,318	\$ 7,400	\$ 7,558	\$ 7,749	\$ 7,825	\$ 7,835
Ending Fund Balance-TIZ 1	\$ 150,251	\$ 183,174	\$ 201,587	\$ 122,863	\$ 203,125	\$ 416,399	\$ 399,188
Ending Fund Balance-TIZ 2	\$ 238,926	\$ 430,263	\$ 472,139	\$ 639,758	\$ 523,958	\$ 543,186	\$ 585,983
Ending Fund Balance-TIZ 3	\$ 50,990	\$ 336,513	\$ 594,201	\$ 989,282	\$ 1,163,016	\$ 1,607,527	\$ 2,200,900
Ending Local ILO	\$ -	\$ -	\$ -	\$ 6,840	\$ 8,415	\$ 149,744	\$ 186,787
Grant/Other	\$ (132,580)	\$ -	\$ -	\$ -		\$ (147,130)	\$ -
Ending Retainage						\$ 8,222	\$ 8,222
Ending Fund Balance - Park Unrestricted	\$ 1,297,862	\$ 2,095,205	\$ 2,396,038	\$ 1,204,851	\$ 506,001	\$ 429,248	\$ 858,761
Ending Fund Balance - Park AQ & D	\$ 142,084	\$ 128,004	\$ 123,496	\$ 0			
Ending Fund Balance - Tree	\$ 57,600	\$ 65,847	\$ 54,672	\$ 59,182	\$ 74,671	\$ 33,864	\$ 154,539
Total Ending Fund Balance	\$ 4,427,606	\$ 5,559,009	\$ 6,010,873	\$ 4,651,547	\$ 3,904,796	\$ 2,948,255	\$ 4,777,983

Respectfully,

Barb Stevens
Finance Director

CITY DEPARTMENT REPORT



Agenda Date: 6/7/2022

Contact Person/Department: Russ Wright, Community Development

The City Council allocated \$100,000 dollars for staff to complete an infrastructure and market analysis for the Hartford and Machias areas. After issuing a request for proposals, the city received a responsive request from a multidisciplinary team comprised of Mackenize, Riley Group and ECONorthwest. PCD, PW and Administration along with the Lake Stevens Sewer District and Snohomish PUD interviewed the team. City staff is moving forward with executing a contract for professional services.

CITY DEPARTMENT REPORT



Agenda Date: 6/7/2022

Contact Person/Department: Russ Wright, Community Development

Earlier this year, staff presented a proposal to the Youth Advisory Council, Park Board and City Council to install recreation equipment at North Cove Park targeted at teens and pre-teens. The goal of the project was to provide this group with some constructive activities in North Cove Park. The Council set a budget of \$25,000 from the Pandemic Recovery Fund to purchase the equipment. The staff purchased a five-piece modular skate park, a concrete pin-pong table, a concrete ADA game table, a standard game table along with two cornhole sets. The equipment exceeded the budget by about \$3,000 after tax and shipping. The balance of funds, for the purchase, will come from the annual parks and recreation budget.

CITY COUNCIL STAFF REPORT



Agenda Date: 6/7/2022

Subject: Wireless Microphone System for The Mill

Contact Person/Department: Troy Stevens, Information Technology

Budget Impact: \$21,100.00

Legal Review: No

RECOMMENDATION(S)/ACTION REQUESTED:

Request authorization from Council to purchase a wireless microphone system for The Mill.

SUMMARY/BACKGROUND:

The current microphone solution for The Mill takes on average of 45 minutes for set up and 45 minutes for tear down at each meeting. This includes cable management, securing trip hazards, and storage for the existing system. We are seeing an increased demand for more meetings in this space for boards & commissions. With the June 1, 2022 update to the OPMA we are now required to host our council, board and commission meetings on site, so each meeting will involve this complex set up and take down process. These meetings include but are not limited to Planning Commission, Library Board, Park Board, Veteran's Commission and 4 Council meetings per month. As needed, Civil Service and Salary Commission meet as well.

A wireless microphone system for this space will significantly reduce the staff time and complexity to set up and tear down for the meeting space. It will also reduce trip hazards that currently exist with our multi-corded system. The surge protectors, 4-pronged wall cords and individual mic cords being out in the open is a significant risk management concern.

The new wireless microphone solution is a 10-microphone solution (one microphone per desk) that has been recommended by professionals to meet our needs. This

request includes a mobile A/V cart with power, spare batteries (10) and charging units to ensure microphones are ready to go for each meeting. Staff anticipates a savings of time of at least 1 hour in total for each meeting.

On an average month with the typical meetings occurring in The Sawyer's Room the cost of staff time is estimated below. The top chart indicates the total time for the current set up and the bottom chart shows the total time with the purchase of the wireless system.

Monthly Meeting	Frequency	Typical Staff Involved	Set Up Time(hours)	Salary Dollars Spent	
City Council Regular Meeting	2	3	1.5	\$559.41	
City Council Workshop	2	3	1.5	\$559.41	
Veterans Commission	1	1	1.5	\$75.81	
Park Board	1	2	1.5	\$112.22	
Planning Board	1	2	1.5	\$96.75	
				\$1,403.60	Per Month
Monthly Meeting	Frequency	Typical Staff Involved	Set Up Time(hours)	Salary Dollars Spent	
City Council Regular Meeting	2	3	0.5	\$186.47	
City Council Workshop	2	3	0.5	\$186.47	
Veterans Commission	1	1	0.5	\$25.27	
Park Board	1	2	0.5	\$37.41	
Planning Board	1	2	0.5	\$32.25	
				\$467.87	Per Month

APPLICABLE CITY POLICIES:

ATTACHMENTS:

1. Wireless Mic Proposal 5-24-2022
2. A_V Utility Cart

Proposal

November 24, 2022

Submitted to: City of Lake Stevens
1812 Main Street P.O. Box 257
Lake Stevens, WA 98258
425-622-9416

Location: The Mill

Contact: Troy Stevens
tstevens@lakestevenswa.gov

Scope of work: Provide and install a 10-channel Sennheiser wireless microphone system with Dante as follows:

The Mill

Item	Quantity	Description
1.	10	Sennheiser MAT 153 + MEG 14-40-L-II Set Gooseneck Microphone w/LED light ring and MAT 153-S Table Stand
2.	10	Sennheiser BA 40 Rechargeable Battery
3.	5	Sennheiser CHG 2W 2-Compartment Charger for SL Tablestand
4.	2	Sennheiser SL MCR 4 DW-4 Speechline Multi-Channel Receiver
5.	1	Sennheiser SL MCR 2 DW-4 Speechline Multi-Channel Receiver
6.	3	Sennheiser Wall Mount Adapter for Multi-Channel Receiver
7.	Lot	Misc cable and Mounting Hardware
8.	Lot	Provide training
9.	All	Standard Ground Freight
10.	1yr	Parts & Labor Warranty
11.	Lot	Installation, Testing, Programming and Training

******Eighteen Thousand, Nine Hundred and Eighty Six Dollars and 29/100 + WSST*** **\$18,986.29+WSST******

Option #1 Add Crestron programming to allow the microphones to trigger camera positions. Add \$2,875.00+WSST__

Note: This proposal does not include any electrical additions or alterations of any kind; all electrical work to be provided by others. This proposal does not include sales tax. This proposal includes programming, installation of programming, testing, and training of the system, as outlined above. Any changes to scope will be accompanied by an updated proposal. This proposal excludes error and omissions insurance. The base quote does not include Crestron programming to allow microphones to trigger camera positions. The customer must supply 4 open dante audio ports to support the new wireless microphone system. Customer must have open rack space to accommodate the wireless receivers.

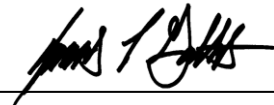
Submitted by **James L. Gallegos**

Time payment options are available upon request.

Cash Terms: 50% down with balance due at installation.

This proposal may be withdrawn if not accepted within thirty (30) days.

DCI Authorized Signature:



All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

You agree that Dimensional retains a security interest in all personal property delivered pursuant to the acceptance of this proposal and to any equipment later ordered by you from Dimensional, until such time as payment of all amounts due to Dimensional are made in full. If you fail to make any payments when due, Dimensional may require you to return all personal property delivered, make it available to Dimensional for recovery, or exercise any other rights or remedies arising from RCW 62A.9A. Regardless of default, we may also file a mechanic's lien, UCC-1 form and other collateral registration. By signing this proposal you consent to such filings. All liens and security interests, if incorporated, will be released upon full payment of all amounts due Dimensional arising from or related to this proposal.

Acceptance of Proposal: The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Authorized Signature: _____

Date of Acceptance: _____

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ONKRON Mobile TV Stand with Wheels Rolling TV...
\$119.99

269

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A/V
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with
inet
atings

\$265⁷⁸

Size: PACKS

PACKS

PACK OF 1

Frame Polycarbonate, Plastic,
Material Alloy Steel
Number 4
of
Wheels

About this item

- Luxor products are covered by a manufacturer's Limited
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AV Cart, Presentation Station, Mobile Printer Cart, Height Adjustable Media Cart...

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\$321.00

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Sold by: JUVentures

Sell on Amazon

\$265⁷⁸

FREE delivery June 8 - 10.
Details

Select delivery location

In stock.
Usually ships within 2 to 3 days.

Qty: 1

Add to Cart

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Secure transaction

Ships from clickhere2shop
Sold by clickhere2shop

Seller Certifications:
Minority-Owned Business

Return policy: Eligible for
Return, Refund or Replacement
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Sold by: JUVentures

Buy it with



Total price: **\$542.95**
Add all three to Cart

Some of these items ship sooner than the others. [Show details](#)

- ✓ **This item:** Luxor 27" H A/V Multipurpose Utility Cart with Locking Cabinet **\$265.78**
- ✓ Norwood Commercial Furniture Adjustable-Height Mobile Black Plastic Utility AV Cart with Power Strip, N
- ✓ LUXOR STC222-B 3-Shelf Utility Cart, Black **\$74.99**

Lightning Deal

**Pipishell**
Perfect storage solution for your home

Save 27%
3 Tier Mesh Utility Cart, Rolling...
~~\$42.99~~ **\$31.41**

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Multi-Purpose Rolling Cart



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Line Leader Large AV Cart with Locking Cabinet | Height Adjustable Utility Cart...
84
\$509.99



Line Leader Plastic AV Cart with Keyboard Tray and Locking Cabinet | Mobile Worksta...
232
\$249.99



HPDMC 500 lbs Capacity Service Utility Cart, 30" x 16"
\$99.00



Luxor WPSDD3 Wood Multimedia Workstation Cart, 38 inches High; Durable Black/Gray L...
36
\$361.22



INGCO 300 LBS Tool Cart Tool Organizers, 3-Tray Rolling Utility Cart Trolley with W...
\$140.99

What's in the box

- Cart or Cabinet

Product Description

Product information

Product Dimensions	7 x 25 x 35 inches
Item Weight	54.7 pounds
Manufacturer	LUXOR
ASIN	B004HBHWYK
Item model number	LUXLP27CE-B
Customer Reviews	3 ratings 4.5 out of 5 stars
Best Sellers Rank	#103,228 in Office Products (See Top 100 in Office Products) #1,855 in Office Carts & Stands
Is Discontinued By Manufacturer	No
Assembly Required	Yes
Number of Pieces	1
Batteries Required?	No
Included Components	Cart or Cabinet

Warranty & Support

Product Warranty: For warranty information about this product, please [click here](#)

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Save 27%

3 Tier Mesh Utility Cart, Rolling Metal Organization Cart with Handle and Lockable Wheels, Multifunctional Storage Shelves for Kitchen Living Room Office by Pipishell (White)

★★★★☆ 6,568

\$31.41 ~~\$42.99~~

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Customer Questions & Answers

See questions and answers

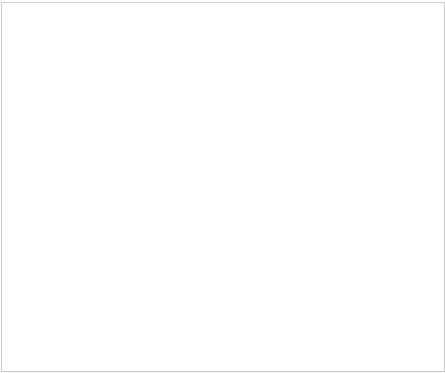
Customer reviews

4.5 out of 5

3 global ratings



How customer reviews and ratings work



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Top reviews

Top reviews from the United States

scott slezak

Well built, fast shipping, good purchase.

Reviewed in the United States on January 3, 2022

Size: PACKS **Verified Purchase**

Overall its a well built item. Shipping was faster then expected. Knocked off a star because it didnt have interior shelving. Makes a great Cart for 3d printers at fraction of the price. Good purchase overall.

Helpful

Report abuse

PhenomenalWoman

strong but needs shelving

Reviewed in the United States on November 28, 2018

Size: PACKS **Verified Purchase**

Perfect for our ASB snack cart but I wish it had shelving inside

Helpful

Report abuse

See all reviews >



Present in
Style

Offex Structural Foam Plastic 34"H Mobile Multipurpose...
\$111.39 **prime**

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- Credit Card Marketplace
- Reload Your Balance
- Amazon Currency Converter

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- Your Orders
- Shipping Rates & Policies
- Amazon Prime
- Returns & Replacements
- Manage Your Content and Devices
- Amazon Assistant
- Help

English

United States

Amazon Music Stream millions of songs	Amazon Advertising Find, attract, and engage customers	Amazon Drive Cloud storage from Amazon	6pm Score deals on fashion brands	AbeBooks Books, art & collectibles	ACX Audiobook Publishing Made Easy	Alexa Actionable Analytics for the Web
Sell on Amazon Start a Selling Account	Amazon Business Everything For Your Business	Amazon Fresh Groceries & More Right To Your Door	AmazonGlobal Ship Orders Internationally	Home Services Experienced Pros Happiness Guarantee	Amazon Ignite Sell your original Digital Educational Resources	Amazon Web Services Scalable Cloud Computing Services
Audible Listen to Books & Original Audio Performances	Book Depository Books With Free Delivery Worldwide	Box Office Mojo Find Movie Box Office Data	ComiXology Thousands of Digital Comics	DPReview Digital Photography	Fabric Sewing, Quilting & Knitting	Goodreads Book reviews & recommendations
IMDb Movies, TV & Celebrities	IMDbPro Get Info Entertainment Professionals Need	Kindle Direct Publishing Indie Digital & Print Publishing Made Easy	Amazon Photos Unlimited Photo Storage Free With Prime	Prime Video Direct Video Distribution Made Easy	Shopbop Designer Fashion Brands	Amazon Warehouse Great Deals on Quality Used Products
Whole Foods Market America's Healthiest Grocery Store	Woot! Deals and Shenanigans	Zappos Shoes & Clothing	Ring Smart Home Security Systems	eero WiFi Stream 4K Video in Every Room	Blink Smart Security for Every Home	Neighbors App Real-Time Crime & Safety Alerts
		Amazon Subscription Boxes Top subscription boxes – right to your door	PillPack Pharmacy Simplified	Amazon Renewed Like-new products you can trust		

CITY COUNCIL STAFF REPORT



Agenda Date: 6/7/2022

Subject: Contract with Data Transfer Solutions for deployment of VUEWorks

Contact Person/Department: Troy Stevens, Information Technology

Budget Impact: \$100,000 (3-year)

Legal Review: Yes

RECOMMENDATION(S)/ACTION REQUESTED:

Authorize the Mayor to execute the proposed contract with Data Transfer Solutions substantially in the form included with the agenda materials

SUMMARY/BACKGROUND:

The software committee concluded its investigation into the city's current software solutions to see where we could consolidate and/or improve operational efficiencies across departments. One primary driver behind this is the APWA accreditation for the Public Works department. This led to an RFP for a new Permitting/Land Use and Public Works GIS Asset Management solution. The summary conclusion from this committee is based on the TCO and ROI as well as the time commitment for employees to learn a new solutions was to reengage our existing solutions and work with current vendors to build these systems for our specific business needs. To be able to meet our accreditation timeline, we felt it was necessary to get this contract in front of you for approval. This is a 3-year professional service contract with a not to exceed amount of \$100,000, and will be executed by submitting supplemental work agreements with well defined sets of objectives and outcomes targeted to each of the various aspects of designing and implementing a fully functional solution that aligns with each department's needs for this solution. The funding for this has been discussed and agreed upon to come from the ARPA funding.

The included document "Attachment A - VUEWORKS SOW" includes first agreements under this contract which include the upgrade from our current licensing to the full

Enterprise Suite of this solution, and the current subscription renewal and maintenance for the existing solution in the amount of \$34,000.

APPLICABLE CITY POLICIES:

ATTACHMENTS:

1. Attachment A - VUEWORKS SOW
2. Data Transfer Solutions



SOFTWARE LICENSE AND SERVICES AGREEMENT

This Software License and Services Agreement (“Agreement”) is entered into as of the Effective Date specified below by and between Data Transfer Solutions, LLC, a Florida limited liability company having its principal place of business at 3680 Avalon Park East Boulevard, Suite 200, Orlando, Florida 32828 (“DTS”) and the client specified below (“Client”), whose address is specified below. For good and valuable consideration, DTS and Client agree as follows:

This Agreement consists of the following:

- This cover/signature page (the “Signature Page”);
- The Order Form(s) attached as Exhibit A hereto and signed by the parties (the “Order Form(s)”);
- The Statement(s) of Work attached as Exhibit B hereto and signed by the parties (“Statement(s) of Work”);
- The terms and conditions attached as Exhibit C hereto (the “Terms and Conditions”); and
- The support services terms attached as Exhibit D hereto (the “Support Services Terms”).

Each of the above-referenced exhibits are incorporated herein by reference. In the event of a conflict or inconsistency between or among the terms included in the attached Terms and Conditions, this Signature Page, an Order Form, a Statement of Work or the Support Services Terms, the order of precedence shall be: (i) Statement of Work; (ii) Order Form; (iii) Signature Page; (iv) the Terms and Conditions; and (v) the Support Services Terms.

Effective Date: _____	
Client: <u>City of Lake Stevens, WA</u> Address: 1812 Main Street PO Box 257 Lake Stevens, WA 98258	Contact Person: <u>Troy Stevens</u> Telephone Number: <u>(425) 622-9416</u> Fax Number: _____ E-mail: <u>tstevens@lakestevenswa.gov</u>

Should Client have any questions concerning this Agreement, or if Client desires to contact DTS for any reason, please contact DTS at info@dtsgis.com.

The parties, by and through their undersigned duly authorized officers, have signed below to indicate their acceptance of and agreement with the terms of this Agreement:

DTS:

Client:

DATA TRANSFER SOLUTIONS, LLC

CITY OF LAKE STEVENS, WA

By: _____
Name: Donna Huey
Title: President

By: _____
Name: _____
Title: _____

EXHIBIT A

ORDER FORM

This Order Form (“Order Form”) is entered into by and between Data Transfer Solutions, LLC (“DTS”) and _____ (“Client”) subject to the Software License and Services Agreement entered into by and between DTS and Client (the “Agreement”) and shall have an effective date as the Signature Page hereto of this Agreement (“Order Form Effective Date”). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

I. TERM: The initial term for this Order Form (the “Initial Term”) begins on the Order Form Effective Date and shall remain in effect for an initial period of five (5) years thereafter, subject to termination in accordance with the Terms and Conditions, and shall be automatically extended for successive one (1) year periods (each, a “Renewal Term”) unless either Client or DTS gives the other written notice of termination at least sixty (60) days prior to the end of the Initial Term or any Renewal Term or until terminated in accordance with the provisions of the Terms and Conditions.

II. SOFTWARE; SERVICES; FEES: Client hereby orders and purchases from DTS the following software and/or services (collectively, the “Services”) and agrees to pay the applicable fees specified below:

<u>Software/Service Description</u>	<u>Fee Description</u>	<u>Fee Amount (\$US)</u>
☒ VUEWorks® Software Perpetual License	One-Time License Fee 25 Concurrent User Licenses and 2_VUEWorks application environments	<u>\$24,000.00</u> (\$50,000 - \$26,000 existing license credit)
☐ Technical Support and Maintenance	Recurring Annual Support and Maintenance Fee	<u>\$10,000.00</u>
☐ Software Hosting * or	Recurring Annual Hosting Fee Maximum data storage	<u>\$N/A</u>
☐ VUEWorks® Software as a Service (SaaS)	Recurring Annual SaaS fee includes license, technical support and maintenance, and hosting ____ Concurrent Users Maximum data storage	<u>\$N/A</u>
Implementation Services:*	[Fixed Fee/Hourly fee, \$ ____/hr]	\$N/A
Integration Services*	[Fixed Fee/Hourly fee, \$ ____/hr]	\$N/A
Training Services*	[Fixed Fee/Hourly fee, \$ ____/hr]	\$N/A
Other Professional Services*	[Fixed Fee/Hourly fee, \$ ____/hr]	\$N/A
	Total Fees Due :	\$34,000.00

*** To be furnished pursuant to the Statement of Work attached hereto, which is incorporated herein by reference.** The Software; Services; Fees in Table II. Exclude any administration or assessment fee levied by the client unless expressly stated therein. All amounts in this Agreement are stated exclusive of Value Added Taxes, Sales Taxes, and indirect or turnover taxes. Any such taxes required to be charged will be separately stated on the invoice in addition to the total fees.

Payment Terms: The Implementation Fees are due in accordance with the Statement of Work attached hereto, which is incorporated herein by reference. The [License Fees/first installment of the SaaS License Fees, first installment of the Support and Maintenance Fee and first installment of the hosting fee if applicable are payable upon execution and delivery of the Agreement. Subsequent [monthly/annual] recurring fees (Support and Maintenance Fee, and/or Hosting Fee as applicable) are due on or before the first day of the applicable year. [DTS will invoice Client in advance of the applicable year.]

III. AUTHORIZED USERS:

Authorized Users: Users of the following Client entities:
City of Lake Stevens employees and City authorized contractors for work related to the City of Lake Stevens.

IV. ADDITIONAL TERMS:

The parties, by and through their duly authorized officers, have signed to indicate their acceptance of the terms of this Order Form on the Signature Page hereto.

EXHIBIT B

STATEMENT OF WORK

This Statement of Work ("Statement of Work") by and between Data Transfer Solutions, LLC ("DTS") and _____ ("Client") pursuant to that certain Software License and Services Agreement entered into by and between DTS and Client (the "Agreement") and shall have an effective date as of the Signature Page hereto of this Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

1. **Scope of Implementation, Training and Other Professional Services.** The Services to be provided under this Statement of Work consist of implementation, training and other professional services described below for implementation and use of the VUEWorks Software by Client and its authorized users as specified in the Order Form:

A. **Implementation Services:** Implementation and configuration of the VUEWorks Software including the following:

N/A

B. **Training Services:** Provision of training materials and training support to Client for use of the VUEWorks Software, not to exceed ___ hours.

N/A

C. **Other Professional Services:** Delivery of upgraded VUEWorks Software License

D. Hosting Services N/A

2. **Assumptions.**

- Client will be solely responsible for the provision, accuracy and completeness of all Client Data or other Client content and shall have obtained and shall maintain all necessary rights to use same and provide same to DTS as necessary for the provision and use of the VUEWorks Software.

- Any Client-end proprietary software and hardware and any third party licenses or other authorizations required for DTS to access, communicate with, or otherwise use Client-end software or hardware as reasonably necessary for DTS to provide the VUEWorks Software and for Client to access and use the VUEWorks Software will be obtained and/or otherwise provided by Client. Client will have installed and made operational any Client-end hardware and software necessary for communication with the VUEWorks Software prior to DTS beginning implementation.

Client is responsible to meet the technical requirements as defined for VUEWorks.

- Client will provide in a timely manner all necessary access to Client systems and facilities and such reasonable cooperation to DTS in order for DTS to perform the Services.

- DTS will perform the Implementation Services and Training Services remotely from its own offices during its regular business hours.

- Client will provide a primary contact person to assist in the creation of the implementation plan and to otherwise consult with during the course of the performance of the Statement of Work. This person will be available as needed through the kick-off and the implementation and test phases. If needed, an additional Client contact will be designated who will be authorized to sign for Client at the completion of the phases of the implementation.

- Client will provide the resources necessary to identify, evaluate and resolve Client-end system, hardware, software or communications problems, which may involve, without limitation, communications facilities, services, cabling and capacities or Client-end system software/hardware configuration. If a third party vendor of any such Client-end hardware or software is required to perform certain test or configuration functions on such hardware or software, Client will arrange and pay for such assistance by the vendor(s). Any delays caused by Client or its other

vendors will be addressed by lengthening the implementation schedule by the period of such delays and/or as otherwise agreed to by the parties.

