CITY COUNCIL MEETING AGENDA

City of Lake Stevens Vision Statement

We are a thriving community that promotes a vibrant economy, preserves natural beauty, and supports an exceptional quality of life for all.

November 18, 2025 - 6:00 PM
City Council Special Meeting
In person: The Mill, Sawyers Room, 1808 Main Street, Lake Stevens
or Join Zoom Meeting: Zoom Link
or call in at (253) 215-8782
Meeting ID: 84410163418 **Passcode:** 690071

1.	**Call to Order**	
2.	**Pledge of Allegiance**	Mayor
3.	**Roll Call**	
4.	**Approval of Agenda**	Council President
5.	**Guest Business**	
6.	**Citizen Comments**	
7.	**Council Business**	Council President
	A. Thank you to Councilmember Kurt Hilt	
8.	**Mayor's Business**	
9.	**City Department Report**	
	A. Flock Camera Update	Dean Thomas
	B. Planning and Community Development Q3 Report	Russ Wright
10.	**Consent Agenda**	
	A. Ordinance 1207 - Update to Community Service Officers	Jeffrey Beazizo
	B. Snohomish Regional Drug Task Force ILA	Jeffrey Beazizo
11.	**Public Hearing**	
	A. 2026 Annual Budget — Public Hearing on Property Tax — Ordinance 1206	Barb Stevens
	B. 2026 Annual Budget — Public Hearing No. 1 — Ordinance 1205	Barb Stevens
12.	**Action Items**	

A. Ordinance 1208 - Dissolve the Lake Stevens Veterans Commission — Kelly Chelin

13. Discussion Items

A. Code Amendments LSMC 14.08, 14.110 and 14.112, Traffic Impact Fee Methodology, Concurrency and 2025 Capital Facilities Plan Update — Russ Wright, Christi Schmidt

14. Adjourn

THE PUBLIC IS INVITED TO ATTEND

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

One Community Around the Lake

PLANNING AND COMMUNITY DEVELOPMENT
3rd Quarter REPORT

This is a third-quarter report, summarizing long-range project activity from the 2025 Long-Range Planning Work Program, special projects, and recent development activity.

Comprehensive Plan:

- **Housing Action Plan Implementation** – Staff held five work sessions with the Planning Commission on proposed regulations for permanent supportive housing (PSH), transitional housing, and emergency housing and shelters to comply with updates to the Growth Management Act as amended by HB 1220 (2021). Planning Commission subsequently held a public hearing on November 5 and made a recommendation on the proposed amendments, which will be presented to City Council at a Special Meeting in December. This body of work will be adopted under a single ordinance and also include minor updates related to co-living housing. Separate housing updates will be considered in 2026.
- **2025 Docket and Parks and Recreation and Open Space Element Updates** – As part of the 2025 docket, staff will update the Capital Facilities Element in coordination with Public Works to include revised six- and 20-year project lists. The Parks Department is developing a standalone Parks, Recreation, and Open Space Plan. Once this work is completed, PCD will update to the Parks, Recreation, and Open Space Element in the Comprehensive Plan in 2026, along with other city and citizen-initiated amendments included on the 2026 Docket.
- **Subarea Plan Updates** – PCD staff have started revising the three subarea plans (e.g., Lake Stevens Center, 20th Street SE Corridor, and Downtown Lake Stevens) for consistency with last year's major comprehensive plan update. Work includes reviewing assumed development capacity to reflect new targets, evaluating goals and policies, and updating maps and tables. This work will be completed in 2026.

Development Code:

- **Process Code Update** – The Process Code update will streamline the review processes with a primary focus on Chapters 14.16A and 14.16B LSMC. To date, the Council adopted Interim Ordinance 1192, to comply with SB 5290 for project permit review timelines. The interim regulations are in place until December 10, 2025.

  PCD staff briefed the Planning Commission on the interim regulations, proposed revisions to remove subjective language from the municipal code and design guidelines, along with an extensive audit of process and decision-making language throughout the municipal code to ensure clear and objective language. A public hearing is scheduled with the Planning Commission on November 19 and with the City Council in December to complete this work on time in 2025.
- **Concurrency Management System and Traffic Impact Fees** – As an implementation task to the Comprehensive Plan Transportation Element, staff has been working with Transpo Group and the Public

Works Department to update Chapters 14.110 Concurrency and 14.112 Traffic Impact Fees. The goal of the project is to ensure the city's code and standards reflect best practices for design and administration, promote multimodal traffic, ensure appropriate flexibility, and are sustainable.

Staff have actively worked with our consultants to revise applicable code sections and update administrative documents for traffic impact fee methodology, developer guidance on traffic reports and a concurrency management tracking system. Staff have briefed the Planning Commission several times on this project and have scheduled a public hearing and City Council work sessions. Work will be completed in early December of 2025.

- **Critical Areas Ordinance (CAO) Update** – The purpose of this update is to complete a mandatory update of Chapter 14.88 LSMC (Critical Areas) to reflect and incorporate best available science and comply with current state and federal regulations. The city has contracted with Facet to complete a gap analysis; review the best available science; and recommend critical aquifer protection language. As part of this project, the PCD intern is updating our critical areas inventory map based on approved development reports. Staff have held several work sessions with the Planning Commission and City Council. A public hearing will occur in Q1 of 2026.

Annexations:

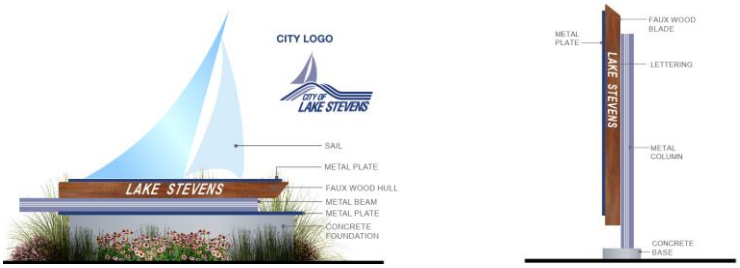
- The city has received an annexation petition to incorporate three residential acres into the city off 20th Street SE. The project is under review by the Boundary Review Board (a 45-day process) before it can be considered for potential adoption by City Council ordinance in Q1 of 2026.

Major Projects:

- PCD staff are developing a robust public engagement plan identifying the best practices for communicating with large and small groups for citywide events. The document includes process flows and templates that will scale with the engagement effort.
- PCD staff are developing a department-wide strategic plan to incorporate city values and emphasize the vision of the department to provide integrated, efficient, and high-quality planning and development services for the community.
- The Museum / Retail Building was advertised for construction, with sealed bids due November 13, 2025. Staff have been coordinating with potential tenants interested in leasing commercial spaces.
- Civic Campus – city staff have refined the scope of the project with our architect, leading to final layouts. The next step for the consultants will be completing the architectural and civil plans for permits. An RFQ for painting and some light exterior maintenance is planned to be issued soon.
- Everett Waterline – The city was able to reach an agreement with the city of Everett, which was approved by the Lake Stevens City Council on October 14, 2025 and the Everett City Council on November 05, 2025.

- Staff have approved final banner designs for Main Street and Mill Spur. See designs below. Installation of the banners will occur later this year or early 2026.

- Permits were issued on November 4, 2025 for the latest round of wayfinding signage. Staff are coordinating installation with the contractor.



- Staff have finalized the Memorandum of Understanding with the Arts and Parks Foundation for the Market Street Mural.

Permitting:

- **Notable building permits** include South Lake Business Park Construction & Tenant Improvements, Dwellers Drinkery, Glacier Oral & Maxillofacial Surgery Tenant Improvements, and Columbia Crest Montessori. Significant progress is being made with the **senior living facilities and Panda Express** opened at Soper Hill. PCD is reviewing several **school district modernization** applications at various sites. As of September 30, 2025, there were 224 active LUA permits.
- There have been three **new preliminary subdivisions in 2025**. Six active subdivisions are applying for building permits, which is keeping the permitting team very busy. Additionally, PCD has held numerous pre-application meetings for future subdivisions projects and is booked into December with more.

- PCD has received five variance requests and one rezone so far in 2025. We have also held a pre-application meeting for a significant mixed-use building at the downtown property northwest of the intersection at Main Street and 20th Street NE.

The permit numbers for the third quarter, ending September 30, 2025, were:

Number of Permits	Permit Type
623 (+5.5% from 2024)	**Total Permits**
182	Building
115	Business Licenses
65	Code Enforcement
7	Special Events
53	Fire
61	Land Use
16	Sign

*Source: Bitco Reporting

Code Enforcement:

In Quarter 3, eleven new code cases were opened, and 54 cases were closed. The code enforcement officer has continued to remove non-compliant signs in the right-of-way and has coordinated with businesses in the industrial area to ensure that odor requirements are followed. The code enforcement officer continues to work with the PD to monitor and provide outreach to property owners when any graffiti is found on private property. In addition, a new Animal education handout has been development along with directions for residents on how to apply for a pasture management plan which will soon be on the city's website.

Administration and Process Improvements

- PCD has migrated all data into SharePoint. File and document library clean-up continues.
- Staff have implemented process improvements to achieve compliance with SB 5290, by reducing plan review timelines and improving workflows. Specifically, the city is working on automating as much of the permit review and decision processes as possible.
- Paper records archiving continues as time allows.
- The Building Official continues to work with other cities on consistency across jurisdictions and with Snohomish Fire and Rescue on a revised ILA for fire services.
- Staff have completed the update of all forms used for permits, handouts, and submittal checklists to make the forms fillable, making them easier and more efficient for applicants to use.

- PCD is revising its internal checklists to improve consistency, accuracy, and review time frames. The Planning Manager and the Building Official are working with BITCO to automate and LEAN the city permitting system.
- New accessory dwelling unit (ADU) and short-term rental renewal forms and handouts have been developed to assist residents in their application processes. The city has seen an uptick in interest in developing ADUs following the adoption of updated code language earlier this year.
- Two staff members passed their ICC Commercial Inspector exam, and one earned a Commercial Plan Review certification.
- The city's Code Enforcement officer attended the WACE conference, three of our planners participated at the APA conference and the Planning Manager attended the Washington Planning Directors conference in September, while the Planning Director attended the ICMA conference in October. One Permit Specialist attended the WSAPT conference in September, while the Building Official and Permit Lead attended a Bitco (permitting software) conference in October.
- The new assistant planner and senior planner are well on their way to completing their individualized Lake Stevens training and education plans.
- PCD has enjoyed the benefits of a GIS intern for 20 weeks who has been producing a backlog of maps and data analysis for our department.
- Staff are compiling the 2026 Work Plan, which will be presented to the Planning Commission for feedback on November 19, 2025. Project topics include the Comprehensive Plan Docket and Critical Area Code updates in the first quarter, code updates to Subarea Plans, Streets and Sidewalks, and Parking, as well as Process Code updates for Design Guidelines and LSMC Chapters 14.16A and 14.16B during second and third quarters, and an update to Park Impact Fees and new/updated regulations and standards for the Lake Stevens Industrial Center in the third and fourth quarters.

CITY COUNCIL STAFF REPORT

Agenda Date: 11/18/2025

Subject: Ordinance 1207 - Update to Community Service Officers

Contact Person/Department: Jeffrey Beazizo, Police Department

Budget Impact:

Legal Review: No

RECOMMENDATION(S)/ACTION REQUESTED:
Approve Ordinance 1207 - Updating to the limited commission issued by the Police Chief to Community Service Officers outlined in LSMC 2.32.030(b)(2).

SUMMARY/BACKGROUND:
The attached Ordinance update changes the Commission's authority for a Community Services Officer (CSO) to issue criminal citations or submit criminal citations to the prosecutor's officers without having to rely on a general authority officer to issue the criminal citation. This allows the Community Service Officer to enforce LSMC Title 5, LSMC Title 7, LSMC Title 10, Chapter 46.61 RCW, Chapter 46.55 RCW, Chapter 9.08 RCW, and Chapter 16.52 RCW. With the changes in job duties for Community Service Officer to include crimes occurring in parks, this will help streamline enforcement when needed.

Impact: The proposed changes are expected to have the following impacts:

- **Positive Impacts:** Ability for CSO to enforce criminal violations outlined in LSMC and RCW, improved compliance, enhanced public safety, time management for issuing and court filing process
- **Negative Impacts:** none

Recommendation: It is recommended that the City Council approve the Ordinance with the proposed changes as outlined in this report.

Conclusion: The proposed changes to the Ordinance are necessary to address the evolving needs of our community and to ensure that our regulations and processes remain effective and relevant.

APPLICABLE CITY POLICIES:

ATTACHMENTS:

1. Ordinance 1207

CITY OF LAKE STEVENS
LAKE STEVENS, WASHINGTON

ORDINANCE NO. 1207

AN ORDINANCE OF THE CITY OF LAKE STEVENS, WASHINGTON CONCERNING LIMITED COMMISSIONS TO COMMUNITY SERVICE OFFICERS FOR ENFORCEMENT OF LSMC TITLE 5, LSMC TITLE 7, LSMC TITLE 10, CHAPTER 46.61 RCW, CHAPTER 46.55 RCW, CHAPTER 9.08 RCW, AND CHAPTER 16.52 RCW; AMENDING LSMC SECTION 2.32.030; PROVIDING FOR SEVERABILITY, THE MAKING OF CORRECTIONS, SUMMARY PUBLICATION BY ORDINANCE TITLE ONLY, AND FOR AN EFFECTIVE DATE.

WHEREAS, State law authorizes the City of Lake Stevens to issue limited commissions to individuals, granting them the authority to detect or apprehend violators of the laws in some or all of limited subject areas for which the City is responsible.

WHEREAS, Lake Stevens Municipal Code section 2.32.030(b)(2) authorizes the Chief of Police to issue limited commissions to Lake Stevens Police Department Community Service Officers; and

WHEREAS, the role of Community Service Officers is provide various support services to Police Department patrol officers, citizens, and visitors of Lake Stevens, including park ranger services; and

WHEREAS, the City Council of Lake Stevens now seeks to amend LSMC section 2.32.030 to clarify that Community Service Officers have the authority to detain individuals suspected of violating LSMC Title 5, LSMC Title 7, LSMC Title 10, Chapter 46.61 RCW, Chapter 46.55 RCW, Chapter 9.08 RCW, and Chapter 16.52 RCW for the purpose of identification, issuance of civil infractions, issuance of criminal citations, and referral of the matter to prosecutors for consideration of criminal charges; and

WHERAS, the City Council finds that such an amendment is in the public's interest; now, therefore,

THE CITY COUNCIL OF THE CITY OF LAKE STEVENS, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. LSMC Section 2.32.030, amended. Section 2.32.030 of the Lake Stevens Municipal Code is hereby amended (deletions shown by strikeout and additions by underline) to read as follows:

2.32.030 Position Appointments/Commissions.

{HMW4903-4883-6720;5/13140.000002/}

(a) The Mayor, or City Administrator pursuant to executive authority provided by the Mayor, shall appoint a Police Chief who will serve at the Mayor or City Administrator's pleasure. The major duties, responsibilities, and qualifications of the Police Chief shall be those described in his/her position description. The authority to appoint and remove other Police Department Staff shall be vested in the executive authority of the Mayor as may be delegated to the Chief, subject to applicable police civil service rules.

(b) Commissions. The Police Chief is authorized to issue the following commissions of law enforcement authority:

(1) Full commissions shall be issued to all general authority police officers in the police department who are employed on a full-time, fully compensated basis.

(2) Limited Commission – Code Enforcement Officers. The Chief of Police may issue limited commissions as code enforcement officers to department heads or supervisors and City employees designated by the department director employed in the Planning and Community Development and Public Works Departments as code enforcement officers; and to employees of the Police Department employed as Community Service Officers or other non-general authority police officer positions in the Police Department as employed from time to time. This limited commission shall authorize such persons to initiate, issue and serve notice of civil infractions for violations of the Lake Stevens Municipal Code in those areas for which their department is directly responsible. Said commissions shall not authorize such persons to carry firearms or effect any arrest for any violation. Said commission shall not ~~vest~~ grant any person with any additional police civil service or police pension rights under federal, Washington State law or under any ordinance or regulation. Community Service Officers that have been granted limited commissions by the Chief of Police to enforce LSMC Title 5, LSMC Title 7, LSMC Title 10, Chapter 46.61 RCW, Chapter 46.55 RCW, Chapter 9.08 RCW, and Chapter 16.52 RCW shall be further permitted to detain individuals for the sole purpose of identifying individuals that are suspected of violating those provisions of the law, issuance of civil infractions, and issuance of criminal citations.

(3) Special commissions may be issued to law enforcement officers of other jurisdictions pursuant to Chapter 10.93 RCW.

Section 2. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 3. Corrections. Upon approval by the city attorney, the city clerk or the code reviser are authorized to make necessary corrections to this ordinance, including scrivener's errors or clerical mistakes; references to other local, state, or federal laws, rules, or regulations; or numbering or referencing or ordinances or their sections and subsections.

{HMW4903-4883-6720;5/13140.000002/}

Section 4. Effective Date and Publication. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall take effect and be in full force and effect five days after its publication in the City's official newspaper.

PASSED by the City Council and APPROVED by the Mayor this __ day of _____ 2025.

CITY OF LAKE STEVENS

_____
Brett Gailey, Mayor

ATTEST:

_____
Kelly Chelin, City Clerk

APPROVED AS TO FORM:

_____
Greg Rubstello, City Attorney

Date of publication: _____

Effective Date (5 days after publication):_____

{HMW4903-4883-6720;5/13140.000002/}

CITY COUNCIL STAFF REPORT

Agenda Date: 11/18/2025

Subject: Snohomish Regional Drug Task Force ILA

Contact Person/Department: Jeffrey Beazizo, Police Department

Budget Impact: Lake Stevens 4.82% $11,292.00

Legal Review: No

RECOMMENDATION(S)/ACTION REQUESTED:
Accept and sign the Snohomish Regional Drug Task Force ILA

SUMMARY/BACKGROUND:
Lake Stevens Police Department participates in the Snohomish Regional Drug Task Force. The Task Force is a multi-agency effort to combat drug dealers and suppliers.

The purpose of the Task Force is to formally structure and jointly coordinate selected law enforcement activities, resources and functions in order to disrupt drug trafficking systems and to remove traffickers through cooperative programs of investigation, prosecution and asset forfeiture.

The goals of the Task Force are to:

- Reduce the number of drug traffickers and gang members in the communities of Snohomish County through professional investigation, apprehension and conviction.
- Efficiently attack, disrupt and prosecute individual and organized mid to upper level drug traffickers and street gang members who do not recognize jurisdictional boundaries or limitations, and by doing so, impact drug trafficking organizations previously impregnable.

- Enhance drug enforcement cooperation and coordination through multi-agency investigations, training of local jurisdictions and the sharing of resources and information.
- To address these issues with the foremost consideration of safety for both law enforcement and the community.

APPLICABLE CITY POLICIES:

ATTACHMENTS:

1. 2026-2027 SRDTF ILA (FINAL)
2. Jurisdiction Signature Page

INTERLOCAL AGREEMENT FOR SNOHOMISH REGIONAL DRUG TASK FORCE COOPERATION

This INTERLOCAL AGREEMENT FOR THE SNOHOMISH REGIONAL DRUG TASK FORCE COOPERATION (this "Agreement") is made and entered into by and between SNOHOMISH COUNTY, a political subdivision of the State of Washington, and the following Municipal Corporations, municipal corporations of the State of Washington, and the State of Washington (collectively referred to as "Participating Jurisdiction").

City of Arlington
City of Bothell
City of Brier
City of Darrington
City of Edmonds
City of Everett
City of Gold Bar
City of Granite Falls
City of Index
City of Lake Stevens
City of Lynnwood
City of Marysville
City of Mill Creek
City of Monroe
City of Mountlake Terrace
City of Mukilteo
City of Snohomish
City of Stanwood
City of Sultan
Washington State Patrol

RECITALS

A. The Participating Agencies are public agencies as defined by Chapter 39.34 RCW and Chapter 10.93 RCW, and are authorized to enter interlocal agreements to provide for joint or cooperative actions to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

B. Drug trafficking and related crime occur throughout Snohomish County and the surrounding region. This criminal activity requires specially trained and equipped investigators and staff creating the demand for a coordinated regional response. The Participating Agencies believe these investigations and activities are most economically served by the formation of a regional drug task force (hereinafter Task Force)

C. Through this Agreement the Participating Agencies intend to combine their respective investigative personnel to form a regional Task Force. The regional Task Force shall be specially structured, trained, and equipped to conduct drug trafficking and related criminal investigations within each Participating Agency's jurisdiction and the surrounding region.

D. The Participating Agencies desire to achieve increased operational efficiencies and economies of scale by providing a mechanism for the sharing of material, personnel, knowledge, equipment, and training, all as more fully described by, and pursuant to the terms and conditions contained in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the respective agreements set forth below and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Participating Agencies agree as follows:

1. DEFINITIONS

1.1 Participating Jurisdiction- Participating Jurisdiction means any municipal corporation, political subdivision of the state, or department or division of the state of Washington, that is a party to this agreement.

1.2 Contributing Jurisdiction- Contributing Jurisdiction means a Participating Jurisdiction that assigns at least one full-time employee to the Task Force.

2. TERM

2.1 Initial Term

The initial term of this Agreement shall govern the parties' performance beginning on January 1, 2026, ("Effective Date") and continuing for two (2) years from the Effective Date of this Agreement, provided however that the parties' obligations after December 31, 2026, are contingent upon local legislative appropriation of the necessary funds for this specific purpose per each parties' Charter and applicable law. As provided by RCW 39.34.040, this Agreement shall not take effect unless and until it has (i) been duly executed by the parties, and (ii) either filed with the Snohomish County Auditor or posted on one of the party's Interlocal Agreements webpages or other electronically retrievable public source.

2.2 Extensions

The term of this Agreement may be extended for up to two (2) additional terms of two (2) year terms (respectively, "First Additional Term" and "Second Additional Term"). Extension of the Agreement shall be automatic unless one of the parties provides written notice of withdrawal/termination as more fully described in Section 15 of this Agreement.

3. ESTABLISHMENT AND PURPOSE OF THE SNOHOMISH REGIONAL DRUG TASK FORCE

3.0 The purpose of the Task Force is to formally structure and jointly coordinate selected law enforcement activities, resources, and functions to disrupt illegal drug trafficking systems and to remove traffickers through a cooperative program of investigation, prosecution, and asset forfeiture. The parties do not intend this Agreement to create a separate legal entity subject to suit.

3.1 Task Force goals are to:

a. Reduce the number of drug traffickers in Snohomish County through professional investigation, apprehension, and conviction.

b. Efficiently attack, disrupt, and prosecute individual(s) and organized mid to upper-level drug traffickers who do not recognize jurisdictional boundaries or limitations, and by doing so, impact drug trafficking organizations.

c. Enhance drug enforcement cooperation and coordination through multi-agency investigations, training of local jurisdictions, and the sharing of resources and information; and

d. Address these issues with the foremost consideration of safety for both law enforcement and the community.

3.2 The Task Force will implement operations, including but not limited to the following.

a. Development of intelligence,

b. Target identification,

c. Investigation,

d. Arrest of Suspects,

e. Successful prosecution of offenders, and

f. Asset forfeiture/disposition.

4. SNOHOMISH REGIONAL DRUG TASK FORCE EXECUTIVE BOARD

4.1 The parties hereby create the Snohomish Regional Drug Task Force Board (hereinafter referred to as the "Board") to provide oversight and direction to the Task Force. Board members shall be comprised of the Chief of Police from each Contributing Jurisdiction. One "at-large" Chief of Police will be selected by a majority vote from the remaining Participating Jurisdictions. Additional members of the Board shall be the Snohomish County Prosecutor, the City of Everett Attorney, and the Executive Director of the Northwest High-Intensity Drug Trafficking Area ("HIDTA") Program. If a Participating Jurisdiction that has no personnel assigned to the Task Force as of the effective date of this Agreement assigns full-time personnel to the Task Force, the Chief of Police from that agency will be added as an Executive Board member after the full-time personnel has been assigned to the Task Force for three months.

4.2 The Snohomish County Sheriff shall serve as Chair of the Board.

4.3 The Board may adopt bylaws which include procedures for the appointment of alternate members to attend Board meetings in the absence of members. At the meetings, alternate members shall have the same rights as the appointing Board member. The Board shall have decision-making authority and will approve changes to standard operating procedures ("SOP"). The Board shall also evaluate the Task Force's performance and review the annual budget.

4.4 Voting

a. Any action taken by the Board under this Agreement shall be based on a simple majority of votes, weighted as described in (b), of Board members or alternate members present at the respective meeting.

b. Board member votes shall be allocated according to the number of full-time personnel the Contributing Jurisdiction contributes to the Task Force at the time of the vote. For example, if

the Snohomish County Sheriff provides six employees and the City of Lynnwood provides three, the Snohomish County Sheriff has six votes, and the City of Lynnwood has three. The At-large Chief of Police, the Snohomish County Prosecutor, the City of Everett City Attorney, and the Executive Director of the Northwest HIDTA have one vote each.

5. TASK FORCE ORGANIZATION

5.1 The Task Force shall be organized according to the chart contained as Exhibit A, incorporated herein by this reference. Assigned Task Force personnel typically consist of a Task Force Commander, Lieutenant, Sergeants, Detectives or Agents, Deputy Prosecutor, and support personnel.

Task Force personnel shall be directed in their duties by the Task Force Commander ("Commander"). The Commander is an employee of Snohomish County. The selection of the Commander shall be conducted per Exhibit B, incorporated herein by this reference. Appointment and removal of the Commander remains at the sole discretion of the Snohomish County Sheriff. Should the Sheriff choose to remove the Commander without cause, the Board must be consulted before action is taken.

5.2 Exhibit C, incorporated by this reference, sets forth the personnel currently assigned to the Task Force by each Contributing Jurisdiction. Nothing in this Agreement shall restrict the ability of any Contributing Jurisdiction to reassign personnel now or later assigned to the Task Force.

5.3 Contributing Jurisdiction Employees: Any employee assigned to the Task Force by a Contributing Jurisdiction shall remain, and be considered, an employee of the assigning Contributing Jurisdiction. Each Contributing Jurisdiction shall pay all costs associated with its employees when assigned to the Task Force. All rights,

duties, and obligations of the employer and the employee shall remain with the Contributing Jurisdiction. Each Contributing Jurisdiction shall be responsible for ensuring compliance with all applicable laws, collective bargaining agreements, and/or civil service rules and regulations applicable to its employees. When a Participating or Contributing Jurisdiction considers assigning a new or replacement personnel to the Task Force, the Task Force Commander may be allowed to give input regarding the selection.

5.4 Employees assigned to the Task Force are subject to and responsible for following the published Task Force policies and procedures. In the event of conflicting policies between the Task Force and the employing agency, the employing agency policy takes precedence.

5.5 At the Commander's discretion employees from Contributing Jurisdictions may be selected to fill any of the following positions: Detection Canine Handler, Financial Investigations, and Technology Investigation.

5.6 The Task Force will follow a management system for shared coordination and direction of personnel, financial, equipment, and technical resources, as stated in this Agreement.

6. DEVELOPMENT AND REVIEW OF STANDARD OPERATING PROCEDURES

The Commander will develop and maintain all policies and standard operating procedures of the Task Force to be presented to the Board at any regular Board meeting. The Board maintains the responsibility to review and approve by affirmative vote before implementation. However, in the event of a change to policy in keeping with the best industry and safety standards or pursuant to a change in law, statute, or

code, the Commander may authorize the implementation of the change with notice given to the Board. The update to the policy must be voted upon at the next regularly scheduled meeting of the Board.

7. BUDGET AND FINANCE

7.1 The 2026 Task Force budget is attached as Exhibit D, incorporated herein by reference. Each Participating Jurisdiction shall contribute funding to the Task Force as specified in Exhibit D.

7.2 The Sheriff's Office will annually review and revise the Task Force budget to provide a sufficient level of funding and total resource obligation for the following calendar year. The Task Force budget will be allocated to each Participating Jurisdiction on a proportional basis. Each Participating Jurisdiction's proportional share will be based on the Participating Jurisdiction's average population, as determined by the Washington State Office of Financial Management. Proposed increases to the Task Force budget exceeding 3% of any Participating Jurisdiction's funding obligation from the prior year must first be approved by the Board. Any special assessments to Participating Jurisdictions must be first approved by the Board.

7.3 Following the closure of each annual budget and not later than June 30 of each year, the Task Force Commander must submit a report to each Participating Jurisdiction reflecting a budget summary of all revenues from the previous year including the total amount of spending required to operate the Task Force, a summary of state and federal forfeitures and total receipts from the previous year.

7.4 No later than July 1 of each year, the Sheriff shall provide notice to each Participating Jurisdiction of the subsequent year's proposed Task Force budget, and each Participating Jurisdiction's proportional share.

7.5 Snohomish County shall maintain designated financial accounts to support Task Force operations. Except as modified by Section 7, all revenues collected or generated by or for the Task Force shall be forwarded to the Snohomish County Treasurer and placed in the designated accounts. All real or personal property of the Task Force will be held in Snohomish County's name for the benefit of the Task Force.

7.6 Each Participating Jurisdiction agrees to provide funding that is no less than the amount indicated in Exhibit D and to pay its funding share to Snohomish County as administrator of Task Force funds no later than March 1, of the year in which the funding is due.

7.7 Each Participating Jurisdiction agrees that the funding it contributes shall be provided in addition to that currently appropriated to drug enforcement activities and that no Task Force activity will supplant or replace any existing drug enforcement activities.

7.8 The Task Force shall reimburse Contributing Jurisdictions for actual overtime costs up to the annual federal overtime maximum for overtime work published by the U.S. Office of Personnel Management for overtime performed by a Contributing Jurisdiction detective(s) assigned to the Task Force. The Task Force's obligation to reimburse a Contributing Jurisdiction for overtime costs is contingent on the Task Force receiving federal funding for such purpose. If the Task Force does not receive federal funding for overtime, or the federal funding for overtime is depleted, any overtime compensation shall be the responsibility of the employing agency. A contributing Jurisdiction seeking reimbursement for overtime costs shall submit a properly executed voucher to the Sheriff's Office within 90-days of the accrual of the overtime.

8. GENERAL ADMINISTRATION

8.1 Each Participating Jurisdiction agrees to provide Snohomish County with any documentation necessary to apply for, receive, or comply with any applicable grant requirements.

8.2 By executing this Agreement, each Participating Jurisdiction agrees to make any certified or other assurances required by any applicable grant agreement that is within its particular control and agrees to make all its records related to the Task Force available for inspection if required as a condition of receipt of grant funding.

8.3 Snohomish County is granted the authority to execute on behalf of the Participating Jurisdictions all agreements and contracts signed as approved by the Task Force Executive Board, by and through its Chair, including but not limited to all contracts for professional services. Agreements and contracts executed in this manner shall have the same legal effect as if they were executed by each Participating Jurisdiction. All Task Force contracts and agreements executed on behalf of Participating Jurisdictions under this Agreement must first be approved on motion of the Task Force Executive Board. By executing this Agreement, each Participating Jurisdiction agrees that, to administer the assets and resources available to the Task Force, no such agreement or contract may impose or waive liability concerning a Participating Jurisdiction in a manner that is inconsistent with the hold harmless provision in Section 12 of this Agreement.

8.4 Any dispute arising under this Agreement will be forwarded to the Task Force Executive Board for resolution. The determination made by the Executive Board shall be final and conclusive between the parties. This provision shall not apply to issues of indemnity and liability governed by the hold harmless provision in Section 13 of this Agreement.

9. ASSET FOFEITURE

9.1 The Participating Jurisdictions shall refer all potential asset forfeitures initiated or investigated by personnel assigned to the Task Force during the pendency of this Agreement to the Task Force for disposition at the discretion of the Task Force Executive Board or prosecuting authority (Prosecuting Attorney or United States Attorney). Any such referred asset forfeiture

that is pursued in state court will be prosecuted in the name of Snohomish County, on behalf of the Task Force and its Participating Jurisdictions.

9.2 The Task Force Commander, under the direction of the Task Force Executive Board, shall manage the acquisition and disposition of assets seized or forfeited as a result of this Agreement in compliance with state and federal law and Task Force procedures.

9.3 Federal Forfeiture.

a. For purposes of receipt and processing of federal equitable sharing distributions, Snohomish County shall be designated as the fiduciary agency for the Task Force.

b. Participating Jurisdictions must comply with federal Equitable Sharing Program guidelines and reporting requirements, including the requirements contained in the Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement, published by the Department of Justice and the Department of the Treasury.

c. Snohomish County will submit request(s) to the federal government, on behalf of the Task Force, to obtain equitable sharing related to federal forfeitures.

d. Participating Jurisdictions agree and understand that all proceeds from federal forfeitures of seized assets, which may be awarded to the County on behalf of the Task Force, will be retained by the County for Task Force operations and expenses.

e. Except as allowed by Section 9.3(g), Participating Jurisdictions will not submit individual equitable sharing requests, nor will Participating Jurisdictions receive shared federal funds from Snohomish County.

f. The Task Force may only use proceeds from federal seizures and forfeitures for law enforcement purposes, as defined by the United States Department of Justice.

g. If the Task Force initiates or participates in an investigation that results in a federal forfeiture of $300,000 or more in net proceeds, each Participating Jurisdiction that participated in the investigation may file an individual request for equitable sharing under its agency code. The parties intend that each Participating Jurisdiction's equitable share will be the Participating Jurisdiction's Task Force participation percent at the time of the investigation, provided, however, the SCSO is entitled to claim an additional twenty-five percent (25%) to account for Task Force operation/administrative expenses. The parties acknowledge, however, that final determination of a Participating Jurisdiction's receipt and percentage allocation of federal forfeiture proceeds is within the discretionary authority of the Department of the Treasury or the Department of Justice, as applicable.

h. The Task Force Commander will notify an eligible Participating Agency of a federal forfeiture meeting the threshold outlined in Section 9.3(g) within 15 days of the forfeiture. A Participating Jurisdiction seeking an individual equitable share of the federal forfeiture must file its request no later than 45 days following the forfeiture unless an exemption applies.

9.4 State Forfeiture.

a. The net monetary proceeds of each state asset forfeiture made by the Task Force shall be retained by the County for Task Force operations and expenses. If proceeds from state asset forfeitures exceed the amount necessary for Task Force operations and expenses, the excess state forfeiture proceeds shall be distributed to Contributing Jurisdictions in accordance with each Contributing Jurisdiction's participation percentage, listed in Exhibit D.

b. The Task Force may retain funds in an amount up to $250,000 from the net proceeds of vehicle seizures for the acquisition of Task Force vehicles and related fleet costs.

c. Any Participating Jurisdiction receiving a distribution of assets forfeited under RCW

69.50.505 shall use such assets in accordance with RCW 69.50.505

10. EQUIPMENT REQUIREMENTS, MAINTENANCE AND OPERATION

For purposes of this Agreement, the term "Equipment" shall refer to any materials, tools, machinery, equipment, supplies, facilities, or other personal property used in performing Task Force operations.

10.1 If any Equipment is acquired with grant funds, the Participating Jurisdictions agree that the Task Force will use that equipment only for specified law enforcement purposes for the term of the grant.

10.2 Personnel assigned to the Task Force may use Equipment that is provided or acquired for Task Force purposes, as directed by the Task Force Commander.

10.3 Upon termination of the Task Force, any Equipment provided to the Task Force by a Participating Jurisdiction will be returned to that jurisdiction.

10.4 Upon termination of the Task Force, any Equipment acquired by the Task Force will be disposed of in accordance with applicable federal, state, or local requirements or this Agreement.

11. COVENANT TO COOPERATE

Each Participating Agency covenants to the other parties that it shall use good faith efforts to cooperate with the other parties in implementing the intent and furthering the goals of this Agreement.

12. COMPLIANCE WITH LAWS

The Participating Agencies shall exercise their rights and perform their respective obligations under this Agreement in full compliance with all applicable laws, ordinances, rules and regulations of any public authority having jurisdiction.

13. INDEMNIFICATION

Each party hereto agrees to save, indemnify, defend and hold the other parties harmless from any allegations, complaints, or claims of wrongful and/or negligent acts or omissions, by said party and/or its officers, agents, or employees to the fullest extent allowed by law. In the case of allegations, complaints, or claims against more than one party, any damages allowed shall be levied in proportion to the percentage of fault attributable to each party, and each party shall have the right to seek contribution from each of the other parties in proportion to the percentage of fault attributable to each of the other parties. Moreover, the parties agree to cooperate and jointly defend any such matter to the extent allowed by law. A jurisdiction that has withdrawn assumes no responsibility for the actions of the remaining members arising after the date of withdrawal but shall remain liable for claims of loss or liability arising prior to the effective date of withdrawal.

Industrial Insurance. For purposes of indemnification only, the parties, by mutual negotiation, hereby waive, as respects the other parties, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW.

14. NOTIFICATION OF LAWSUITS

In the event that a lawsuit is brought against a Participating Agency, including its officers or employees, relating to its Task Force participation, performance or activities, it shall be the duty of that party to notify the other parties that said lawsuit has been initiated.

All claims against the state, or against the state's officers, employees, or volunteers, acting in such capacity, for damages arising out of tortious conduct, must be presented to the Office of Risk Management. A claim is deemed presented when the claim form is delivered in

person or by regular mail, registered mail, or certified mail, with return receipt requested, or as an attachment to email or by fax, to the office of risk management. All claims for damages must be presented on the standard tort claim form that is maintained by the office of risk management.