If any of the above-described assumptions are inaccurate, or there is a delay in accomplishing the assumptions or circumstances change, the schedule, duration, scope and other terms of this Statement of Work shall be subject to change. The parties will enter into an amendment to this Statement of Work setting forth the changed terms and any additional applicable fees or other charges.

3. Implementation Schedule.

{INSERTION}

<u>Implementation Item</u>	<u>Scheduled Date</u>
Delivery of Upgraded VUEWorks Software License	Upon Contract Exec.

The parties, by and through their duly authorized officers, have signed to indicate their acceptance of the terms of this Statement of Work on the Signature Page hereto.

EXHIBIT C

TERMS AND CONDITIONS

1. Services. Subject to Client's payment of the applicable fees and charges and performance of its obligations under the Agreement, DTS agrees to provide the VUEWorks Software, Implementation Services, Training Services and Professional Services (each as defined below) (the VUEWorks Software, Implementation Services, Training Services and Professional Services are sometimes hereinafter collectively referred to as the "**Services**").

1.1 VUEWorks Software; Installed Software; Hosted Software. Subject to payment of the applicable fees specified in the Order Form (the "**License Fees**") and Client's compliance the terms and conditions of this Agreement, DTS shall provide to Client, for use by the Client's authorized users as specified in the applicable Order Form solely for Client's internal use, access to and use of the software and/or software services described in the applicable Order Form (the "**VUEWorks Software**") while the Agreement is in effect. Client acknowledges and agrees that Client's authorized users shall be limited to Client's active users and their use of the VUEWorks Software shall be limited to use during the period in which they are employed by Client, unless otherwise approved by DTS in writing. The applicable Order Form will indicate whether the VUEWorks Software or components thereof will be provided for installation on Client systems or devices and/or will be provided as an online software service hosted by DTS or its designated hosting service provider(s) ("**Hosted Software**"). The VUEWorks Software is licensed to Client on a limited, nonexclusive, non-transferable, non-sublicenseable and revocable basis, and no portion of the VUEWorks Software is sold to Client. All rights not expressly granted to Client hereunder are reserved by DTS. If Client will be given access to use the VUEWorks Software as Hosted Software, DTS shall undertake commercially reasonable efforts to make such Hosted Software available in accordance with the availability standards provided in Exhibit D to the Agreement.

1.2 Implementation Services. DTS shall provide the implementation services (“**Implementation Services**”) as specified in the applicable Order Form in accordance with the statement(s) of work (each a “**Statement of Work**”) accompanying the applicable Order Form. **1.3.**

Training Services. DTS shall provide the training services (“**Training Services**”) relating to access and use of the VUEWorks Software specified in the applicable Order Form and Statement of Work. Training Services shall be provided remotely via video conference or remote access to Client’s and/or its authorized users’ computers during DTS’s regular business hours unless otherwise specified in the applicable Order Form.

1.4 Support Services; Other Professional Services. DTS will provide basic support services to Client in accordance with DTS’s standard support procedures to address reported incidents of the VUEWorks Software not being accessible or not performing properly when used by Client’s authorized users in accordance with the Agreement and all applicable documentation. Support services that are made necessary due to improper use, tampering or lack of proper configurations, settings, or other issues attributable to Client-end hardware, software or connectivity or otherwise not relating to issues with the DTS systems or the VUEWorks Software shall be chargeable by DTS and shall be paid for by Client at DTS’s then current service rates unless otherwise agreed to by DTS. Unless otherwise agreed to by the parties in an Order Form or Statement of Work, DTS shall have no obligation or responsibility with respect to maintenance, repair or support of any software or hardware not supplied by DTS. Except as expressly provided otherwise in the applicable Order Form, it shall be Client’s and its authorized users’ sole responsibility to maintain their own system security and protect their data, including virus protection, data backup and reasonable security procedures. DTS will also provide to Client other professional services (“**Professional Services**”) as Client may request from time to time, subject to the parties agreeing on the terms for such Professional Services, which shall be set forth in the applicable Order Form and Statement of Work. All Professional Services will be billed on a time and materials basis unless otherwise agreed to by the parties. The Statement of Work shall describe the project assumptions, specifications, scope, work plan, responsibilities, duration and fees for such Professional Services. DTS may subcontract all or a portion of the Professional Services to a qualified third party. In recognition that DTS’s personnel may perform similar services for third parties, nothing in the Agreement or a Statement of Work shall be

deemed to prevent DTS from providing services or developing materials that may be perceived as competitive with those developed or provided hereunder.

1.5 Data Maintenance. If Client is purchasing rights to access the VUEWorks Software as Hosted Software, Client shall deliver to DTS Client Data, in a format specified by DTS. The total amount of Client Data is limited to the Client Data Amount set forth in this agreement. Client may request that DTS provide services to update Client Data. DTS shall invoice Client for such requested services at its then current data maintenance rates (the “**Data Maintenance**”). “**Client Data**” means Client’s VUEWorks Software database files and all other electronic content and data stored on DTS’s computers for use by Client with the VUEWorks Software. The amount of Client Data to be stored shall be measured in bytes and be limited to the amount of disk space provided in this agreement. Procedures by which Client may store and access Client Data via DTS’s servers shall be limited to the use of the Hosted Software. Client acknowledges that DTS shall have no obligation to return to Client any Client Data if Client has not paid all amounts due hereunder or does not comply with the notice procedure with respect to the return of Client Data set forth hereunder.

1.6 Exclusions from the Service. The Services do not include, and DTS shall not be responsible for, the following in the provision of the VUEWorks Software, other than the Implementation Services described in the Order Form(s) and Statement(s) of Work to the Agreement: (a) the provision of Client or User-end hardware or non-DTS software required for access to and use of the VUEWorks Software via the Internet, or any Professional Services required to manage such hardware and non-DTS software; (b) services to modify or extend the scope of the VUEWorks Software; (c) assistance to resolve VUEWorks Software problems or errors that are not within the scope of the support services as described in DTS’s standard support terms; (d) modification to the VUEWorks Software configuration, including without limitation, the following: (i) modification to the connectivity configuration for on-premise and cloud-based applications, including without limitation, changing the IP address or application credentials; (ii) modification to Client’s existing policies and roles for who has access to each resource, password rules or approvers; (iii) account reconciliation for new groups of users who are being added to the VUEWorks Software; (iv) adding a new connected system or application to the VUEWorks Software; and (v)

modifying the configuration of the user interface, including the appearance, text, branding or other features.

1.7 Additional VUEWorks Software, Professional Services and/or Authorized Users. Client may purchase additional VUEWorks Software or Professional Services and/or add authorized users for use of the VUEWorks Software under the terms of the Agreement at then current pricing or such other pricing as may be mutually agreed to by DTS and Client by contacting DTS and completing an Order Form or amendment to Order Form and paying the applicable fees and charges.

2. Fees and Billing.

2.1 Fees. Client shall pay all fees specified in the Order Form in accordance with the payment terms set forth herein unless other payment terms are specified in the applicable Order Form. All fees are non-refundable unless expressly agreed otherwise.

2.2 Billing and Payment Terms. Unless otherwise specified in the applicable Order Form, all upfront fees are due on the Effective Date, License Fees are invoiced, payable and due in advance of the applicable month or year, as applicable, and other fees shall be invoiced in arrears at the beginning of every calendar month and shall be due within thirty (30) days after the invoice date. All payments must be made in U.S. Dollars. Late payments hereunder will accrue interest at a rate of 1½% per month, or the highest rate allowed by applicable law, whichever is lower. In the event of non-payment (subject to the cure period in section 8.2(b)), DTS may suspend or terminate access to and/or use or provision of the Services upon notice to Client. DTS reserves the right to make changes to fees, prices and other billing and payment terms upon at least sixty (60) days' written notice.

2.3 Taxes. If any federal, state, local or foreign sales, use, property, value-added, excise or gross receipts taxes or any other taxes or other governmental charges of any kind (other than DTS's income taxes) are imposed or are otherwise payable with respect to any access to or use of the VUEWorks Software or any license, software, hardware or other goods or Implementation, Training, support, or other Professional Services provided under the Agreement, then such taxes and other charges shall be billed to and paid by Client. If Client is exempt from payment of any taxes, Client is responsible for providing DTS with a valid tax exemption or direct pay certificate for

same; otherwise Client remains responsible for all such taxes and other governmental charges.

3. Client's Obligations.

3.1 Client shall: (a) be solely responsible for all of Client's users' compliance with the Agreement and shall comply and cause its users to comply with all applicable laws in their conduct of their business and their use of the VUEWorks Software; (b) be solely responsible for the accuracy, integrity, and legality of Client Data and of the means by which it acquires and enters Client Data; (c) use the VUEWorks Software only in accordance with all documentation provided with the VUEWorks Software and all applicable laws and regulations; and (d) notify DTS immediately of any unauthorized use of any password, account, copying or access to the VUEWorks Software. Any failure of Client's users to comply with the terms of the Agreement shall constitute a material breach of the Agreement by Client. Client will maintain industry standard organizational and technical security safeguards for data accessed, stored, collected, provided or processed by Client's users through the VUEWorks Software.

3.2 Prohibited Conduct. Client shall not, and shall not permit its authorized users to, directly or indirectly: (a) send or store spam, unlawful, infringing, obscene, or libelous material, or Malicious Code through the VUEWorks Software; (b) sublicense, resell, rent, lease, distribute, market, provide service bureau services or other software services to third parties using or based upon the VUEWorks Software, or commercialize or otherwise transfer or provide rights with respect to, or access to or usage of the VUEWorks Software; (c) remove or alter any copyright, trademark or proprietary notice in the VUEWorks Software; (d) reverse engineer, decompile, disassemble or modify the VUEWorks Software or any component thereof or attempt to derive or otherwise obtain the source code for the VUEWorks Software; (e) copy any ideas, features, functions or graphics of the VUEWorks Software or create a product or service using the same or similar ideas, features, functions or graphics as those in the VUEWorks Software, or otherwise use the VUEWorks Software or any DTS Confidential Information for purposes of creating a substitute or otherwise competing product or service; (f) conduct automated functionality tests or load tests on the VUEWorks Software; (g) create Internet links to the VUEWorks Software; or (h) "frame," "fork" or "mirror" any part of the VUEWorks Software on any other device. DTS may terminate this Agreement immediately if Client or its authorized users violate

this Section 3.2. “**Malicious Code**” means viruses, worms, time bombs, Trojan horses and other harmful or malicious code, files, scripts, agents, or programs. DTS may suspend Client’s access to the VUEWorks Software (in whole or in part) for any of the following reasons: (i) to prevent damages to, or degradation of, the VUEWorks Software or DTS systems; (ii) to comply with any law, court order, or other governmental request; (iii) to otherwise protect DTS from potential legal liability; (iv) if Client violates the terms of this Agreement and fails to remedy such breach within the time frame set forth herein; or (v) in the event an invoice remains unpaid for more than thirty (30) days after the date on which payment is due under such invoice. DTS shall use reasonable efforts to provide Client with notice before or promptly following any suspension of access to the VUEWorks Software. DTS shall restore access to the VUEWorks Software as soon as the event giving rise to suspension has been resolved to DTS’s satisfaction. Nothing in this Agreement shall be construed as imposing any obligation or duty on DTS to monitor Client’s use of the VUEWorks Software or the data or other content uploaded by Client or its authorized users.

4. Confidential Information.

4.1 Confidential Information. Each party acknowledges that it will have access to certain confidential information of the other party concerning the other party’s business, plans, customers, technology, products and services, and including the terms and conditions of this Agreement (collectively, “**Confidential Information**”). For avoidance of doubt, any non-public information regarding the VUEWorks Software and software services and technology, know-how, trade secrets and proprietary information used and/or embodied therein, and any analytics or work product created by DTS resulting therefrom is and shall be Confidential Information belonging to DTS. Each party shall not use in any way, for its own account or the account of any third party, except as expressly permitted by this Agreement, nor disclose the other party’s Confidential Information to any third party (except as required by law or to that party’s employees, contractors, agents, users, attorneys, accountants and other advisors as reasonably necessary) without the prior written consent of the other party, and shall take reasonable precautions to protect the confidentiality of such Confidential Information, using the same degree of care that it uses to protect its own information of similar importance, but will in any case use no less than a reasonable degree of care to protect Confidential Information. The employees of a party that receive disclosure of the other party’s

Confidential Information shall only receive same in the normal course of the applicable party’s business and only on a need-to-know basis; provided; each such employee must either have agreed in writing to comply with confidentiality obligations no less restrictive than those set forth herein or must be bound by a recognized professional ethical duty of confidentiality that would prohibit disclosure of such Confidential Information. If disclosure is required by law, statute, rule, regulation, or regulatory or administrative body (including any subpoena or other similar form of process), the party to which the request for disclosure is made shall (to the extent permissible by law) provide the other party with prior prompt written notice thereof and, if practicable under the circumstances, allow the other party to seek a restraining order or other appropriate relief. The party required to make such disclosure will cooperate with the efforts of the other party in obtaining such relief. If such relief cannot be obtained, the party required to disclose the Confidential Information shall cooperate with the other party’s efforts to obtain reasonable assurances that confidential treatment will be accorded to the information so disclosed.

4.2 Exceptions. Information will not be deemed Confidential Information if such information: (a) is known to the receiving party prior to receipt from the disclosing party directly or indirectly from a source other than one having an obligation of confidentiality to the disclosing party; (b) becomes known (independently of disclosure by the disclosing party) to the receiving party directly or indirectly from a source other than one having an obligation of confidentiality to the disclosing party; (c) becomes publicly known or otherwise ceases to be secret or confidential, except through a breach of this Agreement by the receiving party; or (d) is independently developed by the receiving party without use of the disclosing party’s Confidential Information.

5. Proprietary Rights

5.1 DTS Intellectual Property. DTS and/or its licensors own the “DTS Intellectual Property” (as defined below) in and to the VUEWorks Software and the Services and the software and technology used and/or embodied therein, and, in each case, any modifications, enhancements or improvements thereto created by or for DTS. This Agreement does not convey or transfer any ownership rights in any DTS Intellectual Property or any software or technology used and/or embodied in the Services. The DTS name, logo, and trade names are trademarks of DTS and no right is granted to use them except as

expressly granted herein. DTS reserves all rights, title, and interest in and to the Services, including, without limitation, all software (including object code and source code), algorithms, databases, inventions, works of authorship, trade secrets and other DTS Intellectual Property. **“DTS Intellectual Property”** means any patents and patent applications, copyrights, trademarks, service marks and any applications or registrations for same, trade names, domain name rights, trade secret rights, and all other intellectual property rights with respect to DTS products, Services, software or other works of authorship and/or other DTS assets. Client acknowledges and agrees that, except for the access and usage authorization provided by DTS to Client with respect to the VUEWorks Software specified in the Order Form, it shall not acquire or otherwise have any right, title or interest in and to any of the VUEWorks Software or any other software or other work of authorship, invention, concept, process, trade secret, proprietary information, trademark, service mark or other intellectual property or work product developed by DTS independently or by DTS with Client’s input (**“DTS Work Product”**). Under no circumstances shall the disclosure of any such DTS Work Product or delivery of any copy of any DTS Work Product by DTS to Client be construed as a transfer of title to that copy or a transfer of any right, title or interest in such DTS Work Product, except for the usage authorization granted to Client as set forth in the Agreement. Client is not authorized to, and shall not undertake, to create any system, service, product, software or other work of authorship, invention, concept, process, trade secret, proprietary information or other intellectual property based upon, copying or otherwise including or using functions, features, style, form or other elements of the VUEWorks Software or other DTS Intellectual Property. To the extent that, notwithstanding the foregoing, Client employees or contractors conceive of, develop or otherwise create, whether separately or jointly with DTS, any such software or other work of authorship, invention, concept, process, trade secret, proprietary information, data, or other intellectual property, or work product based upon, copying or otherwise including or using functions, features, style, form or other elements of the VUEWorks Software or other DTS Intellectual Property (**“Client Work Product”**) then Client shall assign and hereby does assign, and shall cause its employees and contractors to assign, to DTS all rights, title and interests with respect to such Client Work Product, and, to the extent necessary for Client to use the VUEWorks Software as contemplated hereunder, such Client Work Product shall be deemed to form part of the VUEWorks Software or other DTS software provided for use as a service to Client subject to the terms and conditions of

the Agreement. It is recognized and understood that DTS may develop new software or modify its existing software based upon the suggestions and recommendations provided by Client, and that except as otherwise expressly agreed to by DTS in writing signed by a duly authorized officer of DTS, Client shall have no right, claim or interest in such new or modified software developed by DTS.

5.2 Client Data; License of Client Data for Analytical Purposes; Ownership of Analytics Data. Client shall own the intellectual property rights, if any, in and to Client Data, which includes Client employee personal data (as defined below). Client hereby grants to DTS a non-exclusive, worldwide, royalty-free right and license to receive, retrieve, process, administer, transmit and otherwise use any Client Data or content as necessary to provide the VUEWorks Software in accordance with the Agreement or as required by court order, applicable law or other legal requirement. Additionally, Client hereby grants to DTS an irrevocable, perpetual, worldwide, royalty-free, fully paid transferable and sublicensable license and right to use Client Data for analytical purposes. DTS may also use Client employee personal data in accordance with the DTS Privacy Policy which is posted online at [Privacy Policy](#), as may be amended or modified from time to time, and Client’s employees are required to agree to and consent to said Privacy Policy as a condition to their use of the VUEWorks Software. DTS shall own and have the right to gather, retrieve, compile, store, retain, use, sell, license, transfer or otherwise exploit all information that is not personal data for research, quality control, product development and refinement, commercial and other purposes as determined by DTS without a duty to account to or obtain consent from Client or Client’s authorized users or any third party. As used herein, **“personal data”** is any data element or collection of data elements that can be associated with a specific individual, whether by itself or in combination with other information. DTS may use such information as may be reasonably necessary in connection with performing, providing, developing, enhancing, supporting, and maintaining the Services; and (ii) in connection with the creation of any information or data derived from use of the VUEWorks Software (including, without limitation, metrics and analytics related to such use), which does not identify a specific person, including as may be required to develop, deliver and provide ongoing innovation to the VUEWorks Software. DTS shall own all intellectual property rights with respect to any analytics and analytical data, work of authorship or other work product created or otherwise acquired

based on analysis of Client Data by DTS or its contractors.

5.3 Suggestions. Client hereby grants and shall cause its users to grant to DTS an irrevocable, perpetual, worldwide, royalty-free, fully paid transferable and sublicensable license and right to use, copy, modify, make derivative works based upon, distribute or otherwise exploit, including by incorporating into the VUEWorks Software any suggestions, enhancement requests, recommendations or other feedback provided by Client, including Client's authorized users, relating to the VUEWorks Software, and shall exclusively own all intellectual property rights in and to all software, technology, inventions, works of authorship and other developments created by DTS based on same.

6. Representations and Warranties.

6.1 Mutual Representations and Warranties. Each party represents and warrants to the other party that it has all necessary power, right and authority to enter into this Agreement and perform its obligations hereunder, and that its entering into this Agreement does not violate the terms of any agreement between it and any third party.

6.2 Client Representations and Warranties. Client represents, warrants and covenants to DTS that: (a) Client owns all right, title and interest in and to, and/or has full and sufficient authority to use and provide access to DTS to all Client systems, software, materials or data furnished by Client or its authorized users as contemplated for the provision of the Services; (b) Client will procure, and comply with the terms and conditions of, any licensing or other agreements which govern the use of any third party software, data or other materials or intellectual property used in or forming part of the Client systems, software, materials or data; (c) the Client's systems, software, materials and/or data do not and will not infringe the patent, copyright, trademark or other intellectual property rights of any party, or constitute libel, slander, defamation, invasion of privacy, or violation of any right of publicity or any other third party rights; (d) Client has or will obtain all necessary consents, permissions, clearances, authorizations and waivers (including any of the foregoing required from its employees and other authorized users) for the access to and use of the Client's systems, software, materials and data as contemplated hereunder, including all of the foregoing required to transfer and use data from Client and/or its authorized users' or other systems to and from DTS systems in connection with providing the VUEWorks Software and all

consents, permissions and authorizations; and (e) Client is presently in compliance with, has complied and will comply with all laws, rules, regulations and other legal requirements in the conduct of its business and with respect to Client's use of the VUEWorks Software and Client's systems, software, materials or data. Specifically, but without limitation, Client further represents and warrants with respect to all Client Data that (i) it has obtained all rights, consents, and permissions necessary to input the Client Data into the VUEWorks Software and to grant the foregoing rights to DTS, (ii) Client's use, copying, displaying, and distribution of the Client Data complies with all federal, state, and/or local laws, rules, regulations and/or ordinances and the terms and policies (including terms of use and privacy and security policies) of all websites from which the Client Data originated and all websites to which the Client Data is copied, distributed, displayed, or published using the VUEWorks Software, and (iii) the Client Data shall not include any personally identifiable healthcare data or financial data of any individual and/or any other data violative of third party rights and/or any applicable law, and/or any data relating to any person under the age of thirteen (13) years.

6.3 DTS Representations and Warranties. DTS represents and warrants that the VUEWorks Software shall substantially conform to the applicable descriptions and specifications for same set forth in the documentation for same and that Implementation Services and other Professional Services that it provides shall be performed in a professional and workmanlike manner. Client acknowledges and agrees that its sole remedy for breach of the foregoing representations and warranties shall be support services provided by DTS in accordance with DTS's standard support services terms.

6.4 Indemnification; Breach of Warranties. Client shall indemnify and defend DTS, its affiliates and their respective employees, officers, managers, directors, shareholders, agents, contractors and representatives (collectively, the "DTS Indemnitees") and hold the DTS Indemnitees harmless from and against any and judgments, losses, costs (including court costs and reasonable attorneys' fees), damages, settlements, suits, actions, expenses, liabilities, taxes, fines and claims asserted against, sustained, or suffered by or involving the DTS Indemnitees arising out of or resulting from (i) any breach by Client of its representations, warranties or obligations hereunder; and/or (ii) any claims made by Client's employees, any other authorized users or other third parties arising out of Client's or its

employees' or other authorized users' use of or access to the VUEWorks Software or related to any other Services provided by DTS. In the event of any breach (subject to the cure period in section 8.2(b)), or reasonably anticipated breach, of any of Client's warranties herein, in addition to any other remedies available at law or in equity, DTS will have the right to immediately, in DTS's sole discretion, suspend access to, use or provision of the VUEWorks Software and/or any other Services if deemed reasonably necessary by DTS to prevent any liability for DTS. Client shall be solely responsible for the accuracy and completeness of all Client Data provided by Client or its authorized users in connection with the VUEWorks Software or the Services. DTS does not warrant the correctness, completeness, merchantability or fitness for a particular purpose of any such Client Data and Client shall indemnify, defend and hold the DTS Indemnitees harmless from any and all claims arising out of Client Data or its use.