15. WITHDRAWAL/TERMINATION

15.1 Notwithstanding any provisions of this Agreement, any party may withdraw from the Agreement by providing written notice of such withdrawal to all other parties, specifying the effective date thereof at least thirty (30) days prior to such date. A withdrawing party may take with it any Equipment it has provided to the Task Force and shall be entitled to distributions under Section 10.3 of this Agreement with respect to asset forfeitures the Participating Jurisdiction participated in before the effective date of withdrawal.

15.2 If there is a reduction in funds by the source of those funds, and if such funds are the basis of this agreement, Snohomish County may unilaterally terminate all or part of the agreement or may reduce its scope of work and budget.

16. RECORDS

16.1 All records relating to the performance of this Agreement shall be available for full inspection and copying by any Participating Agency. Records maintenance and retention shall be in accordance with the Standard Operating Procedures.

16.2 Each Participating Agency shall be responsible for retaining and producing the records it creates, owns, or uses, in accordance with applicable public records access and retention laws and regulations. Nothing in this section is intended to require a party to collect or produce records that are not prepared, owned, used, or retained by that agency as defined by the Public Records Act (Chapter 42.56 RCW).

17. NOTICES/ADMINISTRATOR

Any notice required or permitted to be given under this Agreement shall be in writing and shall specifically refer to this Agreement and be sent by (i) United States registered mail, return receipt requested, (ii) any nationally recognized overnight carrier or express mail service (such as FedEx or UPS) that provides receipts to indicate delivery, (iii) by personal service, or by electronic e-mail (with proof of receipt). All such communications shall be addressed to the appropriate Administrator of this Agreement as follows:

To the County:

Snohomish County Sheriff

Drug Task Force Commander

3000 Rockefeller Ave. M/S 706

Everett WA, 98201

If sent by electronic email to:

Email: SSH-TFCommander@snoco.org

Notices given to a Participating Jurisdiction will be addressed to the Chief of Police of the participating jurisdiction or as designated by the Participating Jurisdiction.

Any party hereto may, by reasonable notice to the other parties, designate such other address, or electronic email address, for the giving of notices as deemed necessary. All notices shall be deemed given on the day each notice is personally delivered, transmitted by electronic email, or delivered by overnight courier service, or on the third business day following the day such notice is mailed if mailed within accordance of this section.

Any party hereto may, by reasonable notice to the other parties, designate such other address, or telephone number for the giving of notices as deemed necessary. All notices shall be deemed given on the day each such notice is personally delivered, transmitted

by facsimile (with evidence of receipt), or delivered by overnight courier service, or on the third business day following the day such notice is mailed if mailed in accordance with this Section.

18. MISCELLANEOUS

18.1 Entire Agreement

This Agreement constitutes the entire agreement between the parties regarding the subject matter hereof and supersedes any and all prior oral or written agreements between the parties regarding the subject matter contained herein. This Agreement may not be modified or amended in any manner except by a written document signed by the party against whom such modification is sought to be enforced.

18.2 Governing Law and Venue

This Agreement shall be governed by and enforced in accordance with the laws of the State of Washington. The venue of any action arising out of this Agreement shall be in the Superior Court of the State of Washington, in and for Snohomish County.

18.3 Interpretation

This Agreement and each of the terms and provisions of it are deemed to have been explicitly negotiated by the parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against any of the parties hereto. The captions and headings in this Agreement are used only for convenience and are not intended to affect the interpretation of the provisions of this Agreement. This Agreement shall be construed so that wherever applicable the use of the singular number shall include the plural number, and vice versa, and the use of any gender shall be applicable to all genders.

18.4 Severability

If any provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be found invalid or unenforceable, the remainder of this Agreement and the application of that provision to other persons or circumstances shall not be affected thereby, but shall instead continue in full force and effect, to the extent permitted by law.

18.5 No Waiver

A party's forbearance or delay in exercising any right or remedy with respect to a Default by another party under this Agreement shall not constitute a waiver of the Default at issue. Nor shall a waiver by any party of any particular Default constitute a waiver of any other Default or any similar future Default.

18.6 Warranty of Authority

Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the party for whom he or she purports to sign this Agreement.

18.7 Execution in Counterparts

This Agreement may be reproduced in any number of original counterparts. Each party need sign only one counterpart and when the signature pages are all assembled with one original counterpart, that compilation constitutes a fully executed and effective agreement among all the Participating Jurisdictions. In the event that fewer than all named parties execute this Agreement, the Agreement, once filed or posted as specified in Section 3.0, shall be effective as between the parties that have executed the Agreement to the same extent as if no other parties had been named.

18.8 Modification

Participating Jurisdictions here to reserve the right to amend this Agreement in the future from time to time as may be mutually agreed upon. No such amendment shall be effective unless written and signed by all then-contributing Participating Jurisdictions with the same formality as this Agreement.

18.9 Nondiscrimination

There shall be no discrimination against any employee or against any applicant for such employment because of race, color, religion, handicap, marital status, political affiliation, sex, age, or national origin. This provision shall include, but not be limited to the following: employment, upgrading, demotion, transfer, recruitment, advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training.

SNOHOMISH COUNTY:

Snohomish County, a political subdivision
of the State of Washington

By_____
Name: _____
Title: _____

Recommended for approval:

By Susanna Johnson Digitally signed by Susanna Johnson Date: 2025.11.05 08:08:21 -08'00'
Name: Susanna Johnson
Title: Snohomish County Sheriff

Approved as to Form:

_____
Deputy Prosecuting Attorney

SNOHOMISH REGIONAL DRUG TASK FORCE INTER-LOCAL AGREEMENT
EXHIBIT A (January 01, 2026)

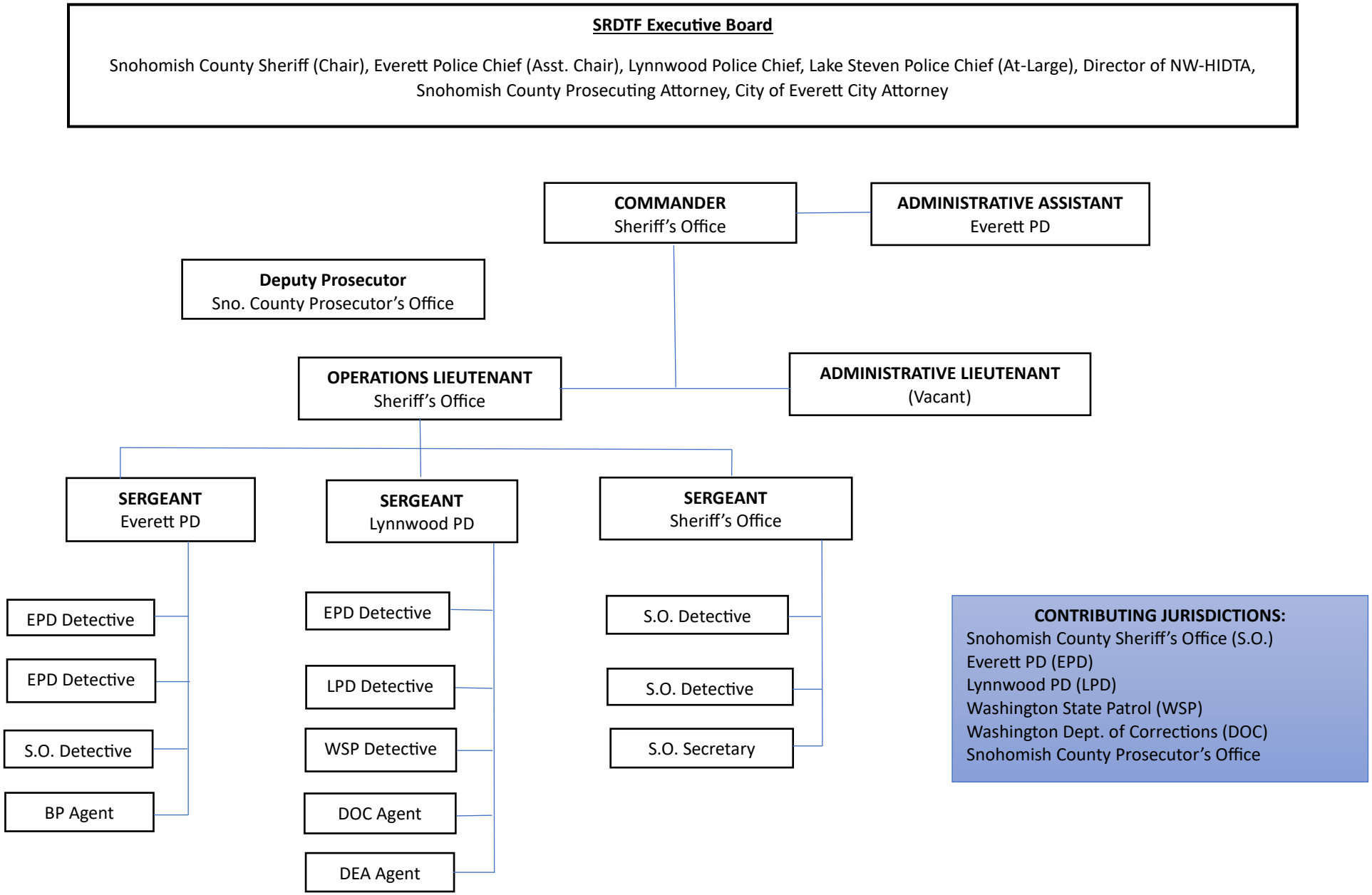


EXHIBIT B

Snohomish Regional Drug Task Force

Commander Selection

The Drug Task Force Commander is a management exempt ("at will") employee of the Sheriff's Office.

With the objective of selecting the best possible candidate for the position of Drug Task Force Commander, and ensuring the best fit into the organization, the Executive Board will recommend to the Sheriff three candidates to be considered for the position of Drug Task Force Commander. Candidates for the Drug Task Force Commander position must demonstrate a strong leadership skill set, the ability to build consensus, and direct the efforts of a multi-agency team to achieve established goals. He or she must meet the performance objectives set by the Executive Board and the Sheriff. The Sheriff will select the Drug Task Force Commander from the Executive Board's three recommended candidates.

The Drug Task Force Commander's initial commitment of service is four years, with the option of a year by year extension after that period. The Sheriff shall consult with the Executive Board before authorizing any extension of the Drug Task Force Commander's service commitment.

EXHIBIT C

Snohomish Regional Drug Task Force

Personnel Assigned by Jurisdiction

January 1, 2026 – December 31, 2026

EVERETT POLICE DEPARTMENT	FUNDING
1 Sergeant	Everett PD
1 Detective	Everett PD
1 Detective	Everett PD
1 Detective	Everett PD
1 Detective	Everett PD- Vacant
1 Detective	Everett PD - Vacant
1 Detective	Everett PD - Vacant
1 Support Personnel	Everett PD

SNOHOMISH COUNTY SHERIFF'S OFFICE	FUNDING
1 Task Force Commander	Snohomish County Sheriff
1 Lieutenant	Snohomish County Sheriff
1 Sergeant	Snohomish County Sheriff
1 Detective	Snohomish County Sheriff
1 Detective	Snohomish County Sheriff
1 Detective	Snohomish County Sheriff
1 Detective	Snohomish County Sheriff - Vacant
1 Detective	Snohomish County Sheriff - Vacant
1 Detective	Snohomish County Sheriff - Vacant
1 Support Staff	Snohomish County Sheriff

LYNNWOOD POLICE DEPARTMENT	FUNDING
1 Sergeant	Lynnwood PD
1 Detective	Lynnwood PD

SNOHOMISH COUNTY PROSECUTOR'S OFFICE	**FUNDING**
1 Deputy Prosecutor	Snohomish County Prosecutor

STATE OF WASHINGTON	**FUNDING**
1 Detective	Washington State Patrol
1 Agent	Department of Corrections

Agency	Participants	E-Board Vote	Pcnt.	Notes
Everett PD	5	5	38.5%	
Snoh Co Sheriff's Off	6	6	46%	
Lynnwood PD	2	2	15.5%	
WSP	1	1		Fr. 10% WaSt Tx
DOC	1	1		Fr. 10% WaSt Tx
SC Pros Atty	1	1		
Evt City Atty	1	1		
NWHIDTA Dir	0	1		
At Large PD	0	1		
TOTALS	17.5	19	100%	

EXHIBIT D

Snohomish Regional Drug & Gang Task Force

April 1, 2025, Population of Cities, Towns and Counties (wa.gov)

JURISDICTION	POPULATION April 1, 2025	PERCENTAGE	2026 ALLOCATION AMOUNT
Arlington	23,080	2.64%	$ 6,185.00
Bothell	20,420	2.34%	$ 5,482.00
Brier	6,630	0.76%	$ 1,780.00
Darrington	1,520	0.17%	$ 398.00
Edmonds	43,510	4.98%	$ 11,667.00
Everett	114,700	13.13%	$ 30,760.00
Gold Bar	2,350	0.27%	$ 633.00
Granite Falls	4,775	0.55%	$ 1,288.00
Index	170	0.02%	$ 47.00
Lake Stevens	42,180	4.82%	$ 11,292.00
Lynnwood	42,540	4.87%	$ 11,409.00
Marysville	74,640	8.65%	$ 20,264.00
Mill Creek	21,630	2.48%	$ 5,810.00
Monroe	20,960	2.40%	$ 5,623.00
Mountlake Terrace	24,240	2.82%	$ 6,606.00
Mukilteo	21,600	2.47%	$ 5,786.00
Snohomish	10,500	1.20%	$ 2,811.00
Stanwood	8,950	1.02%	$ 2,390.00
Sultan	7,405	0.85%	$ 1,991.00
Snohomish County	380,600	43.56%	$ 102,049.00
TOTALS:	873,800	100%	$ 234,271.00

Increase to TF Commanders' Salary
2026 COLA increase of 5.00%
Increase to TF Analyst Salary
2026 COLA increase of 5.00%

ATTEST:

APPROVED AT THE DIRECTION OF THE PARTICIPATING JURISDICTION:

_____ Dated _____

Title_____ Jurisdiction of_____

ATTEST:

_____

Jurisdiction Clerk Dated_____

APPROVED AS TO FORM:

_____

Jurisdiction Attorney Dated_____

CITY COUNCIL STAFF REPORT

Agenda Date: 11/18/2025

Subject: 2026 Annual Budget — Public Hearing on Property Tax — Ordinance 1206

Contact Person/Department: Barb Stevens, Finance

Budget Impact: 2026 Budget - Revenues

Legal Review: Yes

RECOMMENDATION(S)/ACTION REQUESTED:
APPROVE: Ordinance No. 1206 Authorizing Collection of Property Tax Levy for 2026 and Setting the Property Tax Levy

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SUMMARY/BACKGROUND:
Property taxes are collected by Snohomish County. Levy certifications and adopted ordinances are required to be submitted to the county by mid-November for inclusion in the tax rolls for the following year.

The 2026 preliminary assessed value shows an approximate increase of 5.5% within the City of Lake Stevens. The change in the rate of inflation (IPD rate) is 2.44 percent for the tax year 2026. For taxing districts with a population of 10,000 or more, the levy limit factor or allowable increase, is the lesser of inflation (IPD rate) or 101% over the previous highest lawful levy amount. This City's estimated levy rate for 2026 is $0.69 when using the levy factor of 101%.

This ordinance authorizes the collection of property taxes on properties within the city limits up to a certified amount of $6,800,000. Based on current estimates, we anticipate the actual levy will be approximately $6,741,000. The ordinance includes an estimated 2.6% increase over the 2025 highest lawful levy amount, which includes the statutory 1% increase that equates to $32,933, as well as increases from state assessed values, new construction, and refunds.

APPLICABLE CITY POLICIES:

RCW 84.52.020 and RCW 84.52.070 the legislative body must set property tax levies.

ATTACHMENTS:

1. 2026 Property Tax Levy Ordinance 1206
2. 2026 Lake Stevens Levy Certification
3. 2026 Budget - Property Tax Public Hearing Presentation

CITY OF LAKE STEVENS
LAKE STEVENS, WASHINGTON

ORDINANCE NO. 1206

AN ORDINANCE OF THE CITY OF LAKE STEVENS LEVYING TAXES UPON ALL PROPERTY – REAL, PERSONAL AND UTILITY, SUBJECT TO TAXATION WITHIN THE CORPORATE LIMITS OF THE CITY OF LAKE STEVENS, WASHINGTON FOR THE YEAR 2026.

WHEREAS, the City Council of Lake Stevens desires to set the property tax levy for 2026;

WHEREAS, the City Council of Lake Stevens has given notice as required by law of the public hearing held November 18, 2025, to consider the city's current expense budget for the 2026 calendar year, pursuant to RCW 84.55.120; and

WHEREAS, the City's actual levy amount from the previous year was $6,602,002.35; and

WHEREAS, the population of the City is greater than 10,000; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE STEVENS DO ORDAIN AS FOLLOWS:

Section 1. An increase in the regular property tax levy is hereby authorized for the 2026 levy in the amount of $32,933.44 which is a percentage increase of 1% from the previous year. This increase is exclusive of additional revenue resulting from the addition of new construction and improvements to property and any increase in the value of state assessed property, and any additional amounts resulting from annexations that have occurred and refunds made as provided by RCW 84.55.010.

Section 2. Effective Date and Publication. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall take effect and be in force five (5) days after the date of publication.

PASSED by the City Council of the City of Lake Stevens this 18th day of November 2025.

Brett Gailey, Mayor

ATTEST/AUTHENTICATION:

Kelly Chelin, City Clerk

First and Final Reading: November 18, 2025
Published:
Effective Date:

APPROVED AS TO FORM:

Greg Rubstello, City Attorney

Department of Revenue
Washington State

Form 64 0100

Levy Certification

Submit this document, or something similar, to the **county legislative authority on or before November 30** of the year preceding the year in which the levy amounts are to be collected.

Courtesy copy may be provided to the county assessor.

This form is not designed for the certification of levies under RCW 84.52.070.

In accordance with RCW 84.52.020, I **Brett Gailey** *(Name)*, **Mayor** *(Title)*, for **City of Lake Stevens** *(District name)*, do hereby certify to the **Snohomish County** *(Name of county)* County legislative authority that the **Council** *(Commissioners, Council, Board, etc.)* of said district requests that the following levy amounts be collected in **2026** *(Year of collection)* as provided in the district's budget, which was adopted following a public hearing held on **11/18/25** *(Date of public hearing).*

Regular levies

Levy	General levy	Other levy*
Total certified levy request amount, which includes the amounts below.	**6,800,000.00**	
Administrative refund amount	**20,240.77**	
Non-voted bond debt amount		
Other*		

Excess levies

Levy	General (n/a for school districts)	Bond	Enrichment (school districts only)	Cap. project	Other levy*
Total certified levy request amount, which includes the amounts below.					
Administrative refund amount					
Other*					

*Examples of other levy types may include EMS, school district transportation, or construction levies. Examples of other amounts may include levy error correction or adjudicated refund amount. Please include a description when using the "other" options.

Signature: _____ **Date:** _____

To request this document in an alternate format, please complete the form dor.wa.gov/AccessibilityRequest or call 360-705-6705. Teletype (TTY) users please dial 711.

CITY OF LAKE STEVENS

One Community Around The Lake

2026 Budget

Property Tax Public Hearing

BARB STEVENS, FINANCE DIRECTOR

NOVEMBER 18, 2025

Property Tax – Public Hearing

- Property Tax Limitations
  - Assessed Values & Limit Factors
- Property Tax Levy 2026
- Property Tax Levy Breakdown by Taxing District
- Tax Levy Comparison 2025-2026

Property Tax Limitations

- Statutory Dollar Rate –
  - Maximum rate set by statute
  - City Annexed into Fire District or Library District - $3.60
    - Fire District – $1.50
    - Library District - $0.50
    - City – $1.60
- Levy Limit (101% or IPD)
  - Maximum the City can increase their regular levy from the previous year (not including banked capacity, or refunds)
- Highest Lawful Levy (HLL)
  - The maximum levy allowed based on SDR and LL
- Statutory Amount
  - Assed Value x Statutory Dollar Rate Limit/$1000 of AV
  - Necessary if Statutory Dollar Rate is reached/exceeded
- Assessed Values
  - Increased 5.5**%** from PY
- Implicit Price Deflator (IPD): **2.44%**
  - RCW 84.55 – Populations greater than 10,000
    - Limit factor is lesser of 101% or 100% plus Inflation
    - Finding of Substantial Need (2nd Ordinance) – limit factor may exceed 100% plus inflation up to 101%
  - ***2026 Limit Factor = 101%***

2026 Property Tax Levy

- 2026 Estimated Levy $6,740,885
- 2026 Levy Rate $0.69
  - General Fund Allocation - 86%
    - $5,797,000
  - Street Fund Allocation – 148%
    - $944,000

- Approximately 2.1% Increase Overall
  - 1% Regular Levy Increase $32,933
  - New Construction $67,925
  - Refunds $38,025

Regular Property Tax Levy						
	A	B		C1	D	
% Levy Increase	2025 Highest Lawful Levy	Revenue Increase over 2026 Levy	Levy Rate	New Construction	State Assessed & Refunds	2026 Tax Revenue/Levy (A + B + C+D)
1.0%	6,569,243	65,692	$ 0.6920	$ 67,925	38,025	6,740,885

Property Tax Levy Breakdown

Total 2025 Tax Levy (/$1,000 AV)	
LKS School District	$3.10
State School Levy	$2.35
SnoCo Regional Fire	$1.72
City of Lake Stevens	**$0.71**
Snohomish County	$0.50
SnoIsle Library	$0.32
Total	***$8.697***

- 2025 Example ***City*** Portion
  - Levy Rate $0.71
  - 2025 Assessed Value = $500,000
    - ($500,000/1000) * 0.7148
    - =$357,41 Levy
    - =$71.48 / 100,000 of AV

- 2026 Example ***City*** Portion
  - Average AV Increase 5.5%
  - Levy Rate $0.69
  - 2026 Assessed Value = $527,500
    - ($527,500/1000) * 0.69 = $365.01 Levy
    - $7.60 increase over 2025
    - $1.52 increase / 100,000 of AV

2025 – 2026 Property Tax Levy Comparison

Year	AV	/1000	Levy Rate	City Portion Per $1000 AV
2025	$100,000	100	$0.7148	$71.48
2025	$500,000	500	$0.7148	$357.41
2025	$1,000,000	1000	$0.7148	$714.83
Year	**5.5% AV Increase**	**/1000**	**2026 Levy Rate @ 1%**	**City Portion Per $1000 AV**
2026	$105,500	105.5	$0.6920	$73.00
2026	$527,500	527.5	$0.6920	$365.01
2026	$1,055,000	1055	$0.6920	$730.02

City Portion Variance 2025 v 2026			
Years	**AV**	**/1000**	**Variance Per $1000 AV @ 1%**
2025 v 2026	$5,500	5.5	$1.52
2025 v 2026	$27,500	27.5	$7.60
2025 v 2026	$55,000	55	$15.19

2026 Property Tax – Next Steps

- Questions
- Public Comment

- Recommendation
  - Adopt Ordinance No. 1206 authorizing collection of property tax levy for 2026 and setting the property tax levy amount

CITY COUNCIL STAFF REPORT

Agenda Date: 11/18/2025

Subject: 2026 Annual Budget — Public Hearing No. 1 — Ordinance 1205

Contact Person/Department: Barb Stevens, Finance

Budget Impact: 2026 Budget

Legal Review: Yes

RECOMMENDATION(S)/ACTION REQUESTED:
APPROVE: First Reading of the 2026 Budget and Ordinance No. 1205

SUMMARY/BACKGROUND:
Budgeting is an essential element of the financial planning, control, and evaluation processes of governments. The planning process involves determining the types and levels of services to be provided and allocating available resources among various departments, programs, or functions. Financial control and evaluation processes typically focus upon assuring that fixed expenditure limitations (appropriations) are not exceeded and on comparing estimated and actual revenues.

Upon adoption, the expenditure estimates are enacted into law through the passage of an appropriations ordinance. The appropriations constitute maximum expenditure authorizations during the fiscal year, and cannot legally be exceeded unless subsequently amended by the legislative body. Expenditures should be monitored through the accounting system to assure budgetary compliance. Unexpended appropriations lapse at the year's end and may be brought forward as an amendment to the budget.

The City Council has been reviewing current and forecasted revenues and expenditures including property tax, City staffing plans, and related costs which are incorporated into the proposed 2026 budget ordinance.

The 2026 Proposed Annual Budget document is attached. An extended version is

available on our website at: Budget | Lake Stevens, WA - Official Website (www.lakestevenswa.gov) along with previously presented documents and an external link to the digital budget book that includes greater detail.

APPLICABLE CITY POLICIES:

In accordance with the Financial Management Policies, Budget Themes and Policies, and the Revised Code of Washington, the legislative body shall adopt the budget by ordinance. Per RCW 84.55.120 the legislative body will hold public hearings on the proposed budget for the coming year.

ATTACHMENTS:

1. Ordinance 1205 - 2026 Budget
2. 2026 Annual Budget - Proposed
3. 2026 Council Budget Presentation - Public Hearing 1

CITY OF LAKE STEVENS
LAKE STEVENS, WASHINGTON

ORDINANCE NO. **1205**

AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY OF LAKE STEVENS, WASHINGTON, FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2026

WHEREAS, the Mayor of the City of Lake Stevens, Washington completed and placed on file with the City Clerk a proposed budget and estimate of the amount of the moneys required to meet the public expenses including salaries and benefits of City employees, bond retirement and interest, reserve funds and expenses of government of said City for the fiscal year ending December 31, 2026, and a notice was published that the Council of said City would meet for the purpose of making a budget for said fiscal year and giving taxpayers within the limits of said City an opportunity to be heard upon said budget, and

WHEREAS, the said City Council did meet at said time and place and did then consider the matter of said proposed budget; and

WHEREAS, notices were published in the official newspaper of the City, that the Council of said City would meet on the 18th day of November and the 25th day of November, 2025, at the hour of 6:00 P.M., in the Sawyers Room, at the Mill building, 1808 Main Street, and via Zoom for the purpose of receiving public testimony in a public hearing as to the matter of said proposed budget; and

WHEREAS, the said City Council did meet at said dates, times, and place and did receive public testimony during a public hearing as to the matter of said proposed budget; and

WHEREAS, the said proposed budget does not exceed the lawful limit of taxation allowed by law to be levied on the property within the City of Lake Stevens for the purposes set forth in said budget, and the estimated expenditures set forth in said budget being all necessary to carry on the government of said City for said year and being sufficient to meet the various needs of said City during said period.

NOW, THEREFORE, the City Council of the City of Lake Stevens do ordain as follows:

Section 1. The budget for the City of Lake Stevens, Washington, for the year 2026 is hereby adopted, the content which will be set forth in the document entitled City of Lake Stevens 2026 Annual Budget, 1 copy of which is on file in the Office of the Clerk.

Section 2. Totals for all such funds combined, for the year 2026 are set forth in summary form below, and are hereby appropriated for expenditure during the year 2026 as set forth below:

Fund #	Fund Name	Estimated Beg. Bal.	Resources	Expenditures	End. Bal.
001	General	$19,318,440	$24,896,346	$31,103,157	$13,111,629
101	Street	$2,187,549	$3,742,969	$4,445,586	$1,484,932
111	Drug Seizure & Forfeiture	$59,988	$2,260	$51,000	$11,248
112	Municipal Arts Fund	$33,365	$33,400	$25,000	$41,765
120	Transportation Benefit Fund	$1,947,798	$2,212,600	$2,992,653	$1,167,745
210	2008 Bonds	$0	$209,335	$209,335	$0
214	2019A LTGO Bond	$0	$460,702	$460,702	$0
215	2021A LTGO Bond - 17005	$456	$606,950	$606,950	$456
216	2024A LTGO Bond - City Campus	$18,281	$596,900	$589,300	$25,881
301	Cap. Proj.-Dev. Contrib.	$4,353,886	$806,000	$303,000	$4,856,886
302	Park Mitigation	$2,493,705	$3,719,352	$4,261,892	$1,951,165
303	REET 1	$8,458,596	$1,300,000	$1,233,637	$8,524,959
304	REET 2	$4,879,483	$1,684,000	$6,198,776	$364,707
306	Facility Capital Project	$437,335	$0	$0	$437,335
309	Sidewalk Capital Project	$318,594	$19,000	$200,000	$137,594
401	Sewer	$61,419	$1,348,936	$1,340,436	$69,919
410	Storm and Surface Water	$1,784,127	$5,670,649	$6,765,744	$689,032
411	Storm Water Capital	$5,964,171	$1,698,000	$3,448,200	$4,213,971
412	Storm Water Debt	$0	$290,177	$290,177	$0
501	Unemployment	$7,737	$40,950	$35,000	$13,687
510	Equipment Fund - Computers	$179,284	$862,700	$962,441	$79,543
515	Equipment Fund - Vehicles	$111,944	$0	$0	$111,944
520	Equipment Fund-Police	$1,000,180	$261,000	$300,700	$960,480
525	Equipment Fund - Parks	$31,205	$62,000	$77,835	$15,370
530	Equipment Fund-PW	$610,210	$188,500	$191,342	$607,368
633	Treasurer's Trust	$34,642	$405,100	$406,161	$33,581
	Total	$54,292,395	$51,117,826	$66,499,024	$38,911,197

Section 3. The City Clerk is directed to transmit a certified copy of the budget hereby adopted to the Division of Municipal Corporations in the Office of the State Auditor and to the Association of Washington Cities.

Section 4. A summary of this ordinance consisting of the title shall be published in the official City newspaper. This ordinance shall take effect and be in full force five (5) days after publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LAKE STEVENS this ___ day of _____, 2025.

_____
Brett Gailey, Mayor

ATTEST:

_____
Kelly Chelin, City Clerk

APPROVED AS TO FORM:

_____
Greg Rubstello, City Attorney

First Reading: November 18, 2025
Second Reading: November 25, 2025
Final Reading:
Effective:

Ordinance No. 1205

City of Lake Stevens
2026 Annual Budget

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INTRODUCTION

Mayor's Message

Brett Gailey, Mayor

October 30, 2025

Honorable City Council and Residents of Lake Stevens,

The 2026 Budget represents another step forward in strengthening how we serve our community and protect the quality of life that defines Lake Stevens. Over the past decade, our city has grown from a small town around the lake into one of Snohomish County's fastest-growing communities. With that growth comes the responsibility to deliver reliable services, maintain safe and efficient infrastructure, and invest in the systems that keep our organization resilient and responsive.

This budget builds on the progress of the past several years—from achieving American Public Works Association (APWA) accreditation to advancing major transportation and park investments—while sharpening our focus on three key priorities for the year ahead: **Public Safety, Information Technology, and Maintaining Infrastructure & Programs.**

Public Safety

The safety of our residents remains our highest priority. In 2026, we are implementing the **Traffic Safety Camera Program** to enhance road safety and reduce preventable collisions at key intersections and school zones. This initiative supports our Police Department's ongoing efforts to improve enforcement efficiency, promote compliance, and provide data-driven insights to guide future roadway improvements.

Public safety is not limited to enforcement—it is about prevention, preparedness, and partnership. Our continued investment in first-responder readiness, emergency management coordination, and community engagement ensures that Lake Stevens remains a safe place to live, work, and raise a family.

Information Technology

The city's ability to deliver reliable, secure, and efficient public services depends on the strength of its technology infrastructure. The 2026 budget expands our **cybersecurity and data-protection measures** to safeguard critical systems and sensitive information from increasing digital threats.

We are prioritizing **critical system support** to maintain the continuity of essential operations, from permitting and financial management to communications and emergency response. In addition, the City is making strategic **investments in Artificial Intelligence (AI) tools** that enhance staff efficiency and service delivery. These responsible AI solutions are being deployed to automate routine tasks, streamline workflows, and improve information access—freeing up staff time for higher-value public service work.

These technology initiatives protect taxpayer resources, strengthen organizational resilience, and position Lake Stevens as a forward-thinking leader in local government innovation.

Maintaining Infrastructure & Programs

Growth and success bring new demands on our infrastructure, facilities, and community programs. The 2026 budget maintains our **current levels of service** while supporting long-term maintenance and replacement needs across the city.

We continue to fund core services such as streets, parks, stormwater management, and facilities upkeep to ensure residents experience the high standard of reliability they expect. Alongside these commitments, we are encouraging **innovative process improvement** within departments, empowering staff to modernize workflows, streamline permitting and communications, and identify efficiencies that reduce costs without compromising quality.

These efforts reflect our shared commitment to responsible stewardship of public funds and to continuous improvement in how we serve the community.

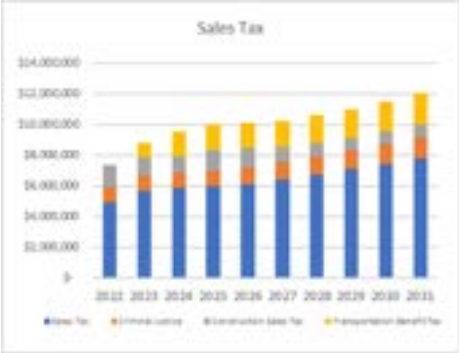
Revenues

Lake Stevens has seen revenue growth over the past seven years and can expect some sources to continue to grow, while others flatten out. Using reasonable assumptions, we foresee overall growth of 2% per year for all combined revenue.

Lake Stevens voters approved the 0.2% Transportation Benefit funding enacted in 2023. The revenues created by this funding are estimated at $1,632,000 per year to be used on the approved list of roads, sidewalks, and trails. The first $500,000 per year is intended for pavement preservation and to maintain and enhance the city's existing roadway infrastructure.

The assumptions used to make these projections are:

- Sales Tax increases an average of 4% per year through 2031. Although retail sales are forecasted to increase 5% per year, sales related to construction will decrease.
- Property Tax increase of 1% plus estimated new construction and annexation assessments. In 2026 the allocation to the Street fund will decrease to 14%.
- Utility Tax increase of 31% in 2026 due partially to a tax on sewer assigned to the Street fund for road repair and maintenance and the proposed tax on stormwater. The increase in future years is estimated at 2% per year.



Lake Stevens continues to see new retail and redevelopment which signals a strong economy and reinforces the city's revenue projections.

The city continues to allocate $300,000 of construction sales tax revenue into the general fund for operating purposes. Any remaining construction sales tax is allocated to our reserves for future infrastructure needs and to balance structural deficits.

Proposed Operating Budget

Our proposed budget is structured to fund the highest priority needs for city residents while maintaining adequate reserves. The city looks toward the future with continued economic development citywide. In the meantime, the 2026 budget strategically funds department needs that are a priority for residents while reducing the structural deficit in the General Fund.

The proposed staffing budget includes:

1. Add IT Application/Data Analyst to provide additional data security, mandatory ADA updates and critical system support.
2. Add Traffic Engineer to develop and implement the traffic safety camera program and traffic calming program.
3. Allow for Intern positions to be departmentally funded with budget savings
4. Cost of Living Adjustment for Non-Represented Staff (represented staff receive adjustments based on contract agreements)

Summary

The 2026 Budget is balanced, sustainable, and forward-looking. It supports our essential services, invests in technology and safety, and maintains the infrastructure that connects and defines our city. As always, we continue to plan prudently, manage resources carefully, and maintain healthy reserves to ensure long-term stability.

I want to thank our City Council, staff, and residents for their collaboration and commitment. Your input and engagement make our city stronger and help shape a vision that unites us as *One Community Around the Lake.*

Together, we are building a safer, smarter, and more resilient Lake Stevens.

Respectfully,

Brett Gailey, Mayor

Organization Chart

This citywide organizational chart is color coded to highlight the changes to city staffing for 2026. New positions may be scheduled to be hired in the first quarter of the year, while others may be held until later in the year to conserve budget. Some temporary positions are unfunded and may be hired if budget savings are realized in that department or fund.

BUDGET OVERVIEW

Personnel Changes

IT - Application/Data Analyst

- Data Security, Mandatory ADA Updates, Critical System Support
  - Q2 Hire - $112,000
  - 68% General Fund ($76,000)

Traffic Engineer

- Develop and Implement traffic safety camera program
- Develop and Implement traffic calming program
  - Q1 Hire - $164,000
  - Includes vehicle lease costs
  - 100% funded by Traffic Safety Camera Program (reimbursed)

There are 2 new positions included in the 2026 proposed budget, including an IT Applications/Data Analyst and a Traffic Engineer. Both positions will further the City's strategic priorities of public safety and secure information infrastructure.

Salary Tables

The City's compensation plan consists of a range and step system for non-exempt and exempt positions; each classification will be assigned to a salary range and each range will have seven (7) steps. There is approximately two and one-half percent (2½%) between the ranges and approximately four percent (4%) between each step.

Periodically, the City may conduct a market salary survey to ensure the city's positions are paid appropriately as evaluated against our comparable cities, economic conditions in the area, prevailing wage rates, and/or recruitment or retention difficulties for certain positions. Market adjustments to positions on the salary schedule shall be subject to budgetary consideration.

General increases for positions in the salary range will be approved by the City Council for each position classification as set forth in the City's annual budget (as amended or supplemented from time to time).

Salary ranges for positions represented by unions are negotiated and approved via contract and not through the budget process. The three bargaining units which represent certain city employees are the Teamsters Union (Public Works & Parks), the Police Guild Commissioned, and the Police Guild Non-Commissioned.

The 2026 budget includes cost of living adjustments as follows:

- Non-Represented - 2.44% (90% of CPI-W)
- Police Guild Commissioned - 3.00% (Contracted)
- Police Guild Non-Commission - 2.44% (Contracted)
- Teamsters - Currently *in negotiations*

Non-Represented Non-Exempt Position Ranges

Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
NR13.5	$ 29,867	$ 31,062	$ 32,304	$ 33,596	$ 34,940	$ 36,338	$ 37,791
NR8	$ 52,794	$ 54,906	$ 57,102	$ 59,386	$ 61,762	$ 64,232	$ 66,802
NR9	$ 54,114	$ 56,279	$ 58,530	$ 60,871	$ 63,306	$ 65,838	$ 68,472
NR10	$ 55,466	$ 57,685	$ 59,992	$ 62,392	$ 64,888	$ 67,483	$ 70,182
NR11	$ 56,855	$ 59,129	$ 61,494	$ 63,954	$ 66,512	$ 69,172	$ 71,939
NR12	$ 58,274	$ 60,605	$ 63,029	$ 65,551	$ 68,173	$ 70,900	$ 73,736
NR13	$ 59,734	$ 62,123	$ 64,608	$ 67,193	$ 69,880	$ 72,676	$ 75,583
NR14	$ 61,226	$ 63,675	$ 66,222	$ 68,871	$ 71,626	$ 74,491	$ 77,471
NR15	$ 62,758	$ 65,268	$ 67,879	$ 70,594	$ 73,417	$ 76,354	$ 79,408
NR16	$ 64,325	$ 66,898	$ 69,574	$ 72,357	$ 75,251	$ 78,261	$ 81,392
NR17	$ 65,935	$ 68,572	$ 71,315	$ 74,168	$ 77,135	$ 80,220	$ 83,429
NR18	$ 67,581	$ 70,285	$ 73,096	$ 76,020	$ 79,061	$ 82,223	$ 85,512
NR19	$ 69,271	$ 72,042	$ 74,924	$ 77,921	$ 81,038	$ 84,279	$ 87,650
NR20	$ 71,003	$ 73,843	$ 76,797	$ 79,869	$ 83,063	$ 86,386	$ 89,841
NR21	$ 72,778	$ 75,689	$ 78,717	$ 81,865	$ 85,140	$ 88,546	$ 92,088
NR22	$ 74,598	$ 77,582	$ 80,686	$ 83,913	$ 87,270	$ 90,760	$ 94,391
NR23	$ 76,463	$ 79,521	$ 82,702	$ 86,010	$ 89,450	$ 93,028	$ 96,750
NR24	$ 78,373	$ 81,508	$ 84,768	$ 88,159	$ 91,685	$ 95,353	$ 99,167
NR25	$ 80,332	$ 83,546	$ 86,887	$ 90,363	$ 93,977	$ 97,737	$ 101,646
NR26	$ 82,340	$ 85,634	$ 89,059	$ 92,622	$ 96,327	$ 100,180	$ 104,187
NR27	$ 84,399	$ 87,775	$ 91,286	$ 94,937	$ 98,735	$ 102,684	$ 106,791
NR28	$ 86,508	$ 89,969	$ 93,567	$ 97,310	$ 101,202	$ 105,250	$ 109,460
NR29	$ 88,672	$ 92,218	$ 95,907	$ 99,743	$ 103,733	$ 107,883	$ 112,198
NR30	$ 90,889	$ 94,524	$ 98,305	$ 102,237	$ 106,327	$ 110,580	$ 115,003
NR31	$ 93,160	$ 96,886	$ 100,762	$ 104,792	$ 108,984	$ 113,343	$ 117,877
NR32	$ 95,490	$ 99,309	$ 103,282	$ 107,413	$ 111,709	$ 116,178	$ 120,825
NR33	$ 97,876	$ 101,791	$ 105,863	$ 110,097	$ 114,501	$ 119,081	$ 123,844
NR34	$ 100,325	$ 104,338	$ 108,511	$ 112,852	$ 117,366	$ 122,060	$ 126,943
NR35	$ 102,832	$ 106,946	$ 111,223	$ 115,672	$ 120,299	$ 125,111	$ 130,116
NR36	$ 105,404	$ 109,620	$ 114,005	$ 118,565	$ 123,308	$ 128,240	$ 133,369
NR37	$ 108,038	$ 112,359	$ 116,854	$ 121,528	$ 126,389	$ 131,445	$ 136,702

Non-Represented Exempt Position Ranges

Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
NRE40	$ 85,267	$ 88,678	$ 92,225	$ 95,914	$ 99,750	$ 103,740	$ 107,890
NRE41	$ 87,399	$ 90,895	$ 94,531	$ 98,312	$ 102,244	$ 106,334	$ 110,587
NRE42	$ 89,584	$ 93,167	$ 96,894	$ 100,770	$ 104,800	$ 108,992	$ 113,352
NRE43	$ 91,823	$ 95,496	$ 99,316	$ 103,289	$ 107,420	$ 111,717	$ 116,186
NRE44	$ 94,119	$ 97,884	$ 101,799	$ 105,871	$ 110,106	$ 114,510	$ 119,090
NRE45	$ 96,472	$ 100,331	$ 104,344	$ 108,518	$ 112,858	$ 117,373	$ 122,068
NRE46	$ 98,884	$ 102,839	$ 106,953	$ 111,231	$ 115,680	$ 120,307	$ 125,119
NRE46.5	$ 49,442	$ 51,420	$ 53,476	$ 55,615	$ 57,840	$ 60,154	$ 62,560
NRE47	$ 101,356	$ 105,410	$ 109,626	$ 114,011	$ 118,572	$ 123,315	$ 128,247
NRE48	$ 103,890	$ 108,045	$ 112,367	$ 116,862	$ 121,536	$ 126,398	$ 131,454
NRE49	$ 106,487	$ 110,746	$ 115,176	$ 119,783	$ 124,575	$ 129,558	$ 134,740
NRE50	$ 109,218	$ 113,587	$ 118,131	$ 122,856	$ 127,770	$ 132,881	$ 138,196
NRE51	$ 111,947	$ 116,425	$ 121,082	$ 125,926	$ 130,963	$ 136,201	$ 141,649
NRE52	$ 114,746	$ 119,336	$ 124,109	$ 129,074	$ 134,237	$ 139,606	$ 145,190
NRE53	$ 117,614	$ 122,319	$ 127,212	$ 132,300	$ 137,592	$ 143,096	$ 148,820
NRE54	$ 120,554	$ 125,376	$ 130,391	$ 135,607	$ 141,031	$ 146,672	$ 152,539
NRE55	$ 123,568	$ 128,511	$ 133,651	$ 138,997	$ 144,557	$ 150,339	$ 156,353
NRE56	$ 126,659	$ 131,725	$ 136,994	$ 142,474	$ 148,173	$ 154,100	$ 160,264
NRE57	$ 129,823	$ 135,016	$ 140,417	$ 146,034	$ 151,875	$ 157,950	$ 164,268
NRE58	$ 133,071	$ 138,394	$ 143,930	$ 149,687	$ 155,674	$ 161,901	$ 168,377
NRE59	$ 136,398	$ 141,854	$ 147,528	$ 153,429	$ 159,566	$ 165,949	$ 172,587
NRE60	$ 139,809	$ 145,401	$ 151,217	$ 157,266	$ 163,557	$ 170,099	$ 176,903
NRE61	$ 143,303	$ 149,035	$ 154,997	$ 161,197	$ 167,644	$ 174,350	$ 181,324
NRE62	$ 146,886	$ 152,761	$ 158,872	$ 165,227	$ 171,836	$ 178,709	$ 185,858
NRE63	$ 150,557	$ 156,579	$ 162,843	$ 169,356	$ 176,130	$ 183,176	$ 190,503
NRE64	$ 154,322	$ 160,495	$ 166,915	$ 173,591	$ 180,535	$ 187,756	$ 195,267
NRE65	$ 158,182	$ 164,510	$ 171,090	$ 177,934	$ 185,051	$ 192,453	$ 200,151
NRE66	$ 162,138	$ 168,623	$ 175,368	$ 182,383	$ 189,678	$ 197,265	$ 205,156
NRE67	$ 166,188	$ 172,836	$ 179,749	$ 186,939	$ 194,417	$ 202,193	$ 210,281
NRE68	$ 170,343	$ 177,157	$ 184,243	$ 191,613	$ 199,277	$ 207,248	$ 215,538
NRE69	$ 174,603	$ 181,587	$ 188,850	$ 196,404	$ 204,260	$ 212,431	$ 220,928
NRE70	$ 178,968	$ 186,127	$ 193,572	$ 201,315	$ 209,367	$ 217,742	$ 226,452
NRE71	$ 183,444	$ 190,781	$ 198,413	$ 206,349	$ 214,603	$ 223,187	$ 232,115
NRE72	$ 188,030	$ 195,551	$ 203,373	$ 211,508	$ 219,969	$ 228,767	$ 237,918
NRE80	$ 255,326						

Approved Requests

The approved budget items represent a strategic resource allocation that aligns with our goals and operational needs. Each item has been carefully evaluated to enhance efficiency, productivity, and performance. Investing in these requests promises significant returns, including financial gains and improved service delivery. For instance, advanced technology will streamline processes, reduce downtime, and foster innovation. Infrastructure upgrades will ensure operational safety and sustainability. These budget items are strategic investments driving our long-term objectives.

- AED/First Aid Equipment – Risk Management
- Emergency Operation Costs – Risk Management
- Building & Land Use Code Books *(required)* – PCD
- Forensic Investigation Program – Police
- Increased Parks Op Costs *(added parks)* – Park & Recreation
- Contributions to Senior Center & VOA – Human Services

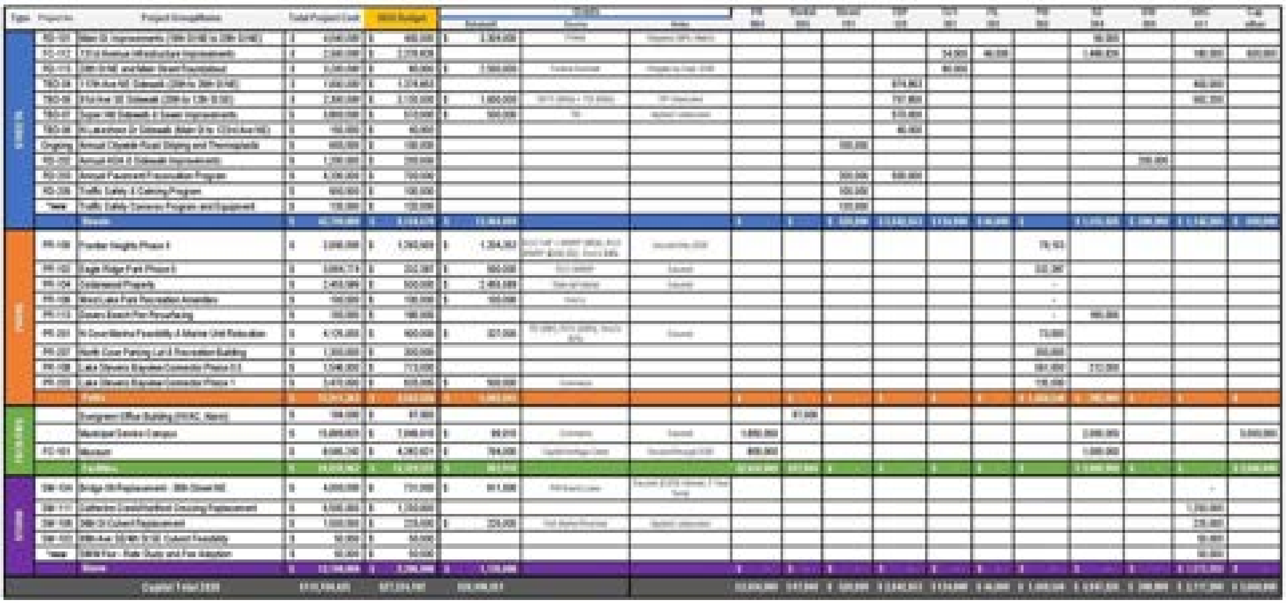
- Pavement Preservation Software – Streets
- Increased Engineering Professional Services – Streets
- Continue EDDS Update *(required)* – Streets/SWM
- SWM Fee Evaluation - SWM
- Alum Treatment – SWM

- Shared Equipment *(added parks)* – PW/Parks & Recreation
- Equipment Attachments for Synthetic Turf Maintenance – Park
- Data Center Upgrade - Computer
- Vehicle Replacement Program – Police Equip

Capital Project Budget

The CIP is created based on a scoring matrix that prioritizes projects based on safety and other factors. Once that scoring is complete and the projects are prioritized, consideration is taken for available resources and potential funding sources. Grants and the requirement dates. When is the grant Secured, when does it have to be Obligated by.

2026 Capital Improvement Plan



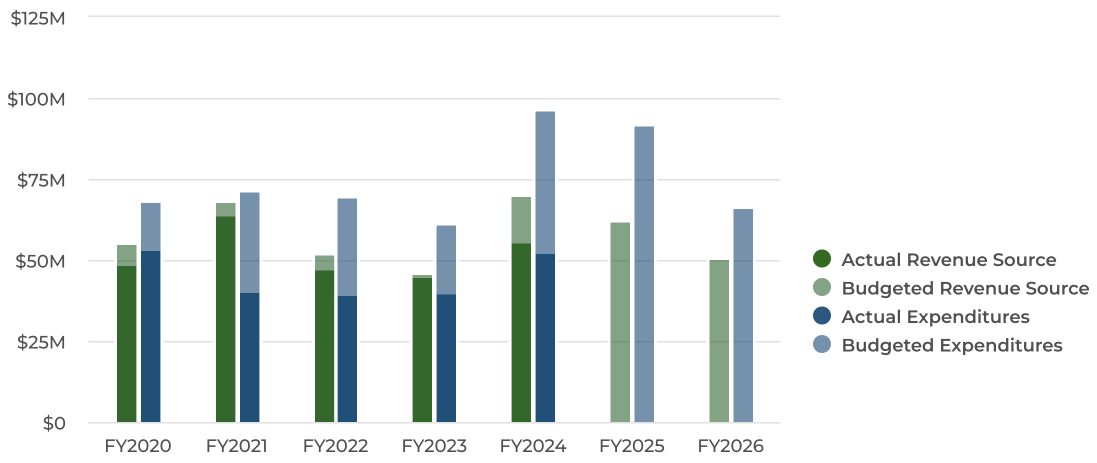
The 2026 Capital Project budget includes 30 projects totaling $27,324,102.

23 of these projects are multi-year projects included in the 2025 capital budget. Unused project budgets may be re-appropriated into the 2026 budget from the prior budget after year-end.

FUND SUMMARIES

Summary

The City of Lake Stevens is projecting $51.12M of revenue in FY2026, which represents a 18.3% decrease over the prior year. Budgeted expenditures are projected to decrease by 27.7% or $25.49M to $66.5M in FY2026.



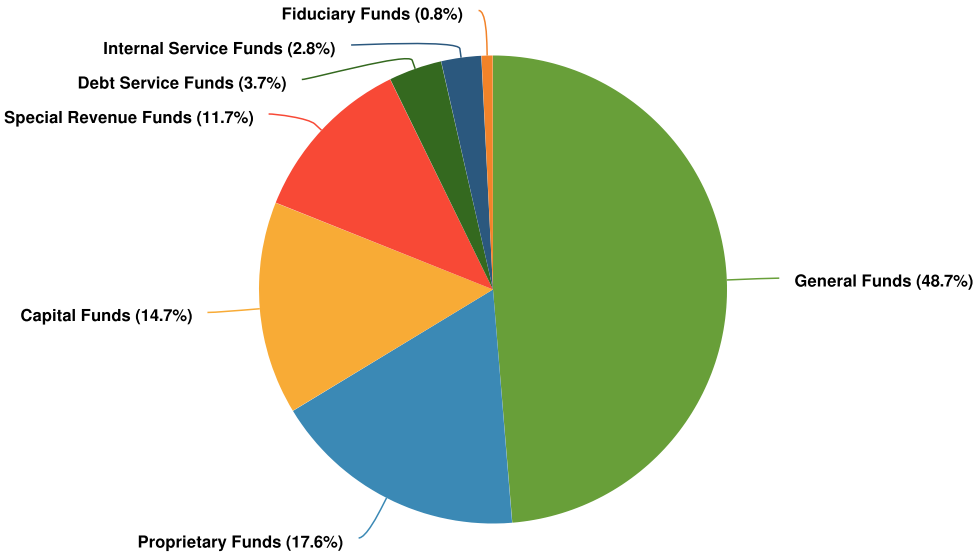
All Funds - Citywide Comprehensive Summary

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Actual	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**$67,312,571**	**$67,312,571**	**$70,925,862**	**$70,925,862**	**$53,994,580**
Revenues					
Taxes	$22,074,858	$21,195,915	$5,063,606	$22,669,469	$24,591,704
Licenses and Permits	$1,509,798	$1,814,183	$936,305	$1,562,842	$1,994,308
Intergovernmental	$3,402,111	$11,367,762	$2,335,910	$12,275,256	$7,446,132
Charges for Services	$7,681,874	$10,999,811	$4,319,429	$11,064,058	$8,779,808
Fines and Forfeitures	$130,091	$121,000	$66,070	$132,000	$145,000
Miscellaneous Revenue	$4,440,581	$4,868,653	$1,130,326	$3,453,720	$3,001,310
Other Fund Resources	$401,818	$1,063,900	$167,252	$1,053,900	$791,100
Other Financing Sources	$16,500,502	$18,821,708	$2,753,001	$10,389,656	$4,368,464
Total Revenues:	**$56,141,633**	**$70,252,932**	**$16,771,899**	**$62,600,901**	**$51,117,826**
Expenditures					
Non Expenditure	$6,555,419	$6,746,452	$2,919,320	$7,418,902	$5,627,925
Salaries	$14,509,097	$15,428,896	$6,215,393	$17,002,424	$18,148,601
Benefits	$5,420,354	$6,013,138	$2,476,593	$6,845,705	$6,951,367
Supplies	$1,336,333	$1,851,244	$500,979	$1,932,046	$1,395,647

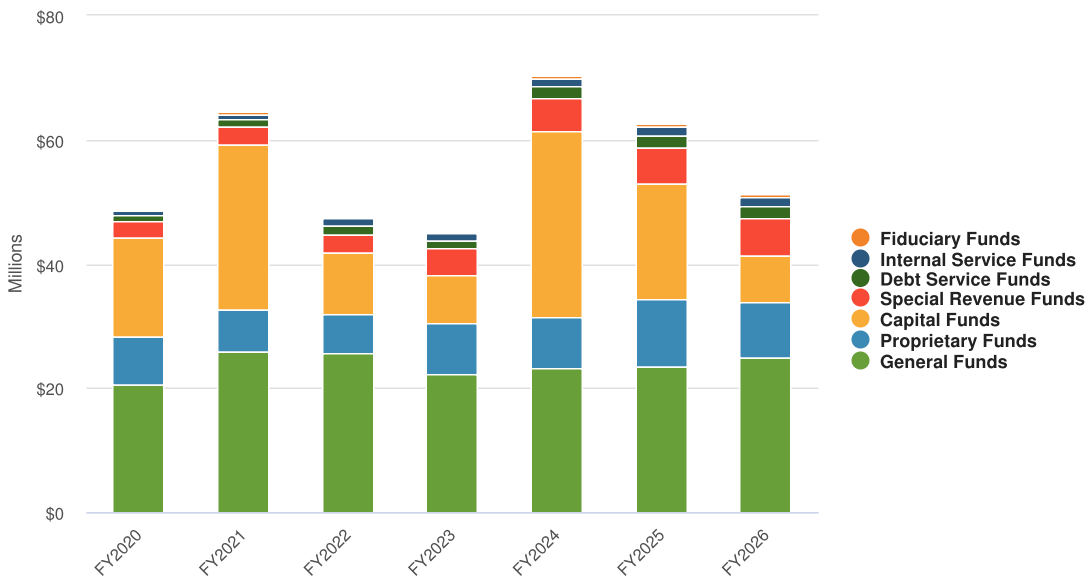
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Actual	FY2025 Budgeted	FY2026 Proposed
Services	$9,365,518	$10,742,094	$3,943,178	$11,747,314	$11,300,017
Capital	$12,387,727	$52,074,936	$1,723,349	$43,881,686	$19,651,086
Debt Principal	$2,030,093	$2,300,431	$274,512	$2,169,235	$2,468,989
Debt Interest	$1,038,410	$1,412,418	$482,448	$995,834	$955,392
Total Expenditures:	**$52,642,951**	**$96,569,609**	**$18,535,772**	**$91,993,146**	**$66,499,024**
Total Revenues Less Expenditures:	**$3,498,682**	**-$26,316,677**	**-$1,763,873**	**-$29,392,245**	**-$15,381,198**
Ending Fund Balance:	**$70,811,253**	**$40,995,894**	**$69,161,989**	**$41,533,617**	**$38,613,382**

Revenue by Fund

2026 Revenue by Fund



Budgeted and Historical 2026 Revenue by Fund

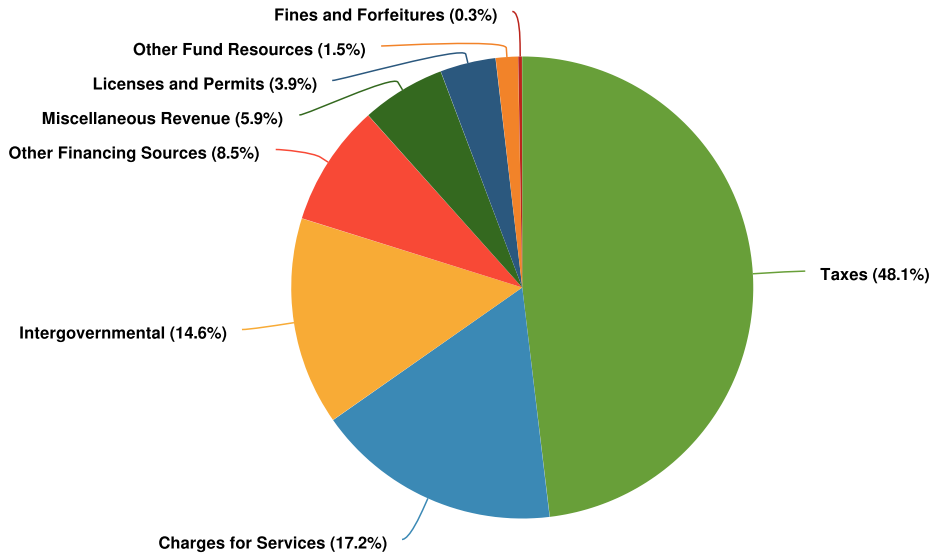


Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
General Funds				
General	$23,157,671	$23,104,024	$23,564,273	$24,896,346
Total General Funds:	**$23,157,671**	**$23,104,024**	**$23,564,273**	**$24,896,346**
Special Revenue Funds				
Street	$3,516,768	$3,438,448	$4,067,007	$3,742,969
Drug Seizure and Forfeiture	$5,082	$3,000	$3,028	$2,260
Municipal Arts	$31,811	$52,150	$52,367	$33,400
Transportation Benefit	$1,709,930	$1,913,850	$1,612,179	$2,212,600
Total Special Revenue Funds:	**$5,263,591**	**$5,407,448**	**$5,734,581**	**$5,991,229**
Debt Service Funds				
LTGO 2008A Bond	$213,890	$213,890	$211,865	$209,335
2019A LTGO Bond - PD	$463,599	$463,600	$460,097	$460,702
2021A LTGO Bond	$609,605	$609,150	$608,350	$606,950
2024A LTGO Bond Fund	$426,192	$578,548	$597,200	$596,900
Total Debt Service Funds:	**$1,713,286**	**$1,865,188**	**$1,877,512**	**$1,873,887**
Capital Funds				
Cap Proj-Dev Contrib-Traffic	$747,736	$1,276,650	$800,110	$806,000
Park Mitigation Fund	$688,258	$4,789,941	$4,640,075	$3,719,352
Real Estate Excise Tax I	$1,709,373	$1,150,000	$1,500,975	$1,300,000
Real Estate Excise Tax II	$1,654,688	$4,439,409	$4,910,437	$1,684,000
Downtown Redevelopment	$13,432	$13,432	$0	
Facility Capital Project Fund	$10,794,039	$14,611,394	$3,904,000	$0
Sidewalk Capital Project	$27,172	$30,000	$15,000	$19,000

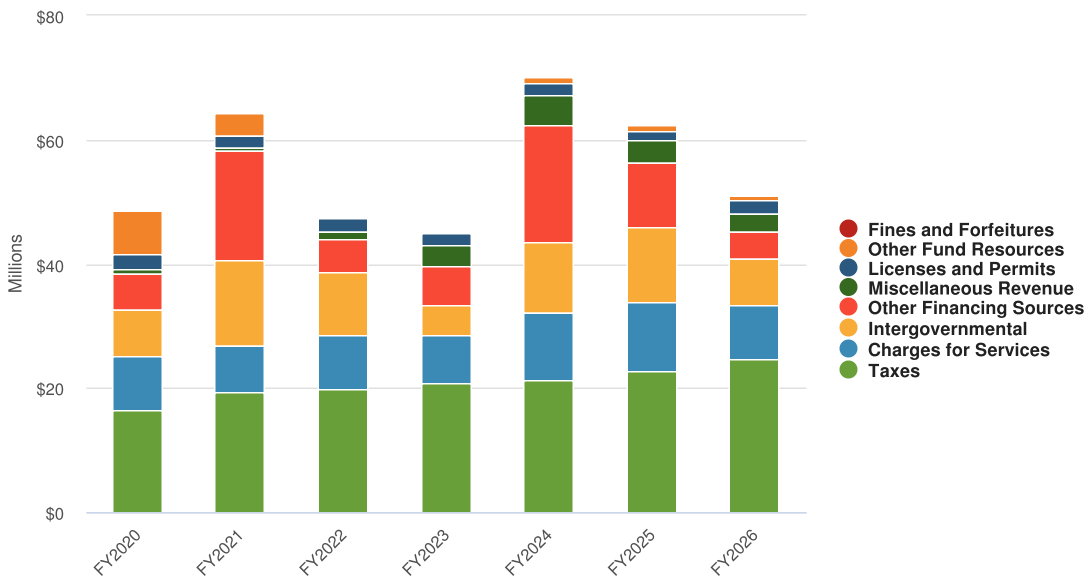
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Infrastructure Capital Project	$954,681	$3,686,037	$2,910,000	$0
Total Capital Funds:	**$16,589,379**	**$29,996,863**	**$18,680,597**	**$7,528,352**
Proprietary Funds				
Sewer	$818,672	$820,285	$798,285	$1,348,936
Storm and Surface Water	$5,414,038	$5,267,063	$6,565,583	$5,670,649
Storm Water Capital	$1,405,936	$1,940,975	$3,307,569	$1,698,000
Storm Water Debt Service	$167,081	$167,082	$100,177	$290,177
Total Proprietary Funds:	**$7,805,727**	**$8,195,405**	**$10,771,614**	**$9,007,762**
Internal Service Funds				
Unemployment	$1,405	$1,000	$31,000	$40,950
Capital Equip - Computer	$485,832	$498,279	$832,563	$862,700
Capital Equip - Vehicle Replac	$25,248	$24,500	$4,068	$0
Capital Equip - Police	$419,012	$370,000	$379,534	$261,000
Capital Equip - Parks	$0	$0	$139,000	$62,000
Capital Equip - PW	$410,249	$354,325	$190,259	$188,500
Total Internal Service Funds:	**$1,341,746**	**$1,248,104**	**$1,576,424**	**$1,415,150**
Fiduciary Funds				
Treasurer's Trust	$270,233	$435,900	$395,900	$405,100
Total Fiduciary Funds:	**$270,233**	**$435,900**	**$395,900**	**$405,100**
Total:	**$56,141,633**	**$70,252,932**	**$62,600,901**	**$51,117,826**

Revenues by Source

Projected 2026 Revenues by Source



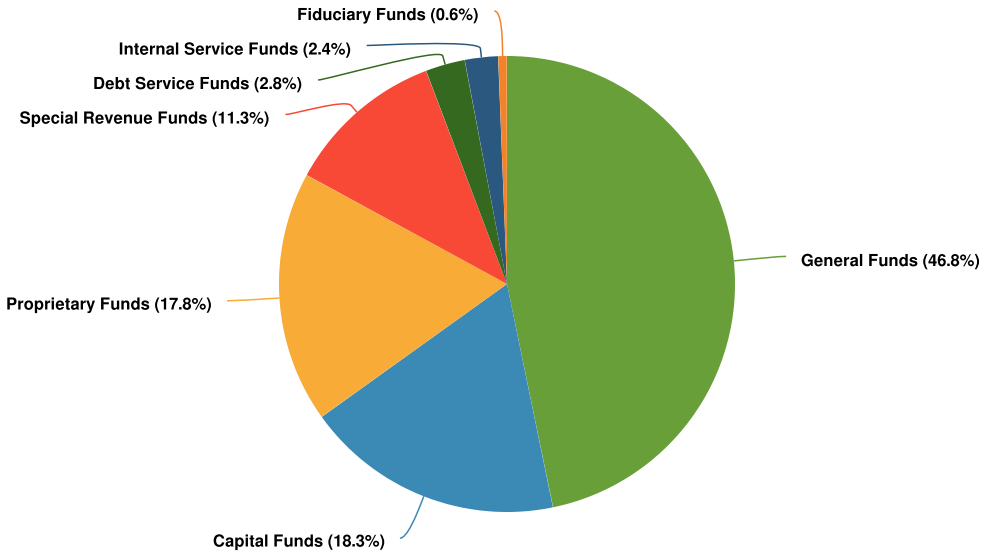
Budgeted and Historical 2026 Revenues by Source



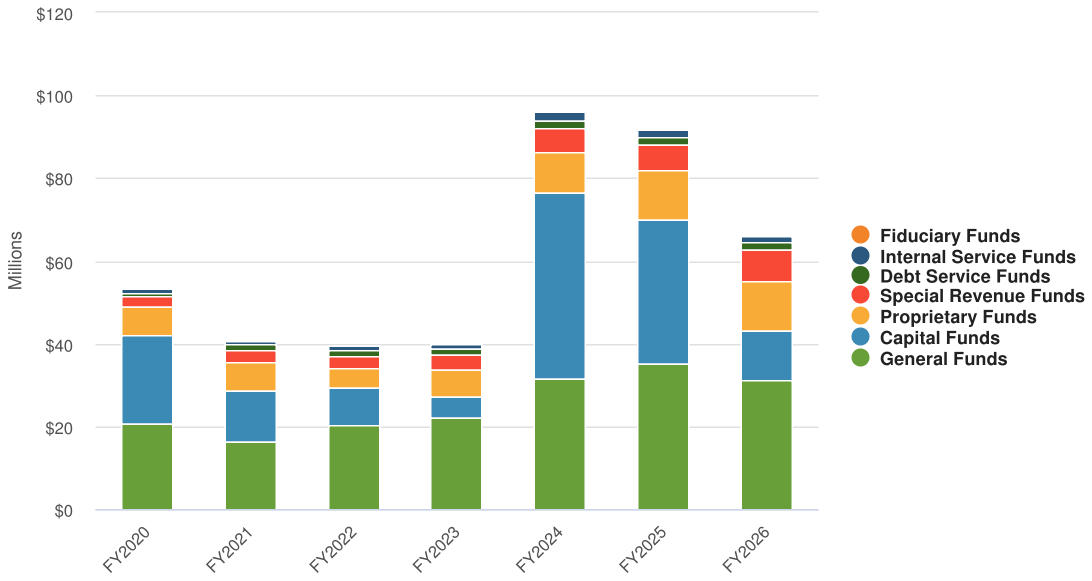
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Revenue Source					
Taxes	$22,074,858	$21,195,915	$22,669,469	$24,591,704	8.5%
Licenses and Permits	$1,509,798	$1,814,183	$1,562,842	$1,994,308	27.6%
Intergovernmental	$3,402,111	$11,367,762	$12,275,256	$7,446,132	-39.3%
Charges for Services	$7,681,874	$10,999,811	$11,064,058	$8,779,808	-20.6%
Fines and Forfeitures	$130,091	$121,000	$132,000	$145,000	9.8%
Miscellaneous Revenue	$4,440,581	$4,868,653	$3,453,720	$3,001,310	-13.1%
Other Fund Resources	$401,818	$1,063,900	$1,053,900	$791,100	-24.9%
Other Financing Sources	$16,500,502	$18,821,708	$10,389,656	$4,368,464	-58%
Total Revenue Source:	**$56,141,633**	**$70,252,932**	**$62,600,901**	**$51,117,826**	**-18.3%**

Expenditures by Fund

2026 Expenditures by Fund



Budgeted and Historical 2026 Expenditures by Fund



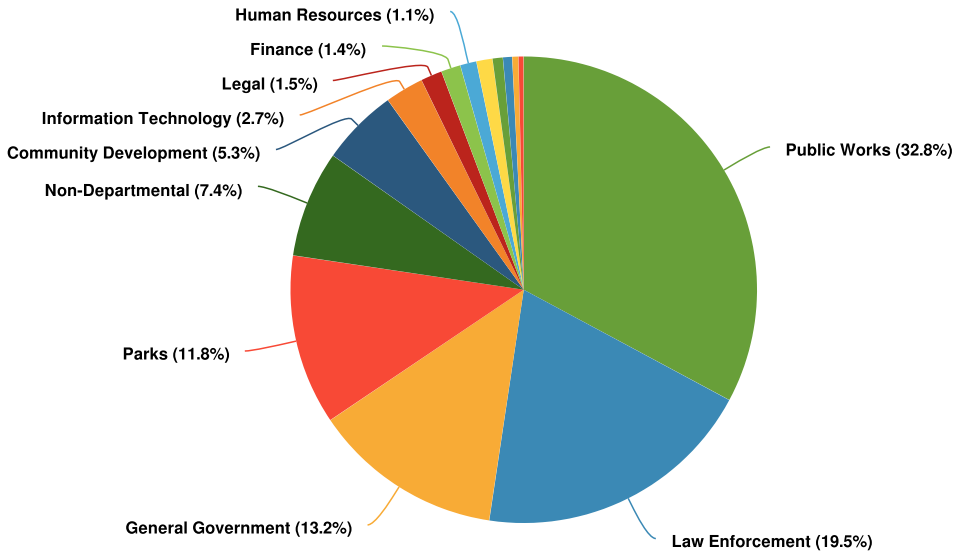
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
General Funds					
General	$24,496,415	$31,398,813	$35,007,949	$31,103,157	-11.2%
Total General Funds:	**$24,496,415**	**$31,398,813**	**$35,007,949**	**$31,103,157**	**-11.2%**

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Special Revenue Funds					
Street	$3,904,132	$4,272,198	$4,515,761	$4,445,586	-1.6%
Drug Seizure and Forfeiture	$9,236	$36,000	$36,000	$51,000	41.7%
Municipal Arts	$0	$25,000	$25,000	$25,000	0%
Transportation Benefit	$1,145,639	$1,749,100	$1,410,000	$2,992,653	112.2%
Total Special Revenue Funds:	**$5,059,007**	**$6,082,298**	**$5,986,761**	**$7,514,239**	**25.5%**
Debt Service Funds					
LTGO 2008A Bond	$213,890	$213,890	$211,865	$209,335	-1.2%
2019A LTGO Bond - PD	$463,599	$463,600	$460,097	$460,702	0.1%
2021A LTGO Bond	$609,150	$609,150	$608,350	$606,950	-0.2%
2024A LTGO Bond Fund	$418,602	$418,605	$587,200	$589,300	0.4%
Total Debt Service Funds:	**$1,705,241**	**$1,705,245**	**$1,867,512**	**$1,866,287**	**-0.1%**
Capital Funds					
Cap Proj-Dev Contrib-Traffic	$1,166,772	$3,879,634	$2,434,994	$303,000	-87.6%
Park Mitigation Fund	$710,239	$6,071,029	$5,942,278	$4,261,892	-28.3%
Real Estate Excise Tax I	$1,172,406	$1,251,233	$1,159,162	$1,233,637	6.4%
Real Estate Excise Tax II	$1,625,888	$7,546,162	$7,204,038	$6,198,776	-14%
Downtown Redevelopment	$540,110	$540,461	$0		N/A
Facility Capital Project Fund	$7,385,760	$14,613,443	$7,091,122	$0	-100%
Sidewalk Capital Project	$98,019	$430,000	$218,787	$200,000	-8.6%
Infrastructure Capital Project	$96,172	$10,594,555	$10,749,189	$0	-100%
Total Capital Funds:	**$12,795,366**	**$44,926,517**	**$34,799,570**	**$12,197,305**	**-64.9%**
Proprietary Funds					
Sewer	$801,333	$846,239	$839,739	$1,340,436	59.6%
Storm and Surface Water	$5,566,664	$6,259,165	$7,324,827	$6,765,744	-7.6%
Storm Water Capital	$656,909	$2,518,375	$3,996,782	$3,448,200	-13.7%
Storm Water Debt Service	$167,079	$167,082	$100,177	$290,177	189.7%
Total Proprietary Funds:	**$7,191,985**	**$9,790,861**	**$12,261,525**	**$11,844,557**	**-3.4%**
Internal Service Funds					
Unemployment	$14,229	$30,000	$30,000	$35,000	16.7%
Capital Equip - Computer	$567,575	$711,101	$987,846	$962,441	-2.6%
Capital Equip - Police	$159,570	$643,717	$242,782	$300,700	23.9%
Capital Equip - Parks	$0	$0	$80,240	$77,835	-3%
Capital Equip - PW	$408,714	$842,045	$332,000	$191,342	-42.4%
Total Internal Service Funds:	**$1,150,088**	**$2,226,863**	**$1,672,868**	**$1,567,318**	**-6.3%**
Fiduciary Funds					
Treasurer's Trust	$244,849	$439,012	$396,961	$406,161	2.3%
Total Fiduciary Funds:	**$244,849**	**$439,012**	**$396,961**	**$406,161**	**2.3%**