6.5 Warranties and Disclaimers by DTS. EXCEPT AS EXPRESSLY PROVIDED OTHERWISE HEREIN, THE VUEWORKS SOFTWARE, INCLUDING, WITHOUT LIMITATION, THE HOSTED SOFTWARE, TECHNICAL SUPPORT, MAINTENANCE, DATA MAINTENANCE AND ANY OTHER SERVICES ARE PROVIDED "AS IS" AND "AS-AVAILABLE," WITH ALL FAULTS, AND WITHOUT WARRANTIES OF ANY KIND. DTS AND ITS VENDORS AND LICENSORS DISCLAIM ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT, QUALITY OF INFORMATION, AND TITLE/NON-INFRINGEMENT. CLIENT EXPRESSLY AGREES AND ACKNOWLEDGES THAT USE OF VUEWORKS SOFTWARE IS AT CLIENT'S SOLE RISK. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY DTS OR ITS AUTHORIZED REPRESENTATIVES CREATES ANY OTHER WARRANTIES OR IN ANY WAY INCREASES THE SCOPE OF DTS'S OBLIGATIONS UNDER THIS AGREEMENT. THE VUEWORKS SOFTWARE MAY BE USED TO ACCESS AND TRANSFER INFORMATION, INCLUDING CONFIDENTIAL INFORMATION, OVER THE INTERNET. CLIENT ACKNOWLEDGES AND AGREES THAT DTS AND ITS VENDORS AND LICENSORS DO NOT OPERATE OR CONTROL THE INTERNET AND THAT (A) VIRUSES, WORMS, TROJAN HORSES, OR OTHER UNDESIRABLE DATA OR

SOFTWARE; OR (B) UNAUTHORIZED THIRD PARTIES (e.g., HACKERS) MAY ATTEMPT TO OBTAIN ACCESS TO AND DAMAGE CLIENT'S DATA, WEBSITES, COMPUTERS, OR NETWORKS. DTS WILL NOT BE LIABLE FOR ANY SUCH ACTIVITIES NOR WILL SUCH ACTIVITIES CONSTITUTE A BREACH BY DTS OF ITS OBLIGATIONS UNDER THIS AGREEMENT. The VUEWorks Software (including, without limitation, the Hosted Software) may include gateways, links, or other functionality that allows Client to access third party services ("**Third Party Services**") and third party content and materials ("**Third Party Materials**"). DTS does not supply and is not responsible for any Third Party Services or Third Party Materials, which may be subject to their own licenses, end-user agreements, privacy and security policies, and terms of use. ALL THIRD PARTY MATERIALS ARE PROVIDED AS-IS, WITHOUT WARRANTIES OF ANY KIND. DTS MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, RELATING TO ANY PRESENT OR FUTURE METHODOLOGY EMPLOYED IN ITS GATHERING OR REPRODUCING OF ANY THIRD PARTY MATERIAL, OR AS TO THE ACCURACY, CURRENCY, OR COMPREHENSIVENESS OF THE SAME. ALL OF THE FOREGOING EXCLUSIONS AND DISCLAIMERS IN THIS SECTION ARE AN ESSENTIAL PART OF THIS AGREEMENT AND FORMED THE BASIS FOR DETERMINING THE PRICES CHARGED FOR THE VUEWORKS SOFTWARE, INCLUDING, WITHOUT LIMITATION, THE HOSTED SOFTWARE, TECHNICAL SUPPORT, MAINTENANCE, DATA MAINTENANCE AND ANY OTHER SERVICE PROVIDED IN CONNECTION WITH THIS AGREEMENT. The VUEWorks Software may not be compatible with all devices, connection services, or service plans. Not all VUEWorks Software features are available to all clients or users. Availability may depend on a client's or user's location, device type, service plan, and other factors or restrictions.

6.6 Infringement. Should the VUEWorks Software and/or any other DTS software and/or service or use thereof become, or be likely to become in DTS's reasonable opinion, the subject of any claim that the same infringes, violates or constitutes a wrongful use of any intellectual property right, DTS may, at its option: (i) procure for Client the right to continue using the potentially infringing materials; (ii) replace or modify the potentially infringing materials to make them non-infringing, but substantially functionally equivalent; or (iii) terminate this Agreement. THE FOREGOING PROVISIONS OF

THIS SECTION STATE THE ENTIRE LIABILITY AND OBLIGATIONS OF DTS, AND THE EXCLUSIVE REMEDY OF CLIENT, WITH RESPECT TO ANY ACTUAL OR ALLEGED INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADE SECRET, TRADEMARK OR OTHER INTELLECTUAL PROPERTY RIGHT BY THE VUEWORKS SOFTWARE AND ANY OTHER DTS SOFTWARE AND/OR SERVICE.

7. Limitations of Liability.

7.1 Exclusions. DTS WILL NOT BE LIABLE TO THE CLIENT, ITS EMPLOYEES OR ANY OTHER AUTHORIZED USERS OR ANY THIRD PARTY FOR ANY LOST REVENUE, LOST PROFITS, REPLACEMENT GOODS, LOSS OF TECHNOLOGY, RIGHTS OR SERVICES, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES, LOSS OF DATA, OR INTERRUPTION OF BUSINESS, EVEN IF DTS WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER UNDER THEORY OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE.

7.2 Maximum Liability. DTS'S MAXIMUM AGGREGATE LIABILITY RELATED TO OR IN CONNECTION WITH THIS AGREEMENT AND/OR THE SERVICES WILL BE LIMITED TO THE TOTAL AMOUNT PAID BY CLIENT TO DTS HEREUNDER IN THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE DATE OF THE FIRST EVENT GIVING RISE TO THE APPLICABLE LIABILITY.

7.3 Basis of the Bargain; Failure of Essential Purpose. Client acknowledges that DTS has set its prices and entered into this Agreement in reliance upon the limitations of liability and the disclaimers of warranties and damages set forth herein, and that the same form an essential basis of the bargain between the parties. The parties agree that the limitations and exclusions of liability and disclaimers specified in this Agreement will survive and apply even if found to have failed of their essential purpose.

8. Term and Termination.

8.1 Term. This Agreement will be effective commencing on the Effective Date, and continue until the expiration of the last terminated or expiring Order Form unless terminated sooner.

8.2 Termination.

(a) **[For Convenience.** DTS may terminate this Agreement upon no less than [two/six] month's written notice for any reason or no reason.] DTS shall have the right to terminate this Agreement upon providing written notice to Client if Client and/or any of its affiliates is or becomes a competitor of DTS.

(b) **For Cause.** Either party will have the right to terminate this Agreement, or the applicable Order Form, if the other party breaches any material term or condition of this Agreement and fails to cure such breach within thirty (30) days after receipt of written notice of the same, except in the case of Client's failure to pay fees, which must be cured within fifteen (15) days after receipt of written notice from DTS. Either party may also terminate this Agreement upon providing written notice thereof to the other party if: (i) the other party becomes the subject of a voluntary petition in bankruptcy or any voluntary proceeding relating to insolvency, receivership, liquidation, or composition for the benefit of creditors; or (ii) the other party becomes the subject of an involuntary petition in bankruptcy or any involuntary proceeding relating to insolvency, receivership, liquidation, or composition for the benefit of creditors, if such petition or proceeding is not dismissed within sixty (60) days of filing.

8.3 Effect of Termination. Upon the effective date of expiration or termination of this Agreement: (a) DTS may immediately cease providing access to and use of the Hosted Software and any other Services; however, upon Client's written request provided to DTS within thirty (30) days after the effective date of termination, DTS shall use reasonable efforts to assist Client in transferring Client Data to Client or another service provider (such services to be subject to DTS's customary fees on a time and materials basis unless otherwise agreed to by the parties); (b) any and all payment obligations of Client under this Agreement will become due immediately; (c) within thirty (30) days after such expiration or termination, each party shall return all Confidential Information and other property of the other party in its possession at the time of expiration or termination and shall not make or retain any copies of such Confidential Information except as required to comply with any applicable legal or accounting record keeping requirement. Client shall be required to pay the License Fees any other fees that are payable for the period that would remain had the Agreement not been terminated, unless the Agreement is terminated by Client based on an uncured material breach by DTS.

8.4 Survival. The following provisions will survive any expiration or termination of the Agreement: Sections 2, 3.2, 4-7, 8.3, 8.4 and 9.

9. Miscellaneous provisions.

9.1 Force Majeure. Except for the obligation to pay subscription fees and other amounts payable by Client to DTS hereunder, neither party will be liable for any failure or delay in its performance under this Agreement due to any cause beyond its reasonable control, including act of war, acts of God, epidemics, pandemics or government ordered shutdowns, earthquakes, hurricanes, tornadoes or other windstorms, other storms or other elements of nature, embargo, riot, protests, civil disturbances, looting, sabotage, labor shortage or dispute or other industrial disturbances, systemic electrical, telecommunications, or other utility failures, governmental act or failure of the Internet, provided that the delayed party: (a) gives the other party prompt notice of such cause, and (b) uses its reasonable commercial efforts to correct promptly such failure or delay in performance.

9.2 Government Regulations. DTS provides software and uses software and technology that may be subject to U.S. export controls administered by the U.S. Department of Commerce, the U.S. Department of Treasury Office of Foreign Assets Control, and other U.S. agencies. Client shall not access or use the VUEWorks Software or otherwise transfer or export or re-export to countries that the United States maintains an embargo (collectively, “**Embargoed Countries**”), or to or by a national or resident thereof, or any person or entity on the U.S. Department of Treasury’s List of Specially Designated Nationals or the U.S. Department of Commerce’s Table of Denial Orders (collectively, “**Designated Nationals**”), each of which may change from time to time. By using the VUEWorks, Client represents and warrants that Client is not located in, under the control of, or a national or resident of, an Embargoed Country or Designated National. The VUEWorks Software may use encryption technology that is subject to licensing requirements under the U.S. Export Administration Regulations, 15 C.F.R. Parts 730-774. Client shall not export, re-export, transfer, or make available, whether directly or indirectly, any regulated item or information to anyone outside the U.S. in connection with this Agreement without first complying with all export control laws and regulations which may be imposed by the U.S. Government and any country or organization of nations within whose jurisdiction Client operates or does business.

9.3 Governing Law; Legal Proceedings, Severability. The Agreement shall be governed by and construed in accordance with the laws of the State of Florida without application of conflicts of laws rules or principles. Any legal proceedings relating to the terms, interpretation or performance of the Agreement will be brought and heard in the state or federal courts located in Orange County, Florida, and Client consents to such venue and personal jurisdiction therein for any such proceedings. EACH PARTY HEREBY IRREVOCABLY WAIVES THE RIGHT TO A JURY TRIAL. A printed version of the Agreement and of any notice given in electronic form shall be admissible in any legal proceedings based upon or relating to the Agreement to the same extent and subject to the same conditions as other business documents and records originally generated and maintained in printed form. In the event any provision of this Agreement is held by a court or arbitrator to be contrary to the law, the remaining provisions of this Agreement will remain in full force and effect.

9.4 Amendment; Waivers; Interpretation. DTS may update this Agreement from time to time. DTS will post the current version on the website in which the Hosted Software is provided or otherwise electronically via the Hosted Software. If Client does not agree to such an update, Client must immediately stop using the VUEWorks Software. By continuing to access or use the VUEWorks Software, Client confirms and acknowledges its acceptance of the updated Agreement. Except as otherwise provided herein, no amendment, rescission, or termination of this Agreement or any of its terms is effective unless it is in writing and signed by the party against whom enforcement is sought. A party does not waive any right under this Agreement by failing to insist on compliance with any term of this Agreement or by failing to exercise any right hereunder. Any waiver granted hereunder is effective only if it is written and signed by the party granting such waiver. A waiver of any provision of this Agreement shall not imply a subsequent waiver of that or any other provision of this Agreement. The parties agree that the terms and conditions of this Agreement are a result of mutual negotiations. Therefore, the rule of construction that any ambiguity shall apply against the drafter is not applicable and will not apply to this Agreement. Any ambiguities shall be reasonably construed as to its fair meaning and not strictly for or against one party regardless of who authored the ambiguous language.

9.5 Assignment. Client may not assign its rights or delegate its duties under this Agreement

either in whole or in part without the prior written consent of DTS. Any attempted assignment or delegation without such consent will be void. DTS may assign this Agreement in whole or part to an affiliate or in connection with a sale of all or substantially all of its assets. This Agreement will bind and inure to the benefit of each party's successors and permitted assigns. Except for DTS's suppliers and licensors, this Agreement shall not be construed to make any person or entity a third-party beneficiary hereof.

9.6 Notices. Any notice or communication required or permitted to be given hereunder may be delivered by hand, deposited with an overnight courier, or mailed by registered or certified mail, return receipt requested; postage prepaid to the address for the applicable party indicated in the first page of the Agreement, or at such other address as may hereafter be furnished in writing by either party hereto to the other. Such notice will be deemed to have been given as of the date it is delivered, mailed or sent, whichever is earlier. Notwithstanding the above, notices may be sent by email from DTS to Client or may be posted by DTS via the VUEWorks Software online on Client's account and shall be effective upon sending or posting.

9.7 Relationship of Parties. DTS and Client are independent contractors and this Agreement will not establish any relationship of partnership, joint venture, employment, franchise or agency between DTS and Client. Neither DTS nor Client will have the power to bind the other or incur obligations on the other's behalf without the other's prior written consent, except as otherwise expressly provided herein.

9.8 U.S. Government-Restricted Rights. The software and accompanying documentation are deemed to be "commercial computer Software" and "commercial computer Software documentation," respectively, pursuant to DFAR Section 227.7202 and FAR Section 12.212, as

applicable. Any use, modification, reproduction release, performance, display or disclosure of the Software and accompanying documentation by the U.S. Government will be governed solely by the terms of this Agreement and will be prohibited except to the extent expressly permitted by the terms of this Agreement.

9.9 Publicity. Client agrees that DTS may use Client's name and refer to Client directly or indirectly in any media release, public announcement, or public disclosure relating to this Agreement or its subject matter, including in any promotional or marketing materials and its website, lists and business presentations.

9.10 Entire Agreement; Counterparts. This Agreement, including the Order Forms and other exhibits and other documents incorporated herein by reference, constitutes the complete and exclusive agreement between the parties with respect to the subject matter hereof, and supersedes and replaces any and all prior or contemporaneous discussions, negotiations, understandings and agreements, written and oral, regarding such subject matter. It is the complete and exclusive expression of the parties' agreement on the matters contained in this Agreement. No provision of this Agreement may be explained, supplemented, or qualified through evidence of trade usage or a prior course of dealings. In entering into this Agreement, neither party has relied on any statement, representation, warranty, nor agreement of the other party except for those expressly contained in this Agreement. This Agreement shall prevail over any terms and conditions appearing on Client's purchase orders or other ordering documents, regardless of when such purchase orders or other ordering documents are delivered to DTS to which notice of objection is hereby given. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together shall constitute one and the same instrument.

EXHIBIT D

SUPPORT SERVICES TERMS

Support services provided by DTS to Client with respect to access and use of the VUEWorks Software shall consist of the following:

(i) Telephone Help Desk. Telephone help desk support in English by telephone shall be available from [8:00 a.m. to 5:00 pm]. eastern time Monday through Friday. The telephone number for help desk support is: (800) 252-2402.

(ii) Email Support. Access to help desk support by email shall be available from [8:00 a.m. to 8:00 p.m. eastern time Monday through Friday. The e-mail address for email support is: support@vueworks.com

(iii) [Hosted Software Client Data Back-ups. DTS's back-up responsibilities with respect to the VUEWorks Software provided as Hosted Software consist of performing daily back-ups of Client Data on the DTS servers, including databases supported by DTS after setup by Client, such that all Client files and data can be recovered by DTS to the last recovery point in the event of loss.]

(iv) Identification of an Incident or Problem. An incident or problem shall be deemed to begin at the earliest time it is observed by DTS or reported to DTS by Client.

(v) Response Procedures. In responding to incidents or problems, DTS shall notify Client in reasonable detail in writing, as soon as reasonably practicable, and shall provide telephone or e-mail contact. Client shall ensure that their telephone numbers and e-mails may be accessed by individuals capable of providing back-up if Client representatives are unavailable. If DTS is unable to reach a particular Client representative, DTS will leave a message and attempt to contact any alternative contacts such Client representative may have designated.

(vi) DTS Response Obligations. DTS's specific response obligations shall consist of the following:

(a) Notify Client of the problem and provide an estimate of the time required to resolve the problem as soon as such an estimate is determined.

(b) Undertake commercially reasonable efforts to implement a permanent solution; if a permanent solution cannot be found, DTS shall undertake commercially reasonable efforts to implement and provide a temporary solution (either by bypassing or working around the problem) and will provide a permanent solution as soon as possible.

(c) Update Client regularly on progress in resolving problems.]

(vii) Client Reporting Obligations. Client agrees that it shall inform the DTS of any incidents or problems of which Client becomes aware as promptly as reasonably practicable.

(viii) Hosted Software Maintenance. DTS will use reasonable efforts to perform software updates in the production environment in coordination with the Client during off peak hours and shall perform any maintenance requiring scheduled downtime on the production environment only on weekend nights between the hours of [1:00 AM and 4:00 AM] eastern time and no more than two (2) times per calendar month unless required otherwise due to a security issue or other urgent issue. DTS shall use reasonable efforts to notify Client by email or telephone of any maintenance work which shall result in system downtime no less than [one (1) day] prior to the actual commencement of the downtime.

(ix) Hosted Software Availability. DTS shall use its commercially reasonable efforts to make the Hosted Software available to authorized users 99.9% of the time in each calendar quarter, less the periods of time during which the Hosted Software are not available due to one or more of the following events (collectively, **"Excepted Downtime"**):

(a) Maintenance. Maintenance as described in (viii) above.

(b) Unscheduled Maintenance. Unscheduled maintenance that is performed in response to a critical unforeseen circumstance, such as security vulnerability or performance issue.

(c) Client Acts or Omissions. The acts or omissions of Client or Client's employees, agents, contractors, vendors, or any end user or any other party gaining access to the Hosted Software by reason, directly or indirectly, of any act or omission of Client, including without limitation, the following:

- Non-availability of Client's connected systems or applications;
- Upgrades or changes made to Client's connected systems or applications without approval by DTS and other changes made to Client's connected systems or applications without sufficient time for DTS to prepare for Client's changes;
- Client's failure to implement, install and/or otherwise use updates and other modifications or recommendations from DTS;
- Client errors in integration of the VUEWorks Software; and
- Time waiting for Client to provide required information or to perform required actions.

(d) Network Failures. A failure of the Internet and/or telecommunications networks or issues attributable to DTS's hosting/web services provider; or

(e) Force Majeure. The occurrence of any event that is beyond DTS's reasonable control.

The parties acknowledge that, although DTS will use reasonable efforts to work with third parties to avoid and remedy any impairment or disruption in Hosted Software services availability, DTS cannot guarantee that such impairment or disruption will not occur or that it can be resolved if it occurs.

**PROFESSIONAL SERVICES AGREEMENT BETWEEN
CITY OF LAKE STEVENS, WASHINGTON
AND Data Transfer Solutions
FOR CONSULTANT SERVICES**

THIS AGREEMENT ("Agreement") is made and entered into by and between the City of Lake Stevens, a Washington State municipal corporation ("City"), and Data Transfer Solutions a Limited Liability Company authorized to do business in the State of Washington, ("Consultant").

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performances contained herein, the parties hereto agree as follows:

ARTICLE I. PURPOSE

The purpose of this Agreement is to provide the City with consultant services as described in Article II. The general terms and conditions of the relationship between the City and the Consultant are specified in this Agreement.

ARTICLE II. SCOPE OF SERVICES

The Scope of Services is attached hereto as **Exhibit "A"** and incorporated herein by this reference ("Scope of Services"). All services and materials necessary to accomplish the tasks outlined in the Scope of Services shall be provided by the Consultant unless noted otherwise in the Scope of Services or this Agreement. All such services shall be provided in accordance with the standards of the Consultant's profession.

ARTICLE III. OBLIGATIONS OF THE CONSULTANT

III.1 MINOR CHANGES IN SCOPE. The Consultant shall accept minor changes, amendments, or revision in the detail of the Scope of Services as may be required by the City when such changes will not have any impact on the service costs or proposed delivery schedule. Extra work, if any, involving substantial changes and/or changes in cost or schedules will be addressed as follows:

Extra Work. The City may desire to have the Consultant perform work or render services in connection with each project in addition to or other than work provided for by the expressed intent of the Scope of Services in the scope of services. Such work will be considered as extra work and will be specified in a written supplement to the scope of services, to be signed by both parties, which will set forth the nature and the scope thereof. All proposals for extra work or services shall be prepared by the Consultant at no cost to the City. Work under a supplemental agreement shall not proceed until executed in writing by the parties.

III.2 WORK PRODUCT AND DOCUMENTS. The work product and all documents produced under this Agreement shall be furnished by the Consultant to the City, and upon completion of the work shall become the property of the City, except that the Consultant may retain one copy of the work product and documents for its records. The Consultant will be responsible for the accuracy of the work, even though the work has been accepted by the City.

In the event that the Consultant shall default on this Agreement or in the event that this Agreement shall be terminated prior to its completion as herein provided, all work product of the Consultant, along

with a summary of work as of the date of default or termination, shall become the property of the City. Upon request, the Consultant shall tender the work product and summary to the City. Tender of said work product shall be a prerequisite to final payment under this Agreement. The summary of work done shall be prepared at no additional cost to the City.

Consultant will not be held liable for reuse of documents produced under this Agreement or modifications thereof for any purpose other than those authorized under this Agreement without the written authorization of Consultant.

III.3 TERM. The term of this Agreement shall commence upon full signing and shall terminate at midnight June 30, 2025. The parties may extend the term of this Agreement by written mutual agreement.

III.4 NONASSIGNABLE. The services to be provided by the Consultant shall not be assigned or subcontracted without the express written consent of the City.

III.5 EMPLOYMENT.

a. The term “employee” or “employees” as used herein shall mean any officers, agents, or employee of the Consultant.

b. Any and all employees of the Consultant, while engaged in the performance of any work or services required by the Consultant under this Agreement, shall be considered employees of the Consultant only and not of the City, and any and all claims that may or might arise under the Workman's Compensation Act on behalf of any said employees while so engaged, and any and all claims made by any third party as a consequence of any negligent act or omission on the part of the Consultant or its employees while so engaged in any of the work or services provided herein shall be the sole obligation of the Consultant.

c. Consultant represents, unless otherwise indicated below, that all employees of Consultant that will provide any of the work under this Agreement have not ever been retired from a Washington State retirement system, including but not limited to Teacher (TRS), School District (SERS), Public Employee (PERS), Public Safety (PSERS), law enforcement and fire fighters (LEOFF), Washington State Patrol (WSPRS), Judicial Retirement System (JRS), or otherwise. *(Please indicate No or Yes below)*

 X No employees supplying work have ever been retired from a Washington state retirement system.

 Yes employees supplying work have been retired from a Washington state retirement system.

In the event the Consultant indicates “no”, but an employee in fact was a retiree of a Washington State retirement system, and because of the misrepresentation the City is required to defend a claim by the Washington State retirement system, or to make contributions for or on account of the employee, or reimbursement to the Washington State retirement system for benefits paid, Consultant hereby agrees to save, indemnify, defend and hold City harmless from and against all expenses and costs, including reasonable attorney’s fees incurred in defending the claim of the Washington State retirement system and from all contributions paid or required to be paid, and for all reimbursement required to the Washington State retirement system. In the event Consultant affirms that an employee providing work has ever retired from a Washington State retirement system, said employee shall be identified by Consultant, and such retirees shall provide City with

all information required by City to report the employment with Consultant to the Department of Retirement Services of the State of Washington.

III.6 INDEMNITY.

a. **Indemnification / Hold Harmless.** Consultant shall defend, indemnify and hold the City, its officers, officials, and employees harmless from any and all claims, injuries, damages, losses or suits including reasonable attorney fees, arising out of or resulting from the acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the negligence of the City.

b. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence.

c. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

d. **Public Records Requests.**
In addition to Paragraph IV.3 b, when the City provides the Consultant with notice of a public records request per Paragraph IV. 3 b, Consultant agrees to save, hold harmless, indemnify and defend the City its officers, agents, employees and elected officials from and against all claims, lawsuits, fees, penalties and costs resulting from the consultant's violation of the Public Records Act RCW 42.56, or consultant's failure to produce public records as required under the Public Records Act.

e. The provisions of this section III.6 shall survive the expiration or termination of this agreement.

III.7 INSURANCE.

a. **Insurance Term**
The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

b. **No Limitation**
The Consultant's maintenance of insurance as required by the Agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

c. **Minimum Scope of Insurance - Consultant shall obtain insurance of the types and coverages described below:**

- (1) Automobile Liability insurance covering all owned, non-owned, hired and

leased vehicles. Coverage shall be at least as broad as Insurance Services Office (ISO) form CA 00 01.