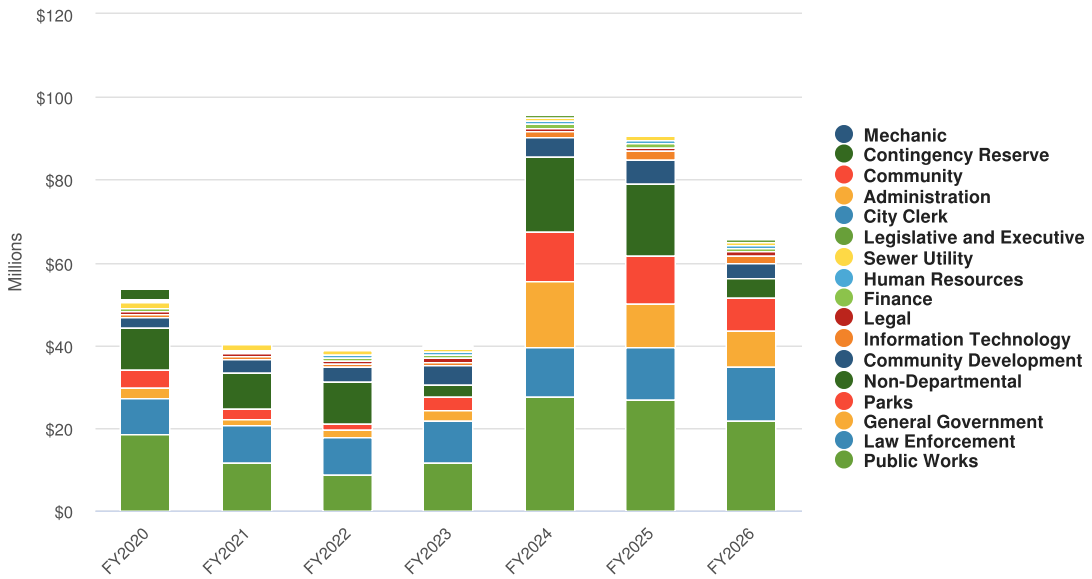
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Total:	**$52,642,951**	**$96,569,609**	**$91,993,146**	**$66,499,024**	**-27.7%**

Expenditures by Function

Budgeted Expenditures by Function



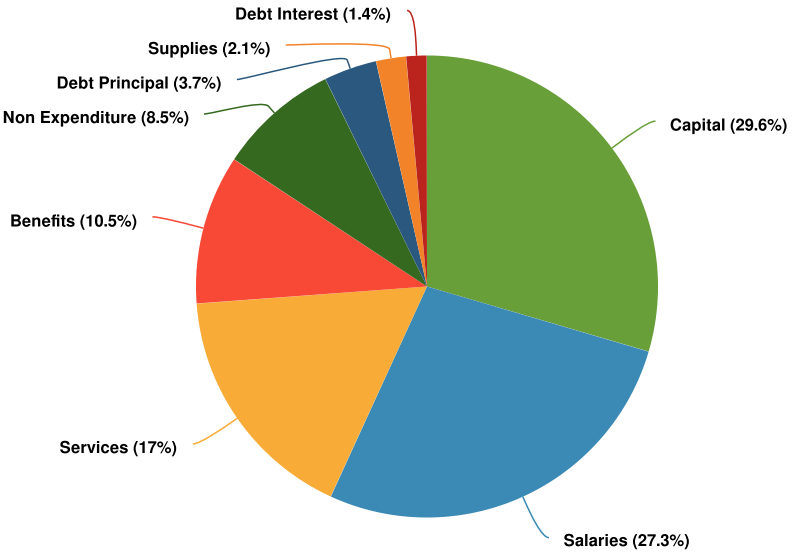
Budgeted and Historical Expenditures by Function



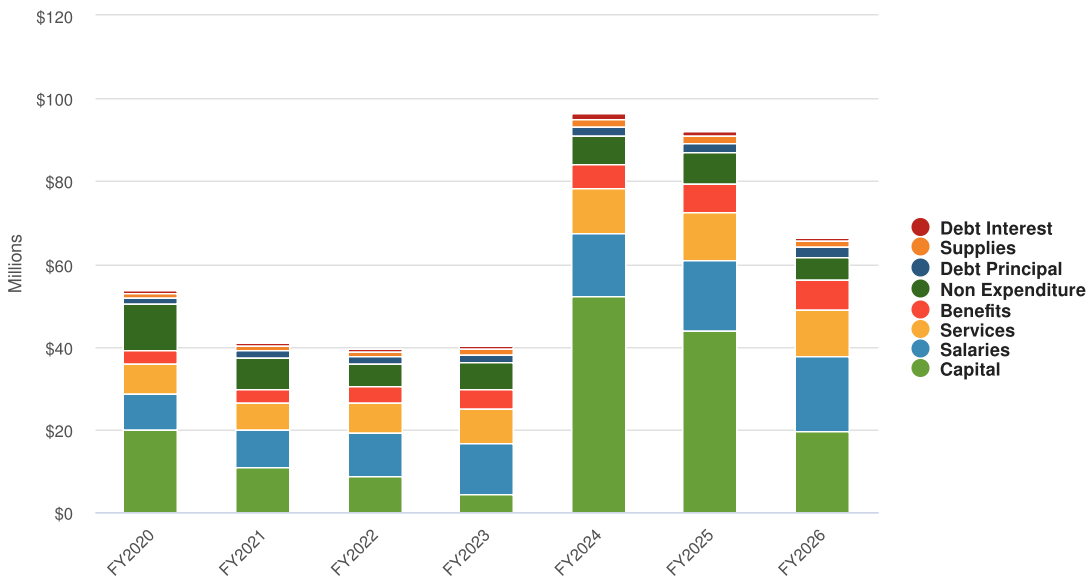
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expenditures					
Non-Departmental	$3,655,844	$18,056,312	$17,378,085	$4,922,242	-71.7%
Legislative and Executive	$441,235	$461,736	$487,123	$479,482	-1.6%
Administration	$306,268	$310,480	$321,586	$295,208	-8.2%
City Clerk	$426,004	$503,611	$481,022	$417,853	-13.1%
Finance	$744,881	$917,738	$1,075,795	$905,123	-15.9%
Human Resources	$709,662	$802,998	$803,198	$746,577	-7%
Information Technology	$1,207,284	$1,470,406	$1,979,733	$1,785,543	-9.8%
Community Development	$5,119,925	$4,601,296	$5,864,576	$3,552,696	-39.4%
Law Enforcement	$10,816,741	$12,074,068	$12,699,223	$12,983,897	2.2%
Parks	$3,960,150	$11,915,206	$11,544,911	$7,835,826	-32.1%
Legal	$912,302	$926,387	$903,134	$979,054	8.4%
Community	$107,006	$218,945	$192,711	$231,972	20.4%
General Government	$9,327,992	$16,046,526	$10,558,944	$8,779,637	-16.9%
Public Works	$14,106,324	$27,459,115	$26,904,820	$21,843,478	-18.8%
Sewer Utility	$801,333	$804,785	$798,285	$740,436	-7.2%
Total Expenditures:	**$52,642,951**	**$96,569,609**	**$91,993,146**	**$66,499,024**	**-27.7%**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



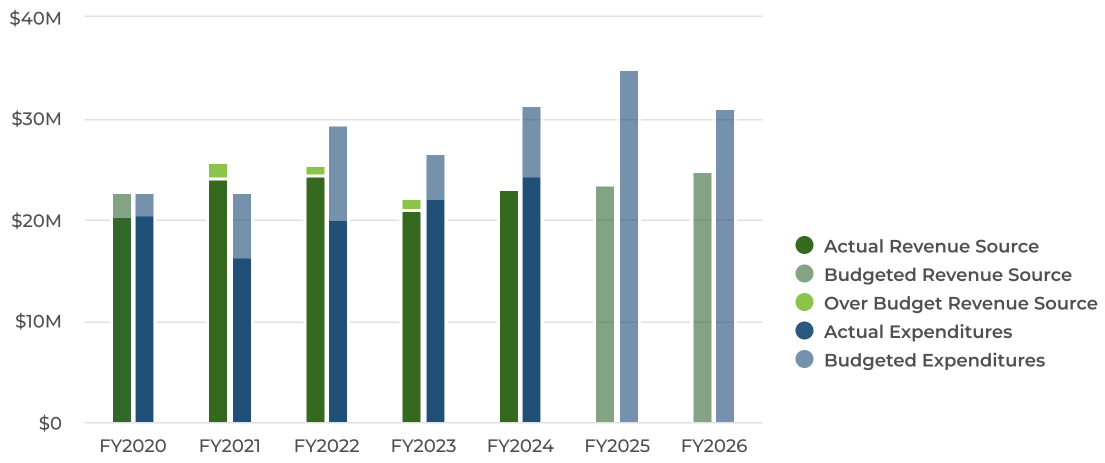
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Non Expenditure	$6,555,419	$6,746,452	$7,418,902	$5,627,925	-24.1%
Salaries	$14,509,097	$15,428,896	$17,002,424	$18,148,601	6.7%
Benefits	$5,420,354	$6,013,138	$6,845,705	$6,951,367	1.5%
Supplies	$1,336,333	$1,851,244	$1,932,046	$1,395,647	-27.8%
Services	$9,365,518	$10,742,094	$11,747,314	$11,300,017	-3.8%
Capital	$12,387,727	$52,074,936	$43,881,686	$19,651,086	-55.2%
Debt Principal	$2,030,093	$2,300,431	$2,169,235	$2,468,989	13.8%
Debt Interest	$1,038,410	$1,412,418	$995,834	$955,392	-4.1%
Total Expense Objects:	**$52,642,951**	**$96,569,609**	**$91,993,146**	**$66,499,024**	**-27.7%**

General Fund

This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Summary

The City of Lake Stevens is projecting $24.9M of revenue in FY2026, which represents a 5.7% increase over the prior year. Budgeted expenditures are projected to decrease by 11.2% or $3.9M to $31.1M in FY2026.



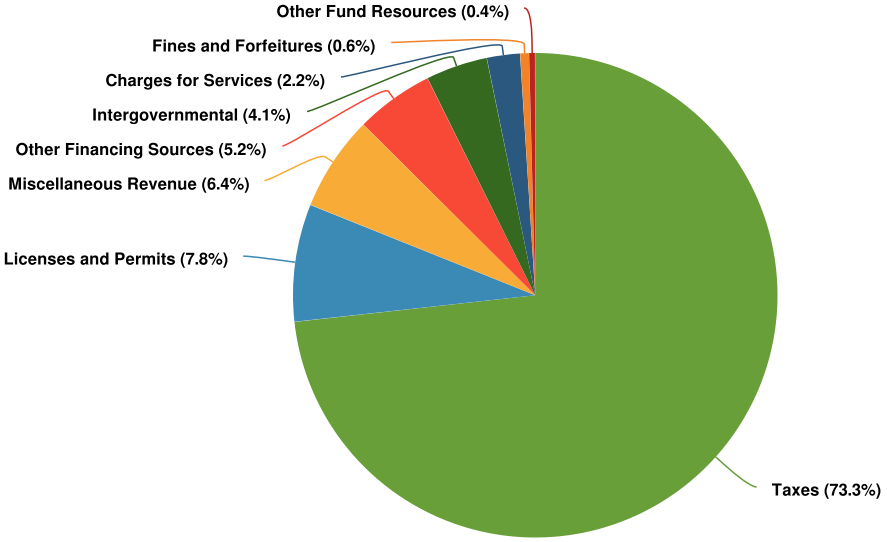
General Fund Comprehensive Summary

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Actual	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**$24,958,936**	**$24,958,936**	**$23,691,115**	**$23,691,115**	**$19,340,951**
Revenues					
Taxes	$15,454,210	$15,612,205	$3,728,773	$15,921,533	$18,238,849
Licenses and Permits	$1,466,898	$1,769,183	$915,855	$1,517,842	$1,949,308
Intergovernmental	$1,186,694	$1,283,836	$248,755	$1,203,807	$1,024,460
Charges for Services	$479,528	$538,351	$234,799	$489,026	$552,659
Fines and Forfeitures	$130,091	$121,000	$66,070	$132,000	$145,000
Miscellaneous Revenue	$2,061,155	$2,058,989	$562,820	$1,877,098	$1,585,070
Other Fund Resources	$59,513	$78,000	$21,998	$83,000	$101,000
Other Financing Sources	$2,319,582	$1,642,460	$703,756	$2,339,967	$1,300,000
Total Revenues:	**$23,157,671**	**$23,104,024**	**$6,482,826**	**$23,564,273**	**$24,896,346**
Expenditures					
Non Expenditure	$2,534,780	$1,976,200	$890,482	$2,768,302	$1,549,000
Salaries	$10,984,935	$11,500,576	$4,742,733	$12,846,301	$13,581,389
Benefits	$4,046,887	$4,356,027	$1,865,016	$5,075,750	$5,201,197
Supplies	$691,396	$1,099,114	$221,667	$1,254,186	$859,247

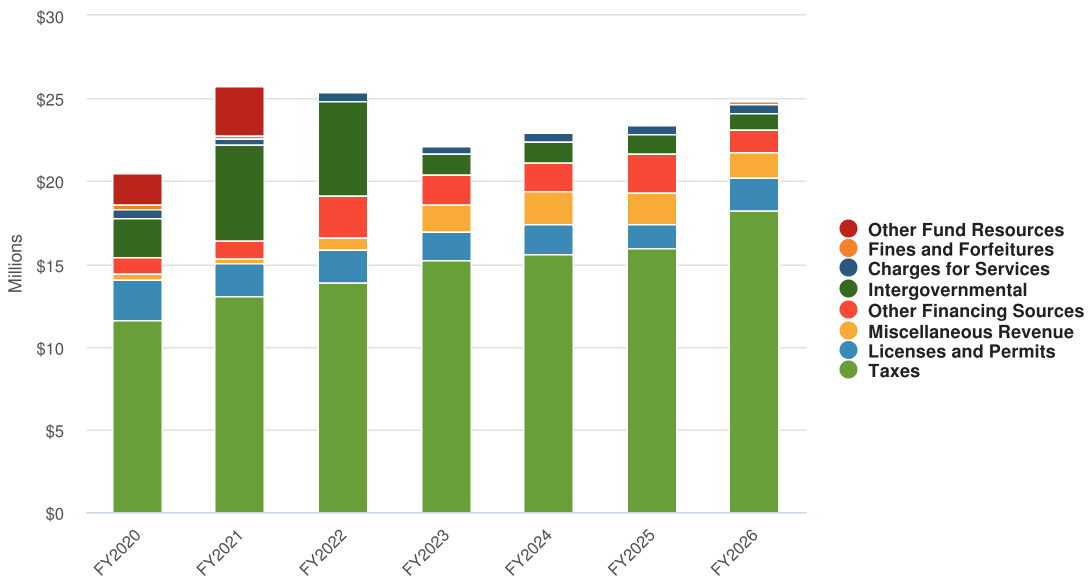
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Actual	FY2025 Budgeted	FY2026 Proposed
Services	$5,587,685	$6,553,411	$2,948,268	$7,186,004	$6,826,409
Capital	$576,671	$5,836,760	$729,718	$5,766,681	$2,940,715
Debt Principal	$74,061	$76,725	$3,242	$110,725	$145,200
Total Expenditures:	**$24,496,415**	**$31,398,813**	**$11,401,126**	**$35,007,949**	**$31,103,157**
Total Revenues Less Expenditures:	**-$1,338,744**	**-$8,294,789**	**-$4,918,300**	**-$11,443,676**	**-$6,206,811**
Ending Fund Balance:	**$23,620,192**	**$16,664,147**	**$18,772,815**	**$12,247,439**	**$13,134,140**

Revenues by Source

Projected 2026 Revenues by Source

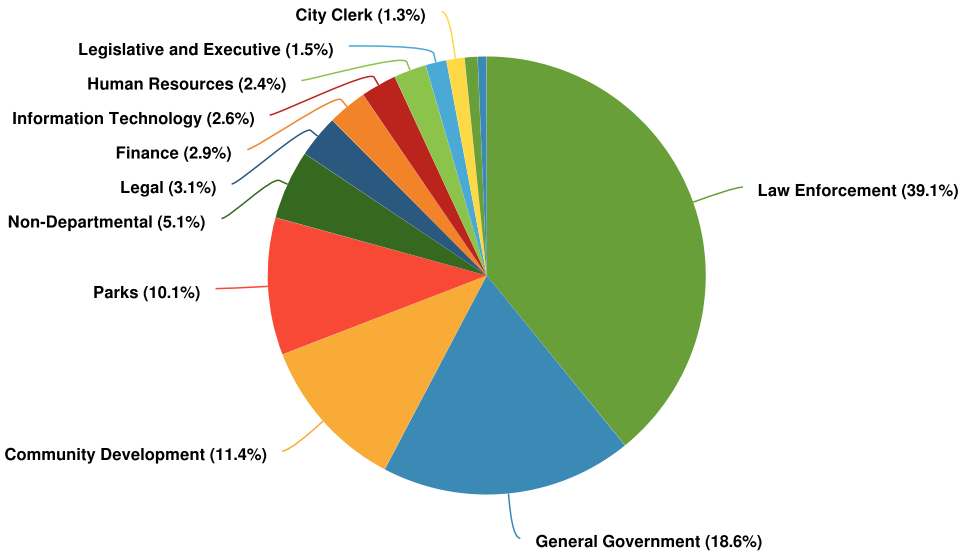


Budgeted and Historical 2026 Revenues by Source

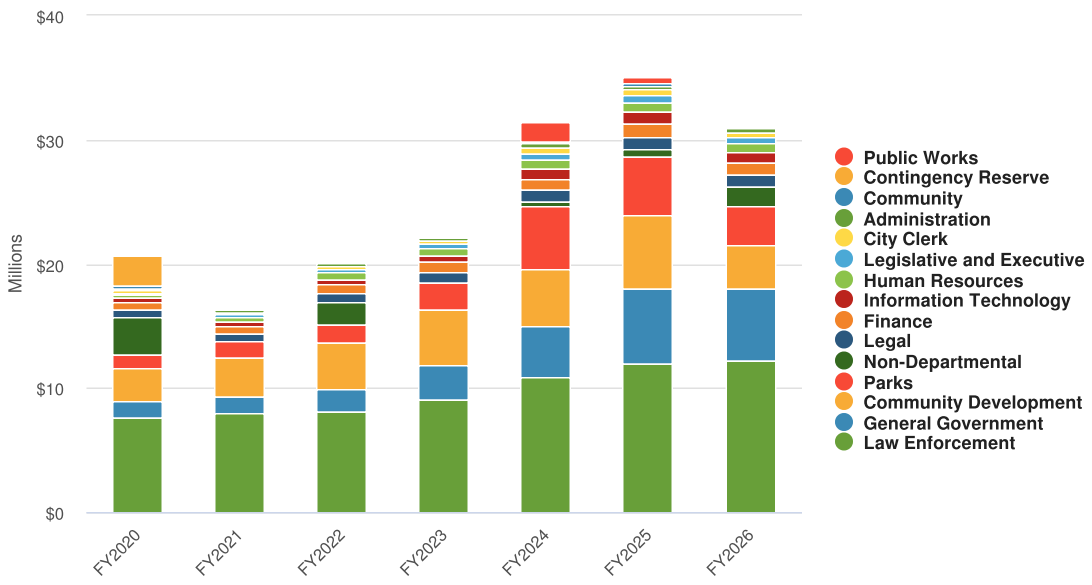


Expenditures by Function

Budgeted Expenditures by Function



Budgeted and Historical Expenditures by Function



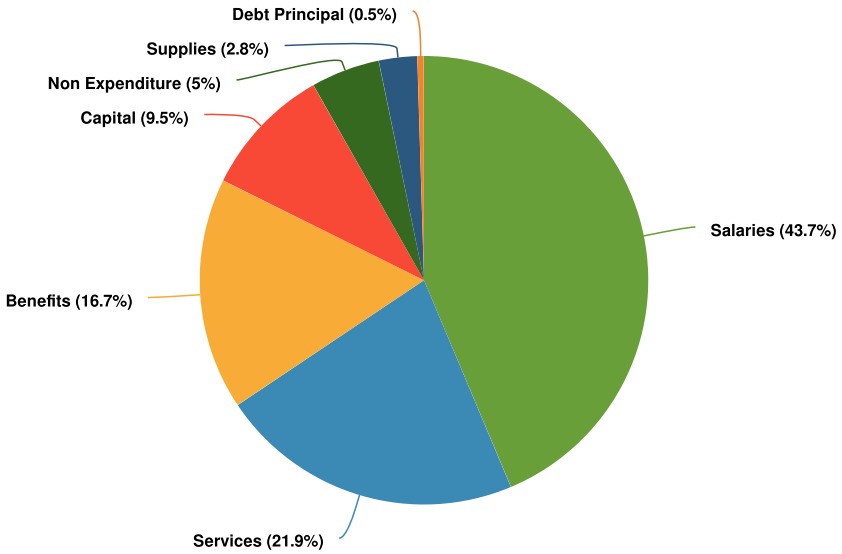
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expenditures					
Non-Departmental					
Non Expenditure	$6,002	$227,000	$203,302	$1,408,000	592.6%
Supplies	$5,570	$0	$20,000	$3,000	-85%
Services	$95,848	$153,100	$107,434	$83,859	-21.9%
Capital	$0	$40,000	$322,000	$97,000	-69.9%
Total Non-Departmental:	**$107,420**	**$420,100**	**$652,736**	**$1,591,859**	**143.9%**
Legislative and Executive					
Salaries	$223,163	$223,650	$231,654	$234,495	1.2%
Benefits	$72,140	$69,944	$73,944	$72,012	-2.6%
Supplies	$2,284	$600	$1,350	$1,000	-25.9%
Services	$143,648	$167,542	$180,175	$171,975	-4.6%
Total Legislative and Executive:	**$441,235**	**$461,736**	**$487,123**	**$479,482**	**-1.6%**
Administration					
Salaries	$213,073	$212,560	$216,983	$204,553	-5.7%
Benefits	$65,746	$67,911	$69,423	$57,475	-17.2%
Supplies	$0	$800	$800	$800	0%
Services	$27,449	$29,209	$34,380	$32,380	-5.8%
Total Administration:	**$306,268**	**$310,480**	**$321,586**	**$295,208**	**-8.2%**
City Clerk					

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Salaries	$301,254	$339,930	$316,618	$286,089	-9.6%
Benefits	$103,837	$129,493	$129,404	$104,464	-19.3%
Supplies	$3,677	$6,000	$6,000	$4,000	-33.3%
Services	$17,236	$28,188	$29,000	$23,300	-19.7%
Total City Clerk:	**$426,004**	**$503,611**	**$481,022**	**$417,853**	**-13.1%**
Finance					
Salaries	$479,758	$480,810	$565,189	$508,073	-10.1%
Benefits	$158,669	$164,928	$199,741	$169,145	-15.3%
Supplies	$3,281	$5,000	$10,000	$5,000	-50%
Services	$101,963	$167,000	$203,230	$122,905	-39.5%
Capital	$1,210	$100,000	$97,635	$100,000	2.4%
Total Finance:	**$744,881**	**$917,738**	**$1,075,795**	**$905,123**	**-15.9%**
Human Resources					
Salaries	$481,909	$472,132	$482,911	$480,913	-0.4%
Benefits	$150,146	$156,121	$160,290	$146,690	-8.5%
Supplies	$15,091	$35,220	$30,000	$34,000	13.3%
Services	$62,516	$139,525	$129,997	$84,974	-34.6%
Total Human Resources:	**$709,662**	**$802,998**	**$803,198**	**$746,577**	**-7%**
Information Technology					
Salaries	$401,468	$399,400	$534,012	$598,164	12%
Benefits	$127,903	$142,400	$189,082	$168,188	-11.1%
Supplies	$12,976	$11,500	$149,250	$15,750	-89.4%
Services	$97,362	$206,005	$119,543	$41,000	-65.7%
Total Information Technology:	**$639,709**	**$759,305**	**$991,887**	**$823,102**	**-17%**
Community Development					
Non Expenditure	$2,466,530	$1,690,000	$2,500,000	$131,000	-94.8%
Salaries	$1,687,619	$1,709,830	$1,977,595	$2,283,324	15.5%
Benefits	$707,312	$714,849	$840,850	$866,885	3.1%
Supplies	$47,232	$161,087	$161,718	$46,272	-71.4%
Services	$209,632	$323,530	$371,413	$223,215	-39.9%
Debt Principal	$1,600	$2,000	$13,000	$2,000	-84.6%
Total Community Development:	**$5,119,925**	**$4,601,296**	**$5,864,576**	**$3,552,696**	**-39.4%**
Law Enforcement					
Salaries	$5,497,976	$5,817,707	$6,455,158	$6,761,665	4.7%
Benefits	$2,013,052	$2,121,141	$2,449,400	$2,667,404	8.9%
Supplies	$356,637	$534,577	$509,181	$330,075	-35.2%
Services	$2,099,138	$2,147,315	$2,354,183	$2,269,151	-3.6%
Capital	$146,480	$238,286	$97,697	$0	-100%

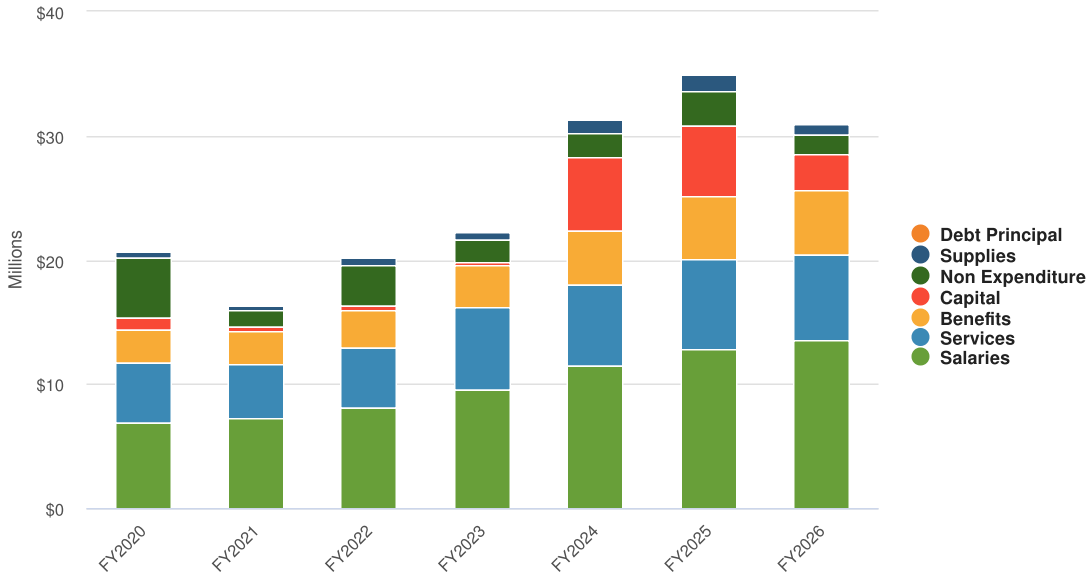
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Debt Principal	$71,053	$71,725	$94,725	$143,200	51.2%
Total Law Enforcement:	**$10,184,336**	**$10,930,751**	**$11,960,344**	**$12,171,495**	**1.8%**
Parks					
Salaries	$1,234,203	$1,422,230	$1,267,653	$1,512,416	19.3%
Benefits	$458,913	$560,677	$553,404	$665,668	20.3%
Supplies	$197,258	$286,330	$318,387	$310,025	-2.6%
Services	$432,741	$542,058	$793,639	$665,990	-16.1%
Capital	$425,564	$2,199,382	$1,815,310	$0	-100%
Total Parks:	**$2,748,679**	**$5,010,677**	**$4,748,393**	**$3,154,099**	**-33.6%**
Legal					
Services	$912,302	$926,387	$903,134	$979,054	8.4%
Total Legal:	**$912,302**	**$926,387**	**$903,134**	**$979,054**	**8.4%**
Community					
Supplies	$7,149	$24,000	$19,000	$13,500	-28.9%
Services	$99,857	$169,595	$148,711	$193,472	30.1%
Total Community:	**$107,006**	**$193,595**	**$167,711**	**$206,972**	**23.4%**
General Government					
Non Expenditure	$62,248	$59,200	$65,000	$10,000	-84.6%
Salaries	$464,512	$422,327	$798,528	$711,697	-10.9%
Benefits	$189,169	$228,563	$410,212	$283,266	-30.9%
Supplies	$40,241	$34,000	$28,500	$95,825	236.2%
Services	$1,287,993	$1,553,957	$1,811,165	$1,935,134	6.8%
Capital	$3,417	$1,759,092	$2,934,039	$2,743,715	-6.5%
Debt Principal	$1,408	$3,000	$3,000	$0	-100%
Total General Government:	**$2,048,988**	**$4,060,139**	**$6,050,444**	**$5,779,637**	**-4.5%**
Public Works					
Capital	$0	$1,500,000	$500,000	$0	-100%
Total Public Works:	**$0**	**$1,500,000**	**$500,000**	**$0**	**-100%**
Total Expenditures:	**$24,496,415**	**$31,398,813**	**$35,007,949**	**$31,103,157**	**-11.2%**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Non Expenditure					

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Non-Departmental	$6,002	$227,000	$203,302	$1,408,000	592.6%
Community Development	$2,466,530	$1,690,000	$2,500,000	$131,000	-94.8%
General Government	$62,248	$59,200	$65,000	$10,000	-84.6%
Total Non Expenditure:	**$2,534,780**	**$1,976,200**	**$2,768,302**	**$1,549,000**	**-44%**
Salaries					
Legislative and Executive	$223,163	$223,650	$231,654	$234,495	1.2%
Administration	$213,073	$212,560	$216,983	$204,553	-5.7%
City Clerk	$301,254	$339,930	$316,618	$286,089	-9.6%
Finance	$479,758	$480,810	$565,189	$508,073	-10.1%
Human Resources	$481,909	$472,132	$482,911	$480,913	-0.4%
Information Technology	$401,468	$399,400	$534,012	$598,164	12%
Community Development	$1,687,619	$1,709,830	$1,977,595	$2,283,324	15.5%
Law Enforcement	$5,497,976	$5,817,707	$6,455,158	$6,761,665	4.7%
Parks	$1,234,203	$1,422,230	$1,267,653	$1,512,416	19.3%
General Government	$464,512	$422,327	$798,528	$711,697	-10.9%
Total Salaries:	**$10,984,935**	**$11,500,576**	**$12,846,301**	**$13,581,389**	**5.7%**
Benefits					
Legislative and Executive	$72,140	$69,944	$73,944	$72,012	-2.6%
Administration	$65,746	$67,911	$69,423	$57,475	-17.2%
City Clerk	$103,837	$129,493	$129,404	$104,464	-19.3%
Finance	$158,669	$164,928	$199,741	$169,145	-15.3%
Human Resources	$150,146	$156,121	$160,290	$146,690	-8.5%
Information Technology	$127,903	$142,400	$189,082	$168,188	-11.1%
Community Development	$707,312	$714,849	$840,850	$866,885	3.1%
Law Enforcement	$2,013,052	$2,121,141	$2,449,400	$2,667,404	8.9%
Parks	$458,913	$560,677	$553,404	$665,668	20.3%
General Government	$189,169	$228,563	$410,212	$283,266	-30.9%
Total Benefits:	**$4,046,887**	**$4,356,027**	**$5,075,750**	**$5,201,197**	**2.5%**
Supplies					
Non-Departmental	$5,570	$0	$20,000	$3,000	-85%
Legislative and Executive	$2,284	$600	$1,350	$1,000	-25.9%
Administration	$0	$800	$800	$800	0%
City Clerk	$3,677	$6,000	$6,000	$4,000	-33.3%
Finance	$3,281	$5,000	$10,000	$5,000	-50%
Human Resources	$15,091	$35,220	$30,000	$34,000	13.3%
Information Technology	$12,976	$11,500	$149,250	$15,750	-89.4%
Community Development	$47,232	$161,087	$161,718	$46,272	-71.4%
Law Enforcement	$356,637	$534,577	$509,181	$330,075	-35.2%
Parks	$197,258	$286,330	$318,387	$310,025	-2.6%
Community	$7,149	$24,000	$19,000	$13,500	-28.9%

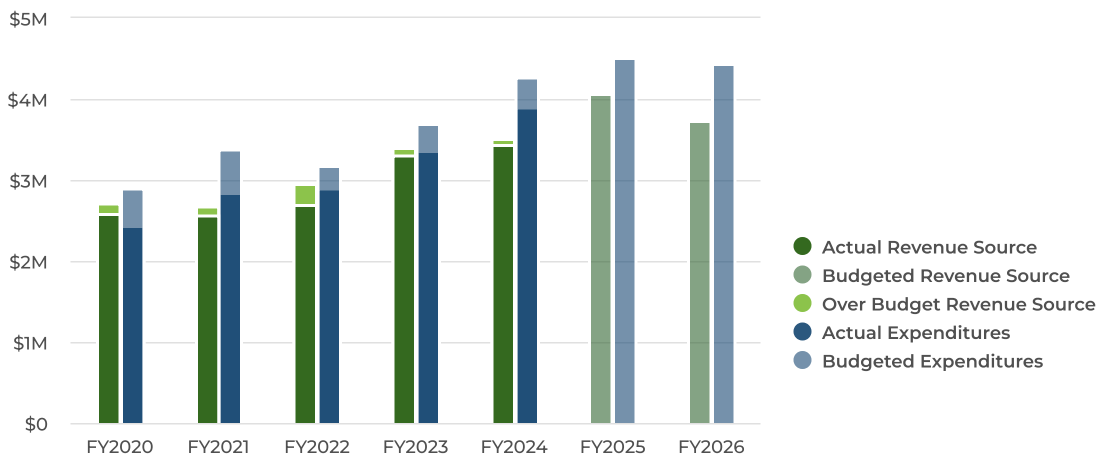
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
General Government	$40,241	$34,000	$28,500	$95,825	236.2%
Total Supplies:	**$691,396**	**$1,099,114**	**$1,254,186**	**$859,247**	**-31.5%**
Services					
Non-Departmental	$95,848	$153,100	$107,434	$83,859	-21.9%
Legislative and Executive	$143,648	$167,542	$180,175	$171,975	-4.6%
Administration	$27,449	$29,209	$34,380	$32,380	-5.8%
City Clerk	$17,236	$28,188	$29,000	$23,300	-19.7%
Finance	$101,963	$167,000	$203,230	$122,905	-39.5%
Human Resources	$62,516	$139,525	$129,997	$84,974	-34.6%
Information Technology	$97,362	$206,005	$119,543	$41,000	-65.7%
Community Development	$209,632	$323,530	$371,413	$223,215	-39.9%
Law Enforcement	$2,099,138	$2,147,315	$2,354,183	$2,269,151	-3.6%
Parks	$432,741	$542,058	$793,639	$665,990	-16.1%
Legal	$912,302	$926,387	$903,134	$979,054	8.4%
Community	$99,857	$169,595	$148,711	$193,472	30.1%
General Government	$1,287,993	$1,553,957	$1,811,165	$1,935,134	6.8%
Total Services:	**$5,587,685**	**$6,553,411**	**$7,186,004**	**$6,826,409**	**-5%**
Capital					
Non-Departmental	$0	$40,000	$322,000	$97,000	-69.9%
Finance	$1,210	$100,000	$97,635	$100,000	2.4%
Law Enforcement	$146,480	$238,286	$97,697	$0	-100%
Parks	$425,564	$2,199,382	$1,815,310	$0	-100%
General Government	$3,417	$1,759,092	$2,934,039	$2,743,715	-6.5%
Public Works	$0	$1,500,000	$500,000	$0	-100%
Total Capital:	**$576,671**	**$5,836,760**	**$5,766,681**	**$2,940,715**	**-49%**
Debt Principal					
Community Development	$1,600	$2,000	$13,000	$2,000	-84.6%
Law Enforcement	$71,053	$71,725	$94,725	$143,200	51.2%
General Government	$1,408	$3,000	$3,000	$0	-100%
Total Debt Principal:	**$74,061**	**$76,725**	**$110,725**	**$145,200**	**31.1%**
Total Expense Objects:	**$24,496,415**	**$31,398,813**	**$35,007,949**	**$31,103,157**	**-11.2%**

Street Fund

Revenue sources include motor vehicle fuel tax, which is a per gallon tax allocated on a per capita basis, taxes imposed on garbage and sewer utility providers, and a 14% allocated contribution of property taxes. Resources are used to maintain and improve the safety and functionality of city roadways and sidewalks.

Summary

The City of Lake Stevens is projecting $3.74M of revenue in FY2026, which represents a 8.0% decrease over the prior year. Budgeted expenditures are projected to decrease by 1.6% or $70.18K to $4.45M in FY2026.



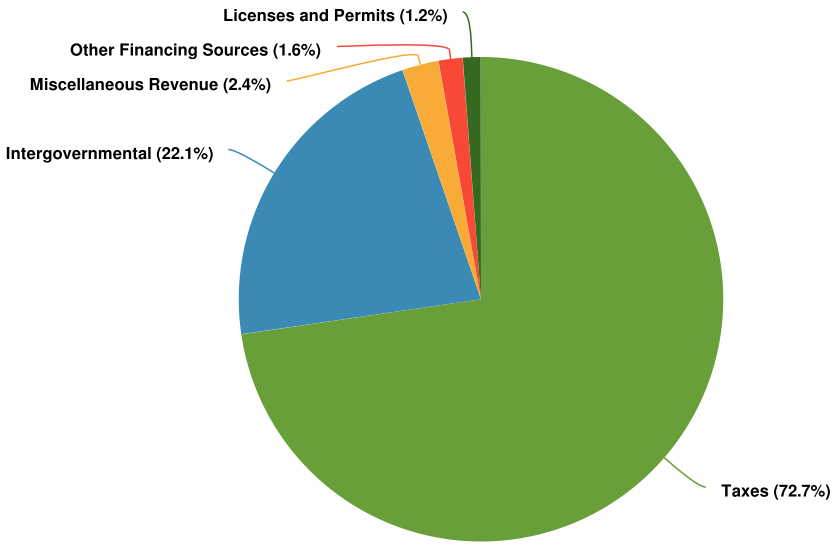
Street Fund Comprehensive Summary

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**$2,554,047**	**$2,554,047**	**$2,188,933**	**$2,118,044**
Revenues				
Taxes	$2,339,110	$2,283,710	$2,847,936	$2,720,855
Licenses and Permits	$42,900	$45,000	$45,000	$45,000
Intergovernmental	$783,202	$784,438	$817,953	$825,884
Charges for Services	$1,253	$0	$0	$0
Miscellaneous Revenue	$127,686	$111,200	$121,118	$91,230
Other Fund Resources	$27,463	$40,000	$0	$0
Other Financing Sources	$195,154	$174,100	$235,000	$60,000
Total Revenues:	**$3,516,768**	**$3,438,448**	**$4,067,007**	**$3,742,969**
Expenditures				
Non Expenditure	$17,382	$40,000	$20,000	$0
Salaries	$1,502,450	$1,565,690	$1,858,074	$1,911,645
Benefits	$562,751	$658,075	$808,476	$704,204
Supplies	$315,727	$291,814	$286,153	$258,900

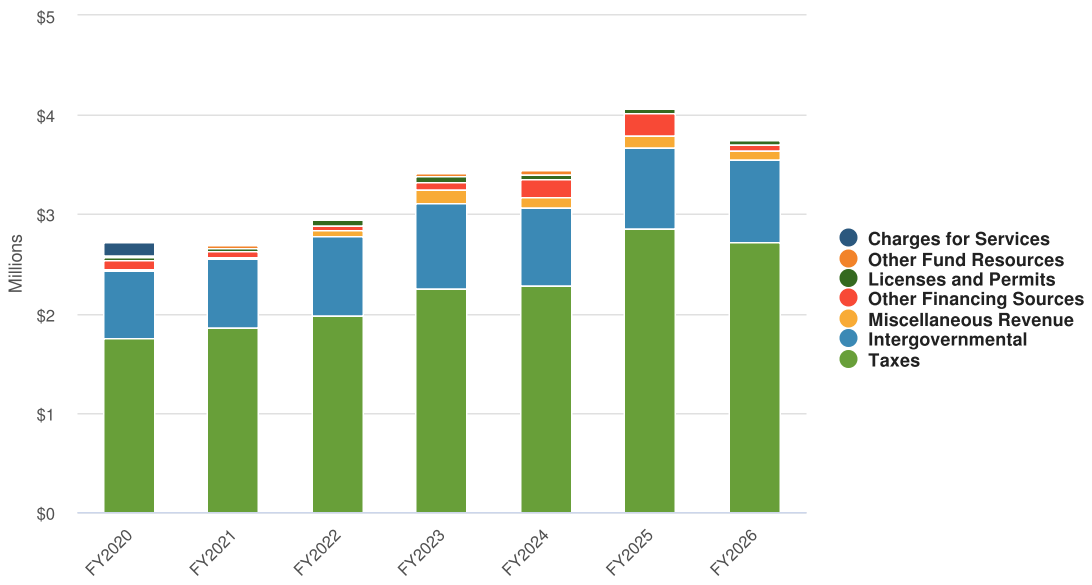
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Services	$1,460,096	$1,518,810	$1,210,058	$1,347,837
Capital	$45,726	$194,809	$330,000	$220,000
Debt Principal	$0	$3,000	$3,000	$3,000
Total Expenditures:	**$3,904,132**	**$4,272,198**	**$4,515,761**	**$4,445,586**
Total Revenues Less Expenditures:	**-$387,364**	**-$833,750**	**-$448,754**	**-$702,617**
Ending Fund Balance:	**$2,166,683**	**$1,720,297**	**$1,740,179**	**$1,415,427**

Revenues by Source

Projected 2026 Revenues by Source



Budgeted and Historical 2026 Revenues by Source

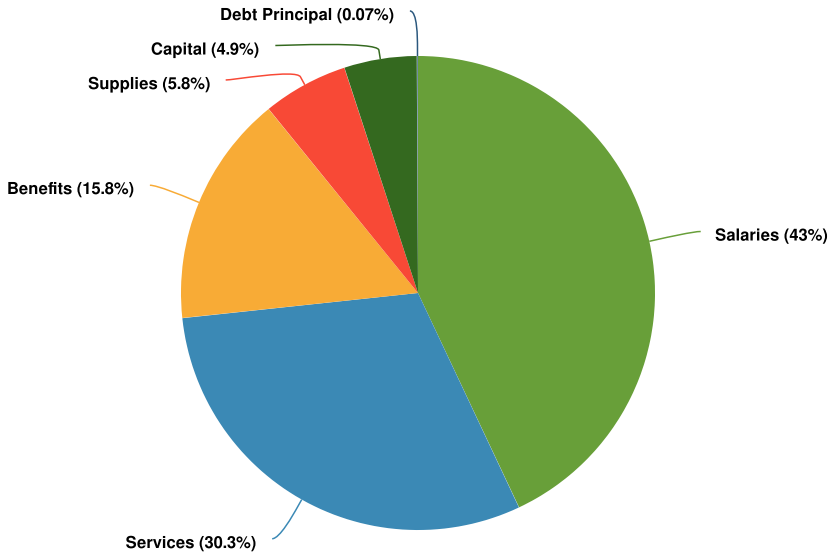


Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Revenue Source					
Taxes					
Real & Personal Property Tax	$1,787,910	$1,806,024	$1,848,350	$944,000	-48.9%
Utility Tax - Garbage	$551,200	$477,686	$489,586	$576,855	17.8%
Utility Tax - Sewer	$0	$0	$510,000	$1,200,000	135.3%
Total Taxes:	**$2,339,110**	**$2,283,710**	**$2,847,936**	**$2,720,855**	**-4.5%**
Licenses and Permits					
Other Non-Bus. ROW Permits	$42,900	$45,000	$45,000	$45,000	0%
Total Licenses and Permits:	**$42,900**	**$45,000**	**$45,000**	**$45,000**	**0%**
Intergovernmental					
Commerce Grants - State	$0	$10,000	$10,000	$0	-100%
Multimodal Transportation	$52,895	$52,910	$52,756	$52,725	-0.1%
MVFT - City Streets	$730,307	$721,528	$755,197	$773,159	2.4%
Total Intergovernmental:	**$783,202**	**$784,438**	**$817,953**	**$825,884**	**1%**
Charges for Services					
Street - PW Charge for Service	$1,253	$0	$0	$0	0%
Total Charges for Services:	**$1,253**	**$0**	**$0**	**$0**	**0%**
Miscellaneous Revenue					
Investment Interest	$101,750	$100,000	$84,526	$76,230	-9.8%
Street Op Special Assessment	$22,226	$11,200	$36,592	$15,000	-59%

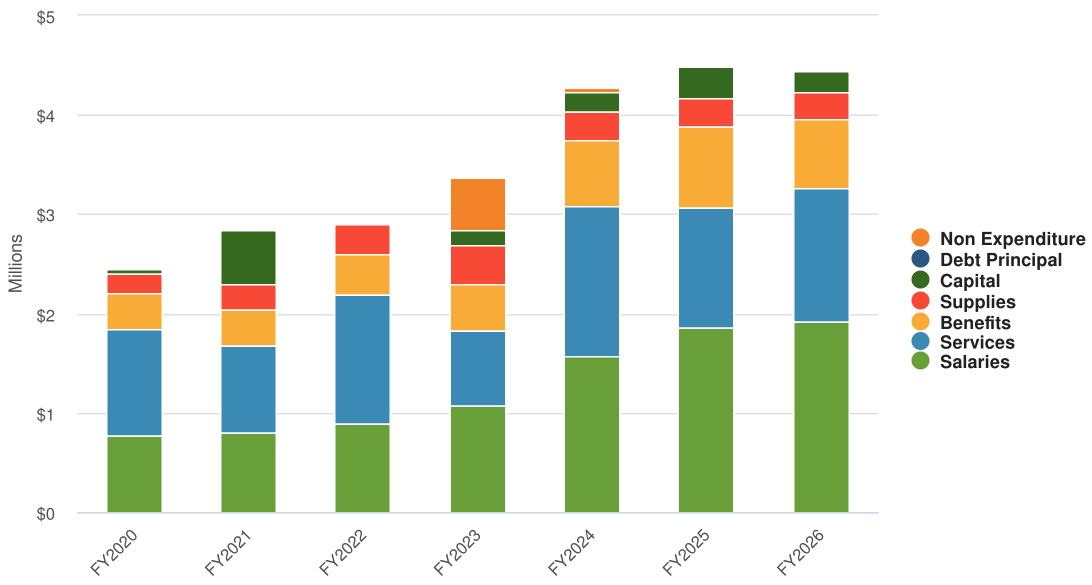
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Miscellaneous Revenue - Other	$3,710	$0	$0	$0	0%
Total Miscellaneous Revenue:	**$127,686**	**$111,200**	**$121,118**	**$91,230**	**-24.7%**
Other Fund Resources					
PW - Retainage	$27,463	$40,000	$0	$0	0%
Total Other Fund Resources:	**$27,463**	**$40,000**	**$0**	**$0**	**0%**
Other Financing Sources					
Insurance Recoveries - Capital	$6,258	$0	$0	$0	0%
Interfund Transfer In	$84,914	$25,000	$85,000	$60,000	-29.4%
Transfer In - TBD Fund 120	$94,297	$149,100	$150,000	$0	-100%
Insurance Recoveries - Non Cap	$9,685	$0	$0	$0	0%
Total Other Financing Sources:	**$195,154**	**$174,100**	**$235,000**	**$60,000**	**-74.5%**
Total Revenue Source:	**$3,516,768**	**$3,438,448**	**$4,067,007**	**$3,742,969**	**-8%**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



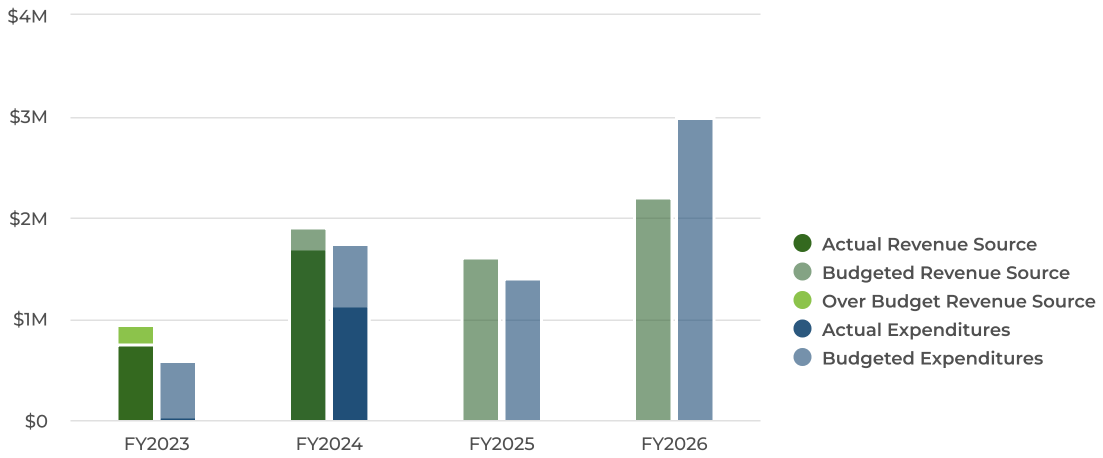
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Non Expenditure	$17,382	$40,000	$20,000	$0	-100%
Salaries	$1,502,450	$1,565,690	$1,858,074	$1,911,645	2.9%
Benefits	$562,751	$658,075	$808,476	$704,204	-12.9%
Supplies	$315,727	$291,814	$286,153	$258,900	-9.5%
Services	$1,460,096	$1,518,810	$1,210,058	$1,347,837	11.4%
Capital	$45,726	$194,809	$330,000	$220,000	-33.3%
Debt Principal	$0	$3,000	$3,000	$3,000	0%
Total Expense Objects:	**$3,904,132**	**$4,272,198**	**$4,515,761**	**$4,445,586**	**-1.6%**

Transportation Benefit Fund

A 0.2% sales tax was approved by a vote of the people to be used for transportation improvements that preserve, maintain, enhance and operate the existing transportation infrastructure of the City, and to construct and reconstruct improvements and capital projects.

Summary

The City of Lake Stevens is projecting $2.21M of revenue in FY2026, which represents a 37.2% increase over the prior year. Budgeted expenditures are projected to increase by 112.2% or $1.58M to $2.99M in FY2026.



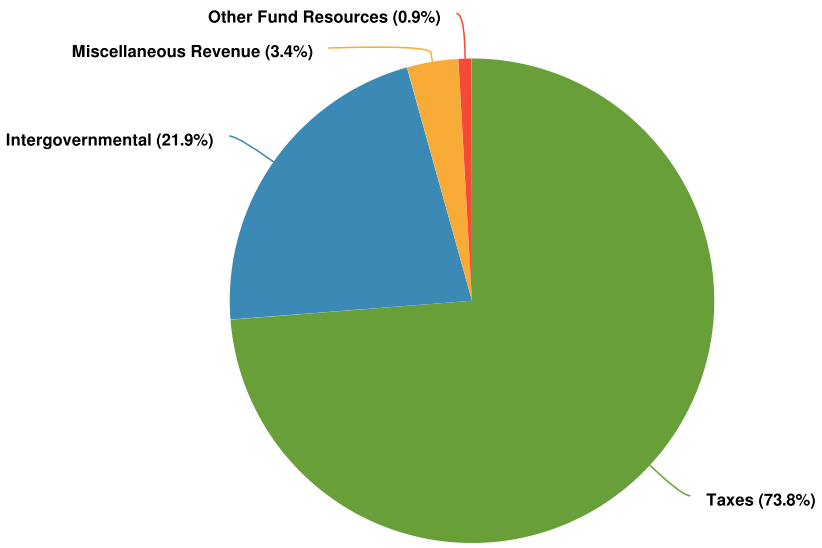
Transportation Benefit Fund Comprehensive Summary

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**$906,894**	**$906,894**	**$1,471,185**	**$1,947,798**
Revenues				
Taxes	$1,617,320	$1,700,000	$1,500,000	$1,632,000
Intergovernmental	$0	$153,850	$0	$485,000
Miscellaneous Revenue	$66,489	$60,000	$52,179	$75,600
Other Fund Resources	$26,121	$0	$60,000	$20,000
Total Revenues:	**$1,709,930**	**$1,913,850**	**$1,612,179**	**$2,212,600**
Expenditures				
Non Expenditure	$94,297	$149,100	$60,000	$20,000
Salaries	$0	$0	$100,000	$100,000
Benefits	$0	$0	$50,000	$30,000
Services	$598,663	$600,000	$500,000	$500,000
Capital	$452,679	$627,500	$700,000	$2,342,653
Debt Interest	$0	$372,500	$0	

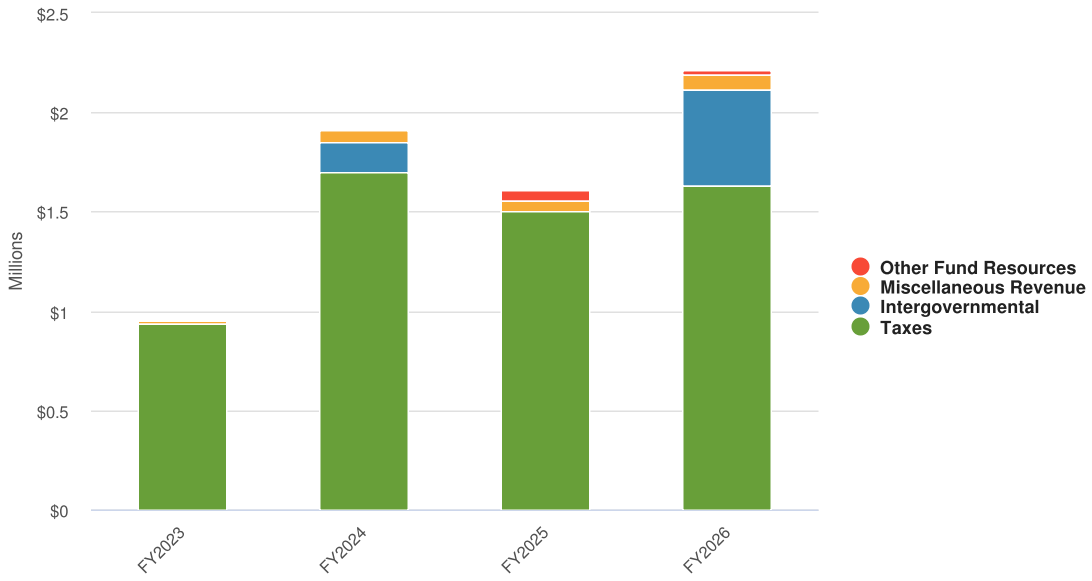
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Total Expenditures:	$1,145,639	$1,749,100	$1,410,000	$2,992,653
Total Revenues Less Expenditures:	$564,291	$164,750	$202,179	-$780,053
Ending Fund Balance:	$1,471,185	$1,071,644	$1,673,364	$1,167,745

Revenues by Source

Projected 2026 Revenues by Source



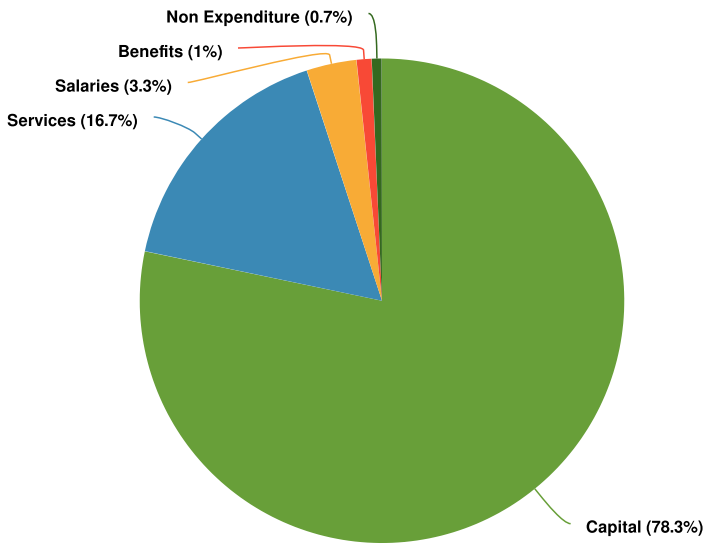
Budgeted and Historical 2026 Revenues by Source



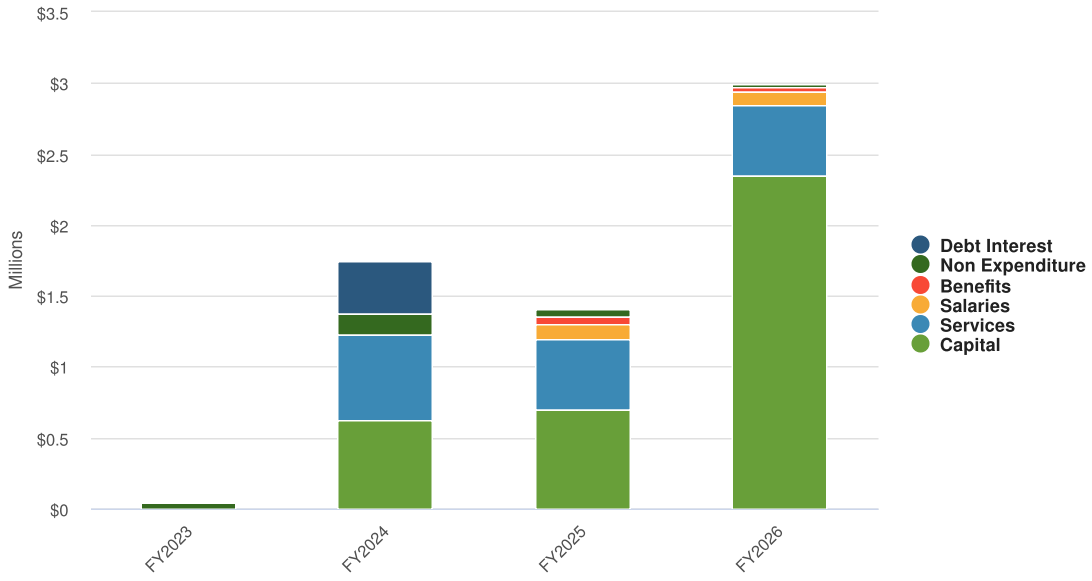
Name	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
No Data To Display	

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



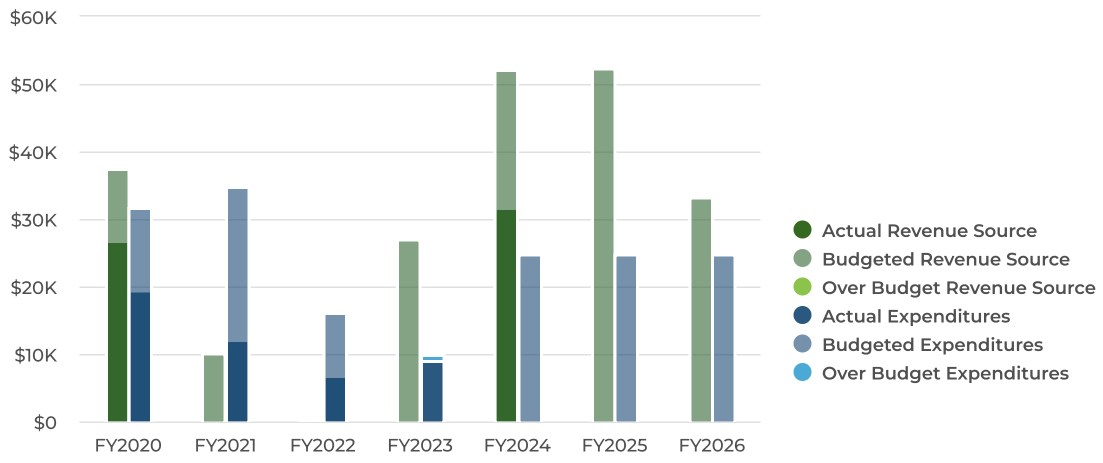
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Non Expenditure					
Transfer Out - Wages	$94,297	$149,100	$0	$0	0%
Retainage Release	$0	$0	$60,000	$20,000	-66.7%
Total Non Expenditure:	**$94,297**	**$149,100**	**$60,000**	**$20,000**	**-66.7%**
Salaries					
TBP CP Salaries	$0	$0	$100,000	$100,000	0%
Total Salaries:	**$0**	**$0**	**$100,000**	**$100,000**	**0%**
Benefits					
TBP CP Benefits	$0	$0	$50,000	$30,000	-40%
Total Benefits:	**$0**	**$0**	**$50,000**	**$30,000**	**-40%**
Services					
TBP - Pavement Preservation	$598,663	$600,000	$500,000	$500,000	0%
Total Services:	**$598,663**	**$600,000**	**$500,000**	**$500,000**	**0%**
Capital					
TBP01 - On Hold	$179	$0	$0		N/A
TBP02: 91st - 4th to Market	$246,880	$246,880	$0	$0	0%
TBP03: 91st - 8th to 4th	$205,620	$205,620	$0	$0	0%
TBP04: 117th NE - 20th to26th	$0	$175,000	$300,000	$974,853	225%
TBP05: 91st - 20th to 12th	$0	$0	$0	$757,800	N/A
TBP06: N. Lakeshore - Main-123	$0	$0	$0	$40,000	N/A
TBP07: Soper Hill	$0	$0	$400,000	$570,000	42.5%
Total Capital:	**$452,679**	**$627,500**	**$700,000**	**$2,342,653**	**234.7%**
Debt Interest					
Transfer Out - Debt Payments	$0	$372,500	$0		N/A
Total Debt Interest:	**$0**	**$372,500**	**$0**		**N/A**
Total Expense Objects:	**$1,145,639**	**$1,749,100**	**$1,410,000**	**$2,992,653**	**112.2%**

Municipal Arts Fund

To foster culture and a viable development in the arts, a reserve fund for arts purposes was created. Appropriations include installation, maintenance, design and construction for arts-related projects. Resources include a 1% allocation of eligible municipal construction projects. Contributions may also be made from the general fund as approved by the City Council.

Summary

The City of Lake Stevens is projecting $33.4K of revenue in FY2026, which represents a 36.2% decrease over the prior year. Budgeted expenditures are projected to increase by 0% or $0 to $25K in FY2026.

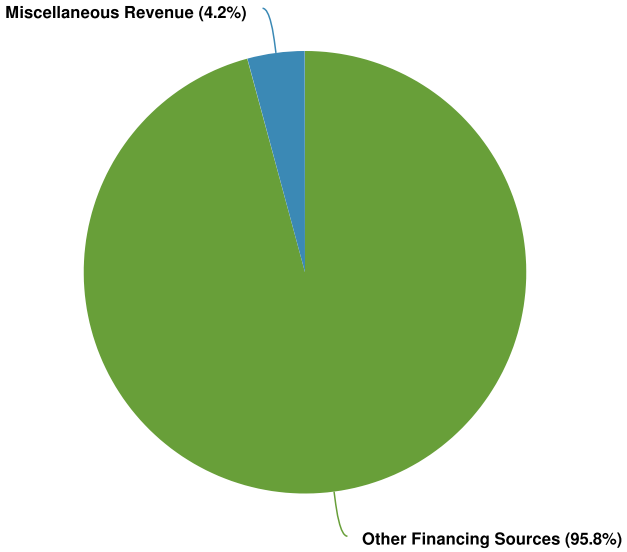


Municipal Arts Fund Comprehensive Summary

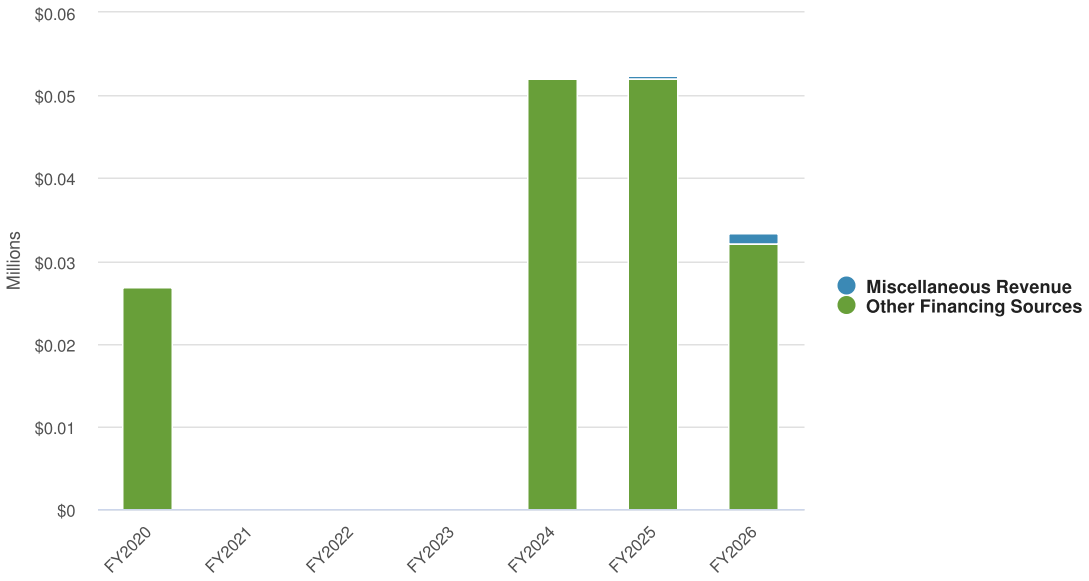
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**N/A**	**N/A**	**$31,812**	**$33,625**
Revenues				
Miscellaneous Revenue	$864	$150	$367	$1,400
Other Financing Sources	$30,947	$52,000	$52,000	$32,000
Total Revenues:	**$31,811**	**$52,150**	**$52,367**	**$33,400**
Expenditures				
Capital	$0	$25,000	$25,000	$25,000
Total Expenditures:	**$0**	**$25,000**	**$25,000**	**$25,000**
Total Revenues Less Expenditures:	**$31,811**	**$27,150**	**$27,367**	**$8,400**
Ending Fund Balance:	**N/A**	**N/A**	**$59,179**	**$42,025**

Revenues by Source

Projected 2026 Revenues by Source



Budgeted and Historical 2026 Revenues by Source



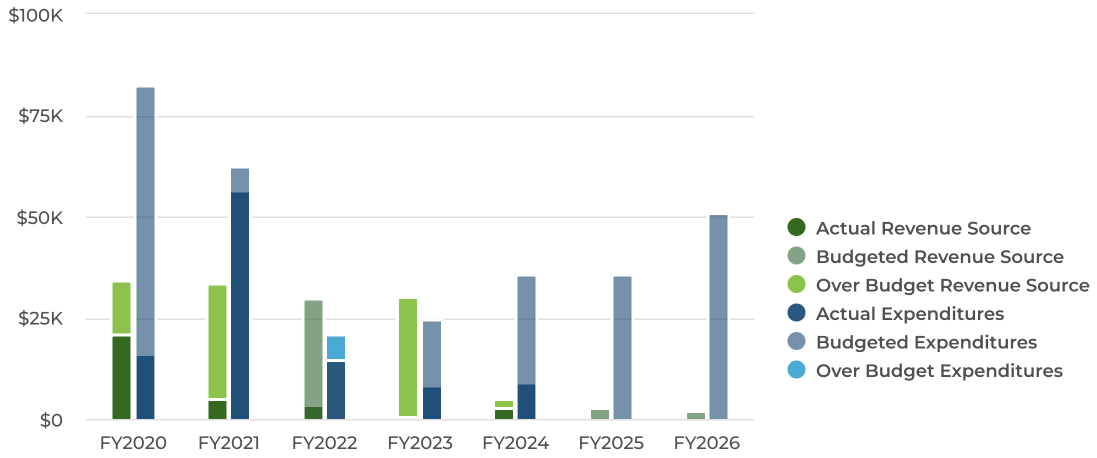
Name	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
No Data To Display	

Drug Seizure and Forfeiture Fund

Net proceeds from the seizure and sale of property deemed forfeited will be used exclusively for the expansion and improvement of controlled substances related law enforcement activity.

Summary

The City of Lake Stevens is projecting $2.26K of revenue in FY2026, which represents a 25.4% decrease over the prior year. Budgeted expenditures are projected to increase by 41.7% or $15K to $51K in FY2026.

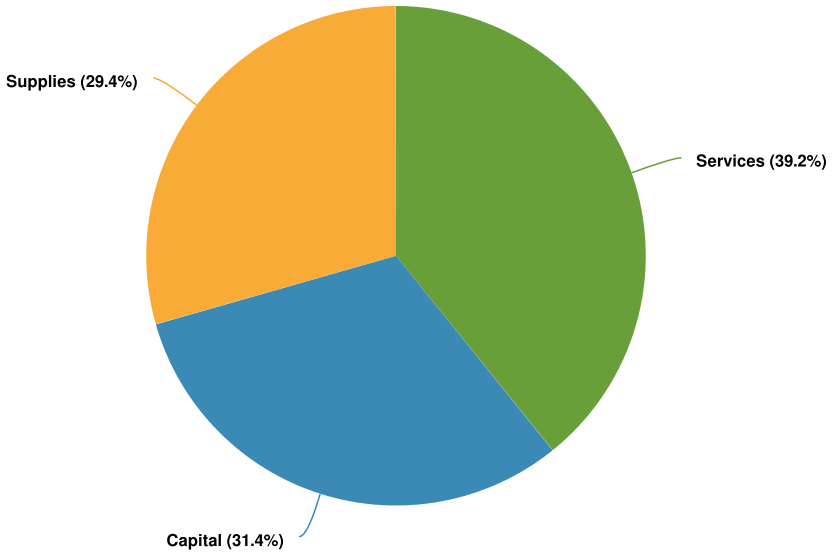


Drug Seizure and Forfeiture Fund Comprehensive Summary

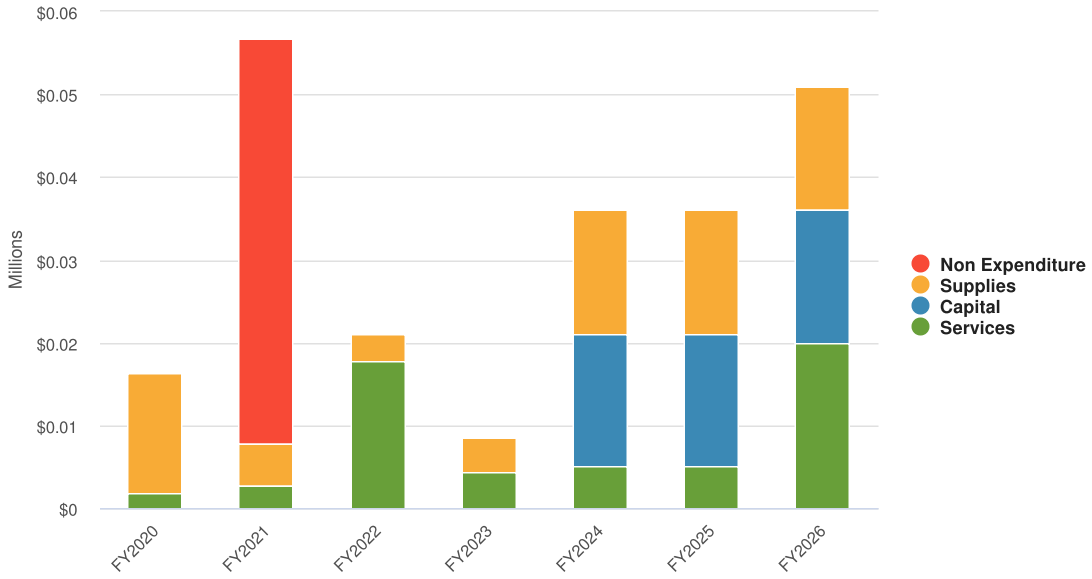
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**$74,192**	**$74,192**	**$71,037**	**$59,988**
Revenues				
Miscellaneous Revenue	$3,580	$3,000	$3,028	$2,260
Other Financing Sources	$1,502	$0	$0	$0
Total Revenues:	**$5,082**	**$3,000**	**$3,028**	**$2,260**
Expenditures				
Supplies	$2,005	$15,000	$15,000	$15,000
Services	$7,231	$5,000	$5,000	$20,000
Capital	$0	$16,000	$16,000	$16,000
Total Expenditures:	**$9,236**	**$36,000**	**$36,000**	**$51,000**
Total Revenues Less Expenditures:	**-$4,154**	**-$33,000**	**-$32,972**	**-$48,740**
Ending Fund Balance:	**$70,038**	**$41,192**	**$38,065**	**$11,248**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Supplies	$2,005	$15,000	$15,000	$15,000	0%

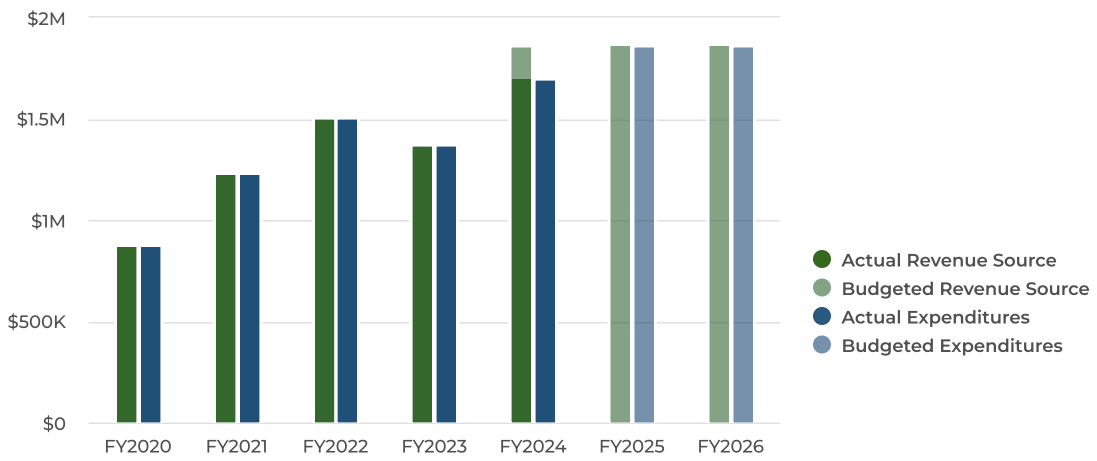
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Services	$7,231	$5,000	$5,000	$20,000	300%
Capital	$0	$16,000	$16,000	$16,000	0%
Total Expense Objects:	**$9,236**	**$36,000**	**$36,000**	**$51,000**	**41.7%**

Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

Summary

The City of Lake Stevens is projecting $1.87M of revenue in FY2026, which represents a 0.2% decrease over the prior year. Budgeted expenditures are projected to decrease by 0.1% or $1.23K to $1.87M in FY2026.