- (2) Commercial General Liability insurance shall be at least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap independent contractors and personal injury and advertising injury. The City shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City using an additional insured endorsement at least as broad as ISO endorsement form CG 20 26.
- (3) Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
- (4) Professional Liability insurance appropriate to the Consultant's profession.

d. **The minimum insurance limits shall be as follows:**
Consultant shall maintain the following insurance limits:

- (1) Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
- (2) Commercial General Liability insurance shall be written with limits no less than \$2,000,000 each occurrence, \$2,000,000 general aggregate.
- (3) Professional Liability insurance shall be written with limits no less than \$2,000,000 per claim and \$2,000,000 policy aggregate limit.

e. **Notice of Cancellation.** In the event that the Consultant receives notice (written, electronic or otherwise) that any of the above required insurance coverage is being cancelled and/or terminated, the Consultant shall immediately (within two business days of receipt of such notice) provide written notification of such cancellation/termination to the City.

f. **Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

g. **Verification of Coverage.** In signing this agreement, the Consultant is acknowledging and representing that required insurance is active and current. Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Agreement before commencement of the work. Further, throughout the term of this Agreement, the Consultant shall provide the City with proof of insurance upon request by the City.

h. **Insurance shall be Primary - Other Insurance Provision.** The Consultant's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the City. Any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

i. **Failure to Maintain Insurance.** Failure on the part of the Consultant to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days' notice to the Consultant to correct the breach, immediately terminate the Agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Consultant from the City.

j. **City Full Availability of Consultant Limits.** If the Consultant maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Consultant, irrespective of whether such limits maintained by the Consultant are greater than those required by this Agreement or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Consultant.

k. **Subcontractors' Insurance.** The Contractor shall cause each and every Subcontractor to provide insurance coverage that complies with all applicable requirements of the Contractor-provided insurance as set forth herein, except the Contractor shall have sole responsibility for determining the limits of coverage required to be obtained by Subcontractors. The Contractor shall ensure that the City is an additional insured on each and every Subcontractor's Commercial General liability insurance policy using an endorsement as least as broad as ISO CG 20 10 10 01 for ongoing operations and CG 20 37 10 01 for completed operations.

III.8 DISCRIMINATION PROHIBITED AND COMPLIANCE WITH EQUAL OPPORTUNITY LEGISLATION. The Consultant agrees to comply with equal opportunity employment and not to discriminate against client, employee, or applicant for employment or for services because of race, creed, color, religion, national origin, marital status, sex, sexual orientation, age or handicap except for a bona fide occupational qualification with regard, but not limited to, the following: employment upgrading; demotion or transfer; recruitment or any recruitment advertising; layoff or terminations; rates of pay or other forms of compensation; selection for training, rendition of services. The Consultant further agrees to maintain (as appropriate) notices, posted in conspicuous places, setting forth the provisions of this nondiscrimination clause. The Consultant understands and agrees that if it violates this nondiscrimination provision, this Agreement may be terminated by the City, and further that the Consultant will be barred from performing any services for the City now or in the future, unless a showing is made satisfactory to the City that discriminatory practices have been terminated and that recurrence of such action is unlikely.

III.9 UNFAIR EMPLOYMENT PRACTICES. During the performance of this Agreement, the Consultant agrees to comply with RCW 49.60.180, prohibiting unfair employment practices.

III.10 LEGAL RELATIONS. The Consultant shall comply with all federal, state and local laws and ordinances applicable to work to be done under this Agreement. The Consultant represents that the firm and all employees assigned to work on any City project are in full compliance with the statutes of the State of Washington governing activities to be performed and that all personnel to be assigned to the work required under this Agreement are fully qualified-and properly licensed to perform the work to which they will be assigned. This Agreement shall be interpreted and construed in accordance with the laws of Washington. Venue for any litigation commenced relating to this Agreement shall be in Snohomish County Superior Court.

III.11 INDEPENDENT CONTRACTOR.

a. The Consultant and the City understand and expressly agree that the Consultant is an independent contractor in the performance of each and every part of this Agreement. The Consultant expressly represents, warrants and agrees that his status as an independent contractor in the performance of the work and services required under this Agreement is consistent with and meets the six-part independent contractor test set forth in RCW 51.08.195 or as hereafter amended. The Consultant, as an independent contractor, assumes the entire responsibility for carrying out and accomplishing the services required under this Agreement. The Consultant shall make no claim of City employment nor shall claim any related employment benefits, social security, and/or retirement benefits.

b. The Consultant shall be solely responsible for paying all taxes, deductions, and assessments, including but not limited to federal income tax, FICA, social security tax, assessments for unemployment and industrial injury, and other deductions from income which may be required by law or assessed against either party as a result of this Agreement. In the event the City is assessed a tax or assessment as a result of this Agreement, the Consultant shall pay the same before it becomes due.

c. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Consultant performs hereunder.

d. Prior to commencement of work, the Consultant shall obtain a business license from the City.

III.12 CONFLICTS OF INTEREST. The Consultant agrees to and shall notify the City of any potential conflicts of interest in Consultant's client base and shall obtain written permission from the City prior to providing services to third parties where a conflict or potential conflict of interest is apparent. If the City determines in its sole discretion that a conflict is irreconcilable, the City reserves the right to terminate this Agreement.

III.13 CITY CONFIDENCES. The Consultant agrees to and will keep in strict confidence, and will not disclose, communicate or advertise to third parties without specific prior written consent from the City in each instance, the confidences of the City or any information regarding the City or services provided to the City.

III.14 SUBCONTRACTORS/SUBCONSULTANTS.

a. The Consultant shall be responsible for all work performed by subcontractors/subconsultants pursuant to the terms of this Agreement.

b. The Consultant must verify that any subcontractors/subconsultants they directly hire meet the responsibility criteria for the project. Verification that a subcontractor/subconsultant has proper license and bonding, if required by statute, must be included in the verification process. The Consultant will use the following Subcontractors/Subconsultants or as set forth in Exhibit ____:

c. The Consultant may not substitute or add subcontractors/subconsultants without the written approval of the City.

ARTICLE IV. OBLIGATIONS OF THE CITY

IV.1 PAYMENTS.

a. The Consultant shall be paid by the City for services rendered under this Agreement as described in the Scope of Services and as provided in this section. In no event shall the compensation paid to Consultant under this Agreement exceed ~~\$100,000.00~~ without the written agreement of the Consultant and the City. Such payment shall be full compensation for work performed and services rendered and for all labor, materials, supplies, equipment and incidentals necessary to complete the work. In the event the City elects to expand the scope of services from that set forth in Exhibit A, the City shall pay Consultant a mutually agreed amount.

b. The Consultant shall submit a monthly invoice to the City for services performed in the previous calendar month in a format acceptable to the City. The Consultant shall maintain time and expense records and provide them to the City upon request.

c. The City will pay timely submitted and approved invoices received before the 20th of each month within thirty (30) days of receipt.

IV.2 CITY APPROVAL. Notwithstanding the Consultant's status as an independent contractor, results of the work performed pursuant to this Agreement must meet the approval of the City, which shall not be unreasonably withheld if work has been completed in compliance with the Scope of Services and City requirements.

IV.3 MAINTENANCE/INSPECTION OF RECORDS.

a. The Consultant shall maintain all books, records, documents and other evidence pertaining to the costs and expenses allowable under this Agreement in accordance with generally accepted accounting practices. All such books and records required to be maintained by this Agreement shall be subject to inspection and audit by representatives of the City and/or the Washington State Auditor at all reasonable times, and the Consultant shall afford the proper facilities for such inspection and audit. Representatives of the City and/or the Washington State Auditor may copy such books, accounts and records where necessary to conduct or document an audit. The Consultant shall preserve and make available all such books of account and records for a period of three (3) years after final payment under this Agreement. In the event that any audit or inspection identifies any discrepancy in such financial records, the Consultant shall provide the City with appropriate clarification and/or financial adjustments within thirty (30) calendar days of notification of the discrepancy.

b. Public Records.

The parties agree that this Agreement and records related to the performance of the Agreement are with limited exception, public records subject to disclosure under the Public Records Act RCW 42.56. Further, in the event of a Public Records Request to the City, the City may provide the Consultant with a copy of the Records Request and the Consultant shall provide copies of any City records in Consultant's possession, necessary to fulfill that Public Records Request. If the Public Records Request is large the Consultant will provide the City with an estimate of reasonable time needed to fulfill the records request.

ARTICLE V. GENERAL

V.1 **NOTICES.** Notices to the City and Consultant shall be sent to the following addresses:

To the City:

City of Lake Stevens
Attn: City Clerk
Post Office Box 257
Lake Stevens, WA 98258
Telephone: 425-622-9412

To the Consultant:

Data Transfer Solutions

Receipt of any notice shall be deemed effective three (3) days after deposit of written notice in the U.S. mail with proper postage and address.

V.2 **TERMINATION.** The right is reserved by the City to terminate this Agreement in whole or in part at any time upon ten (10) calendar days' written notice to the Consultant.

If this Agreement is terminated in its entirety by the City for its convenience, the City shall pay the Consultant for satisfactory services performed through the date of termination in accordance with payment provisions of Section IV.1.

V.3 **DISPUTES.** The parties agree that, following reasonable attempts at negotiation and compromise, any unresolved dispute arising under this Agreement may be resolved by a mutually agreed-upon alternative dispute resolution of arbitration or mediation.

V.4 **EXTENT OF AGREEMENT/MODIFICATION.** This Agreement, together with attachments or addenda, represents the entire and integrated Agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties.

V.5 **SEVERABILITY.**

a. If a court of competent jurisdiction holds any part, term or provision of this Agreement to be illegal or invalid, in whole or in part, the validity of the remaining provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

b. If any provision of this Agreement is in direct conflict with any statutory provision of the State of Washington, that provision which may conflict shall be deemed inoperative and null and void insofar as it may conflict, and shall be deemed modified to conform to such statutory provision.

V.6 **NONWAIVER.** A waiver by either party hereto of a breach by the other party hereto of any covenant or condition of this Agreement shall not impair the right of the party not in default to avail itself of any subsequent breach thereof. Leniency, delay or failure of either party to insist upon strict performance of any agreement, covenant or condition of this Agreement, or to exercise any right herein given in any one or more instances, shall not be construed as a waiver or relinquishment of any such agreement, covenant, condition or right.

V.7 **FAIR MEANING.** The terms of this Agreement shall be given their fair meaning and shall not be construed in favor of or against either party hereto because of authorship. This Agreement shall be deemed to have been drafted by both of the parties.

V.8 **FORCE MAJEURE.** Consultant shall not be responsible for delays or failures in performance resulting from acts beyond its reasonable control. Such acts shall include, but not be limited to, acts of God, strikes, acts of war, epidemics, Government regulations superimposed after the fact, fire, communication line failures, power failures, earthquakes, acts of terrorism, or other disasters. Time of performance and compensation to Consultant shall be adjusted appropriately for any such event.

V.9 **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

V.10 **VENUE.** The venue for any action to enforce or interpret this Agreement shall lie in the Superior Court of Washington for Snohomish County, Washington.

V.10 **COUNTERPARTS AND SIGANTURES.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement. Digital, electronic, and PDF signatures will constitute an original in lieu of the “wet” signature.

V.11 **AUTHORITY TO BIND PARTIES AND ENTER INTO AGREEMENT.** The undersigned represent that they have full authority to enter into this Agreement and to bind the parties for and on behalf of the legal entities set forth below.

DATED this _____ day of _____ 2022.

CITY OF LAKE STEVENS

DATA TRANSFER SOLUTIONS, LLC

By: _____
Gene Brazel, City Administrator

By: _____
Donna Huey, President
Printed Name and Title

Approved as to Form:

By: _____
Greg Rubstello, City Attorney

CITY COUNCIL STAFF REPORT



Agenda Date: 6/7/2022

Subject: Briefing on Short Term Rentals

Contact Person/Department: David Levitan, Community Development

Budget Impact: N/A.

Legal Review: No

RECOMMENDATION(S)/ACTION REQUESTED:

Hold a briefing and provide feedback on LUA2022-0046, a city-initiated land use code amendment related to LSMC 14.44.064 (Tourist Homes, now more commonly known as Short-Term Rentals) and associated chapters that were last discussed at the Council's May 3 workshop. Staff has provided a list of options for potential changes to the Planning Commission's April 20 recommendation based on issues raised by Council on May 3.

SUMMARY/BACKGROUND:

On [May 3](#), the City Council held a work session to review the Planning Commission's recommendation on a proposed land use code amendment (Attachment 1) to the city's supplementary use regulations for tourist homes ([LSMC 14.44.064](#)). The existing regulations for what are now more commonly known as short-term rentals (STRs) – rentals of 30 days or less - have been in place since 1998 and have remained unchanged even as their popularity has increased exponentially through websites such as [airbnb](#) and [VRBO](#). The Planning Commission's recommendation was based on several work sessions, where they reviewed existing regulations in several other cities, [a best practices manual on regulating STRs](#), and public comments received from several city residents.

A review of [airbnb](#) and [VRBO](#) shows about 25 active short-term rental listings in Lake Stevens, with many likely unaware that current city regulations for STRs require a Type II Administrative Conditional Use Permit (ACUP) and for the property owner to live on

the site (what is commonly known as a “hosted” rental) and that they cannot be rented for more than 10 consecutive days or 30 total days in a calendar year. The city has approved only one tourist home since the existing code language was adopted, and code enforcement of non-compliant rentals has generally been on a complaint basis. However, Council has directed staff to work to bring existing rentals into compliance, which means that existing STRs would either need to comply with the existing code language (if applying before the effective date of a new ordinance) or with the new regulations adopted by Council.

As noted at the May 3 work session, the code language recommended by the Planning Commission includes the following highlights:

- Maintains the prohibition on unhosted rentals, with the property owner or designee required on-site during all rentals.
- Eliminates the 10 consecutive and 30 total (in one calendar year) day limits in the existing regulations, allowing for an unlimited number of hosted stays, As a point of clarification, any individual rental of 30 days per less is considered a STR, and there would be no limit on the frequency of such rentals so long as they are hosted. Individual rentals of more than 30 days would not be considered a STR, and as such would not be subject to the regulations.
- Establishes a maximum of two concurrent STR rental agreements and a maximum of eight total guests, with no more than six in one party
- Requires one off-street parking space per rented bedroom in addition to the parking requirement for the primary residence (generally two spaces)
- Eliminates the Type II ACUP requirement and replaces it with the need for a business license, STR application addendum, and health and safety inspection (reviewed through a Type I process)
- Requires public notice be sent to property owners within 300 feet of the property prior to submitting a STR application
- Requires liability insurance and the remittance of lodging taxes, consistent with state law
- Provides clarity on the code enforcement process

Councilmembers raised a number of issues and concerns at their May 3 meeting about the proposed code language. Much of the discussion focused on whether a hosted environment (where the property owner or designee is required to be on site for the duration of the rental) should be required or if unhosted rentals should be allowed, as well as questions about the recommended parking, business license, maximum party size and public noticing requirements. Councilmembers also asked staff to reach out to current STR operators to solicit input on the proposed code language, as none of the public comments received to date had come from owners of existing STR listings. On

May 13, staff sent out a letter (Attachment 2) asking for feedback on the proposed regulations to property owners for 22 listings that it was able to identify from existing listings, with five letters returned as undeliverable.

Staff has received three emails (as of June 1) from current STR operators, which have been added to the compilation of public comments that are included in chronological order in Attachment 3 (18 emails from 12 individuals). The majority of comments received from those not operating STRs – both via email and at the Planning Commission's [April 20 public hearing](#) - have expressed support for regulations that continue to require that STRs be hosted. This is often based on negative experiences that they have had with neighbors' properties that are currently operating as STRs and their belief that a hosted environment would provide more oversight and better management of issues such as noise. The emails received from current STR operators have expressed concerns that requiring a hosted environment is economically and operationally unfeasible and infringes on their property rights.

In response to the Council's comments, staff has prepared a spreadsheet of issues raised about the proposed code amendment during the May 3 meeting (Attachment 4), as well as the existing code requirements in LSMC 14.44.064 and different options for potential changes to code language based on a review of other cities' STR regulations (or lack thereof). Staff would like councilmembers to review and discuss these options at their June 7 work session and provide general direction to staff so that it can incorporate any desired changes into revised code language that would be brought back for an additional Council work session before moving on to the Council's required public hearing.

Specific feedback is requested on the following questions:

- Should the city allow unhosted rentals? If so, should there be a maximum number of days for unhosted rentals, either consecutively or in a calendar year? And should a designated property manager or contact be required to live within a certain distance of the property?
- Should the city require a one-time health and safety inspection with the initial application, which would be focused on compliance with residential codes and focus on topics such as adequate ingress and egress? Staff would like to clarify that ADA compliance would not be required.
- Should prospective STR operators be required to notify neighbors as part of their business license application? If so, should it be to neighbors within a certain radius (such as 300 feet) or just to adjacent neighbors?
- Should additional off-street parking spaces be required beyond those required for the primary use? If so, should it be based on bedroom count or a set number of spaces?

- Should the city limit either the number of concurrent STR rentals (currently proposed at two), maximum individual party size (currently proposed at six), and total party size (currently proposed at eight)?

APPLICABLE CITY POLICIES:

[LSMC 14.44.064](#) (Tourist Homes)

ATTACHMENTS:

1. Attachment 1 - Draft Short-Term Rental Code Language
2. Attachment 2 - Letter to STR Operators
3. Attachment 3 - Public Comments through June 1
4. Attachment 4 - Spreadsheet of May 3 Council Comments
5. June 7 Short-Term Rentals Council Powerpoint_JMN

LSMC 14.44.064 – Short-Term Rentals

- (a) Purpose – the purpose and intent of requiring specific standards for short term rentals (rentals of 30 days or less) is to ensure that their location and operation is consistent with the existing residential character of the surrounding area in terms of appearance, traffic levels and other development standards.
- (b) Applicability and General Requirements – the following requirements shall apply to all short-term rentals.
 - (1) Short-term rentals are allowed in the zoning districts identified in Table 14.40-I.
 - (2) Short-term rentals are limited to owner-occupied residences and subject to any additional covenants and restrictions on individual properties.
 - (3) The owner, authorized agent or property manager shall live on the premises for the entire duration of any short-term rental agreement.
 - (4) No short-term rental can be rented to more than two separate parties, per facility, or exceed eight total individuals at any time.
 - (5) The total number of guests covered by a short-term rental agreement shall not exceed two per rented bedroom and six total individuals.
 - (6) A city business license shall be submitted to the city with the short-term rental application, which shall be evaluated for compliance with the provisions of this section and approved by the Planning Director or designee.
 - (7) As part of the review process for the initial application, the building official or designee in coordination with the fire marshal shall perform a safety inspection of the property. It shall be the owner's responsibility to ensure that the short-term rental is and remains in substantial compliance with all applicable codes regarding fire, building, health, safety and other relevant laws and regulations. The premises may be subject to safety and compliance inspections as part of the annual business license renewal.
 - (8) Prior to submitting a short-term rental application, the property owner shall provide written notification to the owners of properties located within a 300-foot radius of the boundaries of the subject property of their intent to operate a short-term rental, and include a copy of the notification and distribution list with their application.
 - (9) Any non-residential activities beyond the short-term rental of rooms shall require approval of a Home Occupation permit and be subject to [LSMC Section 14.44.015](#).
 - (10) A short-term rental owner must maintain primary liability insurance consistent with RCW 64.37.050.
 - (11) Applicable lodging taxes must be paid to the State of Washington, and those payments are the responsibility of the property owner.
- (c) Development Standards
 - (1) A minimum of one off-street parking space that meets all requirements and standards of LSMC Chapter 14.72 shall be provided per rented bedroom in addition to the minimum parking requirement for the residence (see Table 14.72-I). Parking of boat trailers may be allowed so long as an adequate off-street parking area, beyond the minimum

requirements detailed above for personal vehicles, is provided and the additional parking does not conflict with provisions of Chapter 14.48 LSMC.

- (2) Approved accessory dwelling units (both attached and detached) may be utilized as short-term rentals subject to all other requirements of this section, including the maximum number or rental agreements for the property.
- (3) Signage shall be limited to four square feet in area, consistent with LSMC 14.68.020.
- (4) The property shall give no outward appearance or exhibit characteristics of a business that would be incompatible with the ability of the neighboring residents to enjoy peaceful occupancy of their properties.
- (5) Meal service shall be limited to overnight guests. Separate kitchens shall not be allowed in individual guest rooms unless part of an approved accessory dwelling unit (ADU).

(d) Complaints and Enforcement

- (1) Complaints and enforcement are subject to the process identified in LSMC Chapter 17.20, with the city's Code Enforcement Officer serving as the main contact for responding to complaints and investigating potential violations.
- (2) Penalties levied may include warnings, fees, or the revocation of the applicable business license.

14.08.010 Definitions of Basic Terms.

Boarding House. A residential use consisting of at least one 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 is distinguished from a ~~tourist home~~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.

~~*Tourist Home*~~*Short-Term Rental.* A hosted residential single-family structure where the owner, authorized agent or property manager lives on the premises, in which individual rooms are rented by the day or week for a period up to thirty (30) days, subject to the standards identified in LSMC 14.44.064. May include but not limited to facilities commonly known as bed and breakfasts, tourist/vacation rentals, Airbnb, VRBO, etc.

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																
N/A	Tourist homes Short-Term Rentals ⁸	PA	PA	PA	PA	PA		PA								

TABLE 14.72-I: TABLE OF PARKING REQUIREMENTS

<u>Short-Term Rentals</u>	<u>1 space for each room to be rented in addition to the required spaces for the primary use. LSMC 14.44.064.</u>
Tourist homes, Hotels and motels.	1 space for each room to be rented plus additional space (in accordance with other sections of this table) for restaurant or other facilities.

⁸ Subject to requirements of LSMC 14.44.064.



May 12, 2022

Re: Public input requested on proposed short-term rental regulations

Dear Property Owner,

The Lake Stevens City Council is currently considering amendments to Lake Stevens Municipal Code (LSMC) Section 14.44.064 (Tourist Homes), more commonly known as short-term rentals, AirBNBs or VRBOs. The existing regulations have been in place since 1998, during which time the popularity of short-term rentals has increased exponentially. The city is aware that many property owners are not aware of the existing regulations, which require a Type II land use permit and that the property owner occupy the property and limit the number of days rented to 10 consecutive and 30 in one calendar year.

The Lake Stevens Planning Commission held three work sessions on the code amendment, which aims to streamline the licensing process and modernize the code. Planning Commission held a public hearing on the proposed code language on April 20, 2022, at the conclusion of which they made a recommendation to City Council to approve the code amendment (LUA2022-0046).

City Council held a workshop meeting on May 3, 2022, to review the code language recommended by the Planning Commission in advance of their required public hearing. Councilmembers had several comments and proposed edits to the code at that meeting and requested that staff reach out to existing short-term rental operators to provide them an opportunity to comment on the proposed regulations. Staff reviewed listings on several short-term rental platforms and is mailing this letter to the listed property owners.

A copy of the code language recommended by the Planning Commission is available online at <https://www.lakestevenswa.gov/360/Long-Range-Planning>. Staff anticipates holding another workshop meeting with City Council in early June and is **requesting that public comments be submitted by May 30** so that they may be reviewed in advance of that meeting. Comments can be mailed to the address below (Attn: David Levitan) or emailed to dlevitan@lakestevenswa.gov.

If you have any questions, please feel free to contact me by email or at 425-622-9425.

Sincerely,

David Levitan

David Levitan
Planning Manager

David Levitan

From: kathy nysether <kathycn@hotmail.com>
Sent: Sunday, February 20, 2022 4:55 PM
To: lsplanning
Subject: Short Term Rental code

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Lake Stevens Planning Commission,

I am following your discussion on short term/vacation rental homes. Our neighborhood was greatly impacted by a home that was rented out as an unattended VRBO for several months until the owners were made aware of the city's code.

We may live in a unique situation where there are 4 other homes surrounding the one that was rented out. Very close quarters with shared access via an easement road with no legal parking. It was very disruptive to daily living for us permanent residents. The noise at all hours of day and night plus so much traffic in and out. It seems that vacation home renters get a lot more food deliveries than an average fulltime family. Neighbors with small children worrying about the safety of their kids as cars are flying in and out! Sometimes we felt worried that people may be casing our homes for future break-ins. Luckily this was resolved into a long term rental situation, which is better(not perfect, but it is legal). We don't want to go back to the previous description.

Lake Stevens is not a destination tourist resort.

I am asking you not to allow unattended short term rentals.

Imagine this happening in the house right next to yours! Or possibly on both sides of you! New renters every 3 – 10 days, cleaning crews in between, garbage everywhere, cars parked or driving on your property, dogs getting loose and damaging your yard. Food deliveries being left on your doorstep that you didn't order.

As you mentioned at your meeting, parking is a huge issue. The # of parking spaces should somehow be related to the # of bedrooms rented out or the # of people that can be in the house.

I understand that there is the issue of enforcing these rules. I feel it is worth the work to keep our community livable. If there are not permits and regulations there is no way of controlling or keeping track these businesses. If you loosen the restrictions these short term rentals will take over our area.

I am more in favor of keeping them attended rentals. I feel if the owner is living onsite, they will keep things under control because they will also be living with whatever their customers bring!