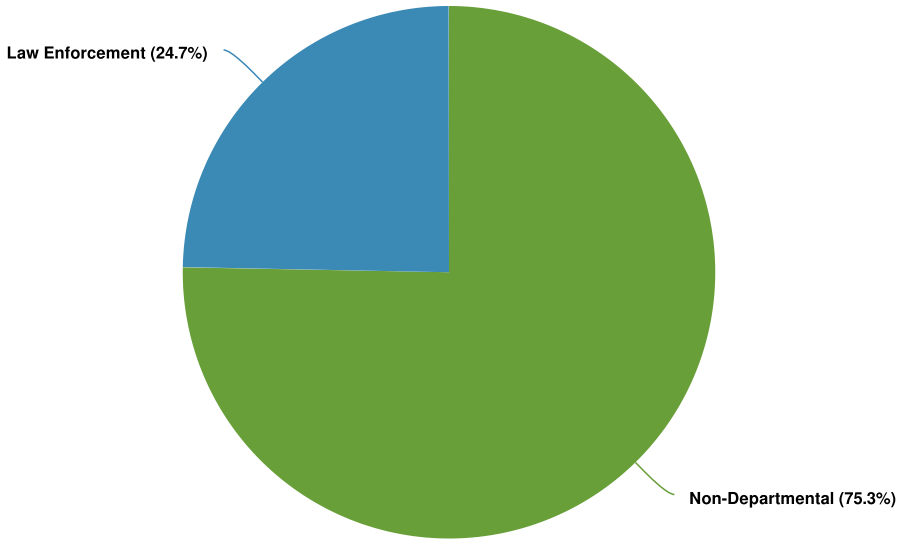


Debt Service Funds Comprehensive Summary

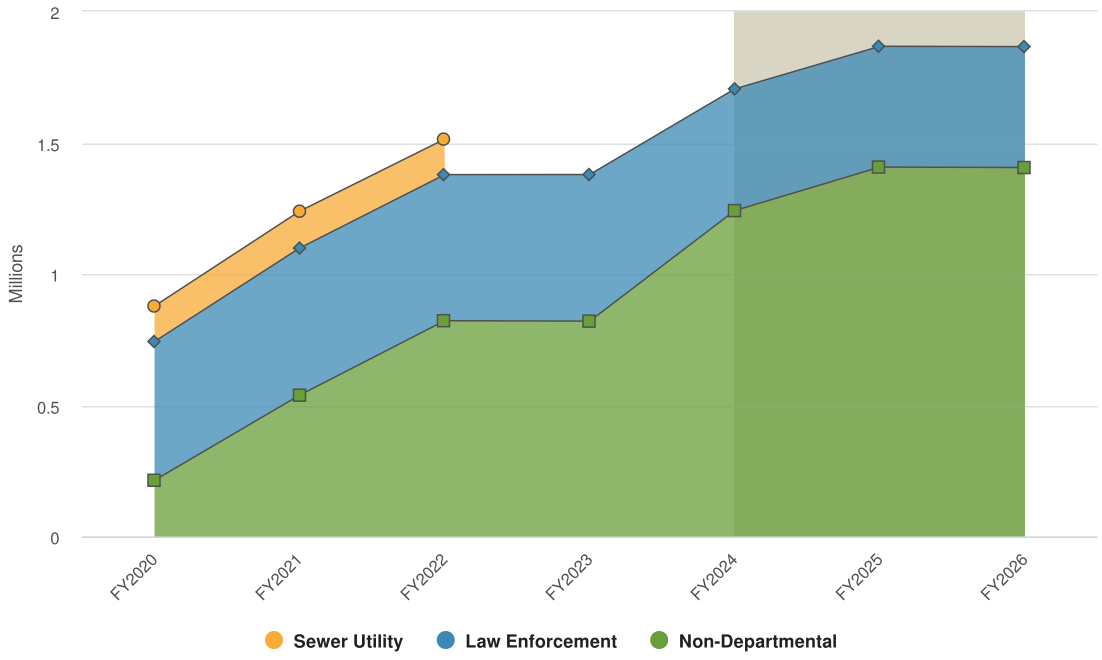
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**N/A**	**N/A**	**$8,046**	**$18,737**
Revenues				
Miscellaneous Revenue	$8,045	$10,000	$10,000	$7,600
Other Financing Sources	$1,705,241	$1,855,188	$1,867,512	$1,866,287
Total Revenues:	**$1,713,286**	**$1,865,188**	**$1,877,512**	**$1,873,887**
Expenditures				
Debt Principal	$840,000	$840,000	$905,000	$935,000
Debt Interest	$865,241	$865,245	$962,512	$931,287
Total Expenditures:	**$1,705,241**	**$1,705,245**	**$1,867,512**	**$1,866,287**
Total Revenues Less Expenditures:	**$8,045**	**$159,943**	**$10,000**	**$7,600**
Ending Fund Balance:	**N/A**	**N/A**	**$18,046**	**$26,337**

Expenditures by Function

Budgeted Expenditures by Function



Budgeted and Historical Expenditures by Function

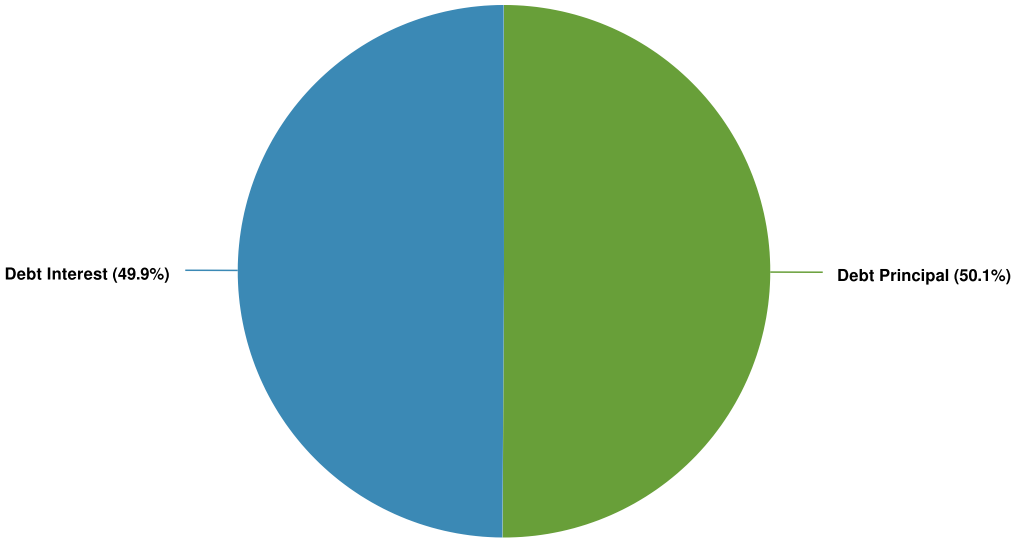


Grey background indicates budgeted figures.

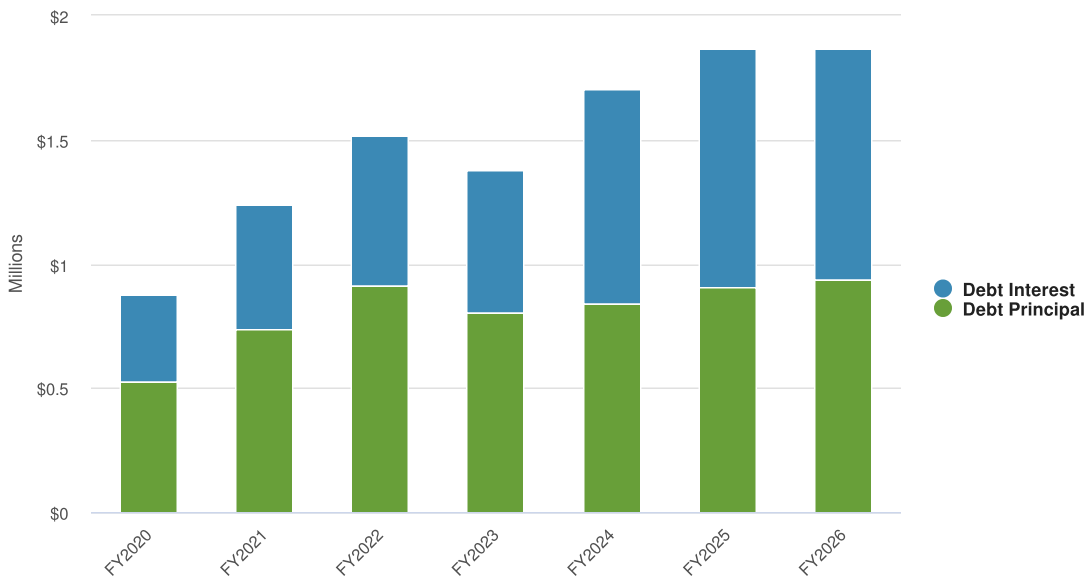
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expenditures					
Non-Departmental	$1,241,642	$1,241,645	$1,407,415	$1,405,585	-0.1%
Law Enforcement	$463,599	$463,600	$460,097	$460,702	0.1%
Total Expenditures:	**$1,705,241**	**$1,705,245**	**$1,867,512**	**$1,866,287**	**-0.1%**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



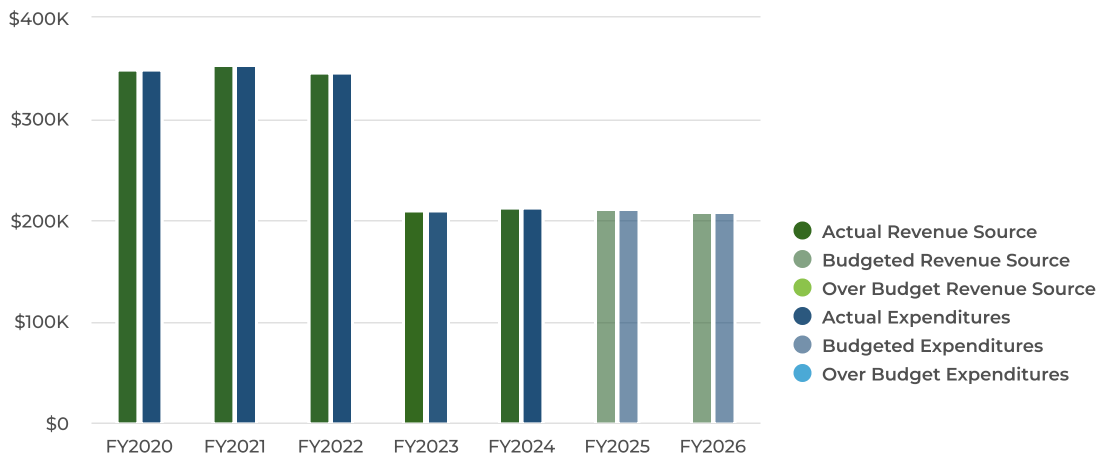
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Debt Principal	$840,000	$840,000	$905,000	$935,000	3.3%
Debt Interest	$865,241	$865,245	$962,512	$931,287	-3.2%
Total Expense Objects:	**$1,705,241**	**$1,705,245**	**$1,867,512**	**$1,866,287**	**-0.1%**

LTGO 2008A Bond

Proceeds were used for the refunding of older debt and the purchase of property for the old police department, currently occupied by the SnoIsle Library. Debt redemption payments are made through transfers from real estate excise taxes.

Summary

The City of Lake Stevens is projecting $209.34K of revenue in FY2026, which represents a 1.2% decrease over the prior year. Budgeted expenditures are projected to decrease by 1.2% or $2.53K to $209.34K in FY2026.

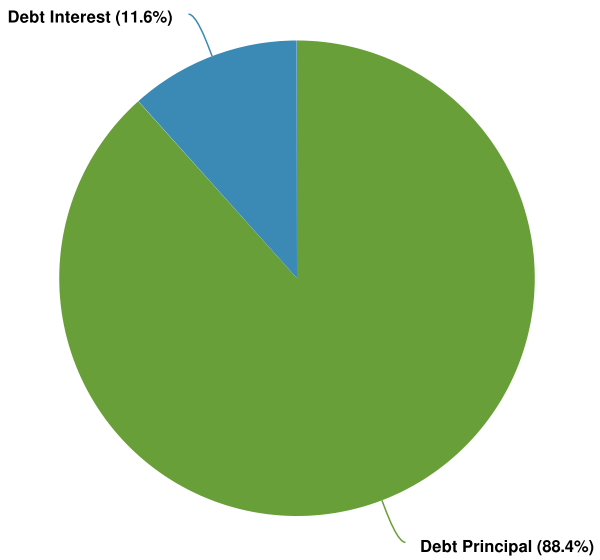


LTGO 2008A Bond Comprehensive Summary

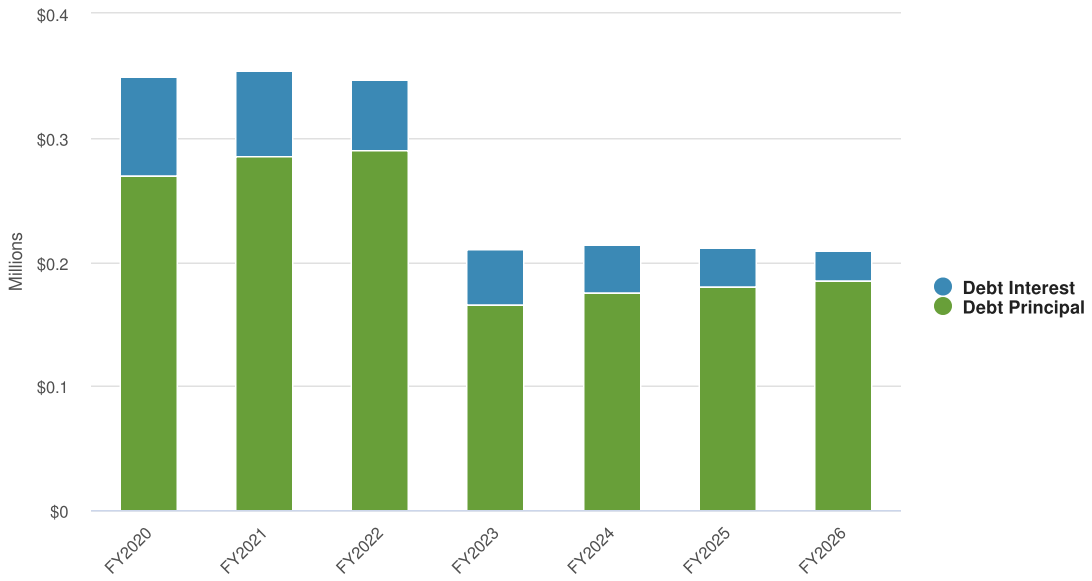
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**N/A**	**N/A**	**N/A**	**N/A**
Revenues				
Other Financing Sources	$213,890	$213,890	$211,865	$209,335
Total Revenues:	**$213,890**	**$213,890**	**$211,865**	**$209,335**
Expenditures				
Debt Principal	$175,000	$175,000	$180,000	$185,000
Debt Interest	$38,890	$38,890	$31,865	$24,335
Total Expenditures:	**$213,890**	**$213,890**	**$211,865**	**$209,335**
Ending Fund Balance:	**N/A**	**N/A**	**N/A**	**N/A**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Debt Principal	$175,000	$175,000	$180,000	$185,000	2.8%

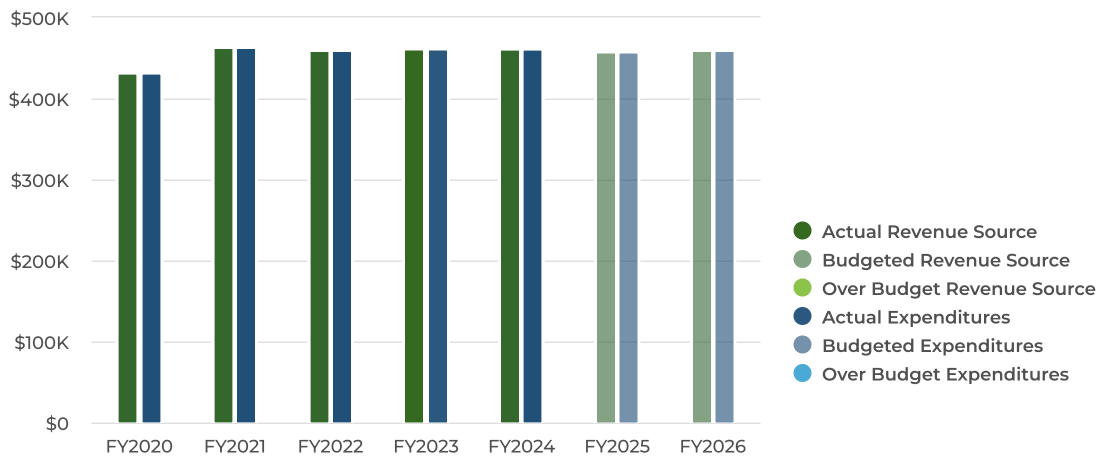
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Debt Interest	$38,890	$38,890	$31,865	$24,335	-23.6%
Total Expense Objects:	**$213,890**	**$213,890**	**$211,865**	**$209,335**	**-1.2%**

2019A LTGO Bond

Proceeds were used for the purchase and improvement of property for the new police department and future city facilities. Debt redemption payments are made through transfers from real estate excise taxes.

Summary

The City of Lake Stevens is projecting $460.7K of revenue in FY2026, which represents a 0.1% increase over the prior year. Budgeted expenditures are projected to increase by 0.1% or $605 to $460.7K in FY2026.

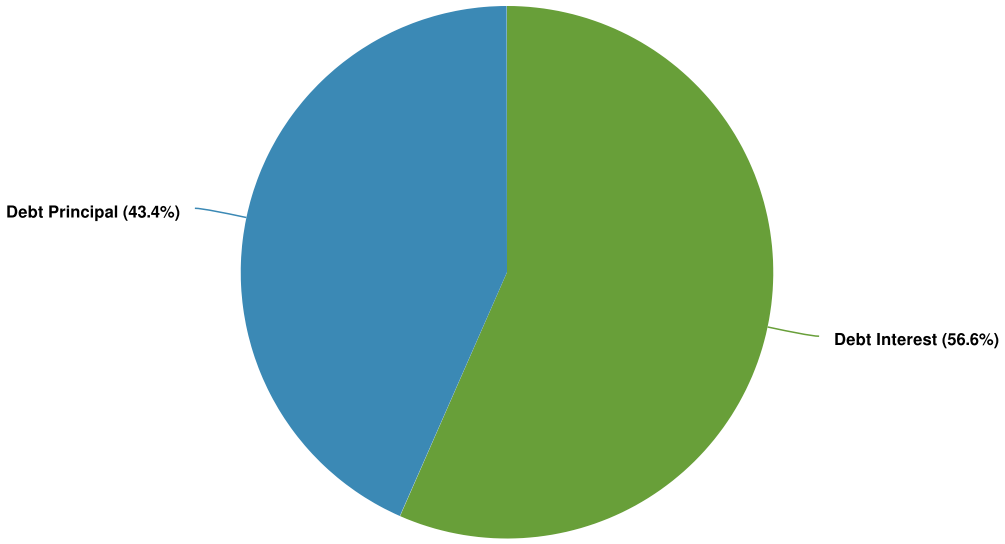


2019A LTGO Bond Comprehensive Summary

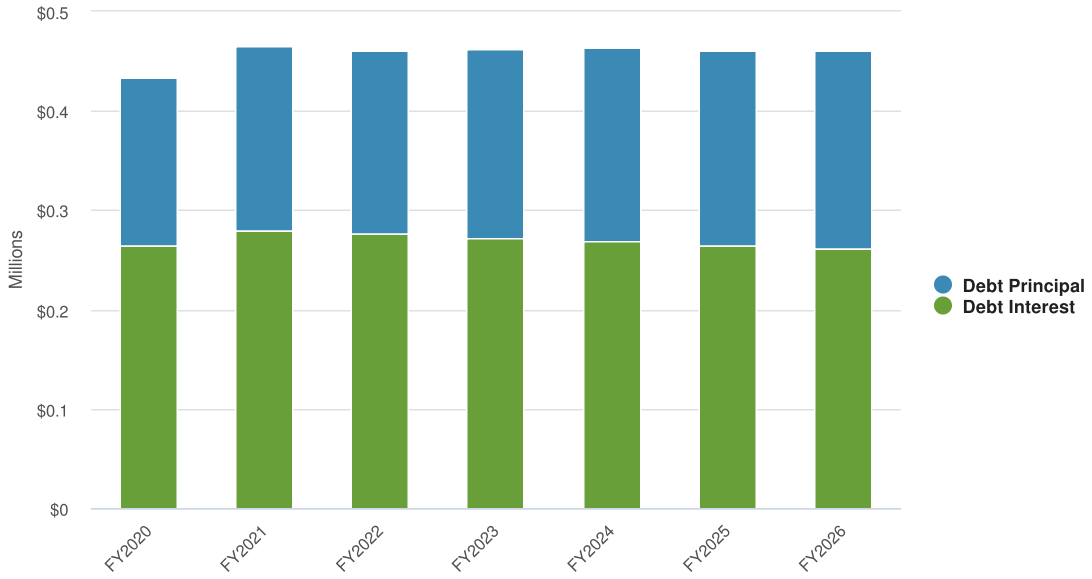
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**N/A**	**N/A**	**N/A**	**N/A**
Revenues				
Other Financing Sources	$463,599	$463,600	$460,097	$460,702
Total Revenues:	**$463,599**	**$463,600**	**$460,097**	**$460,702**
Expenditures				
Debt Principal	$195,000	$195,000	$195,000	$200,000
Debt Interest	$268,599	$268,600	$265,097	$260,702
Total Expenditures:	**$463,599**	**$463,600**	**$460,097**	**$460,702**
Ending Fund Balance:	**N/A**	**N/A**	**N/A**	**N/A**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Debt Principal	$195,000	$195,000	$195,000	$200,000	2.6%

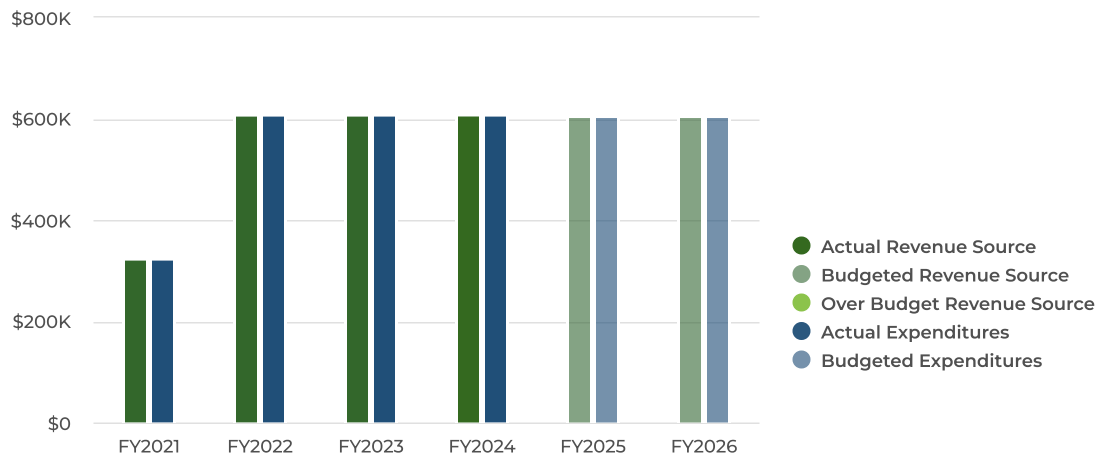
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Debt Interest	$268,599	$268,600	$265,097	$260,702	-1.7%
Total Expense Objects:	**$463,599**	**$463,600**	**$460,097**	**$460,702**	**0.1%**

2021A LTGO Bond

Proceeds were used for construction of city infrastructure. Debt redemption payments are made through transfers from real estate excise taxes.

Summary

The City of Lake Stevens is projecting $606.95K of revenue in FY2026, which represents a 0.2% decrease over the prior year. Budgeted expenditures are projected to decrease by 0.2% or $1.4K to $606.95K in FY2026.

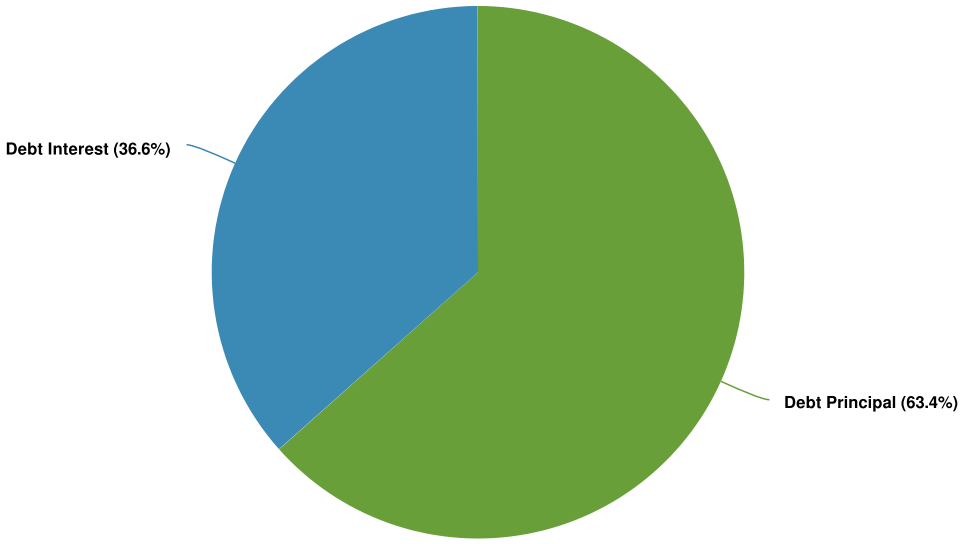


2021A LTGO Bond Comprehensive Summary

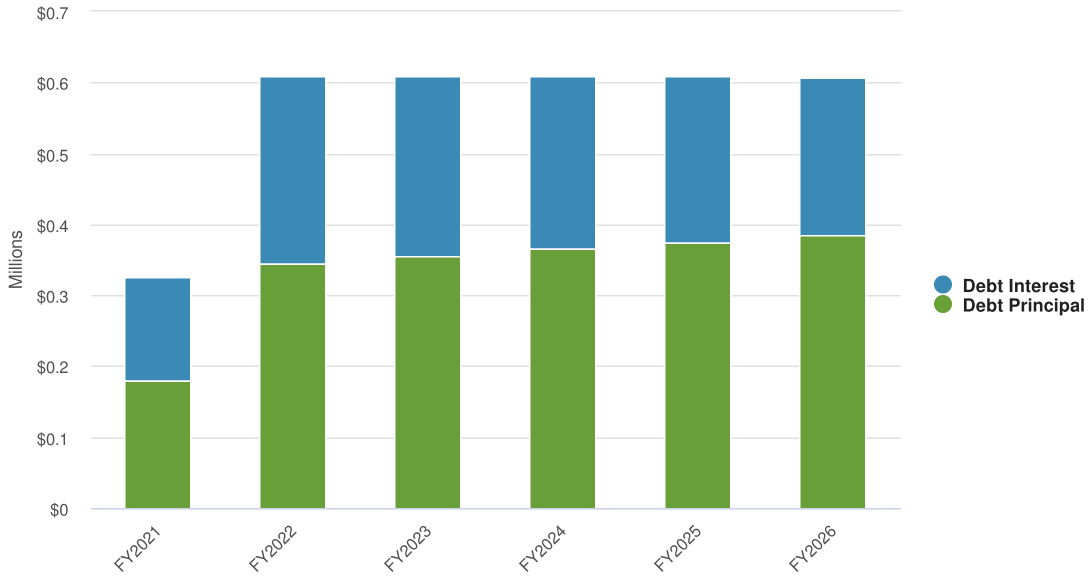
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**N/A**	**N/A**	**$456**	**$456**
Revenues				
Other Financing Sources	$609,605	$609,150	$608,350	$606,950
Total Revenues:	**$609,605**	**$609,150**	**$608,350**	**$606,950**
Expenditures				
Debt Principal	$365,000	$365,000	$375,000	$385,000
Debt Interest	$244,150	$244,150	$233,350	$221,950
Total Expenditures:	**$609,150**	**$609,150**	**$608,350**	**$606,950**
Total Revenues Less Expenditures:	**$455**	**$0**	**$0**	**$0**
Ending Fund Balance:	**N/A**	**N/A**	**$456**	**$456**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Debt Principal	$365,000	$365,000	$375,000	$385,000	2.7%

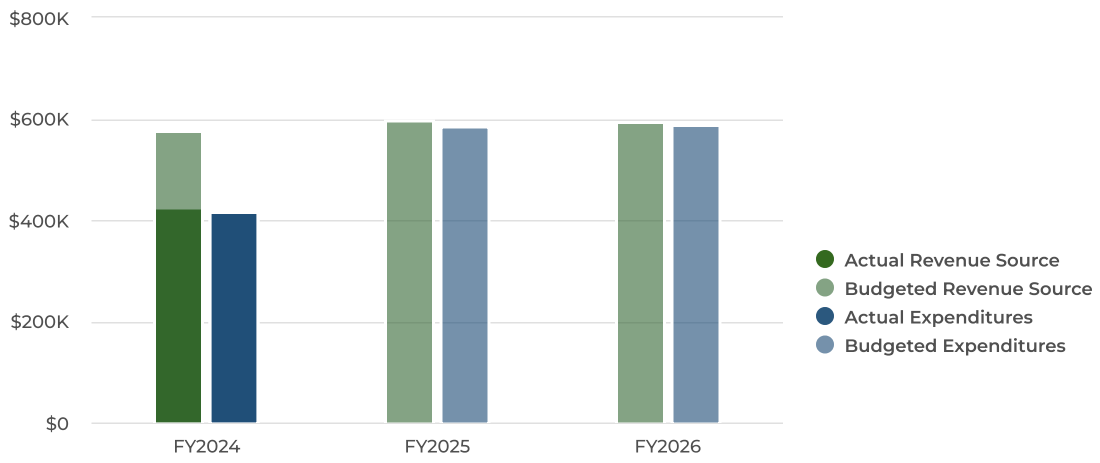
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Debt Interest	$244,150	$244,150	$233,350	$221,950	-4.9%
Total Expense Objects:	**$609,150**	**$609,150**	**$608,350**	**$606,950**	**-0.2%**

2024A LTGO Bond

Proceeds are allocated to the purchase of property and construction of the Civic Center and Museum. Debt redemption payments are made through real estate excise taxes and general fund resources specifically from commercial lease payments.

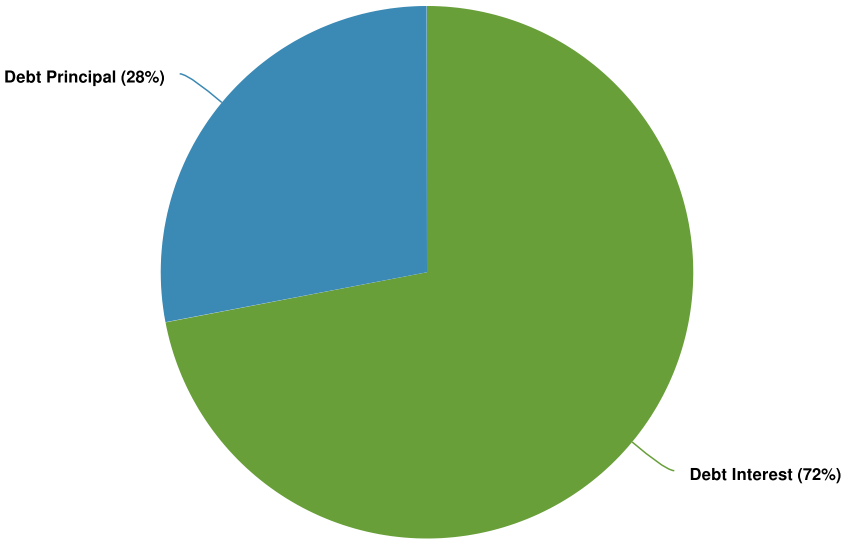
Summary

The City of Lake Stevens is projecting $596.9K of revenue in FY2026, which represents a 0.1% decrease over the prior year. Budgeted expenditures are projected to increase by 0.4% or $2.1K to $589.3K in FY2026.

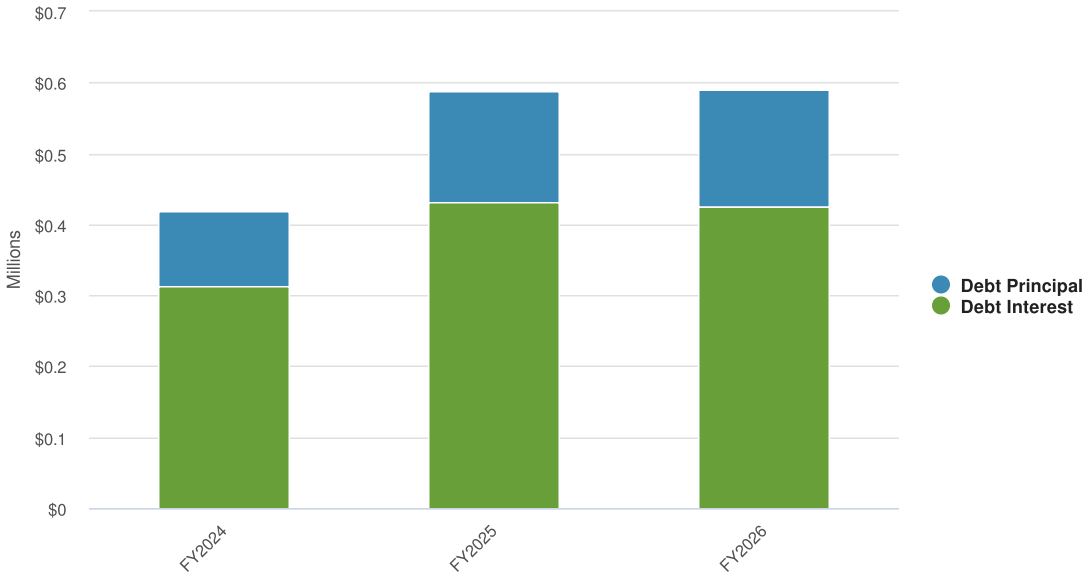


Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Debt Principal	$105,000	$105,000	$155,000	$165,000	6.5%

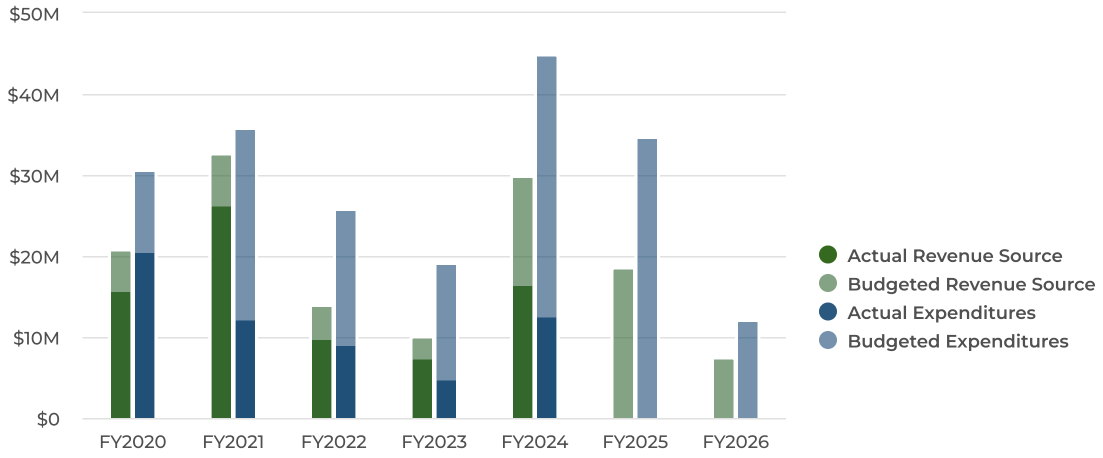
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Debt Interest	$313,602	$313,605	$432,200	$424,300	-1.8%
Total Expense Objects:	**$418,602**	**$418,605**	**$587,200**	**$589,300**	**0.4%**

Capital Project Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

Summary

The City of Lake Stevens is projecting $7.53M of revenue in FY2026, which represents a 59.7% decrease over the prior year. Budgeted expenditures are projected to decrease by 64.9% or $22.6M to $12.2M in FY2026.



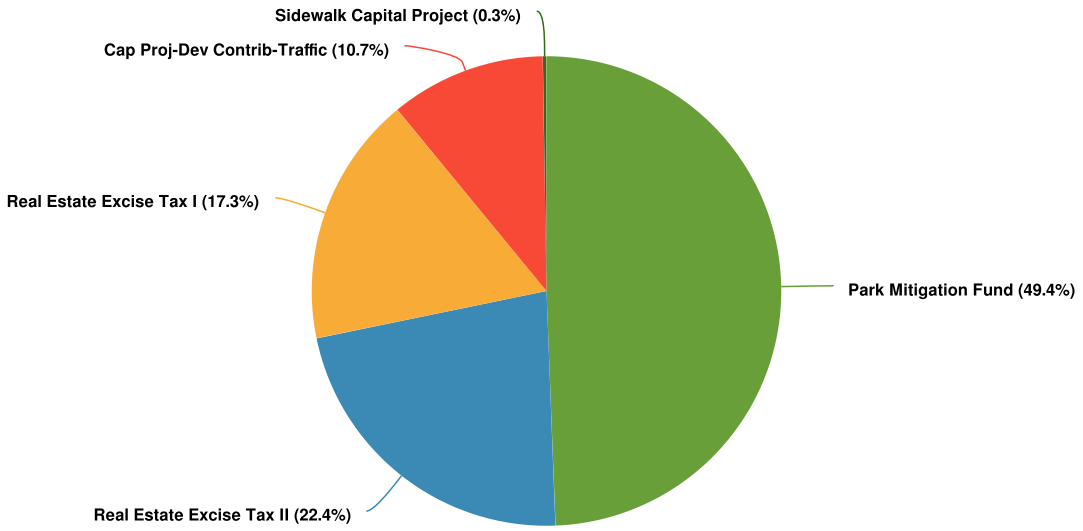
Capital Project Funds Comprehensive Summary

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**$30,329,975**	**$30,329,975**	**$34,125,309**	**$20,738,284**
Revenues				
Taxes	$2,664,218	$1,600,000	$2,400,000	$2,000,000
Intergovernmental	$596,037	$7,734,878	$7,965,375	$2,975,352
Charges for Services	$881,782	$4,205,000	$3,755,000	$1,390,000
Miscellaneous Revenue	$1,756,786	$2,267,432	$1,060,222	$913,000
Other Fund Resources	$1,006	$500,000	$500,000	$250,000
Other Financing Sources	$10,689,550	$13,689,553	$3,000,000	$0
Total Revenues:	**$16,589,379**	**$29,996,863**	**$18,680,597**	**$7,528,352**
Expenditures				
Non Expenditure	$2,295,417	$2,763,458	$2,267,462	$2,090,587
Salaries	$81,665	$250,000	$155,000	$240,000
Benefits	$28,301	$87,600	$60,000	$83,000
Supplies	$2,195	$75,000	$25,000	$0
Capital	$10,253,498	$41,614,667	$32,292,108	$9,783,718

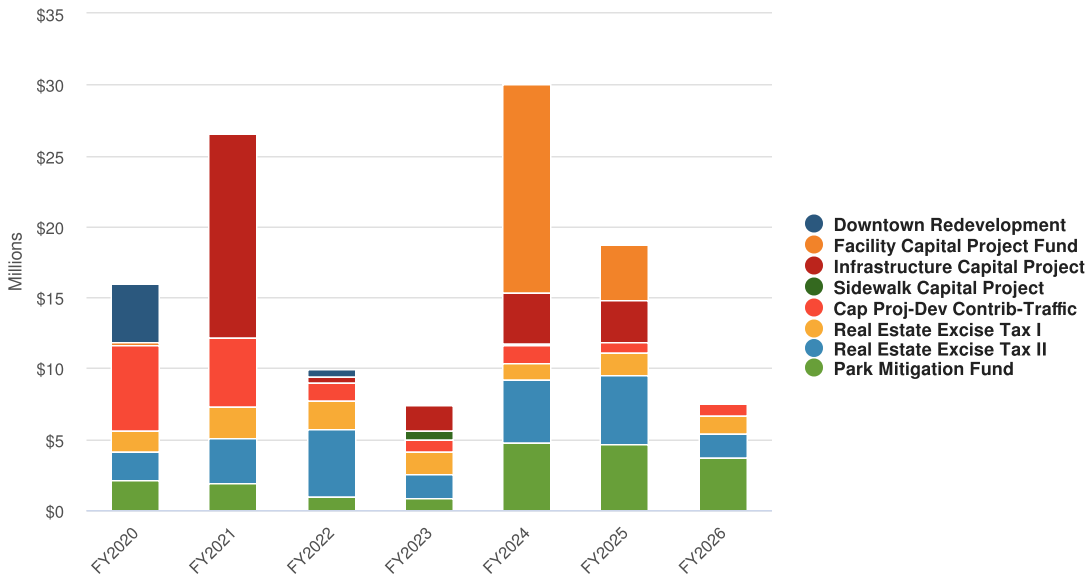
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Debt Interest	$134,290	$135,792	$0	$0
Total Expenditures:	**$12,795,366**	**$44,926,517**	**$34,799,570**	**$12,197,305**
Total Revenues Less Expenditures:	**$3,794,013**	**-$14,929,654**	**-$16,118,973**	**-$4,668,953**
Ending Fund Balance:	**$34,123,988**	**$15,400,321**	**$18,006,336**	**$16,069,331**

Revenue by Fund

2026 Revenue by Fund



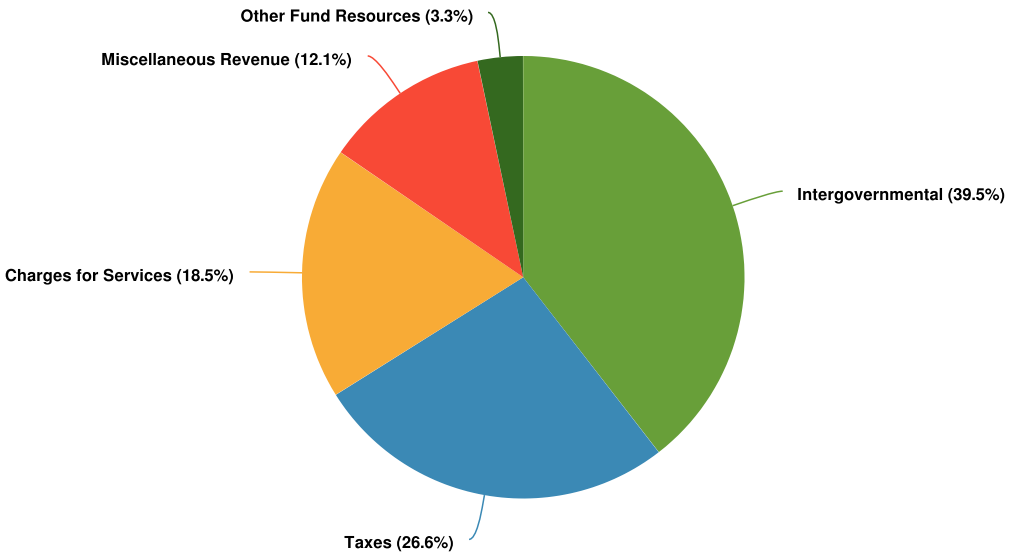
Budgeted and Historical 2026 Revenue by Fund



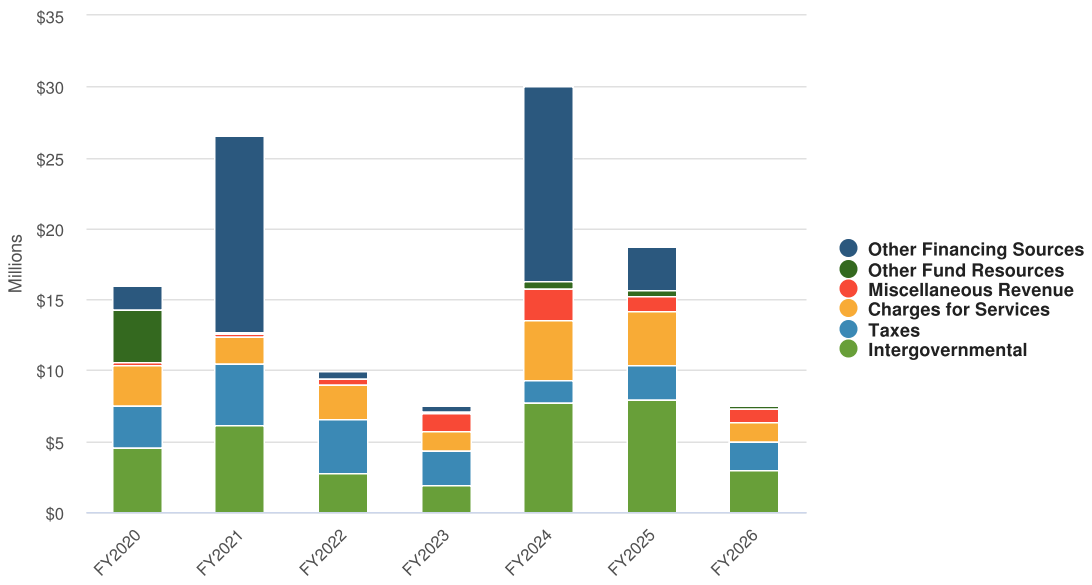
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Cap Proj-Dev Contrib-Traffic	$747,736	$1,276,650	$800,110	$806,000	0.7%
Park Mitigation Fund	$688,258	$4,789,941	$4,640,075	$3,719,352	-19.8%
Real Estate Excise Tax I	$1,709,373	$1,150,000	$1,500,975	$1,300,000	-13.4%
Real Estate Excise Tax II	$1,654,688	$4,439,409	$4,910,437	$1,684,000	-65.7%
Downtown Redevelopment	$13,432	$13,432	$0		N/A
Facility Capital Project Fund	$10,794,039	$14,611,394	$3,904,000	$0	-100%
Sidewalk Capital Project	$27,172	$30,000	$15,000	$19,000	26.7%
Infrastructure Capital Project	$954,681	$3,686,037	$2,910,000	$0	-100%
Total:	**$16,589,379**	**$29,996,863**	**$18,680,597**	**$7,528,352**	**-59.7%**

Revenues by Source

Projected 2026 Revenues by Source



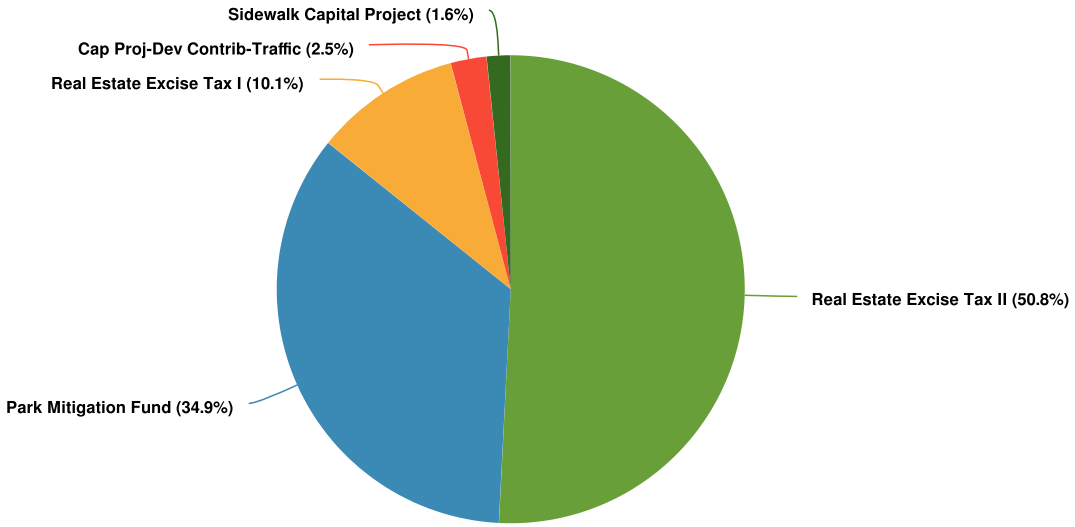
Budgeted and Historical 2026 Revenues by Source



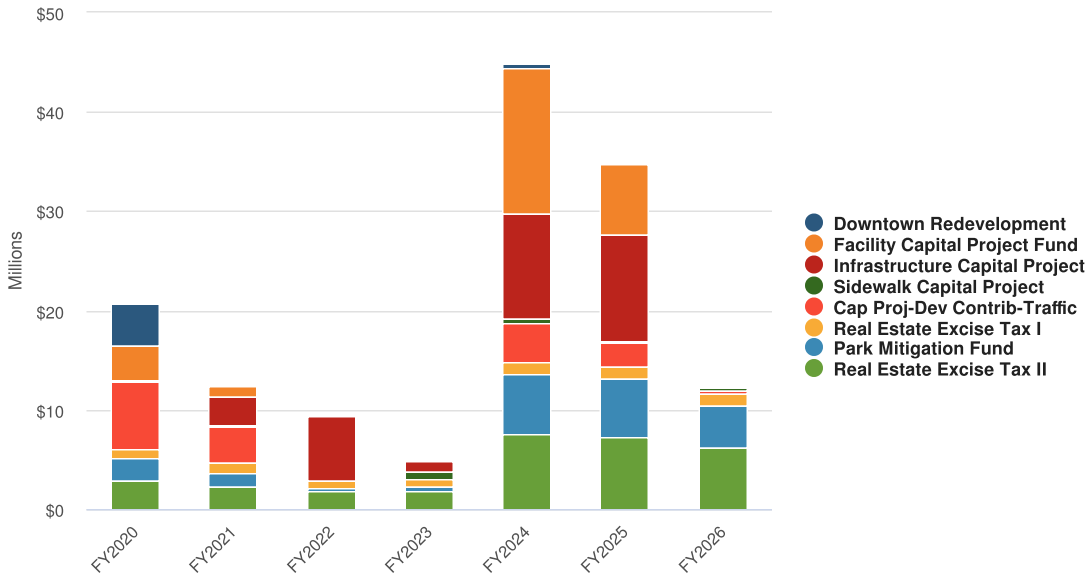
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Revenue Source					
Taxes	$2,664,218	$1,600,000	$2,400,000	$2,000,000	-16.7%
Intergovernmental	$596,037	$7,734,878	$7,965,375	$2,975,352	-62.6%
Charges for Services	$881,782	$4,205,000	$3,755,000	$1,390,000	-63%
Miscellaneous Revenue	$1,756,786	$2,267,432	$1,060,222	$913,000	-13.9%
Other Fund Resources	$1,006	$500,000	$500,000	$250,000	-50%
Other Financing Sources	$10,689,550	$13,689,553	$3,000,000	$0	-100%
Total Revenue Source:	**$16,589,379**	**$29,996,863**	**$18,680,597**	**$7,528,352**	**-59.7%**

Expenditures by Fund

2026 Expenditures by Fund



Budgeted and Historical 2026 Expenditures by Fund

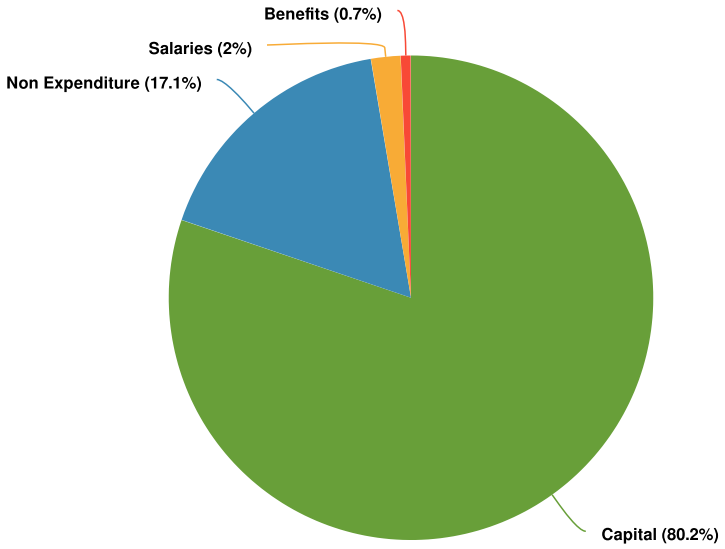


Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Cap Proj-Dev Contrib-Traffic	$1,166,772	$3,879,634	$2,434,994	$303,000	-87.6%
Park Mitigation Fund	$710,239	$6,071,029	$5,942,278	$4,261,892	-28.3%
Real Estate Excise Tax I	$1,172,406	$1,251,233	$1,159,162	$1,233,637	6.4%
Real Estate Excise Tax II	$1,625,888	$7,546,162	$7,204,038	$6,198,776	-14%

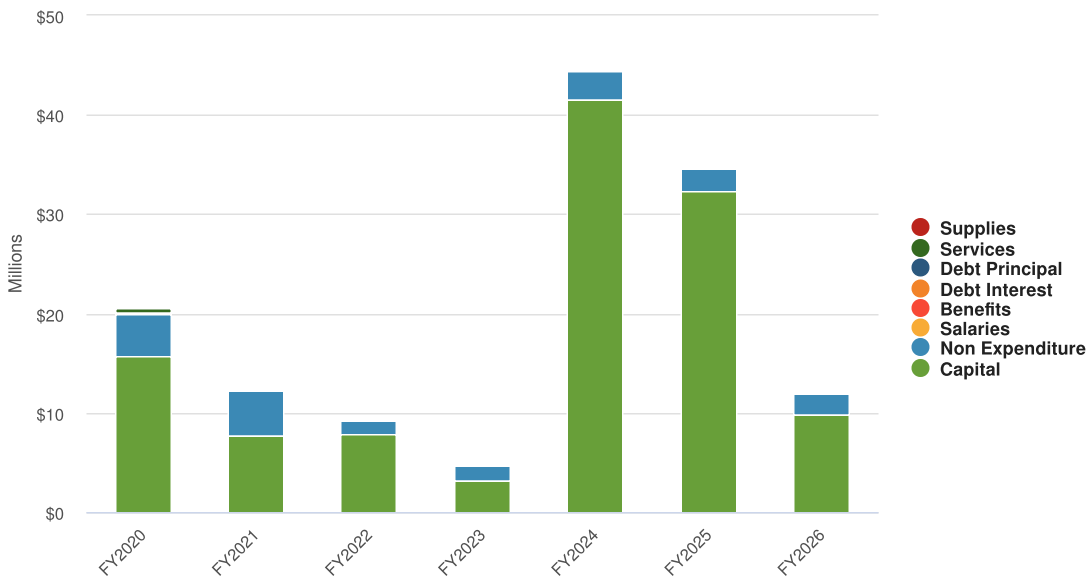
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Downtown Redevelopment	$540,110	$540,461	$0		N/A
Facility Capital Project Fund	$7,385,760	$14,613,443	$7,091,122	$0	-100%
Sidewalk Capital Project	$98,019	$430,000	$218,787	$200,000	-8.6%
Infrastructure Capital Project	$96,172	$10,594,555	$10,749,189	$0	-100%
Total:	**$12,795,366**	**$44,926,517**	**$34,799,570**	**$12,197,305**	**-64.9%**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Non Expenditure	$2,295,417	$2,763,458	$2,267,462	$2,090,587	-7.8%
Salaries	$81,665	$250,000	$155,000	$240,000	54.8%
Benefits	$28,301	$87,600	$60,000	$83,000	38.3%
Supplies	$2,195	$75,000	$25,000	$0	-100%
Capital	$10,253,498	$41,614,667	$32,292,108	$9,783,718	-69.7%
Debt Interest	$134,290	$135,792	$0	$0	0%
Total Expense Objects:	**$12,795,366**	**$44,926,517**	**$34,799,570**	**$12,197,305**	**-64.9%**

Real Estate Excise Taxes

The two main REET options for cities and counties are:

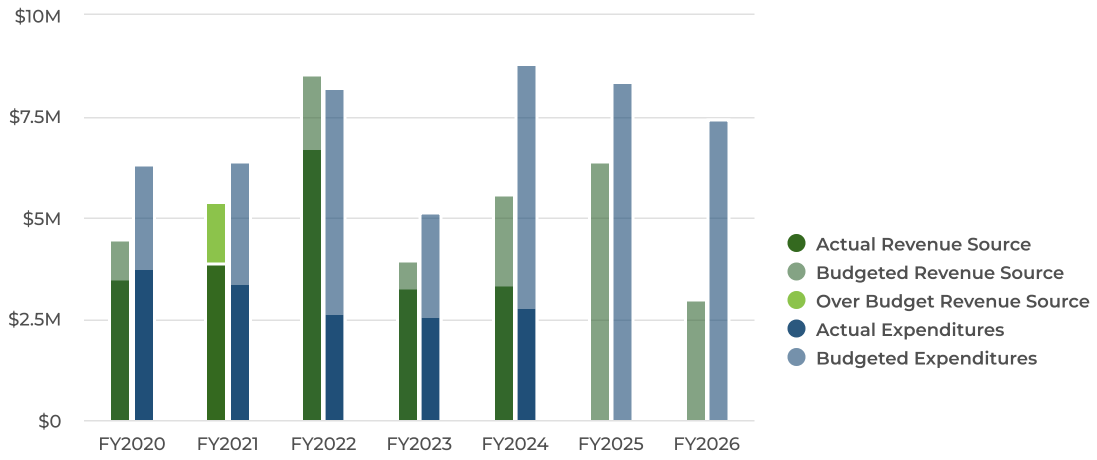
- **REET 1, or the "first quarter percent"** – a 0.25% REET which may be imposed by any city, town, or county primarily for capital projects and limited maintenance;
- **REET 2, or the "second quarter percent"** – an additional 0.25% REET which may be imposed by any city, town, or county fully planning under the Growth Management Act (https://mrsc.org/Explore-Topics/Planning/gma/Growth-Management-Act), to be used primarily for capital projects and limited maintenance

New legislation: Effective July 27, 2025:

- HB 1791 (https://lawfilesext.leg.wa.gov/biennium/2025-26/Pdf/Bills/Session%20Laws/House/1791-S.SL.pdf) provides significant new flexibility regarding the use of REET revenues, including allowing REET 1 revenues to be used for REET 2 purposes and vice versa, removing the distinctions between GMA and non-GMA jurisdictions for REET 1, removing certain reporting requirements, and amending the use of revenues for homelessness and affordable housing.

Summary

The City of Lake Stevens is projecting $2.98M of revenue in FY2026, which represents a 53.5% decrease over the prior year. Budgeted expenditures are projected to decrease by 11.1% or $930.79K to $7.43M in FY2026.



Real Estate Excise Taxes Comprehensive Summary

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**$14,138,655**	**$14,138,655**	**$14,704,418**	**$13,134,764**
Revenues				
Taxes	$2,664,218	$1,600,000	$2,400,000	$2,000,000
Intergovernmental	$0	$3,207,250	$3,354,300	$344,000
Miscellaneous Revenue	$687,685	$670,000	$557,112	$540,000
Other Fund Resources	$0	$100,000	$100,000	$100,000
Other Financing Sources	$12,158	$12,159	$0	$0
Total Revenues:	**$3,364,061**	**$5,589,409**	**$6,411,412**	**$2,984,000**

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Expenditures				
Non Expenditure	$1,727,136	$1,805,188	$1,867,462	$1,940,587
Salaries	$20,846	$50,000	$15,000	$150,000
Benefits	$6,299	$17,600	$5,000	$50,000
Capital	$1,044,013	$6,924,607	$6,475,738	$5,291,826
Total Expenditures:	**$2,798,294**	**$8,797,395**	**$8,363,200**	**$7,432,413**
Total Revenues Less Expenditures:	**$565,767**	**-$3,207,986**	**-$1,951,788**	**-$4,448,413**
Ending Fund Balance:	**$14,704,422**	**$10,930,669**	**$12,752,630**	**$8,686,351**

REET 1

Cities and counties that are fully planning under GMA *and* have a population of more than 5,000 must spend their REET 1 revenues on "capital projects" that are listed in the capital facilities plan (CFP) element of their comprehensive plan. RCW 82.46.010 (https://app.leg.wa.gov/rcw/default.aspx?cite=82.46.010)(6)(b) defines "capital projects" as:

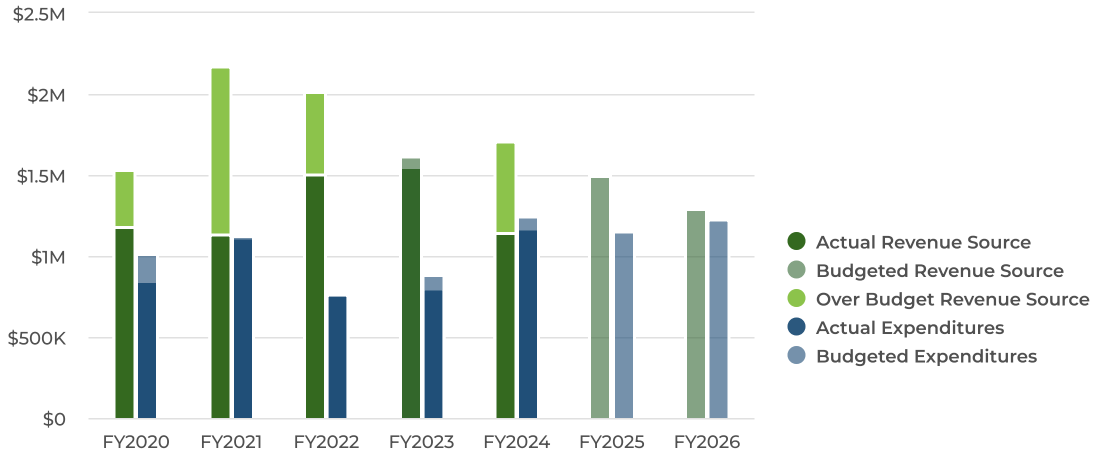
> [T]hose public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets; roads; highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; parks; recreational facilities; law enforcement facilities; fire protection facilities; trails; libraries; administrative facilities, judicial facilities, river flood control projects [...] and technology infrastructure that is integral to the capital project.

New legislation: Effective July 27, 2025:

- HB 1791 (https://lawfilesext.leg.wa.gov/biennium/2025-26/Pdf/Bills/Session%20Laws/House/1791-S.SL.pdf) provides significant new flexibility regarding the use of REET revenues, including allowing REET 1 revenues to be used for REET 2 purposes and vice versa, removing the distinctions between GMA and non-GMA jurisdictions for REET 1, removing certain reporting requirements, and amending the use of revenues for homelessness and affordable housing.

Summary

The City of Lake Stevens is projecting $1.3M of revenue in FY2026, which represents a 13.4% decrease over the prior year. Budgeted expenditures are projected to increase by 6.4% or $74.47K to $1.23M in FY2026.



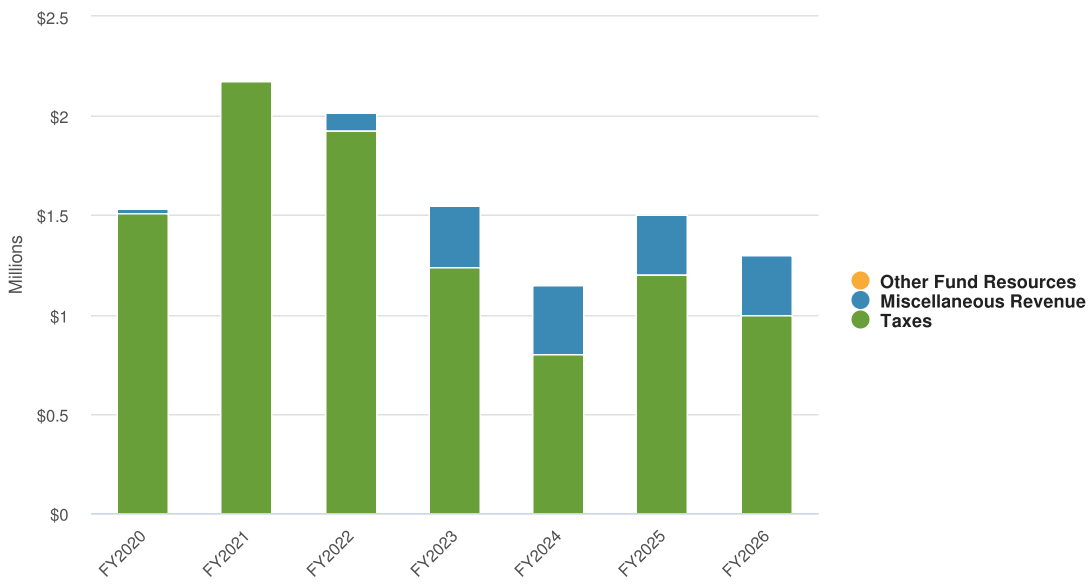
REET 1 Comprehensive Summary

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**$7,659,059**	**$7,659,059**	**$8,196,025**	**$8,458,596**
Revenues				
Taxes	$1,335,604	$800,000	$1,200,000	$1,000,000
Miscellaneous Revenue	$373,769	$350,000	$300,975	$300,000

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Total Revenues:	**$1,709,373**	**$1,150,000**	**$1,500,975**	**$1,300,000**
Expenditures				
Non Expenditure	$1,096,036	$1,096,038	$1,159,162	$1,233,637
Capital	$76,370	$155,195	$0	$0
Total Expenditures:	**$1,172,406**	**$1,251,233**	**$1,159,162**	**$1,233,637**
Total Revenues Less Expenditures:	**$536,967**	**-$101,233**	**$341,813**	**$66,363**
Ending Fund Balance:	**$8,196,026**	**$7,557,826**	**$8,537,838**	**$8,524,959**

Revenues by Source

Budgeted and Historical 2026 Revenues by Source

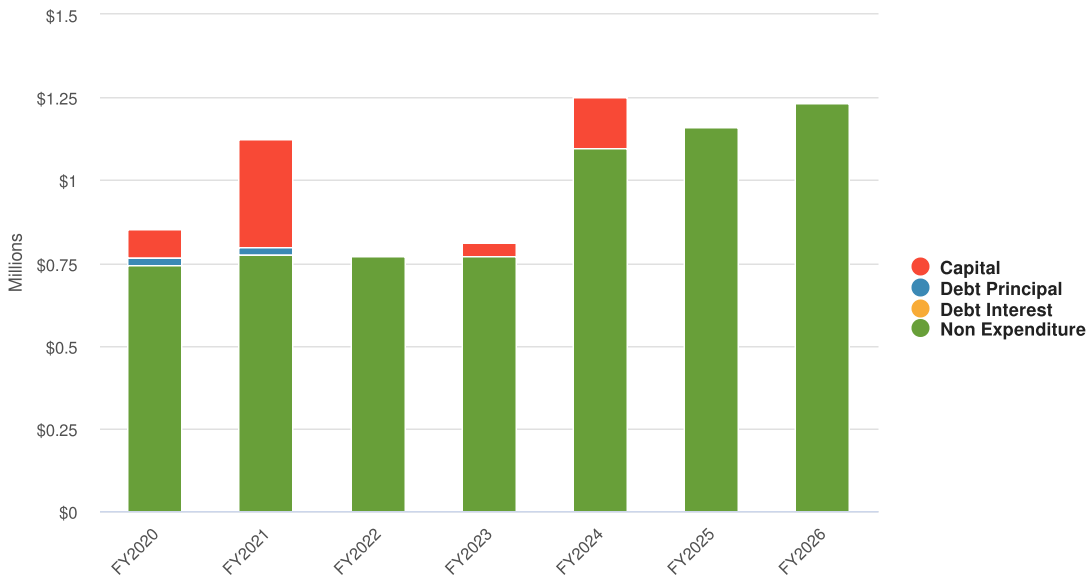


Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Revenue Source					
Taxes					
REET 1-1st Quarter Percent	$1,335,604	$800,000	$1,200,000	$1,000,000	-16.7%
Total Taxes:	**$1,335,604**	**$800,000**	**$1,200,000**	**$1,000,000**	**-16.7%**
Miscellaneous Revenue					
Investment Interest	$373,769	$350,000	$300,975	$300,000	-0.3%
Total Miscellaneous Revenue:	**$373,769**	**$350,000**	**$300,975**	**$300,000**	**-0.3%**
Total Revenue Source:	**$1,709,373**	**$1,150,000**	**$1,500,975**	**$1,300,000**	**-13.4%**

Expenditures by Expense Type

Most expenditures from this fund are transfers to debt funds to pay principal and interest on various outstanding liabilities.

Budgeted and Historical Expenditures by Expense Type



Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Non Expenditure					
transfer to 210 for 2008 bonds	$213,890	$213,890	$211,865	$209,335	-1.2%
Transfer Out 2019A New PD Bond	$463,599	$463,600	$460,097	$460,002	0%
Transfer Out - 2024A Bond Fund	$418,547	$418,548	$487,200	$564,300	15.8%
Total Non Expenditure:	**$1,096,036**	**$1,096,038**	**$1,159,162**	**$1,233,637**	**6.4%**
Capital					
Citywide Security Cameras	$76,370	$140,195	$0	$0	0%
PW Shop Feasibility	$0	$15,000	$0	$0	0%
Total Capital:	**$76,370**	**$155,195**	**$0**	**$0**	**0%**
Total Expense Objects:	**$1,172,406**	**$1,251,233**	**$1,159,162**	**$1,233,637**	**6.4%**

REET 2

REET 2 revenues are restricted and may only be used for financing "capital projects" specified in the capital facilities plan element of the city's comprehensive land use plan. RCW 82.46.035 (https://app.leg.wa.gov/rcw/default.aspx?cite=82.46.035)(5) defines "capital project" as:

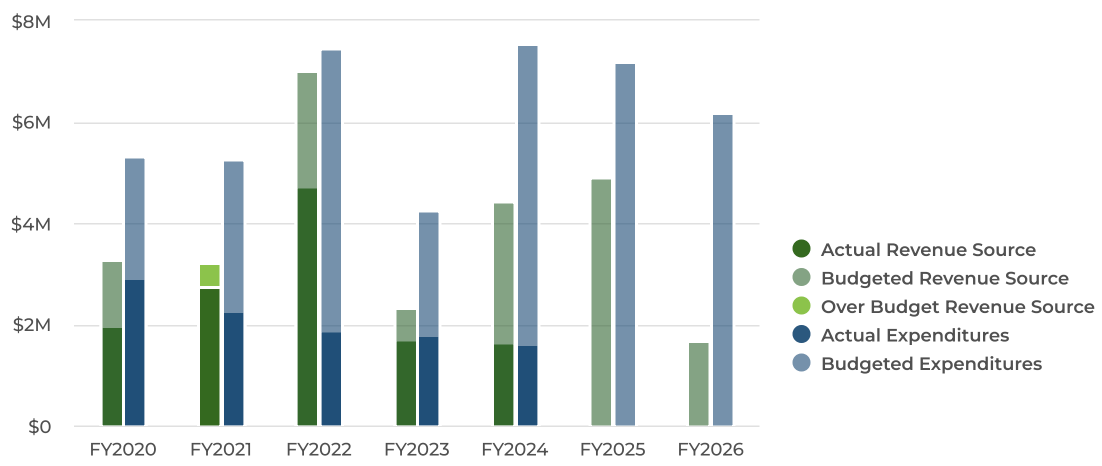
> (a) Planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems;
>
> (b) Planning, construction, reconstruction, repair, rehabilitation, or improvement of parks; and
>
> (c) Until January 1, 2026, planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of facilities for those experiencing homelessness and affordable housing projects.

New legislation: Effective July 27, 2025:

- HB 1791 (https://lawfilesext.leg.wa.gov/biennium/2025-26/Pdf/Bills/Session%20Laws/House/1791-S.SL.pdf) provides significant new flexibility regarding the use of REET revenues, including allowing REET 1 revenues to be used for REET 2 purposes and vice versa, removing the distinctions between GMA and non-GMA jurisdictions for REET 1, removing certain reporting requirements, and amending the use of revenues for homelessness and affordable housing.

Summary

The City of Lake Stevens is projecting $1.68M of revenue in FY2026, which represents a 65.7% decrease over the prior year. Budgeted expenditures are projected to decrease by 14.0% or $1.01M to $6.2M in FY2026.