The majority of the people live in Lake Stevens full time, have jobs, go to school etc. and probably would prefer not to have potentially loud, noisy vacationers next door every day.

I urge you to look into this further and call some of the cities mentioned at your meeting (Chelan, Lake Tahoe) or more! Ask them what they would do differently, knowing what they know now. I feel like these places are more destination type areas than Lake Stevens is, but they are water front.

I'm sorry for the people that want to rent out their properties in this manner, but personally I would prefer that they were not allowed at all.

Sincerely,

Kathy Nysether

kathycn@hotmail.com

David Levitan

From: Nikki Odegaard <nikkioodegaard55@gmail.com>
Sent: Wednesday, March 2, 2022 9:57 PM
To: lsplanning
Subject: Att: Planning Commissioners re. AirBNB and VRBO rentals on Lake Stevens - input for the next planning meeting

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Commissioners,

We are writing to ask that you not change the existing codes for short term rentals to allow AirBNB and VRBO rentals in residential areas. Our family has lived on the Lake for four generations and seen much growth over the past about 80 years! However, it has always been a residential haven - and the existing short term rental codes allow at least a somewhat controlled way for some families to make an income from their home.

Our issue with the proposed expansion into AirBNB and VRBO rentals is that there is simply not enough oversight on the activities of totally unsupervised renters. There is a history of them often being used for basically days-long parties with unchecked noise and unsafe behavior. That stretches throughout the summer. We have experienced this ourselves! There is apparently not the man-power to have law enforcement control this. Our legendary Lake Stevens 4th July parties are one thing - but that behavior throughout the entire rental season would literally change the lives of regular lakeside residents.

Another aspect that is very concerning is that of parking. Many of the houses along the lake shore have very limited parking. Turning single-family homes into multi-person holiday spots will likely make for some very dangerous parking situations.

All in all, we would ask that the Commission NOT expand the current regulations which keep the property owner as on-site hosts. The proposals would change the very nature of our family-friendly, residential lake - and not for the better. Please don't sacrifice that for the sake of a relatively small number of potential business opportunities which would have an outsized effect on their neighbors and neighborhoods. Many communities have come to regret their opening up to this form of rentals and it is not easy to backtrack once that decision has been made and shown to be a bad one. Thank you for your consideration.

Bruce and Nikki Odegaard

Sunday, March 13, 2022

Dear Lake Stevens Planning Commission,

My name is Brad Nysether and I have enjoyed living in the Lake Stevens area since 1985. I have, of course, seen a lot of changes (some good and some bad) with a current topic of discussion of the Commission of easing up short term rentals in my opinion being a bad change.

My wife and I had the unpleasantness of what we believe was an illegal short-term rental start up in our residential neighborhood and would like to thank code enforcement for reaching out to the owners to stop the activity.

Although, not all short-term rentals are the same our experience has always been more noise, more traffic, trespassing and then all the stuff related to “more partying”. About the only person that benefits from short term rentals is the owner of the property due to monies received. However, the owner(s) are typically “blackballed” by the rest of the property owners in the near vicinity due to the intrusion on the neighborhood and it becomes a real uncomfortable situation.

I believe the Commission is starting the process of drafting up code and I am curious to see how that reads like but some of my thoughts are if short term rentals have to be then they need to be hosted, have sufficient onsite parking for renters and their guests, maximum occupants based on square footage or number of bedrooms/bathrooms, full operating license required and proper additional taxes collected on what would be considered a profit producing business.

There will also be some impact to the city; code enforcement personnel, safety inspections (fire alarms and smoke detectors etc.) and other operating businesses impacts. Ketchum, ID has recently analyzed and “firmed up” their short-term rentals with the City Council just voting to enact a \$527 fee per property for owners of short-term rentals to cover the additional impacts to the city for short-term rental compliance.

Here is a link to their ordinance <https://www.ketchumidaho.org/administration/page/short-term-rentals>

Respectfully,

Bradley M Nysether

David Levitan

From: Nikki Odegaard <nikkiodegaard55@gmail.com>
Sent: Monday, March 14, 2022 10:16 AM
To: David Levitan
Subject: Re: Att: Planning Commissioners re. AirBNB and VRBO rentals on Lake Stevens - input for the next planning meeting

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Hi David,

Thank you so much for your reply and all the info attached. I was happy to see that the rules proposed in the package look to address all our concerns very well! Thank you to the Planning Commission! Is there a need to have voices such as ours at tomorrow's meeting, or does this represent a final agreed draft by your committee, which is essentially good to go to City Council? I'm no pro at Zoom!

Hopefully by the time the City Council has to approve the final result, we will be back to in-person meetings!

All the best,

Nikki

On Monday, March 14, 2022, David Levitan <dlevitan@lakestevenswa.gov> wrote:

Hi Nikki and Bruce:

Thanks for taking the time to provide your feedback on the proposed short term rental code amendment. They have been included in the packet for the March 16 Planning Commission meeting ([find meeting packet here](#)), where commissioners will discuss short term rentals.

Planning Commission meetings are still being held [via Zoom](#) (we are working on transitioning to hybrid online/in-person meetings), if you would like to attend.

Please let me know if you have any questions.

David

David Levitan

From: Jeremy Korst (korst.org) <jkorst@korst.org>
Sent: Tuesday, March 15, 2022 4:32 PM
To: lsplanning
Subject: Short Term Rental Input

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Dear Members of the Planning Commission:

I recently learned that there is a public hearing tomorrow regarding potential changes to short term rental codes in Lake Stevens. Unfortunately, I will be unable to participate; however, I wanted to provide some input into this process.

My family purchased an older home on Lake Stevens several years ago and we are now in the process of building a new home on the property. We currently reside in Issaquah and were attracted to Lake Stevens due to the residential nature of the community, as well as it being located near Everett where our family business is located. We love the area, and our hope is to relocate to the new home on Lake Stevens after it is complete.

I was a bit surprised to learn that there is consideration to allow an expansion of short-term rentals in Lake Stevens. In the past, we have owned vacation properties in communities that allow these types of rentals (eg, Suncadia and Winthrop), and we are frequent Airbnb/VRBO renters for our family vacations. Based on my experience and opinion, the Lake Stevens community is incongruent with a material expansion of short-term rentals. Communities that have successfully embraced short term rentals tend to be more vacation and/or tourist destinations - that also have related tourism support infrastructure - not suburban residential communities like ours. Further, the need to ensure continued stewardship of our watershed and our beautiful lake (which has been affected by neglect in the past), requires a level of stewardship that is unlikely to be embraced by short-term-renters or absentee owners.

I appreciate that this topic is being investigated, and I was able to quickly review the Planning Department's evaluation of other cities and their respective treatment of short-term rentals. But, I noticed only one city that is a suburban, residential, lake-centric community: Lake Oswego, OR. In my opinion, we should expand the geographic consideration set and include a review of more similar peer communities. This will help us better understand how these similar residential, lake-centric communities are balancing some owners' desire for short term rentals while trying to minimize the potential negative impacts of these properties. For example, perhaps our peers mitigate some of these negative impacts by requiring the property to be owner-occupied, ensuring the owner is onsite to "host" the renters, requiring reasonable licenses/inspections/fees, and setting requirements for parking (including boat trailers) and occupancy limits, etc.

Thank you for taking the time to consider my input, and I look forward to learning more as this matter proceeds. Hopefully, we can chart a course that balances owners' rights while preserving the primarily residential nature of our lake community.

Thank you,

Jeremy Korst
jkorst@korst.org

David Levitan

From: Jeremy Korst (korst.org) <jkorst@korst.org>
Sent: Tuesday, March 15, 2022 5:44 PM
To: David Levitan
Subject: Re: Short Term Rental Input

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David, thanks for the prompt and thoughtful response. I look forward to learning more as this matter progresses. One of the reasons we like Lake Stevens is because of its differentiated and valuable qualities that are unlike some of those cities listed below. Our community really is a gem - and while it faces many of the growth, housing, traffic and other challenges that face so many cities, I believe we can successfully navigate these issues to come out even better and stronger. Thank you for all of your personal work in this regard!

Thanks again!
Jeremy

From: David Levitan <dlevitan@lakestevenswa.gov>
Sent: Tuesday, March 15, 2022 4:54 PM
To: Jeremy Korst (korst.org) <jkorst@korst.org>
Subject: RE: Short Term Rental Input

Hi Jeremy:

Thanks for taking the time to comment on the short-term rental code amendment. I have forwarded your comments on to the individual commissioners.

I wanted to clarify that tomorrow night's meeting is a work session, and not a public hearing. The Planning Commission will be reviewing the draft code language for the first time, after being introduced to the topic and sample codes from other cities at previous meetings, most recently on February 16. Over the last month, we did look at several other lakefront communities, including Kirkland, Sammamish, Issaquah, Mercer Island and Bellevue. Some of that research has been incorporated into the draft code, which in its current form does not propose amending our regulations to allow unhosted rentals. I would anticipate a robust discussion tomorrow night with the Planning Commission, if you would like to tune in via the [Zoom link](#).

The [meeting packet](#) for tomorrow night can be found on the [Agenda and Minutes page](#); use the drop down for March 16 Planning Commission to find the packet if the direct link I provided doesn't work.

Please let me know if you have any questions.

David



David Levitan, *Planning Manager*

City of Lake Stevens | Planning and Community Development
1812 Main Street | PO Box 257
Lake Stevens, WA 98258
(425) 622-9425
dlevitan@lakestevenswa.gov

David Levitan

From: kathy nysether <kathycn@hotmail.com>
Sent: Tuesday, April 19, 2022 3:33 PM
To: lsplanning
Subject: Short term Rental hearing

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Hello Commissioners!

I'm sorry that I am unable to attend or zoom in to your meeting tomorrow.

Thank you for listening to us and coming up with a comfortable update to this code!

I appreciate the work that you have done on this and feel it is good. Maybe as time goes on we will need to re-visit it, but this is great for now!

Kathy Nysether

David Levitan

From: jennifer soler <jennifersoler125@hotmail.com>
Sent: Wednesday, April 27, 2022 6:19 PM
To: David Levitan
Subject: Regarding the updating of the Tourist Home Code

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Attn: David Levitan

Dear City Council,

I am a resident of Lake Stevens and I am very concerned regarding the impact of short-term rentals of rooms / houses in our area.

The language in the current code that requires the host to be in residence during the rental time period and that the host must provide off street parking for tenants, needs to be kept in the code as is and enforced. This will prevent the impact of a "Party House" from decreasing property values and from negatively impacting the community. Due to the housing density of my neighborhood a short-term rental without a host would more likely be booked as a Party House and would have a negative impact on my neighborhood and the community.

I strongly suggest that residences used for rental should have to be registered and inspected to ensure they are meeting the code that is outlined. I am also curious if these "short term rentals" are paying taxes for the use of our city facilities.

If you need further information, please contact me at Jennifersoler125@hotmail.com

Thank you for your attention to this matter.
Jennifer Soler

David Levitan

From: kathy nysether <kathycn@hotmail.com>
Sent: Friday, April 29, 2022 10:44 AM
To: David Levitan
Subject: For May 10th mtg re: Short Term Rental Code

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Attention City Council Members!

I have been following the Planning Commission's discussions on the Short Term Rental Code. I am very comfortable with what they have proposed as the new code. I hope you will agree with the work they have done and approve it as is.

The biggest concern to me is keeping these businesses as Hosted. We had a very uncomfortable few months with an unhosted short term rental in our neighborhood. I feel as long as these rentals are hosted it will curb most of the unwanted noise and daily disruptions that you hear of and keep our community livable. The planning commission has come up with a good plan!

I will keep this short as you can read my previous letter sent to the planning commission for the rest of the details.

Sincerely,

Kathy Nysether

kathycn@hotmail.com

425-238-7631

Just to be clear, the Planning Commission's approved code revision:

LSMC 14.44.064 – Short-Term Rentals

(a) Purpose – the purpose and intent of requiring specific standards for short term rentals (rentals of 30 days or less) is to ensure that their location and operation is consistent with the existing residential character of the surrounding area in terms of appearance, traffic levels and other development standards.

(b) Applicability and General Requirements – the following requirements shall apply to all short-term rentals.

(1) Short-term rentals are allowed in the zoning districts identified in Table 14.40-I.

(2) Short-term rentals are limited to owner-occupied residences and subject to any additional

covenants and restrictions on individual properties.

(3) The owner, authorized agent or property manager shall live on the premises for the entire duration of any short-term rental agreement.

(4) No short-term rental can be rented to more than two separate parties, per facility, or exceed eight total individuals at any time.

(5) The total number of guests covered by a short-term rental agreement shall not exceed two per rented bedroom and six total individuals.

(6) A city business license shall be submitted to the city with the short-term rental application, which shall be evaluated for compliance with the provisions of this section and approved by the Planning Director or designee.

(7) As part of the review process for the initial application, the building official or designee in coordination with the fire marshal shall perform a safety inspection of the property. It shall be the owner's responsibility to ensure that the short-term rental is and remains in substantial compliance with all applicable codes regarding fire, building, health, safety and other relevant laws and regulations. The premises may be subject to safety and compliance inspections as part of the annual business license renewal.

(8) Prior to submitting a short-term rental application, the property owner shall provide written notification to the owners of properties located within a 300-foot radius of the boundaries of the subject property of their intent to operate a short-term rental, and include a copy of the notification and distribution list with their application.

(9) Any non-residential activities beyond the short-term rental of rooms shall require approval of a Home Occupation permit and be subject to LSMC Section 14.44.015.

(10) A short-term rental owner must maintain primary liability insurance consistent with RCW 64.37.050.

(11) Applicable lodging taxes must be paid to the State of Washington, and those payments are the responsibility of the property owner.

(c) Development Standards

(1) A minimum of one off-street parking space that meets all requirements and standards of LSMC Chapter 14.72 shall be provided per rented bedroom in addition to the minimum parking requirement for the residence (see Table 14.72-I). Parking of boat trailers may be allowed so long as an adequate off-street parking area, beyond the minimum requirements detailed above for personal vehicles, is provided and the additional parking

does not conflict with provisions of Chapter 14.48 LSMC.

(2) Approved accessory dwelling units(both attached and detached) may be utilized as short1[1]term rentals subject to all other requirements of this section, including the maximum

number or rental agreements for the property.

(3) Signage shall be limited to four square feet in area, consistent with LSMC 14.68.020.

(4) The property shall give no outward appearance or exhibit characteristics of a business that would be incompatible with the ability of the neighboring residents to enjoy peaceful occupancy of their properties.

(5) Meal service shall be limited to overnight guests. Separate kitchens shall not be allowed in individual guest rooms unless part of an approved accessory dwelling unit (ADU).

(d) Complaints and Enforcement

(1) Complaints and enforcement are subject to the process identified in LSMC Chapter 17.20, with the city's Code Enforcement Officer serving as the main contact for responding to complaints and investigating potential violations.

(2) Penalties levied may include warnings, fees, or the revocation of the applicable business license.

14.08.010 Definitions of Basic Terms.

Boarding House. A residential use consisting of at least one 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 is distinguished from a tourist homeshort-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.

Tourist HomeShort-Term Rental. A hosted residentialsingle-family structure where the owner, authorized agent or property manager lives on the premises, in which individual rooms are rented by the day or weekfor a period up to thirty (30) days, subject to the standards identified in LSMC 14.44.064.

May include but not limited to facilities commonly known as bed and breakfasts, tourist/vacation rentals, Airbnb, VRBO, etc.

David Levitan

From: Aileen Spradlin <aileenspradlin@gmail.com>
Sent: Sunday, May 1, 2022 9:17 AM
To: David Levitan
Subject: City Council meeting 5-10 STRs

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear City Council members,

Our family has lived in Lake Stevens for 65 years. We are privileged to call many other city residents our friends. Our home is in a quiet neighborhood off the Davies Loop Road and we have enjoyed good relationships with our neighbors except for our experience living next door to a unhosted VRBO through the summer 2020.

During that time my husband and I encountered 1 or 2 new groups of renters each week with noise, cars coming and going all hours of the day and night, speeding on our private road. We've endured property damage, illegal parking, trespassing, dogs barking and pooping on our lawn. The stench of marijuana being smoked within several feet of us made it impossible to enjoy our patio/beachfront. Renters used VRBO provided kayaks and paddle boards ignoring watercraft regulations. On July 4 approximately 20 young men and women partied. We observed probable underage drinking, projectile fireworks were discharged onto our property and toward boaters.

We and several of our neighbors complained to the owner on numerous occasions and were placated and told our expectations for safety and privacy were unrealistic simply because we live in Lake Stevens.

When the VRBO owner asked us to provide parking so they could book weddings we learned they were professional property managers. We inquired with the city and requested a code enforcement.

After receiving the cease and desist order, the homeowner embarked on a 10 hour episode of harassment including vulgar obscenities and indecent exposure and ending with police intervention. We installed 3 security cameras surrounding our home.

I have been following the Planning Commission's deliberations closely and appreciate their thoroughness researching how these businesses are being managed in other cities, including waterfront communities, and their acknowledgment that vacation rentals will exponentially impact neighborhoods surrounding the lake especially during summer and fall.

I strongly agree with their recommendation to allow owner occupied short term rental in our residential neighborhoods. The owner must be onsite to assure rules and regulations are being observed for the safety of their guests and the safety, security and privacy of neighboring properties. Speaking from experience, unhosted owner/manager oversight of our neighborhood VRBO failed miserably.

Lake Stevens has become a hugely attractive recreational hotspot and I expect there will be properties offering unhosted rentals under the radar. I fear our single code enforcement officer will be overwhelmed and I believe enforcement will be integral to the success of this new code.

Thank you for your attention and for considering how this code amendment will impact the citizens who live in and support the community of Lake Stevens.

Aileen Spradlin

Sent from my iPhone

April 30, 2022

To the Lake Stevens City Council Members,

Kim Daughtry
Gary Petershagen
Shawn Frederick
Mary Dickinson
Anji Jorstad
Steve Ewing
Marcus Tageant

I've been following the Planning Commission's recent work regarding management of Short Term Rentals and I'm sure you are aware that many cities and counties are reassessing their Short Term Rental (STR) regulations, just as the City of Lake Stevens is, due to the increasing popularity of VRBO and Air BNB businesses.

Many communities are reviewing regulations and codes because in some cases few, if any, regulations and/or little or no oversight existed.

Residents are upset and complaining to their city councils about safety, noise, traffic, parking and garbage. Complaints have surfaced about increased housing costs in areas with a strong STR presence and investors purchasing these properties for profit with little or no regard for the community itself.

Chelan County is currently revisiting their regulations regarding increased numbers of STRs existing in residential neighborhoods and how to best manage complaints.

Lake Tahoe has designated individual districts surrounding their lakefront. Some districts prohibit STRs in Residential zoned areas but allow them to operate in Commercial and Tourist zoned areas.

The city council in Whitefish, Montana is studying ways to "ensure that traditional residential neighborhoods are not turned into tourist areas to the detriment of long term residents."

The Honolulu City Council has aggressively curtailed STR business. They have increased the minimum number of days for STR to 90.

Below is a copy from a city ordinance that was passed in 2021:

RELATING TO TRANSIENT ACCOMMODATIONS.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Findings and Purpose. Short-term rentals are disruptive to the character and fabric of our residential neighborhoods; they are inconsistent with the land uses that are intended for our residential zoned areas and increase the price of housing for Oahu's resident population by removing housing stock from the for-sale and long-term rental markets. The City Council finds that any economic benefits of opening- up our residential areas

to tourism are far outweighed by the negative impacts to our neighborhoods and local residents.

I appreciate the cities' careful consideration of this important matter and I agree with the recommendation for the "owner occupied" requirement which is being presented by the Lake Stevens Planning Commission as the best course of action for our community.

The owner's presence would be preemptive for many problems occurring in the first place whereas no complaints would be reported and no intervention would be necessary.

There was a suggestion at the last Planning Commission meeting that a representative could be hired as an agent of contact for the STR but would not be required to live onsite. My contention is by the time the agent is contacted, the disruption would have already taken place making for very unhappy neighbors. Currently there is one code enforcement officer in the city of Lake Stevens who would, most likely, not be available on that evening or weekend and may well be alerted after the renters have already left the premises. I believe police would be called instead of the agent, putting more strain on the Police Dept.

Please retain the "owner occupied" regulation for Lake Stevens STRs and keep our neighborhoods more neighborly.

Sincerely,
Todd Spradlin

David Levitan

From: Susan Green <sgreen@coastalbank.com>
Sent: Wednesday, May 4, 2022 12:32 PM
To: David Levitan
Cc: Susan Green (sgreen92691@aol.com)
Subject: Statement for support of owner occupied short-term rentals
Attachments: STATEMENT OF SUPPORT FOR OWNER OCCUPIED.pdf

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Please let this correspondence acknowledge my support for the attached statement.

Thank you,

Susan Green
816 E Lakeshore Drive, Lake Stevens WA 98258
Sgreen92691@aol.com

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1-4 Family Appraisal Notice: We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use, at your own cost. In your letter, please give your name and your mailing address.

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STATEMENT OF SUPPORT FOR OWNER OCCUPIED SHORT TERM RENTALS IN THE CITY OF LAKE STEVENS

Lake Stevens is a picturesque community which is conveniently located approximately 30 miles north of Seattle. It has become increasingly popular as a recreational destination for fishing, boating, and a variety of water sports. As such, it is an attractive location for temporary vacation rentals.

The City of Lake Stevens is currently considering how to best manage short term rentals, like Airbnb and VRBO, and issues surrounding them such as noise, privacy, traffic, parking, garbage, and safety.

In an effort to maintain Lake Stevens as a highly desirable residential community, after hearing input from community members, the Lake Stevens Planning Commission has recommended short term rental facilities be “owner occupied”. This recommendation is designed to prevent the purchase and rental of property in this community by individuals or corporations for the sole purpose of profit from short term rentals, with little or no accountability to residents impacted by the renters.

The Lake Stevens City Council is meeting May 10, 2022 to consider the Planning Commission's recommendation and to take input from the community regarding this issue. Please sign this statement of support for the Commission's recommendation that short term rentals be "owner occupied". If possible, your attendance at the meeting will be greatly appreciated.

[illegible]

David Levitan

From: Aileen <aileenspradlin@gmail.com>
Sent: Thursday, May 5, 2022 4:24 PM
To: David Levitan
Subject: Re: May 10 City Council Public Hearing on Short-Term Rentals Ordinance Cancelled and to be Rescheduled for Future Date

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Hi David,

Thank you for sending the YouTube, very interesting discussion and I appreciate the council members concerns for fairness.

Since unhosted vacation rentals have not been permitted in our city I'm wondering how you will be able to demonstrate police complaints associated with them. I have a police complaint from 11-21-2020 if it would be helpful. My husband and I and at least 4 other people can testify to the encounter, I'm certain Officer Wells remembers it.

I hope you can demonstrate how other waterfront communities have recognized the need for additional regulation in Chelan County (Leavenworth-Peshastin area, Lake Wenatchee, Manson, Chelan) and Bellingham (Lake Whatcom Watershed and shoreline areas).

Concerning VRBO and Airbnb doing a good job policing their rentals, how is it we have at least 28 operating under the radar, unlicensed in our city? Additionally, I hope the City Council will recognize by the time these companies are able to address complaints the renters are long gone making for pretty miserable real time living conditions for the surrounding property owners.

And perhaps, in fairness, the city should also reach out to the homes surrounding our "out of compliance" short term rentals to get neighborhood feedback.

I can't say all of the renters next door to us were problematic but overall it was an unpleasant experience and made us feel less secure in our neighborhood. I have talked with as many people I can think of about this matter just to make them aware and am encouraging them to write letters and attend the public meeting. I was curious why the council members didn't have our letters in their workshop packet.

Thank you for your presentation to the City Council, it was very thorough. I appreciate being kept informed and updated regarding this work and your availability for questions.

Aileen Spradlin

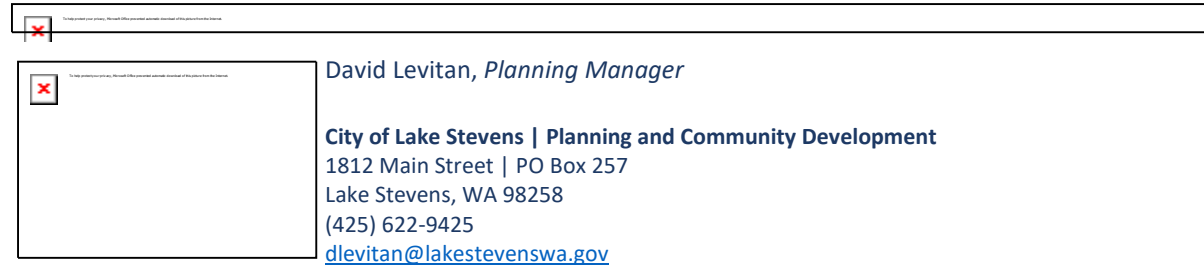
On May 5, 2022, at 10:08 AM, David Levitan <dlevitan@lakestevenswa.gov> wrote:

Hi Aileen:

Thanks for reaching out. Among other things, councilmembers had questions about the parking requirement (one additional space per rented bedroom), the maximum rental party size, the proposed safety inspection (including whether it should be annual), the 300 foot noticing requirement, and the hosted rental requirement. They also requested that we expand our outreach, including property

owners that are currently operating short-term rentals. Here is a link to the [YouTube video](#), if you would like to watch.

David



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From: Aileen Spradlin <aileenspradlin@gmail.com>

Sent: Thursday, May 5, 2022 9:45 AM

To: David Levitan <dlevitan@lakestevenswa.gov>

Subject: Re: May 10 City Council Public Hearing on Short-Term Rentals Ordinance Cancelled and to be Rescheduled for Future Date

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Thanks for the update, David.

Are you able to tell me what were the comments necessitating additional research and what changes to the ordinance did the council want to explore?

Aileen

Sent from my iPad

On May 5, 2022, at 7:34 AM, David Levitan <dlevitan@lakestevenswa.gov> wrote:

Good Morning:

During their May 3 workshop meeting, the City Council reviewed and provided a number of comments on the proposed short-term rentals ordinance recommended by the Planning Commission. At the conclusion of the meeting, the Council requested that staff conduct additional research and outreach, explore a number of changes to the ordinance, and hold an additional work session with Council before bringing the ordinance forward for a public hearing. As such, the May 10 public hearing is cancelled and will be rescheduled for a future date.

Please let me know if you have any questions.

David

David Levitan

From: dubuinc@gmail.com
Sent: Saturday, May 21, 2022 12:45 PM
To: David Levitan
Subject: Short-Term Rental Regulations

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Mr. Levitan,

Item 3 – Most Short Term Rentals do not have owners, authorized agents or property managers living on the premises for the duration of the rental period. I personally would not rent one under those conditions. That is not a realistic expectation. Many short term rentals are from people who own vacation property and like to rent their property when they're not using it to help cover expenses. I could see requiring a contact person in the area to be available while property is being rented.

We are also against limiting the number of days rented to 10 consecutive and 30 days in one calendar year. We only rent our place out to cover the expenses of owning the property: property taxes, insurance and the mortgage. 30 days wouldn't even cover the property taxes. We would be forced to sell our home if these regulations are enforced.

Sincerely,
Concerned STR Property Owner

David Levitan

From: Aileen <aileenspradlin@gmail.com>
Sent: Tuesday, May 24, 2022 5:36 PM
To: David Levitan
Subject: Re: Lake Stevens STR

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Thanks for the update, David.

I've been thinking about their last workshop discussion and comments about the Planning Commission's proposal being lopsided and someone having the ear of somebody at City Hall.

I had the impression they weren't taking our public comments seriously, as verifiable data pertinent to this discussion.

Will you be sharing additional and more detailed information about our neighborhood experience with the VRBO in 2020?

Aileen

On May 24, 2022, at 10:36 AM, David Levitan <dlevitan@lakestevenswa.gov> wrote:

Hi Aileen:

Thanks for checking in. City Council will be holding a work session on the topic at their June 7 workshop meeting, where staff will address topics raised during the May 3 Council work session.

David

-----Original Message-----

From: Aileen <aileenspradlin@gmail.com>
Sent: Tuesday, May 24, 2022 9:23 AM
To: David Levitan <dlevitan@lakestevenswa.gov>
Subject: Lake Stevens STR

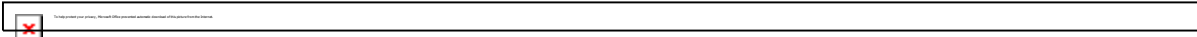
CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi David,

Can you update me regarding the city's continued outreach and research into consideration of short term rentals requested by City Council?

Thank you.

Aileen Spradlin



David Levitan, *Planning Manager*

City of Lake Stevens | Planning and Community Development

1812 Main Street | PO Box 257

Lake Stevens, WA 98258

(425) 622-9425

dlevitan@lakestevenswa.gov

NOTICE: All emails and attachments sent to and from the city of Lake Stevens are public records and may be subject to disclosure pursuant to the Public Records Act (RCW 42.56).

To the City Council,
Attn: David Levitan

My name is Linda and I live in Lake Stevens. I received a letter regarding short term rentals. I only have one home and it is my primary home here in Lake Stevens. I live here with my husband and our 3 children. We are active campers, and when we travel or are out of town visiting family, we chose to rent out our home. When we do this, we are representing true hospitality for the people coming to our beautiful Lake Stevens town. I provide an incredibly generous welcome basket as well as recommending many places for them to visit and/or eat in our town. I also let them use all my subscriptions and provide more amenities than your average Airbnb "home/business". My home is a fully stocked home that I happily share with other families. I share my bikes, helmets, even kayaks or paddleboards if they want to go to the lake and enjoy. I want to give a wonderful experience to those who come to visit our town. I do not have vehicles parked on the street nor do I have any dogs come to my home as my son is deathly allergic and has asthma. We do not allow parties, we are incredibly respectful to our neighbors and our community. We have never encountered a problem. Anyone who has stayed at my house has been incredibly respectful as I vet everyone beforehand to ensure they will be a good fit for my house and our neighborhood.

Because of me being able to share my home, I am able to be the stay-at-home mom I've always wanted to be while my children are young. I currently homeschool and being able to rent my house when I am not home has made it possible for me to raise my children in this manner. They are the incredibly caring, kind, considerate and compassionate children that are members of this community. All 3 are incredibly smart, bilingual, **all** being a part of the highly capable program. This program is for children who are in the top 5% in the country who perform at significantly advanced academic levels compared to other children of the age, experience and environment. Being a stay at home mom has made it possible to spend that extra quality time with them but also add additional education and travel to their lives. Due to my children being bilingual, I try and travel as much as possible during the summer so they can practice their second language. I'd love to be able to continue to do this. Your proposed 30 days is not enough time honestly. This impacts my family's livelihood and would be an incredible hardship as I would not be able to stay home with them. We have no

plans on leaving this community any time soon as it's the perfect place to raise wonderful children and we love it.

I understand that Lake Stevens is becoming saturated with business homes that operate under Airbnb where the owners do not live there and just see it as business but I can assure you, we are not those people. We love our home, our community, our schools, our town. We live here, it's our primary home, our sanctuary, our safe space. I am very involved in volunteering in the Lake Stevens School District as well as my husband who coaches the swim team at the High School pool. Our children attend the Lake Stevens Soccer Club as well as the Storm Swim Team here in Lake Stevens. We open our doors to not only Airbnb but also when UK International Soccer comes to Lake Stevens, we host an average of 2 coaches in our home for the duration of the camp. We show them around town, take them out and create unforgettable memories. We have put down roots in this beautiful town. We are not just an Airbnb, we are a family sharing our home with people who want to come to our beautiful town. It would be nice for people like us to be able to continue to grow within our community and give back and be able to provide for our families and have the option to stay at home and raise my children. I ask that you please take into consideration my family when moving forward.

Kindly,
Linda

From: Magda and David Hopt
1003 Stitch Rd.
Lake Stevens, WA 98258
(206) 930-3497

To: Stevens City Council Members &
Planning Manager David Levitan
dlevitan@lakestevenswa.gov

Date: May 29th, 2022

RE: LSMC Section 14.44.064

Mr. David Levitan

Thank you for reaching out to us regarding LSMC Section 14.44.064. We were late in receiving your letter dated May 12th as we were out of state for a memorial of a dear friend and followed by family vacation over Memorial Weekend. We do have few concerns about the proposed amendments and would like to present information and our experience with long-term and short-term rentals that may be helpful. I have had phone conversations with a couple of council members and would love to have an opportunity to speak to the council or workshop at the next meeting, as I was not informed of the last public hearing. In addition, I have put together some other useful information based on my marketing data that I would like to submit at or prior to the meeting. If you allow me, I can send it to you tomorrow as I am having trouble editing at this late hour upon our return this evening

My husband and me, with our five children and widowed elderly father, relocated to Lake Stevens in 2013 into a home that would accommodate our large family and because it is close to our business in Everett. We also invested in a recreational and retirement investment property which recently was annexed into the City of Lake Stevens. After we became empty nesters, and my father died, our five-bedroom home and a one-bedroom mother-in-law attached apartment not only felt empty but excessive for the two of us; however, we did not want to give up the joy of living in our waterfront home. We were not

interested in long term tenants as our previous experience with long term rental investment properties were tenant problematic and required long and expensive eviction processes. After some research we elected to try Airbnb since it would allow us to have more control over our property and the impact upon our neighbors while having the ability to be more selective of temporary guests that are prescreened via reviews. As responsible “super-hosts” and with our 178 reviews and 4.9 ratings we feel confident that the system is working for us and without a negative impact on our neighborhood; and that we can be a reliable source of information to the city of Lake Stevens. Most importantly, hosting has given us a sense of community involvement and that we are contributing to visitor’s positive experience of Lake Stevens while adding a positive economic impact on local business.

Our Lake Stevens seemed like a wonderful place to provide less privileged people (who cannot afford to live on the lake) access to the same enjoyment we have, and a friendly clean and safe place (regulated by our strict rules and reviews) that people can stay when visiting friends and family or attending events. We see that there are very few options for accommodations in Lake Stevens, especially since it is a tourist destination located at the foothills of the Northern Cascades and the largest natural lake in Snohomish County.

“Since mid-1920s, the entire shoreline of Lake Stevens had been divided into small lots and tracts for **summer homes and resorts**.^[12] Following the demise of the Rucker mill, Lake Stevens was primarily a resort community that drew 3,000 visitors on busy days to fish, swim, and water-ski on the lake”.

Limiting or over-regulating short term accommodations will put a hardship on property owners (suffering from increasing tax rates) and visitors coming to Lake Stevens. With over 178 visitors we found a majority were visiting family/friends while others are work related, real estate related, outdoor athletics and hikers accessing the Northern Cascades and Mountain Loop Hwy Hikes. Then there are those who simply want to get out of the rat race and enjoy few days on our lake. Simply put are no motels or hotels in Lake Stevens and limited accommodations even with Airbnb 28 listings (I will send you data from AirDNA data research site) It seems unfair to the rights of the public and creates a privileged class atmosphere, while infringes on owners’ property rights to use their property in

reasonable ways after paying high taxes. My husband and I are under the impression that tourists are welcomed in Lake Stevens and that our property rights allowed the freedom to share our property. We hope that our city council considers the impact of their decisions and considers all the factors involved in determining the best approach to current and future short term renting needs by not making it nearly impossible for property owners to exercise their property rights and limiting them to the potential problems of long-term renting.

I look forward to contacting you tomorrow and your acceptance of my research data tomorrow though it is nearly past midnight on the 30th of May.

Sincerely,

Magda Hopt
206-930-3497

June 1, 2022

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

Dear Council Members and Mayor

I am writing to you regarding Short Term Rentals' (STRs) code and regulations in Lake Stevens. I have researched the experience of other cities to better understand the issue of STRs and concluded that the Owner Occupied STR is the only reasonable means of providing short term rentals in residential areas of Lake Stevens.

We are first and foremost a residential community, not a tourist town. The city has worked hard and invested carefully to create a city where families can live, work and play in safe residential neighborhoods. Major efforts and investment have been made to develop commercial areas to stimulate local employment and provide goods and services to those living here. The city has invested significantly in up-dating parks, creating quality recreational facilities and places for families and friends to meet, and has hosted many activities that attract people from areas outside the city to visit and enjoy our special environment. Our boat launches support water sports of all kinds ranging from rowers and fishers to water skiing and surfing.

Lake Stevens is indeed a unique residential community. It is all about the residence who live here now or chose to live here in the future.

With respect to Short Term Rentals (STRs), the question is how will they affect the nature of our community? Many jurisdictions have found that non-owner occupied STRs (commercial STRs) do not fit the nature of residential neighborhoods and are now attempting to "unwind" the negative impact of this commercial enterprise using "grandfather" clauses and non-conforming use designations and requiring property sellers to give written notice that the property may not be used as an STR. Many more cities and counties are grappling with this question where it has grown unregulated. Some are starting out just like Lake Stevens, others are attempting to bring order and sensibility to a commercial

activity that has gotten out of hand. The preamble to a recently adopted code by the City and County of Honolulu says it well:

Related to Transient Accommodations

Section 1. Findings and Purpose. Short-term rentals are disruptive to the character and fabric of our residential neighborhoods; they are inconsistent with the land uses that are intended for our residential zoned areas and increase the price of housing for Oahu's residential population by removing housing stock from the for-sale and long-term rental markets. The City Council finds that any economic benefits of opening-up our residential areas to tourism are far outweighed by the negative impacts to our neighborhoods and local residents.

(Ordinance 22-7, adopted by City and County of Honolulu Council on April 13, 2022, and signed by the Mayor on April 26, 2022)

Closer to home; Bellingham and Chelan County have recently adopted regulations to limit and regulate the use of short-term rentals in residential areas. Their findings of fact and conditions coincide with the same conclusions that the City and County of Honolulu reached:

Bellingham:

The regulations are intended to balance the economic opportunity created by STR's with the need to maintain the city's housing supply and protect the rights and safety of owners, guests and neighbors. (Bellingham Municipal Code Section 20.10.037)

Chelan County

The provisions of this chapter are necessary to promote the public health and safety by protecting year-round residents' enjoyment of their homes and neighborhoods by minimizing the nuisance impact of short-term rentals on adjacent residences and by minimizing the detrimental impact of excessive short-term rentals on the affordable housing supply. (Chapter 11.88.290, Section C Supplementary Provisions and Accessory Uses)

When we look to tourist-oriented jurisdictions, we find the same concern over the impact of STRs. Tahoe Nevada and Mammoth Lakes, CA are just two examples.

Washoe County Nevada (Lake Tahoe)

To date, most of the HOAs in the area have banned vacation rentals. (add cite)

Mammoth Lakes California

Chapter 17.20 – Residential Zoning Districts

The purpose of Residential zoning Districts are to: reserve appropriately located areas for residential use at various ranges of dwelling unit densities and types consistent with the general plan and sound standards of public health, safety, and welfare.

- ***RSF (Residential Single-Family) District. Transient occupancy or rental, hotels and motels, bed and breakfast, and group living quarters uses are not permitted in this zone. Only those uses are permitted that are complementary to and can exist in harmony with a residential neighborhood.***
- ***RMF-1 (Residential Multiple-Family) District. Transient occupancy or rental and hotel and motel uses are not permitted, Bed and breakfast uses are permitted.***

Clearly, the experience in these cities and communities of converting residential housing in residential areas to short term rentals creates significant problems for the neighborhood, removes housing from the for-sale and long-term rental markets and utterly changes the nature of a residential neighborhood and community.

Short term rentals without owner occupancy are, in-fact, layering a commercial zone on the top of a residential zone which undermines the whole purpose of creating land-use zones that eliminate incompatible land-use activities.

Is There a Middle Ground

Yes, there is a middle ground; It is Owner Occupied Short-term Rentals with a clear set of regulations specifically tailored for this use. It is how a balance can be achieved, not by allowing commercial STR's to layer over the top of residential zoned neighborhoods.

The Benefits of Owner Occupied STRs

1. Owner Occupied STRs will not disrupt or become a nuisance to neighborhoods and the community.

2. Owner Occupied STRs in Lake Stevens would make the city even more accessible to others to enjoy the lake, to participate in sporting and other activities and events and to produce income for the homeowner and perhaps do business in Lake Stevens.
3. A well-regulated Owner Occupied STR system will encourage good neighbors and investment in neighborhood homes. To be successful; regulations need to be specific to the STR's. Neighbors and the city need to be assured compliance with health and safety standards, fire codes, parking requirements, (lake regulations), noise and nuisance restrictions and other "good neighbor" standards. These regulations create a safe and appropriate environment for the renter who would expect the rental unit to be safe and welcoming.

Rules and regulations are needed up front. Many of the communities cited in this memo as well as others have experienced the difficulty of imposing standards after the fact. Lake Stevens can take a lesson from these other jurisdictions.

In a well-regulated Owner Occupied STR system the owner carries the burden of ensuring a safe environment that fits into the residential neighborhood. An Owner Occupied STR is the first line of responsibility to assure compliance and to minimize or avoid shifting this to city code enforcement or the police. Expecting city code enforcement or police to be an effective first line is not realistic, nor should it be their priority.

Bellingham is a good example of regulations required of STRs.

Bellingham's key regulations include:

- In residential Zoning Districts, STRs are limited to one per operator
 - >The dwelling unit, including accessory dwelling units, hosting the STR must serve as the primary residence of the owner or long-term renter (with at least a 270-day

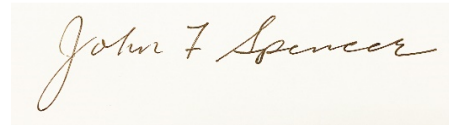
lease) for at least 270 days/year and the whole unit may be rented no more than 95 days/year.

- In single-family zones, STRs are not permitted in detached accessory dwelling units.
- In Commercial and Urban Village Zoning Districts:
 - >There is no limit on the number of STRs per operator
 - >STRs may be located in primary or nonprimary residences
 - >For STRs in nonprimary residence, there is no limit on the number of days/year the unit may be rented.
- In all Zoning Districts:
 - >STRs are not allowed in the Lake Whatcom Watershed or shoreline areas.
 - >STRs are not allowed in units subsidized by the multi-family tax exemption program or other housing subsidy programs.
- No more than 5 bedrooms in a dwelling unit.
- Only one off-street parking space during guest stay.
- Operator responsible for enforcing nuisance codes (noise, lighting, garbage and refuse, etc.).
- Good neighbor guidelines must be posted.
- No events for compensation in residential zones (i.e. wedding receptions, etc.)
- Owner responsible for compliance with safety requirements established in city code, inspected by city and attested to by owner.
- Proof of business license
- Proof of liability insurance.

While more research and information are needed to assess the impact of STRs on a community; it is clear by the experience of other jurisdictions that Owner Occupied STRs, when well-regulated, can fit into residential zones and create benefits for the community.

Please preserve and protect our residential community for those who live here now and may choose to live here in the future.

Thank you.

A handwritten signature in brown ink on a light beige rectangular background. The signature is written in a cursive style and reads "John F. Spencer".

John Spencer
9925 N. Davies Rd
Lake Stevens, WA

CC: Gene Brazil, City Administrator
Russ Wright, Director

Short-Term Rental Topics Discussed at May 3 City Council Workshop

Existing regulations – Tourist Homes 14.44.064	Draft Regulations Recommended by PC	Discussion	Councilmember Concerns	Alternative Option 1	Alternative Option 2
Owner Occupancy (Hosted) Limited to 30 days per year and no more than 10 days by one party.	Owner Occupancy (Hosted): Owner, property manager or designee must be present during entirety of all stays. No unhosted stays permitted. Similar regulations: City of Lake Oswego, OR	- Maintains primary residential use - Ensures adequate oversight - Provides onsite contact for issues that arise - Maintains existing requirement - Majority of public comments received were in support	- Economically unfeasible - Limits property rights - Public comments received may not be representative of majority opinion	Unhosted stays allowed outright Example: City of Everett - Unhosted stays allowed as long as owner receives business license and meets maximum guest (8) and minimum parking (3 or 4) requirements - Allows for unhosted STRs for the entirety of the year - No local property manager/agent required	Unhosted stays allowed with additional requirements (local contact and/or max # of days) Example: City of Kirkland - Owner or authorized agent must occupy property as primary residence for ≥ 245 days per year - Unhosted rentals limited to 120 days/year - Property manager within 15 miles must be identified for days when STR is unhosted
Administrative Conditional Use Permit (ACUP) requires 300-foot mailing radius, with 14-day comment period.	Noticing Requirement: Property owners must send notice of intent to operate an STR to neighbors within 300 feet and submit proof with their STR application. 300 feet is same distance required by Type II ACUP.	- Provides early notice to neighbors - Allows neighbors to provide their thoughts	- Seems excessive for an outright permitted use - Advertises fact that residence may not be occupied year-round - Required prior to application submittal	Send public notice to immediately adjacent neighbors.	No public noticing required Examples: Everett, Milwaukie
Business license w/ home occupation endorsement reviewed by Planning, Building and Fire	Health/Safety Inspection: As part of initial review, Building Official will work with Fire Marshall to conduct health and safety inspection. Annual inspection may be required as part of business license renewal.	Ensures adequate health and safety standards in place for transient tenants, most notably ingress/egress	- Felt was more appropriate for commercial uses - Was unsure whether this would be required on annual basis - Concerned about cost and discussion of ADA compliance	One-time inspection required as part of initial application, focused primarily on egress Example: City of Milwaukie, OR	No health/safety inspection required, treat the same as a long-term rental (Fire and Building Inspection would likely be required at new construction or change of use if a multifamily use)
Five rooms, or 25 percent of the gross floor area of the house, whichever is less	Maximum Number of Parties and Occupants: No more than eight total renters (max of six in one party) and two separate rental parties. Similar regulations: City of Everett	Helps ensure that use is compatible with surrounding residential neighborhood	- Families with more than four kids wouldn't be able to rent - Not tied to any building code requirement	Cap on number of parties but not individuals Examples: City of Milwaukie, OR Limited to two separate parties at one time	No cap on number of parties or individuals, subject to Building Code limitations (There are no building code limitations for this type of occupancy)
2 spaces per dwelling unit plus one space per room rented out	Maximum Number of Parking Spaces: One parking space per rented bedroom in addition to requirement for primary use (two per SFR)	- PC had concerns about lack of street parking, especially along the lake - One rental party might comprise a number of unrelated individuals each with their own vehicle	Families might rent several bedrooms but only have one vehicle, while the property owner would be required to provide 3-4 additional spaces	Establish minimum number of spaces for overall use, not tied to number of bedrooms Example: City of Everett 3 parking spaces (for primary residence plus STR) required for sites with on-street parking in front, 4 if no on-street parking available	
NA	Lodging Tax: Applicable lodging tax must be paid to State of Washington. No language about city lodging tax. State Lodging Tax	Collection of state tax required by state law so good to include in code language	Asked about whether we should implement a local lodging tax	Implement a local lodging tax - Can levy 2% “additional” or “special” lodging tax, per RCW 67.28.181 - More information on MRSC - Requires formation of a Lodging Tax Advisory Committee (LTAC)	



One Community Around The Lake

LUA2022-0046 Short-Term Rentals Code Amendment

CITY COUNCIL WORK SESSION

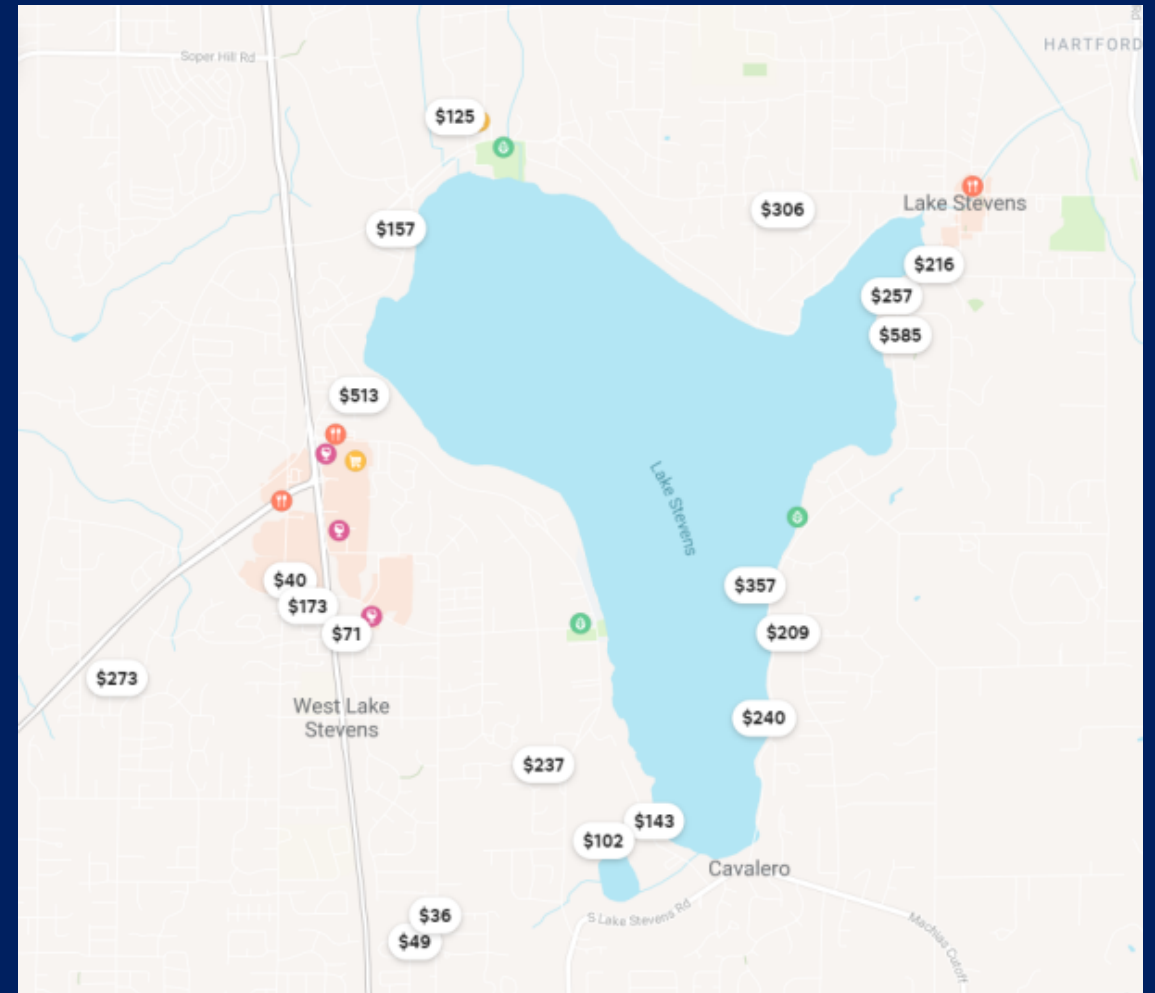
6/7/2022

Current Code Background

- Regulations unchanged since initially adopted in 1998
- Requires owner occupancy
- Limited to 10 consecutive days and 30 days total in calendar year
- Require an ACUP (Type II permit) in residential zones per Table 14.40-I

Map from Airbnb

- About 25 appear to be operating
- Only 1 has been permitted
- Enforcement on a complaint basis



Procedural Background

- On May 3, Council held a previous work session on proposed amendments
- Based on Planning Commission's 5:1 recommendation and;
 - Other cities regulations
 - Public comments
 - BMP Manual for STRs
- Staff has compiled a spreadsheet (Attachment 4) summarizing council comments

Proposed Draft Language (Attachment 1)

- No “unhosted” rentals, no limit of 10 consecutive days or 30 total days
- Establishes a maximum of two different parties. No more than 8 total guests or 6 per party
- 1 additional off-street parking space per bedroom rented
- No more ACUP. Business license and Type I Land Use application required
- Notice to neighbors within 300 feet
- Requires liability insurance and remittance of state lodging taxes

Public Outreach

- Based on the direction of council at the May 3 meeting, staff sent out a letter asking for feedback (Attachment 2)
 - Sent to 22 listings
 - 5 letters were returned
- Comments received have been included in the packet and sent to council
 - 18 emails from 12 individuals as of June 1
 - Most commenters were not operating STRs

Questions?

Topic 1: Hosted vs Unhosted Rentals

- PC Recommendation: Require property owner or designee be on-site during all stays (“hosted” stay)
- PC discussed allowing unhosted rentals but ultimately decided that hosted rentals would provide better oversight and code compliance
- Several councilmembers as well as existing STR operators expressed concerns about economic viability of hosted rentals
- **Should city allow unhosted rentals?**
 - **If so, should there be a limit on number of rental days?**
 - **If so, should the owner or designee be available within a certain distance?**

Topic 2: Business License and Health and Safety Inspection

- PC Recommendation: Require a health and safety inspection as part of initial business license application
- Councilmembers questioned whether this was appropriate for short-term residential use, especially if required on annual basis. Staff clarified that ADA compliance would not be required
- Should a business license be required?
- Should a health and safety inspection be required?
 - If so, should it be one-time or on an annual basis?

Topic 3: Public Notice

- PC Recommendation: Require applicant to provide notice to property owners within 300 feet, and submit proof as part of applications
- Some councilmembers felt this was excessive for an outright permitted use, and might alert people to unoccupied properties
- Should city require public notice ?
 - If so, should it go to all owners within 300 feet (similar to Type II/III process), or just to adjacent neighbors?

Topic 4: Off-street Parking

- PC Recommendation: Require one additional parking space per rented bedroom beyond parking required for primary use (2 for detached SFR)
- Councilmembers were concerned that a large family might have only one vehicle but the STR operator would be required to provide multiple parking spaces
- **Should city require additional off-street parking for STRs?**
 - **If so, should it be a set amount or established by bedroom count?**

Topic 5: Party Size and Number of Concurrent Rentals

- PC Recommendation: Allow no more than two concurrent rentals, with no more than six individuals in one party and eight total individuals
- Fire and building codes do not establish maximum occupancy for STRs
- Councilmembers expressed concerns about larger families
- **Should city have maximum party size or number of rentals?**
 - **If so, should there be a limit on individual party size and/or total renters?**

Topic 6: Lodging Tax

- PC Recommendation: Requires collection of state lodging tax, but silent on potential local lodging tax
- Councilmembers were interested in exploring a local lodging tax
- Staff did additional research, and determined that:
 - City would need to establish a Lodging Tax Advisory Committee
- **Should city explore establishing a local lodging tax?**

CITY COUNCIL STAFF REPORT



Agenda Date: 6/7/2022

Subject: Capital Projects Update

Contact Person/Department: Russ Wright, Aaron Halverson, Barb Stevens,
Community Development

Budget Impact: Budgeted projects

Legal Review: No

RECOMMENDATION(S)/ACTION REQUESTED:

No action required - briefing

SUMMARY/BACKGROUND:

Planning and Community Development, Public Works and Finance have been coordinating tonight's discussion related to capital projects. The briefing will focus on current projects as identified in the city's Comprehensive Plan and Capital Facilities Plan, with an emphasis on active projects. Next, staff will discuss a proposed methodology to help rank and prioritize capital projects, specifically focusing on roads and sidewalks. Based on this methodology, staff will present a revised project inventory that will be further discussed as part of the 2022 Comprehensive Plan and 2023 budget allocation processes. A suggested TIB project list will also be presented based on the scoring matrix. Finally, staff will discuss funding sources including grants, impact fees and other local revenue options.

APPLICABLE CITY POLICIES:

Comp Plan / Budget and procurement

ATTACHMENTS:

1. Council Update_June 7, 2022_Project Update



One Community Around The Lake

Capital Priorities Overview

City Council Workshop June 7, 2022

AARON HALVERSON

BARB STEVENS

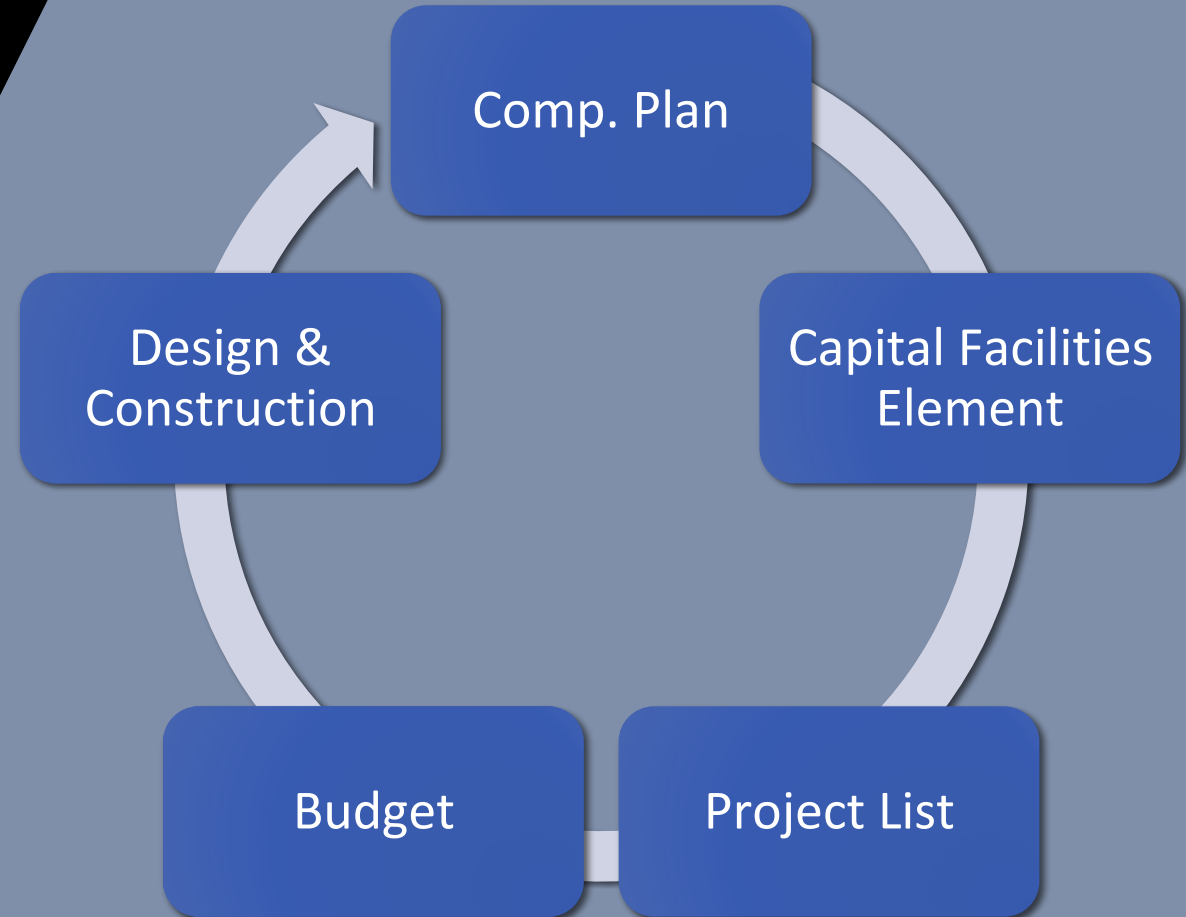
RUSS WRIGHT



Current Projects – 2021 /2022 Budgets

Comprehensive Plan & Capital Facilities Plans

- Comp. Plans are updated annually
- A Capital Facilities Plan is a mandatory element
- The Capital Facilities Plan includes:
 - ❖ 20-year project list &
 - ❖ 6-year improvement plan
- Projects are funded through the yearly budget based on available funds & project priority





Capital Facilities Plan*

2021 20-YEAR LIST



- # Road Projects - 32
- # Sidewalk/Path Projects - 15
- # Stormwater Projects - 3

2021 20-YEAR LIST



- # Park Projects - 10
- # Facilities Projects – 4

* This list is incomplete - several projects will be modified or added for 2022 during the comprehensive plan docket

Capital Facilities Plan*

2021 6-YEAR LIST

Road Projects - 6

Road Projects Total - **\$22,685,000**

Sidewalk/Path Projects - 7

Sidewalk/Path Projects Total - **\$19,658,800**

Stormwater Projects - 1

Stormwater Projects Total - **\$250,000**

2021 6-YEAR LIST

Park Projects -17

Park Projects Total - **\$10,689,866**

Other Projects - 2

Facilities Project Total - **\$95,000**

* This list is incomplete - several projects will be modified or added for 2022 during the comprehensive plan docket



Active Projects

Active Projects

Planning

Frontier Heights Phases II & III

Eagle Ridge Park Phase II

79th Ave SE

Main Street

South Lake Stevens Path Phase II

16th Street NE Multi-use Path

91st Ave SE Sidewalks

Grimm House Landscaping

Cedarwood Clubhouse

City Hall

Design

Sunset Beach Phase I

North Cove Restroom/
Concessionaire

Davies Beach Pier

20th St. Ballfields and
Powerline Trail

North Cove Park Turf
Restoration

ADA Transition

117th Ave NE Sidewalks

Museum

Lake Outlet/Weir/Culverts

Construction

Davies Beach Dock

Mill Spur

91st/24th Street SE

Annual Overlay

SR9/S. Lake Stevens

Key

Parks

Roadway

Sidewalks/Pathways

Facilities

Surface Water



Other Projects

- Economic Development
 - ❖ Retail Strategies Retail Recruitment
- Planning
 - ❖ Hartford / Machias Industrial Center
 - ❖ Housing Action Plan
 - ❖ Shoreline Inventory and Update
 - ❖ Transportation Element Analysis
- City Hall
 - ❖ Alternatives Analysis – new construction / remodel
 - ❖ Funding
- Museum
 - ❖ Design nearly complete
 - ❖ Construction Funding
 - ❖ Maintenance & Operation

Facilities Projects

- City Hall
 - ❖ New Construction - \$16.7 million
 - ❖ Buy an Existing Facility - \$4 to \$7 million*
- Funding Sources
 - ❖ Property Sales
 - ❖ REET
 - ❖ Bond Debt
- Museum
 - ❖ Revised Cost Estimate - \$2.2 million
- Funding Sources
 - ❖ Grant Request - \$741,000
 - ❖ Property Sales - \$500,000
 - ❖ Local funds (new money) - \$959,000
 - ❖ LSHS fundraising - ?

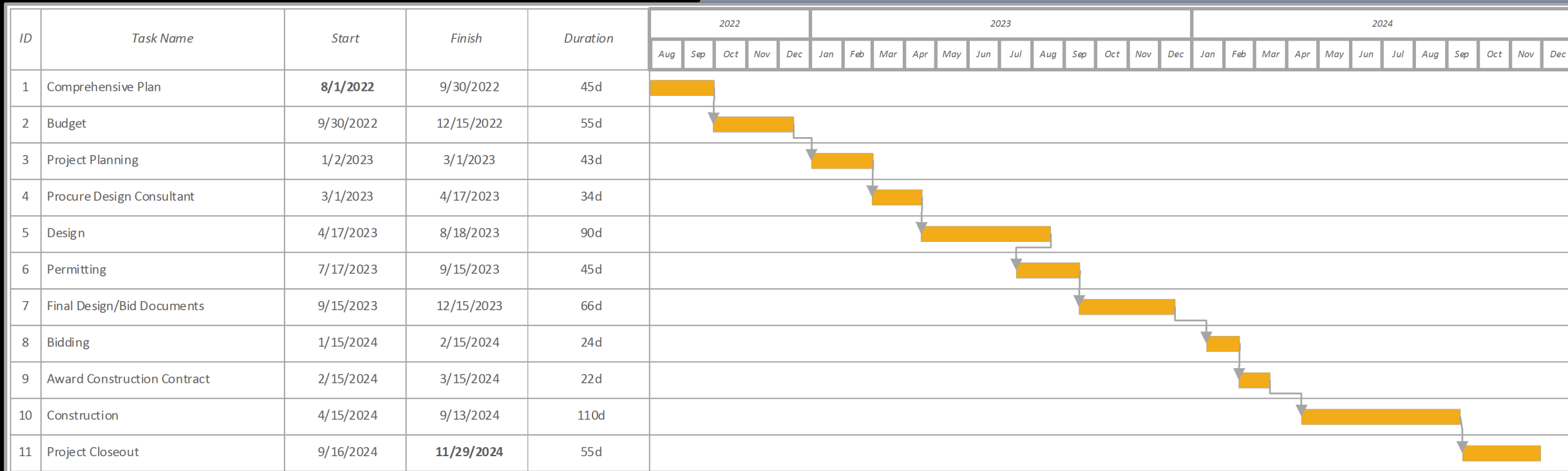
* Waiting for appraisal for actual property values

Project Timeline Example

Capital projects take ~2 years to complete, from concept to closeout.

Securing grants adds 2 or more years to the project schedule.

Main Street Project - Schedule +2 Year (Example)

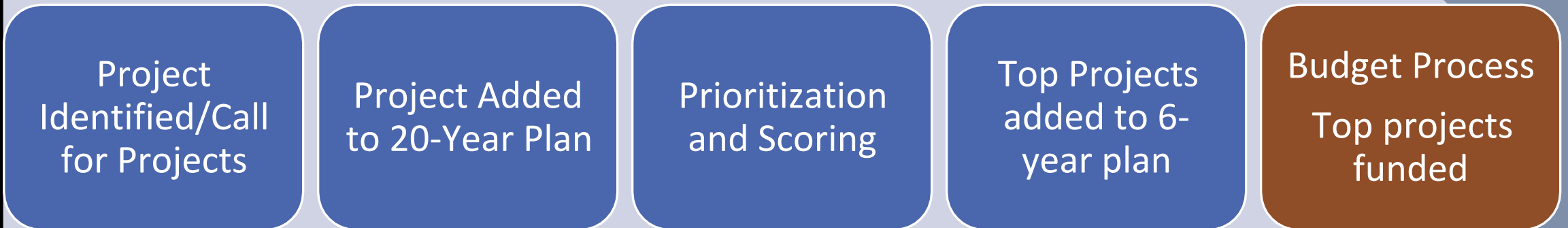




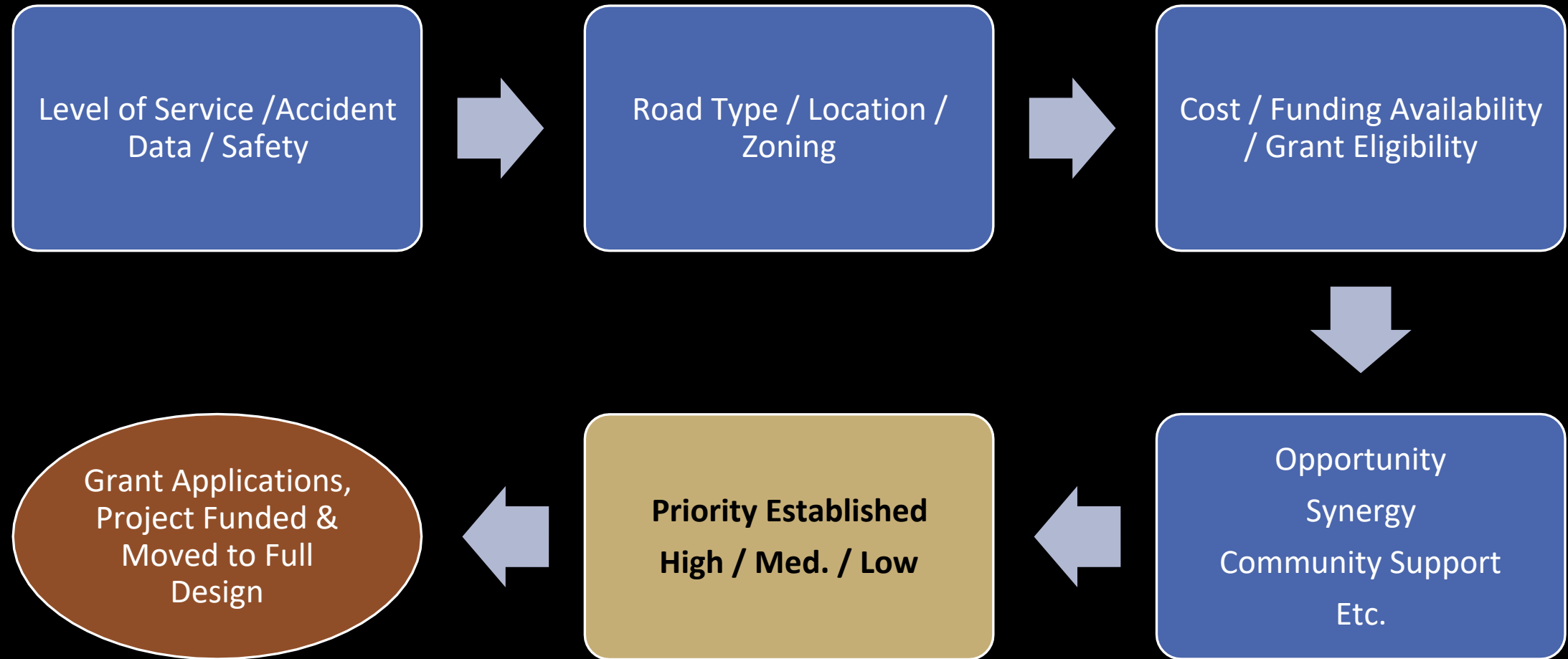
Proposed Project Methodology for ≥ 2022

- Roads
- Sidewalks / Pathways
- Stormwater
- Parks
- Facilities

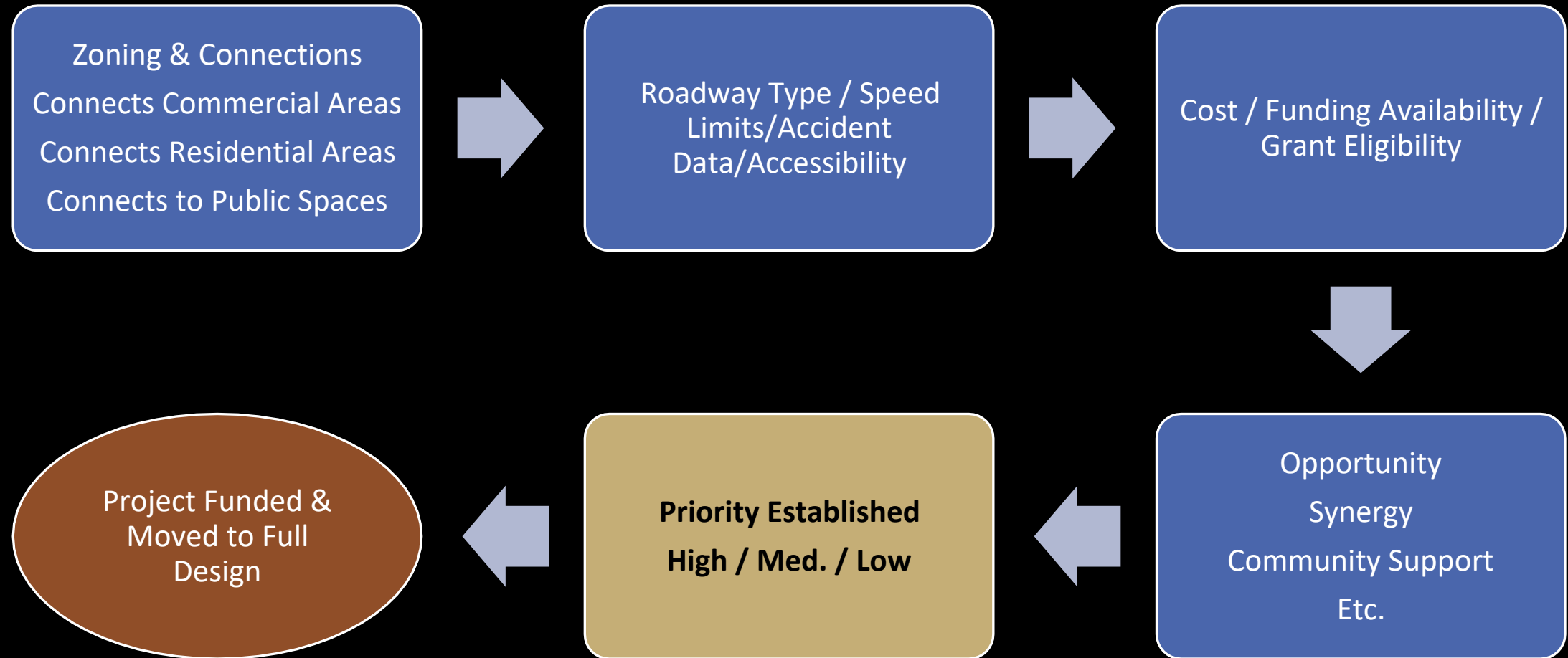
Project Methodology Flowchart



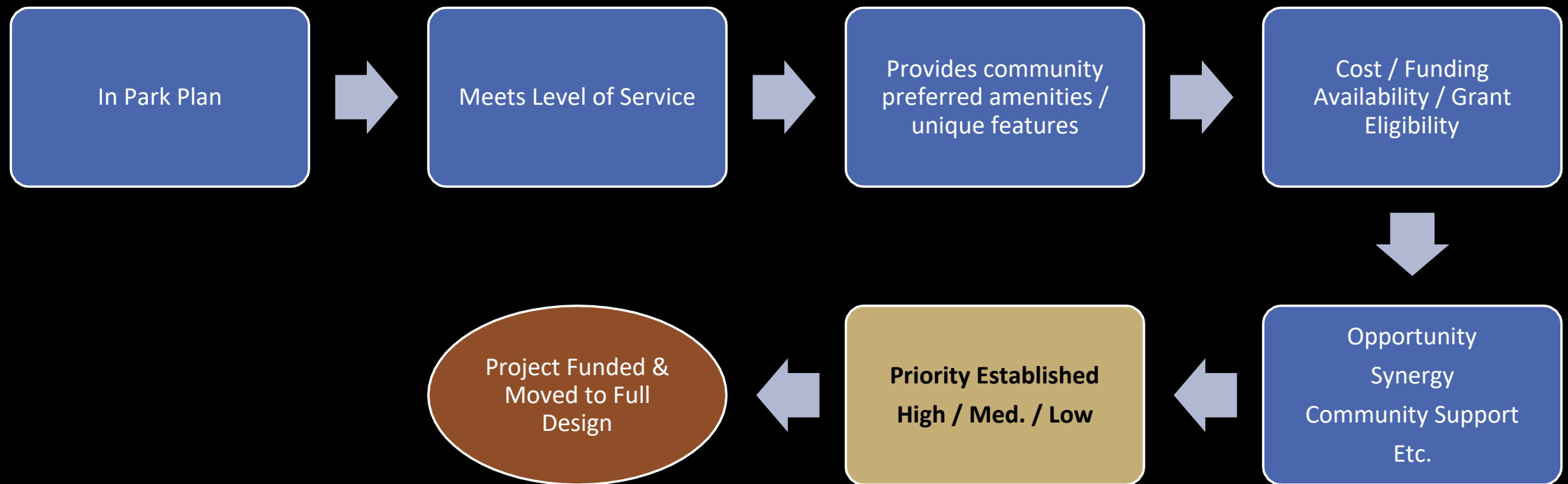
Roads - Prioritization & Scoring



Sidewalks - Prioritization & Scoring



Parks - Prioritization & Scoring





Revised Project Inventory (Roads and Sidewalks)

Evaluation Criteria									
Priority	Use Type Within 1/2	Roadway Type	Accident Data	Facility within 1/4 Mile	Facility within 1/2 mile	Cost	Opportunity	Grant Eligibility	Dedicated Funding
High = 3	Commercial	Minor Arterial	Fatal Accident	Adjacent to a medical office		<\$1,000,000	Public Support is Strong	Eligible for more than two grants	Full Funding
		Collisions involving pedestrians	Vehicle on Ped Accident	Adjacent to services for the disabled			Political Support is Strong		
		Streets with highway interchange		Adjacent to a library					
				Adjacent to a senior center or senior housing					
				Adjacent to a school					
				Adjacent to a high use transit stop					
Medium = 2	Mixed Use	Major Collector	Serious Injury Accident	Adjacent to a public office	Adjacent to a medical office	1,000,001-5,000,000	Public or Political Support Strong	Eligible for one grant	>50% Funded
	Multi-Family	Minor Collector		Adjacent to a park	Adjacent to services to the disabled				
				Connects or completes street(s)	Adjacent to a library				
					Adjacent to a senior center or senior housing				
					Adjacent to a school				
Low = 1	Single Family	Neighborhood	Other		Adjacent to a high use transit stop	>5,000,001	Support Not Known/Not Supportive	Not eligible for grants	<50% Funded
	Industrial				Adjacent to a public office				
					Adjacent to a park				
					Connects or completes street(s)				

Future Roadway Projects - Prioritized

Lake Stevens - Roadway Projects					Scoring Criteria									Average Score
Project Number	Project Name	Start	End	Total Cost	Highest Land Use Type Within 1/2 Mile	Roadway Type	Accident Data	Facility within 1/4 Mile	Facility within 1/2 mile	Cost	Opportunity	Grant Eligibility	Dedicated Funding	
RD-100	79th Ave SE Access Road Main Street	20th St. NE	83rd Ave SE	3,163,500	3	2	1	3	2	2	3	3	3	2.11

Lake Stevens - Roadway Projects					Scoring Criteria									Average Score
Project Number	Project Name	Start	End	Total Cost	Highest Land Use Type Within 1/2 Mile	Roadway Type	Accident Data	Facility within 1/4 Mile	Facility within 1/2 mile	Cost	Opportunity	Grant Eligibility	Dedicated Funding	
RD-100	79th Ave SE Access Road	20th St. NE	83rd Ave SE	3,163,500	3	2	1	3	2	2	3	3	3	2.11
RD-101	16th Street NE Redevelopment	16th Street NE	20th Street NE	7,198,720	3	2	1	3	2	1	3	3	2	1.89
RD-102	91st Ave NE Commercial Revitalization	Market Place	SR 204	6,748,800	3	2	3	3	2	1	2	3	1	1.89
RD-103	99th Ave NE - Boulevard	Market Place	4th Street NE	5,848,960	3	2	1	3	2	1	1	3	1	1.56
RD-104	Grade Road - Boulevard	Hartford	Catherine Drive	15,747,200	3	2	1	3	2	1	1	3	1	1.56
RD-105	125th Ave NE/18th St NE/20th St NE Downtown Roadway Improvements	Main Street/18th St. NE Intersection	Main Street/20th St. NE Intersection	4,150,512	3	1	1	3	2	2	1	3	1	1.56
RD-106	79th Ave SE/8th St. SE Intersection	79th Ave SE	8th St. SE	899,840	1	2	1	1	-	3	3	2	1	1.44
RD-107	Madrona Drive	Lake View Drive	End of Road	1,057,312	1	1	1	2	1	2	1	1	1	1.11
RD-108	Alder Road	Lake View Drive	End of Road	1,574,720	1	1	1	2	1	2	1	1	1	1.11
RD-109	101st Ave NE	Lundeen Parkway	30th Street NE	4,724,160	1	1	1	2	1	2	1	1	1	1.11

Sidewalk Project Evaluation

Criteria

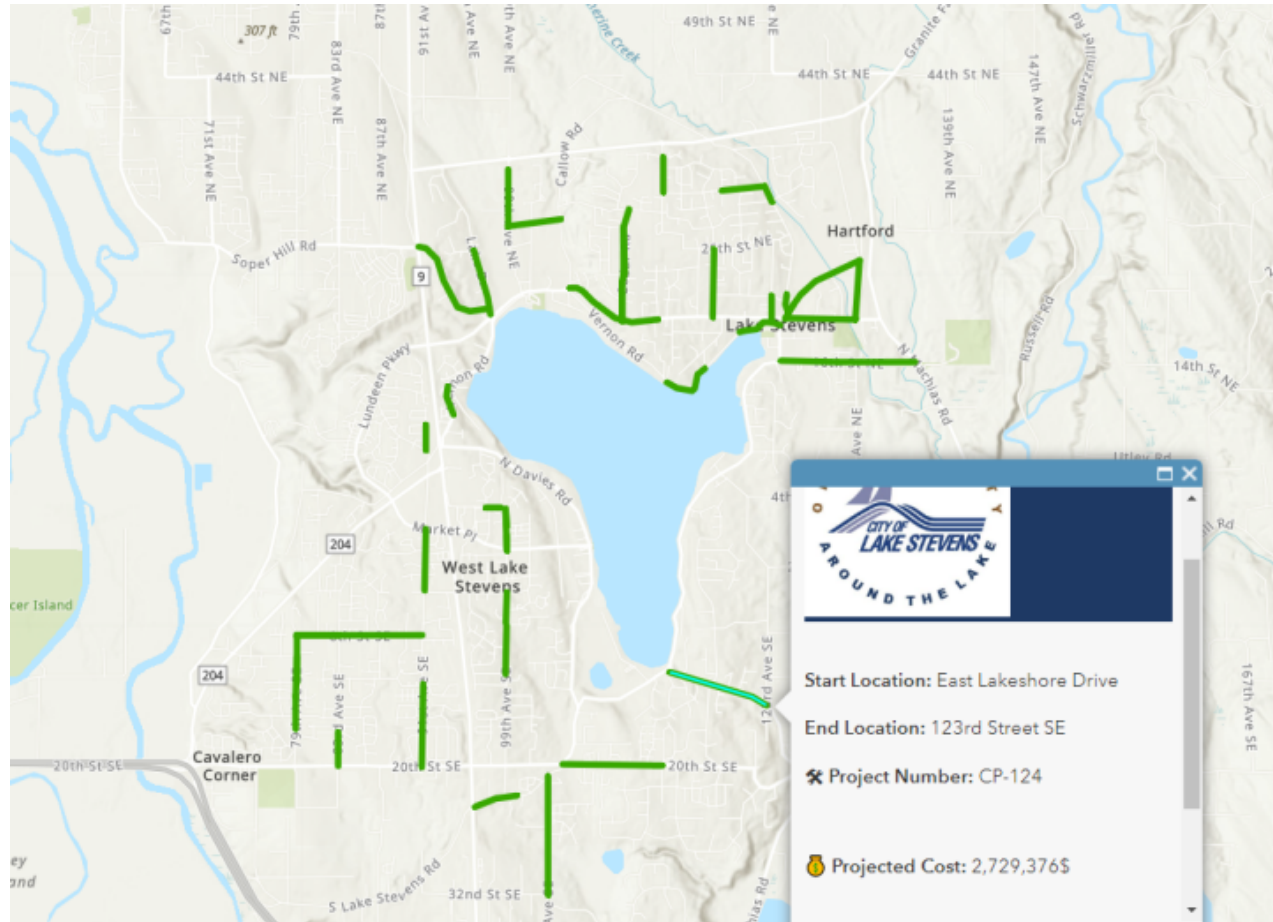
Priority	Zoning	Roadway Type	Pedestrian/Bicycle Accidents	Facility within 1/4 Mile	Cost	Opportunity	Grant Eligibility	Dedicated Funding
High = 3	Commercial, incl. School	Minor Arterial	More than one Ped/Bicycle Accident	Adjacent to a medical office	<\$150,000	Public & Political Support is Strong	Eligible for more than two grants	Full Funding
		Collisions involving pedestrians		Adjacent to services for the disabled				
		interchange		Adjacent to a library				
				Adjacent to a senior center or senior housing				
				Adjacent to a school				
				Adjacent to a high use transit stop				
Medium = 2	Mixed Use	Major Collector	One Ped/Bicycle Accident	Adjacent to a public office	\$150,001 to \$500,000	Public or Political Support Strong	Eligible for one grant	>50% Funded
		Minor Collector						
				Adjacent to a park				
Low = 1	Single Family	Neighborhood	No Record	Connects or completes street(s)	>\$500,000	Known/Not	Eligibility Unknown	<50% Funded
	Industrial							

Future Sidewalk Project - Prioritized

Lake Stevens - Sidewalk Project Ranking Criteria						Scoring Criteria								
Project Number	Roadway	Start	End	Total Cost	Zoning	Zoning Score	Functional Classification	Vehicle on Ped Accident Data	Facility within 1/4 Mile	Cost	Opportunity	Grant Eligibility	Dedicated Funding	Average Score
CP-101	16th Street NE	Main Street	Machias Cutoff	1,623,024	Multi-Family	2	2	2	3	1	3	3	2	2.25

Lake Stevens - Sidewalk Project Ranking Criteria						Scoring Criteria								
Project Number	Roadway	Start	End	Total Cost	Zoning	Zoning Score	Functional Classification	Vehicle on Ped Accident Data	Facility within 1/4 Mile	Cost	Opportunity	Grant Eligibility	Dedicated Funding	Average Score
CP-101	16th Street NE	Main Street	Machias Cutoff	1,623,024	Multi-Family	2	2	2	3	1	3	3	2	2.25
CP-1275	91st Ave SE	4th St. SE	Market Street	606,528	Single Family	3	2	2	3	1	3	3	1	2.25
CP-1285	91st Ave SE	8th Street SE	4th Street SE	808,704	Single Family	3	2	2	3	1	3	3	1	2.25
CP-1315	91st Ave SE	Market Place	12th Street SE	1,375,920	Single Family	3	2	3	3	1	2	3	1	2.25
CP-107	117th Ave NE	20th Street NE	26th Street NE	1,224,288	Single Family	1	2	3	3	1	2	2	3	2.13
CP-1415	North Lakeshore Drive	Main Street	123rd Ave NE	131,976	Commercial	3	2	2	2	3	2	2	1	2.13
CP-1405	S. Lake Stevens Road	100th Dr SE	SR 9	1,124,604	Multi-Family	2	2	1	3	1	3	2	3	2.13
CP-112	Soper Hill	Lake Drive	RAB at SR9	1,714,284	Commercial	3	3	1	3	1	3	2	1	2.13
CP-1325	113th Ave NE	32nd Street NE	36th Street NE	68,796	Commercial	3	1	1	3	3	2	2	1	2.00
CP-1395	20th Street NE	Main Street	131st Ave SE	29,484	Commercial	3	3	1	3	3	1	1	1	2.00
CP-104	Grade Road	Hartford Drive	Library	383,292	Commercial	3	2	1	3	2	3	1	1	2.00
CP-103	Hartford Drive	20th St NE	21st Street NE	303,264	Commercial	3	2	1	3	2	3	1	1	2.00
CP-1305	103rd Ave SE	32nd Street NE	South Lake Stevens Road	81,432	Single Family	1	2	1	3	3	2	2	1	1.88
CP-102	123rd Ave NE	22nd Street NE	North Lakeshore Drive	421,200	Commercial	3	1	1	3	2	2	2	1	1.88
CP-1295	83rd Ave NE	20th Street SE	17th Street SE	477,360	Commercial	3	2	1	3	2	2	1	1	1.88
CP-118	99th Ave NE	1st Street NE	Chapel Hill Road	101,088	Multi-Family	2	2	1	3	3	2	1	1	1.88
CP-1425	North Lakeshore Drive	123rd Ave NE	North Lakeshore Swim Beach	692,172	Commercial	3	2	1	2	1	3	2	1	1.88
CP-1355	99th Ave NE	Sunnycrest Elem.	30th Street NE	741,312	Single Family	1	2	1	3	1	3	2	1	1.75
CP-124	South Lake Stevens Road	East Lakeshore Drive	123rd Street SE	2,729,376	Single Family	1	3	2	1	1	3	2	1	1.75
CP-1265	20th Street SE	S. Lake Stevens Road	113th Drive SE	1,151,280	Single Family	1	3	2	2	1	2	1	1	1.63

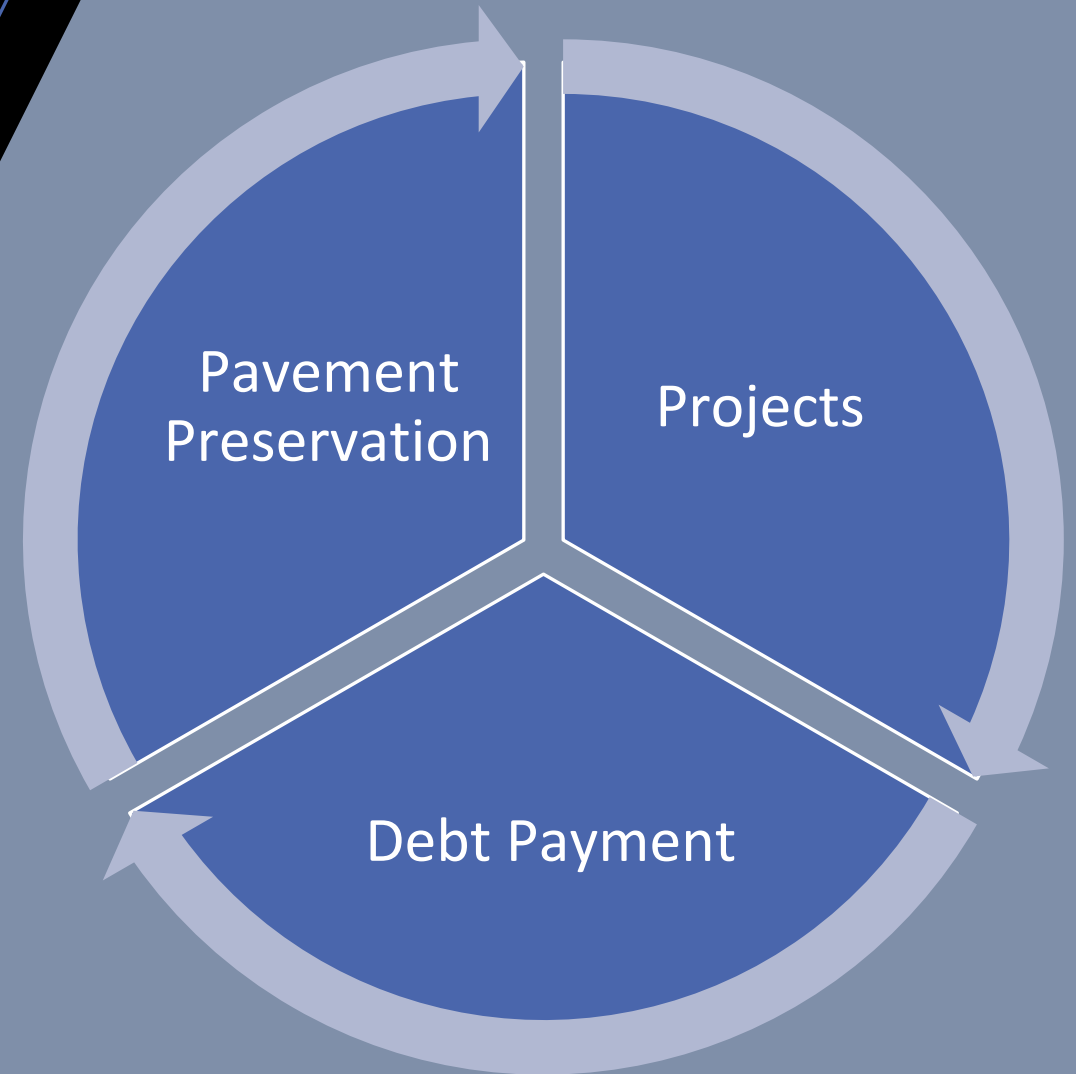
Sidewalk Projects Map



[ArcGIS Enterprise - My Map \(lakestevenswa.gov\)](https://lakestevenswa.gov/ArcGIS/Enterprise-MyMap)

Transportation Benefit District Allocation

- Dedicate a portion of funds for Pavement Preservation
 - ❖ \$800,000 annual need
 - ❖ Recommended allocation \$400,000
- Dedicate a portion of funds for Projects
 - ❖ Fund small projects
 - ❖ City match for large projects
- Reserve fund for bond or loan payments



Transportation Benefit District - Draft Project List

Roadway Projects

Project	Description	Grant Awarded	Cost Estimate
79th Ave SE Access Road	Construct new roadway, bike lane, landscape strips	Yes	\$ 3,163,500
Main Street Redevelopment	Multi-use path, frontage improvements and roundabout	Yes	\$ 7,198,720
91st Ave NE Commercial Revitalization	Frontage improvements, landscape islands, bike lanes	No	\$ 6,748,800
99th Ave NE Redevelopment	Frontage improvements, bike lanes, improved crossings	No	\$ 5,848,960
Pavement Preservation	Maintain existing roadways to 80% pavement condition rating.	No	\$ 800,000
Total			\$ 23,759,980

Transportation Benefit District - Draft Project List

Sidewalk Projects

Project	Description	Grant Awarded	Cost Estimate
91st Street SE - School Sidewalk Connections	5,000 feet of sidewalk, ADA ramps, landscape buffer	Pending	\$ 3,807,648
16th Street NE Centennial Trail Connector	1,900 feet of multi-use paths and ADA ramps	Pending	\$ 606,528
North Lakeshore Swim Beach Connection to Downtown	1,350 feet of sidewalks and ADA ramps	No	\$ 1,305,720
117th Street NE - High School Sidewalk Connection	2,100 feet of sidewalks and ADA ramps	No	\$ 131,976
Soper Hill Road Pedestrian Connection to Lundeen Parkway	3,000 feet of sidewalks, lighted crosswalks signs, ADA ramps	No	\$ 1,714,284
99th Ave NE - Sunnycrest Elementary to 30th St. NE	1,300 feet of sidewalks, ADA ramps	No	\$ 741,312
79th Ave SE - Sidewalk Connections	Several sidewalk connections and lighted crosswalk signs	No	\$ 647,244
Total			\$ 8,954,712



Funding Mechanisms

Traffic Impact Fees

TSA/TDM (ANNEXATION 20TH ST. SW/SE)

2022 Beginning Balance \$375,767

Budgeted Receipts \$0

Project Allocations \$139,692

Estimated Available \$236,075

TIZ 1 (DOWNTOWN)

2022 Beginning Balance \$399,188

Budgeted Receipts \$425,000

- Currently \$9,400

Project Allocations \$600,000

- Dependent on receipts

Estimated Available \$224,188



Traffic Impact Fees

TIZ 2

2022 Beginning Balance	\$585,983
Budgeted Receipts	\$35,000
◦ Currently \$262,500	
Project Allocations	\$0
Estimated Available	\$620,983

TIZ 3

2022 Beginning Balance	\$2,200,900
Budgeted Receipts	\$1,000,000
◦ Currently \$308,000	
Project Allocations	\$170,000
Estimated Available	\$3,030,900

Traffic Impact Fees / Transportation Benefit District

ILO (PAYMENT IN LIEU OF)

2022 Beginning Balance	\$186,787
Budgeted Receipts	\$35,000
◦ Currently \$700	
Project Allocations	\$0
Estimated Available	\$221,787

TBD

Estimated Annual Revenue Available	
◦ 1/10% Sales Tax	\$775,400
◦ 2/10% Sales Tax	\$1,550,700
◦ 3/10% Sales Tax	\$2,362,200

Park Impact Fees / Tree Replacement Fees

PARKS

2022 Beginning Balance	\$856,761
Budgeted Receipts	\$700,000
◦ Currently \$374,900	
Project Allocations	\$1,371,662
◦ Dependent on receipts	
Estimated Available	\$187,849

TREES

2022 Beginning Balance	\$154,539
Budgeted Receipts	\$10,000
◦ Currently \$4,410	
Project Allocations	\$30,000
Estimated Available	\$134,539

Utility Fees & Real Estate Excise Taxes

STORMWATER

2022 Budgeted Stormwater Fees
\$4,059,667

2022 Capital Allocation \$1,750,000

2022 Capital Projects \$684,000

Estimated Remaining in SWM Capital Fund
\$1,800,000

REET

REET 1 – Estimated Available

- One-time Expense \$6,000,000 (or)
- Annual Debt Service \$375,000

REET 2 – Estimated Available

- One-time Expense \$4,500,000 (or)
- Annual Debt Service \$300,000



Other Funds

- General Fund
- Bond Debt
- One time – Pandemic Recovery
- Grants
- Public Works Loans

Grants Received

- Parks

- ❖ North Cove Phase 3 / Mill Spur - \$2.058 million (Commerce)
- ❖ North Cove Moorage - \$116,245 (RCO)
- ❖ Sunset Park - \$5,000 (County)
- ❖ Eagle Ridge - \$428,000 (RCO)

- Streets / Sidewalks

- ❖ South Lake Stevens Multiuse Path - \$3 million (Transportation)* / \$50,000 (County)
- ❖ 16th Street NE* - \$2.5 million (State)
- ❖ Main Street - \$2.58 million (PSRC)
- ❖ SR9 / 24th / 91st – \$3 million (State)

- Planning

- ❖ Housing Action Plan - \$100,00 (Commerce)
- ❖ Shoreline Inventory - \$30,000 (Ecology)

- Stormwater

- ❖ Capacity - \$50,000 (Ecology)

* These grants were approved in the state budget for 2022, contracts need to be executed with the state.



Grants Under Review / Pending

- Parks

- ❖ Frontier Heights - \$500,000 (WWRP) / \$350,000 (YAF)

- Streets / Sidewalks

- ❖ 20th Street and Main - \$2.5 million (federal)
- ❖ 91st Ave SE – \$2.3 million (Safe Routes)

- Other

- ❖ Museum - \$900,000 (Stat Historical Society)
- ❖ 2024 Comp. Plan Update - \$150 - \$200,000 (Commerce)