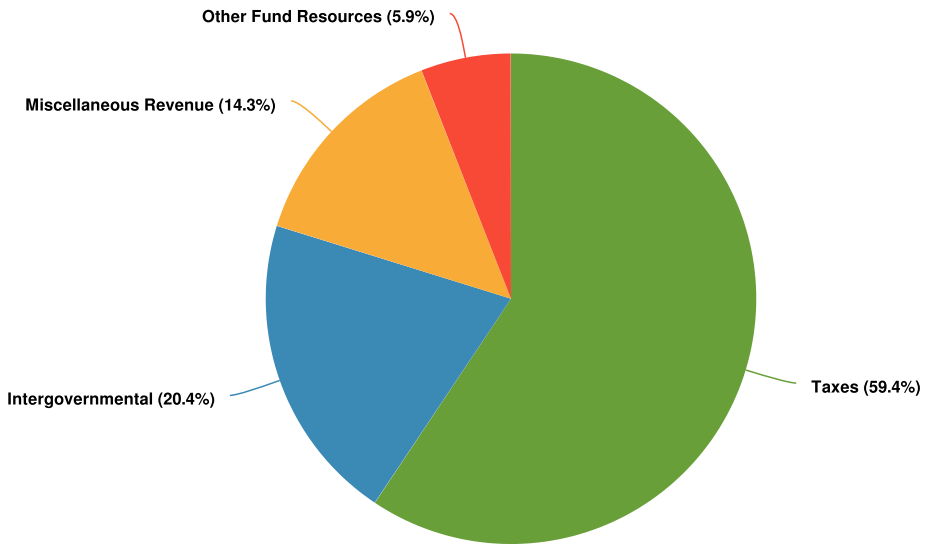
REET 2 Comprehensive Summary

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**$6,479,596**	**$6,479,596**	**$6,508,393**	**$4,676,168**
Revenues				
Taxes	$1,328,614	$800,000	$1,200,000	$1,000,000
Intergovernmental	$0	$3,207,250	$3,354,300	$344,000

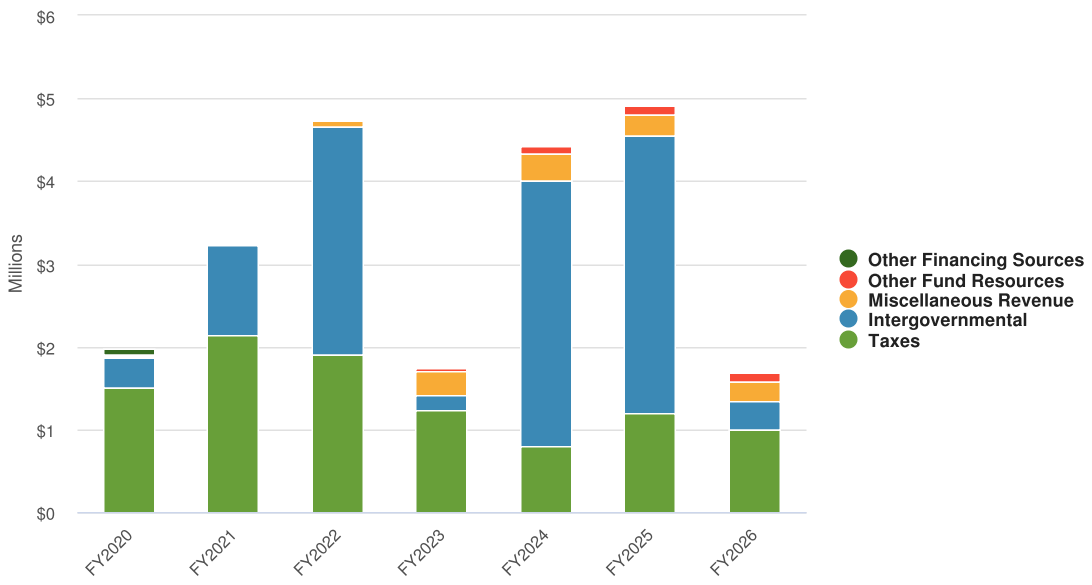
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Miscellaneous Revenue	$313,916	$320,000	$256,137	$240,000
Other Fund Resources	$0	$100,000	$100,000	$100,000
Other Financing Sources	$12,158	$12,159	$0	$0
Total Revenues:	**$1,654,688**	**$4,439,409**	**$4,910,437**	**$1,684,000**
Expenditures				
Non Expenditure	$631,100	$709,150	$708,300	$706,950
Salaries	$20,846	$50,000	$15,000	$150,000
Benefits	$6,299	$17,600	$5,000	$50,000
Capital	$967,643	$6,769,412	$6,475,738	$5,291,826
Total Expenditures:	**$1,625,888**	**$7,546,162**	**$7,204,038**	**$6,198,776**
Total Revenues Less Expenditures:	**$28,800**	**-$3,106,753**	**-$2,293,601**	**-$4,514,776**
Ending Fund Balance:	**$6,508,396**	**$3,372,843**	**$4,214,792**	**$161,392**

Revenues by Source

Projected 2026 Revenues by Source



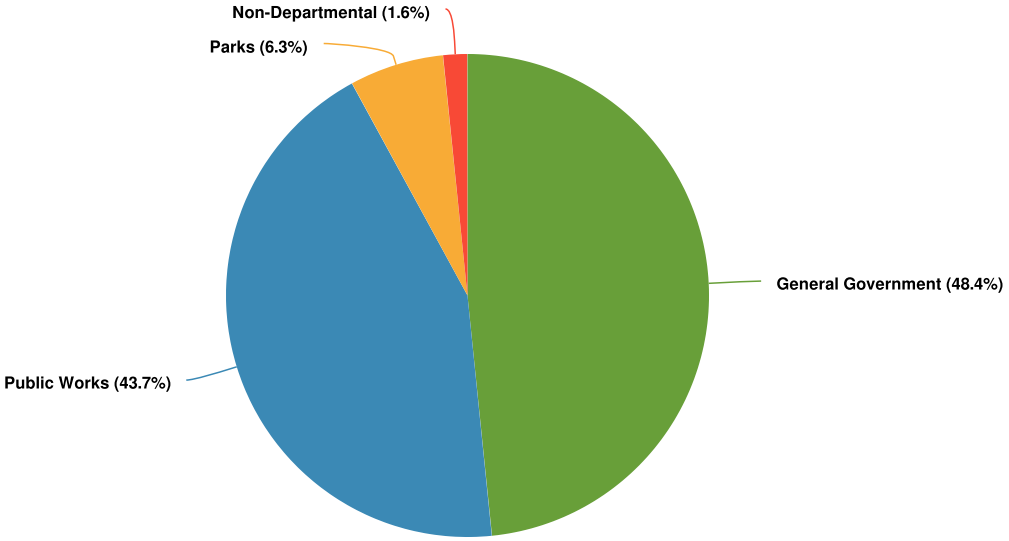
Budgeted and Historical 2026 Revenues by Source



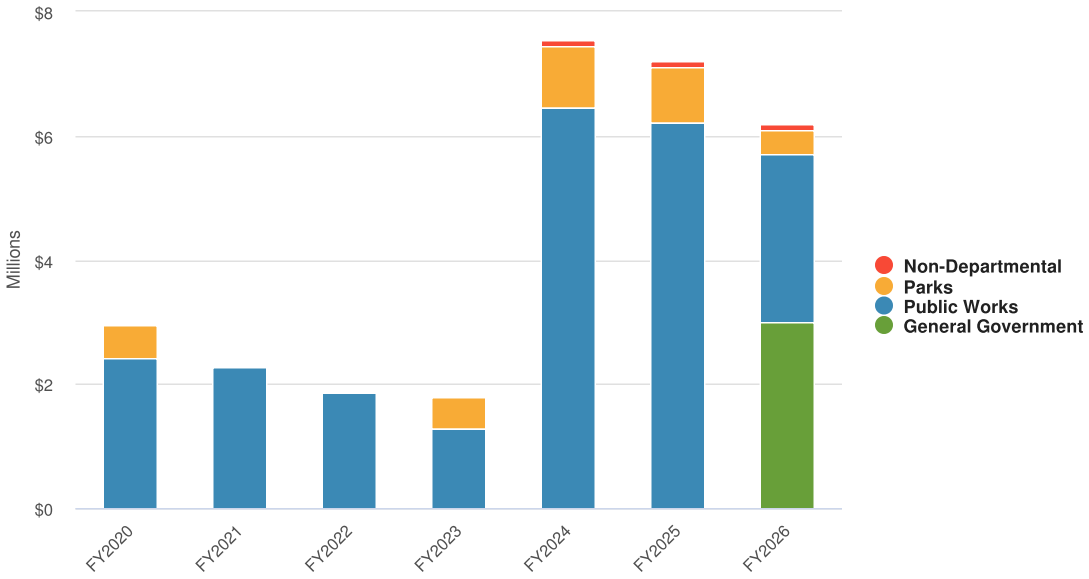
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Revenue Source					
Taxes					
REET 2- 2nd Quarter Percent	$1,328,614	$800,000	$1,200,000	$1,000,000	-16.7%
Total Taxes:	**$1,328,614**	**$800,000**	**$1,200,000**	**$1,000,000**	**-16.7%**
Intergovernmental					
Main Street - FHWA/PSRC	$0	$3,157,250	$3,304,300	$344,000	-89.6%
CERB - Commerce Grant	$0	$50,000	$50,000	$0	-100%
Total Intergovernmental:	**$0**	**$3,207,250**	**$3,354,300**	**$344,000**	**-89.7%**
Miscellaneous Revenue					
Investment Interest	$313,916	$320,000	$256,137	$240,000	-6.3%
Total Miscellaneous Revenue:	**$313,916**	**$320,000**	**$256,137**	**$240,000**	**-6.3%**
Other Fund Resources					
Retainage	$0	$100,000	$100,000	$100,000	0%
Total Other Fund Resources:	**$0**	**$100,000**	**$100,000**	**$100,000**	**0%**
Other Financing Sources					
Transfer in	$12,158	$12,159	$0	$0	0%
Total Other Financing Sources:	**$12,158**	**$12,159**	**$0**	**$0**	**0%**
Total Revenue Source:	**$1,654,688**	**$4,439,409**	**$4,910,437**	**$1,684,000**	**-65.7%**

Expenditures by Function

Budgeted Expenditures by Function



Budgeted and Historical Expenditures by Function

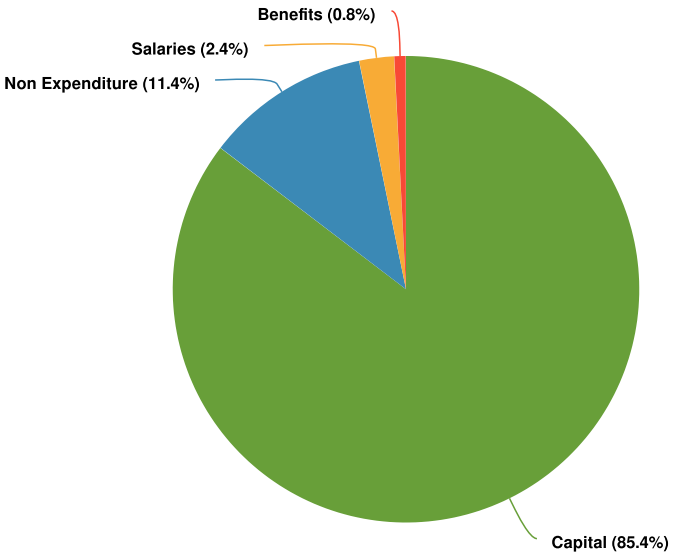


With the increased flexibility in eligible uses, the 2026 budget includes funding for a portion of the Municipal Service Campus and Historical Museum from REET 2 funds.

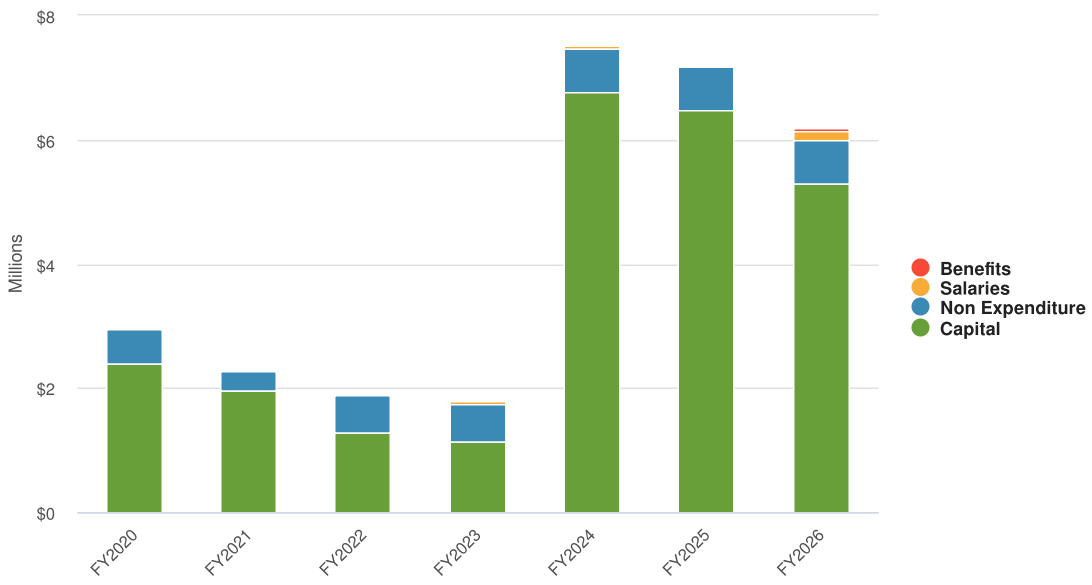
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expenditures					
Non-Departmental	$21,950	$100,000	$100,000	$100,000	0%
Parks	$516,751	$1,002,000	$890,000	$392,000	-56%
General Government			$0	$3,000,000	N/A
Public Works	$1,087,187	$6,444,162	$6,214,038	$2,706,776	-56.4%
Total Expenditures:	**$1,625,888**	**$7,546,162**	**$7,204,038**	**$6,198,776**	**-14%**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



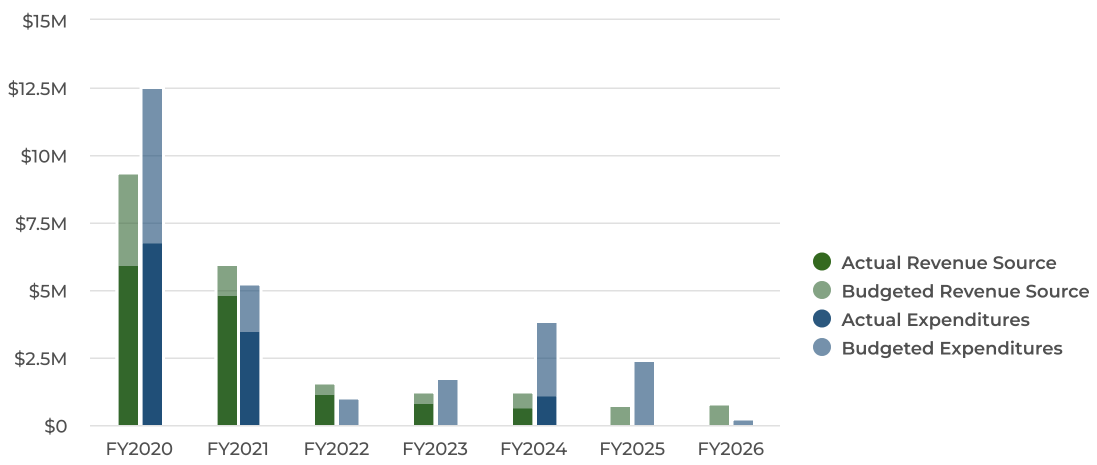
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Non Expenditure	$631,100	$709,150	$708,300	$706,950	-0.2%
Salaries	$20,846	$50,000	$15,000	$150,000	900%
Benefits	$6,299	$17,600	$5,000	$50,000	900%
Capital	$967,643	$6,769,412	$6,475,738	$5,291,826	-18.3%
Total Expense Objects:	**$1,625,888**	**$7,546,162**	**$7,204,038**	**$6,198,776**	**-14%**

Traffic Mitigation Fund

The fund is used for street related capital project costs that are supported and funded by traffic impact fees and traffic mitigation fees.

Summary

The City of Lake Stevens is projecting $806K of revenue in FY2026, which represents a 0.7% increase over the prior year. Budgeted expenditures are projected to decrease by 87.6% or $2.13M to $303K in FY2026.

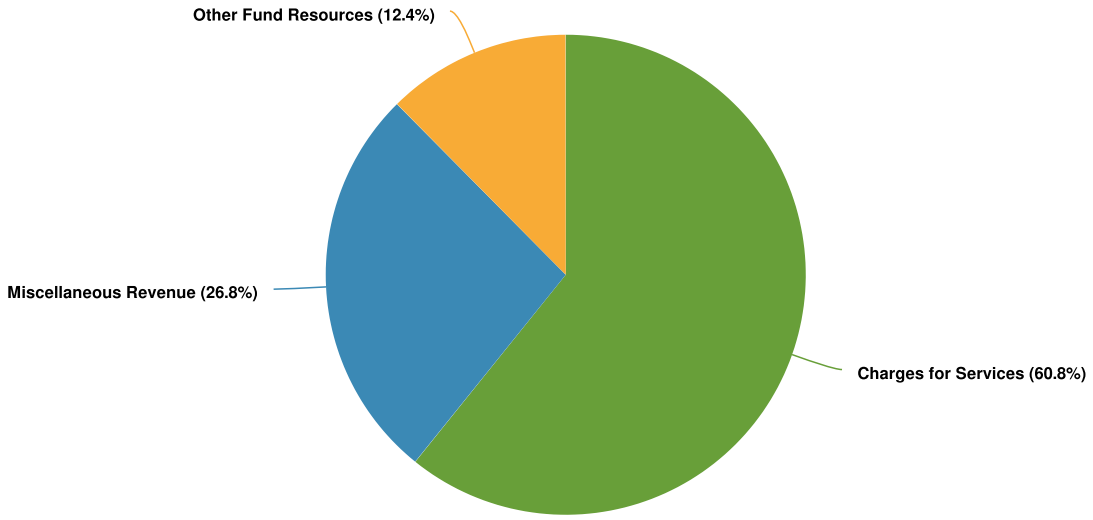


Traffic Mitigation Fund Comprehensive Summary

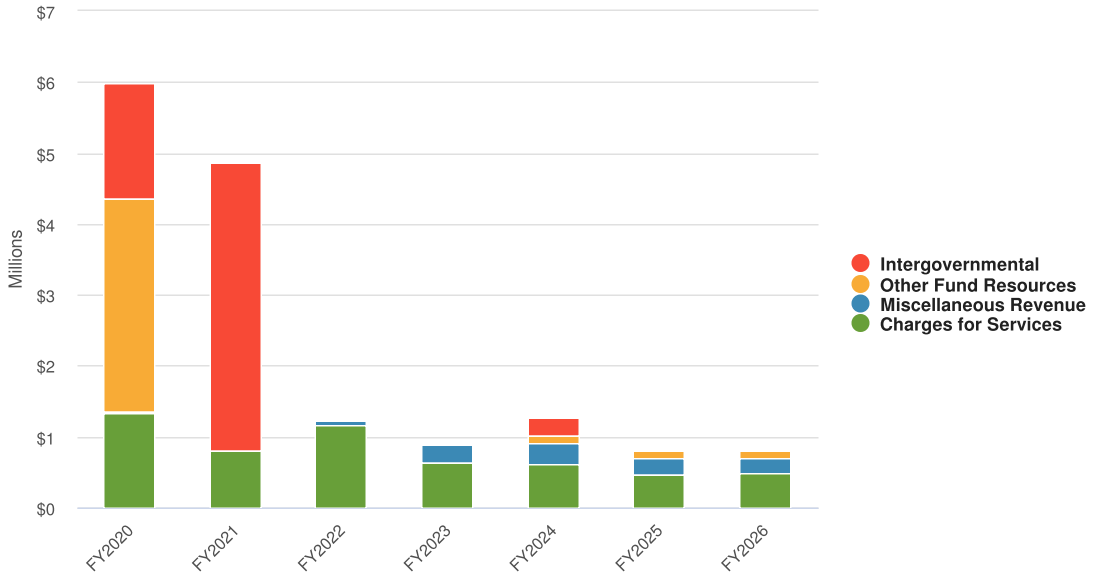
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**$5,808,069**	**$5,808,069**	**$5,389,031**	**$4,353,886**
Revenues				
Intergovernmental	$0	$271,650	$0	$0
Charges for Services	$454,198	$605,000	$455,000	$490,000
Miscellaneous Revenue	$292,532	$300,000	$245,110	$216,000
Other Fund Resources	$1,006	$100,000	$100,000	$100,000
Total Revenues:	**$747,736**	**$1,276,650**	**$800,110**	**$806,000**
Expenditures				
Non Expenditure	$0	$100,000	$100,000	$100,000
Salaries	$14,387	$75,000	$15,000	$15,000
Benefits	$6,074	$25,000	$10,000	$8,000
Capital	$1,146,311	$3,679,634	$2,309,994	$180,000
Total Expenditures:	**$1,166,772**	**$3,879,634**	**$2,434,994**	**$303,000**
Total Revenues Less Expenditures:	**-$419,036**	**-$2,602,984**	**-$1,634,884**	**$503,000**
Ending Fund Balance:	**$5,389,033**	**$3,205,085**	**$3,754,147**	**$4,856,886**

Revenues by Source

Projected 2026 Revenues by Source



Budgeted and Historical 2026 Revenues by Source

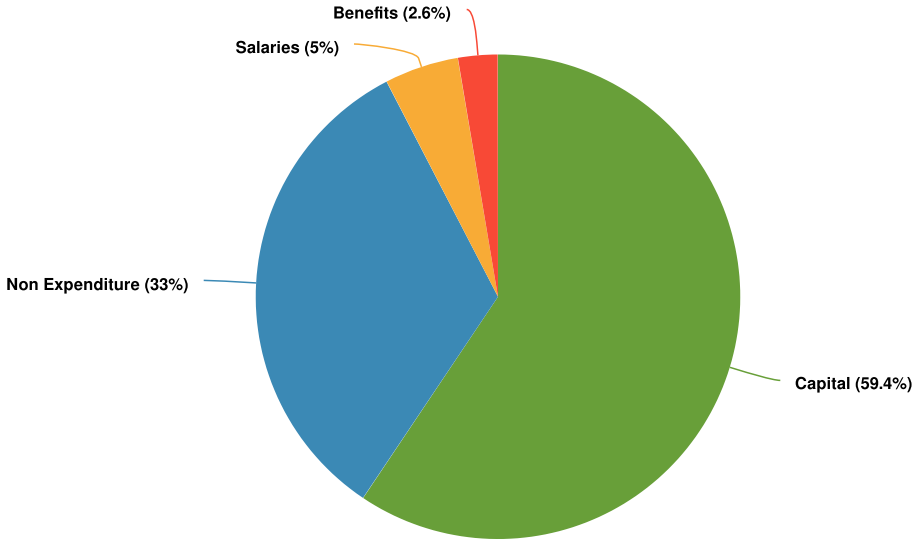


Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Revenue Source					
Intergovernmental					
TIB - Grant	$0	$271,650	$0	$0	0%

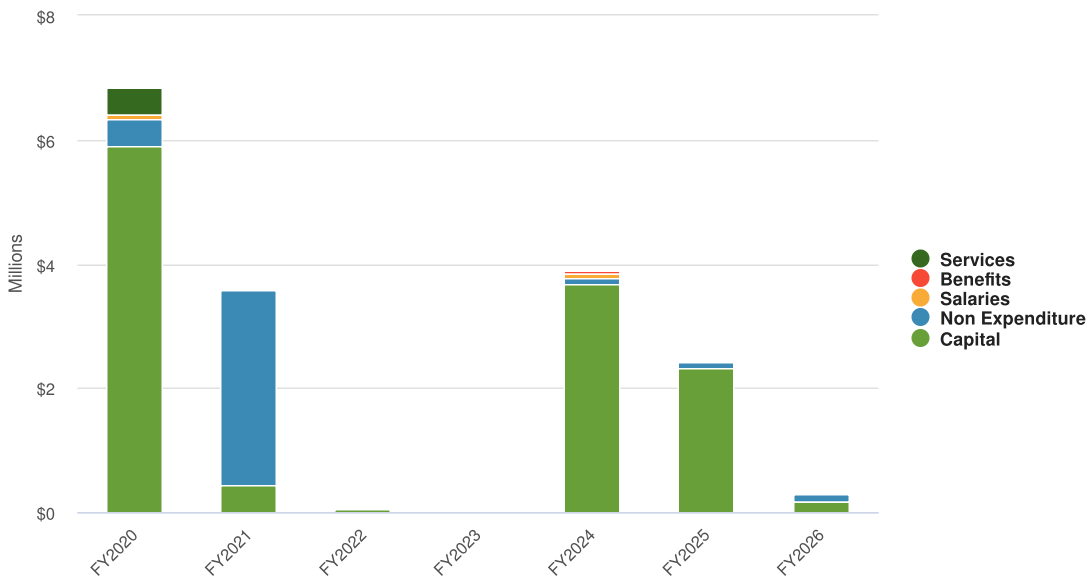
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Total Intergovernmental:	**$0**	**$271,650**	**$0**	**$0**	**0%**
Charges for Services					
Local Trans. Act -Impact Fees	$55,365	$5,000	$5,000	$20,000	300%
Traffic Mitigation - TIZ 1	$167,483	$50,000	$50,000	$20,000	-60%
Traffic Mitigation - TIZ 2	$15,750	$50,000	$50,000	$100,000	100%
Traffic Mitigation - TIZ 3	$215,600	$500,000	$350,000	$350,000	0%
Total Charges for Services:	**$454,198**	**$605,000**	**$455,000**	**$490,000**	**7.7%**
Miscellaneous Revenue					
Investment Interest	$292,532	$300,000	$245,110	$216,000	-11.9%
Total Miscellaneous Revenue:	**$292,532**	**$300,000**	**$245,110**	**$216,000**	**-11.9%**
Other Fund Resources					
PW Retainage Held	$1,006	$100,000	$100,000	$100,000	0%
Total Other Fund Resources:	**$1,006**	**$100,000**	**$100,000**	**$100,000**	**0%**
Total Revenue Source:	**$747,736**	**$1,276,650**	**$800,110**	**$806,000**	**0.7%**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Non Expenditure					
Non-Departmental					
PW Retainage Release	$0	$100,000	$100,000	$100,000	0%
Total Non-Departmental:	**$0**	**$100,000**	**$100,000**	**$100,000**	**0%**
Total Non Expenditure:	**$0**	**$100,000**	**$100,000**	**$100,000**	**0%**
Salaries					
Public Works					
Roadway CP Salaries	$14,387	$75,000	$15,000	$15,000	0%
Total Public Works:	**$14,387**	**$75,000**	**$15,000**	**$15,000**	**0%**
Total Salaries:	**$14,387**	**$75,000**	**$15,000**	**$15,000**	**0%**
Benefits					
Public Works					
Roadway CP Benefits	$6,074	$25,000	$10,000	$8,000	-20%
Total Public Works:	**$6,074**	**$25,000**	**$10,000**	**$8,000**	**-20%**
Total Benefits:	**$6,074**	**$25,000**	**$10,000**	**$8,000**	**-20%**
Capital					
Public Works					
TZ3-17005- 24th St & 91st Ext	$0	$1,689,634	$1,689,634	$0	-100%
TZ1 - Main Street	$58,195	$500,000	$420,360	$80,000	-81%
Fee In Lieu of - Sidewalks	$0	$233,000	$100,000	$46,000	-54%

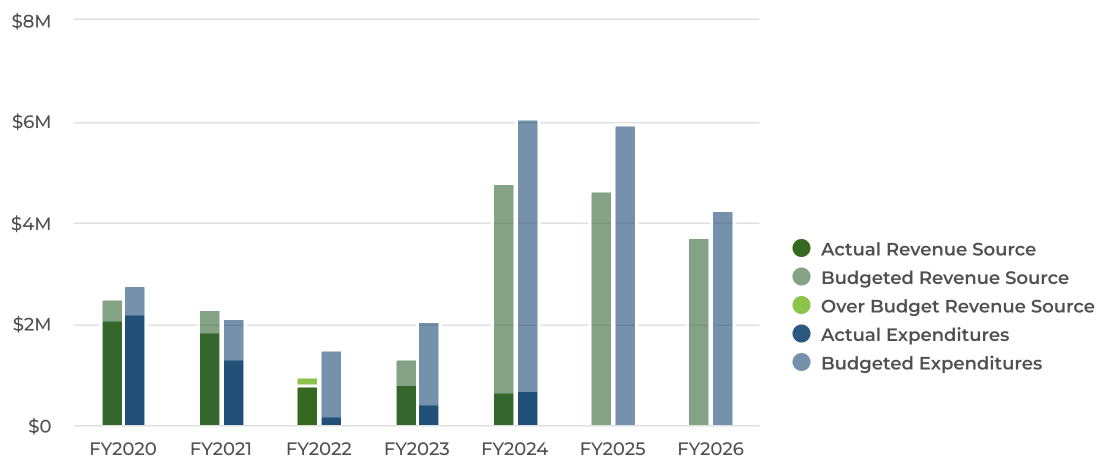
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
TZ3 - 79th/8th Project	$54,653	$85,000	$0	$0	0%
TZ3- TBP03 - 91st Av SE Sidwlk	$510,300	$572,000	$0	$0	0%
TZ2- TBP02 - 91st Av SE Sidwlk	$523,163	$600,000	$0	$0	0%
TZ1 - 131st Ave Infrastructure	$0	$0	$100,000	$54,000	-46%
Total Public Works:	**$1,146,311**	**$3,679,634**	**$2,309,994**	**$180,000**	**-92.2%**
Total Capital:	**$1,146,311**	**$3,679,634**	**$2,309,994**	**$180,000**	**-92.2%**
Total Expense Objects:	**$1,166,772**	**$3,879,634**	**$2,434,994**	**$303,000**	**-87.6%**

Park Mitigation Fund

The fund is used for park related capital project costs that are supported and funded by Park mitigation fees and Tree Replacement fees.

Summary

The City of Lake Stevens is projecting $3.72M of revenue in FY2026, which represents a 19.8% decrease over the prior year. Budgeted expenditures are projected to decrease by 28.3% or $1.68M to $4.26M in FY2026.



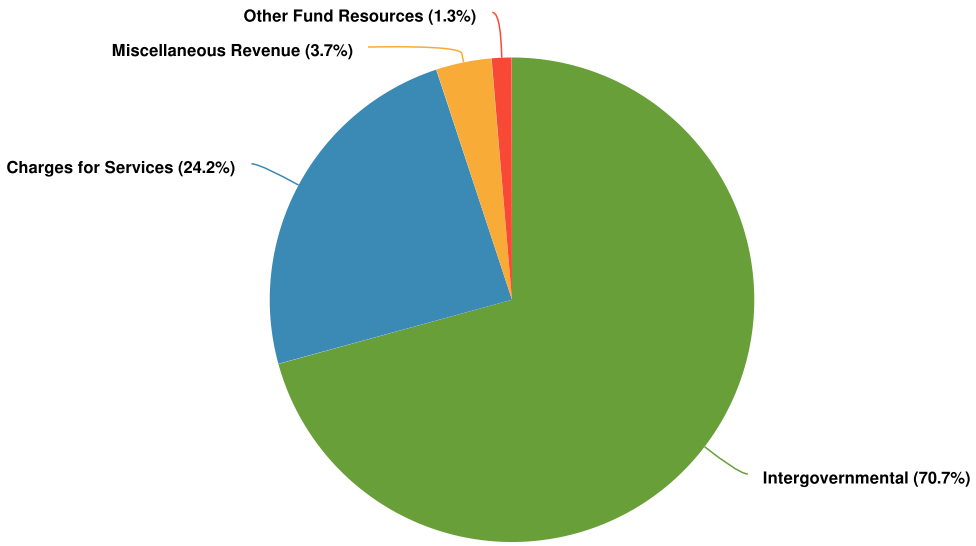
Park Mitigation Fund Comprehensive Summary

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**$2,276,884**	**$2,276,884**	**$2,254,901**	**$2,493,705**
Revenues				
Intergovernmental	$0	$3,659,941	$3,847,075	$2,631,352
Charges for Services	$427,584	$800,000	$500,000	$900,000
Miscellaneous Revenue	$260,674	$130,000	$93,000	$138,000
Other Fund Resources	$0	$200,000	$200,000	$50,000
Total Revenues:	**$688,258**	**$4,789,941**	**$4,640,075**	**$3,719,352**
Expenditures				
Non Expenditure	$16,013	$206,000	$200,000	$50,000
Salaries	$46,432	$75,000	$75,000	$75,000
Benefits	$15,928	$25,000	$25,000	$25,000
Supplies	$2,195	$75,000	$25,000	$0
Capital	$629,671	$5,690,029	$5,617,278	$4,111,892
Total Expenditures:	**$710,239**	**$6,071,029**	**$5,942,278**	**$4,261,892**
Total Revenues Less Expenditures:	**-$21,981**	**-$1,281,088**	**-$1,302,203**	**-$542,540**

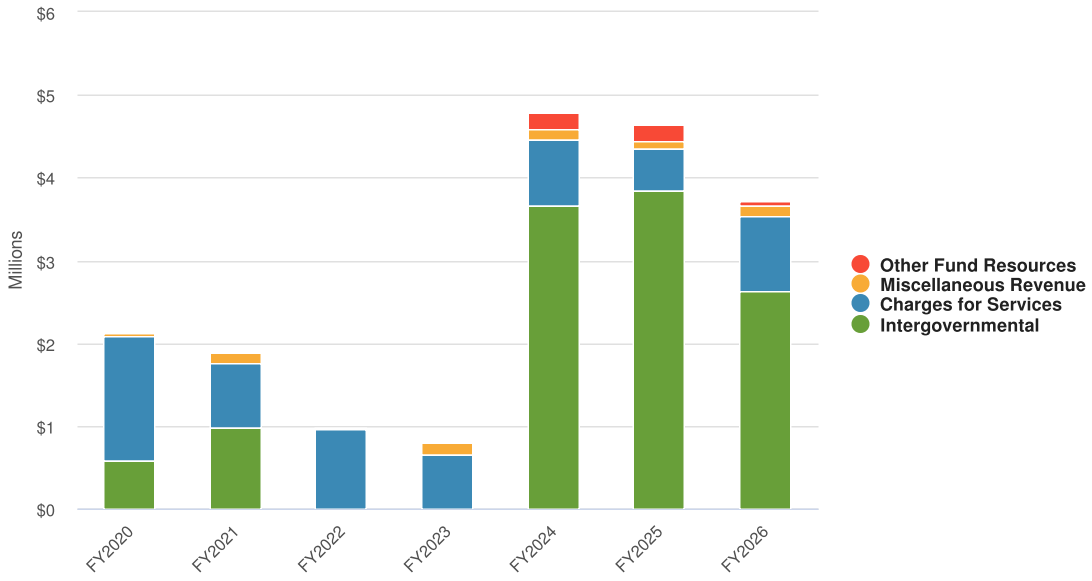
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Ending Fund Balance:	$2,254,903	$995,796	$952,698	$1,951,165

Revenues by Source

Projected 2026 Revenues by Source



Budgeted and Historical 2026 Revenues by Source

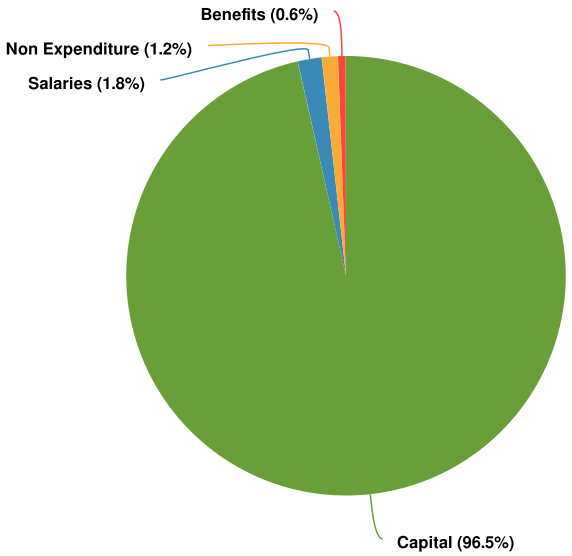


Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Revenue Source					

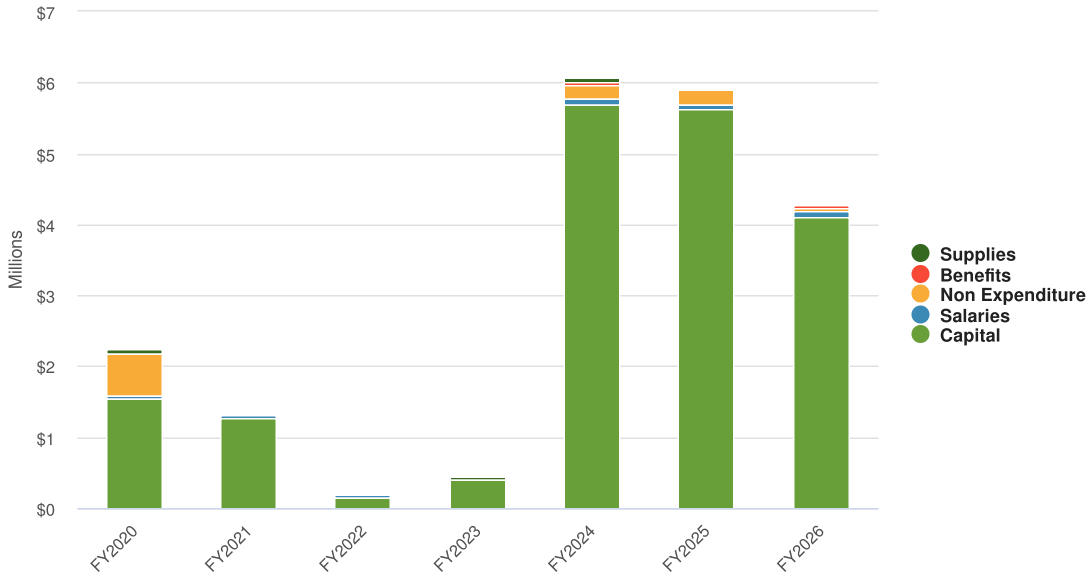
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Intergovernmental					
RCO - Frontier Heights Grants	$0	$1,159,352	$1,159,352	$1,204,352	3.9%
RCO - NC Marina Grant			$0	$327,000	N/A
State Commerce - Cedarwood	$0	$2,455,589	$2,455,589	$500,000	-79.6%
State Commerce	$0	$0	$0	$500,000	N/A
SnoCo SCPP Grants - PR100	$0	$45,000	$232,134	$0	-100%
SnoCo SCPP Grants - PR106			$0	$100,000	N/A
Total Intergovernmental:	**$0**	**$3,659,941**	**$3,847,075**	**$2,631,352**	**-31.6%**
Charges for Services					
Park Mitigation	$427,584	$800,000	$500,000	$900,000	80%
Total Charges for Services:	**$427,584**	**$800,000**	**$500,000**	**$900,000**	**80%**
Miscellaneous Revenue					
Investment Interest	$124,104	$120,000	$78,000	$88,000	12.8%
Tree Replacement Fee	$136,570	$10,000	$15,000	$50,000	233.3%
Total Miscellaneous Revenue:	**$260,674**	**$130,000**	**$93,000**	**$138,000**	**48.4%**
Other Fund Resources					
PW Retainage	$0	$200,000	$200,000	$50,000	-75%
Total Other Fund Resources:	**$0**	**$200,000**	**$200,000**	**$50,000**	**-75%**
Total Revenue Source:	**$688,258**	**$4,789,941**	**$4,640,075**	**$3,719,352**	**-19.8%**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Non Expenditure					

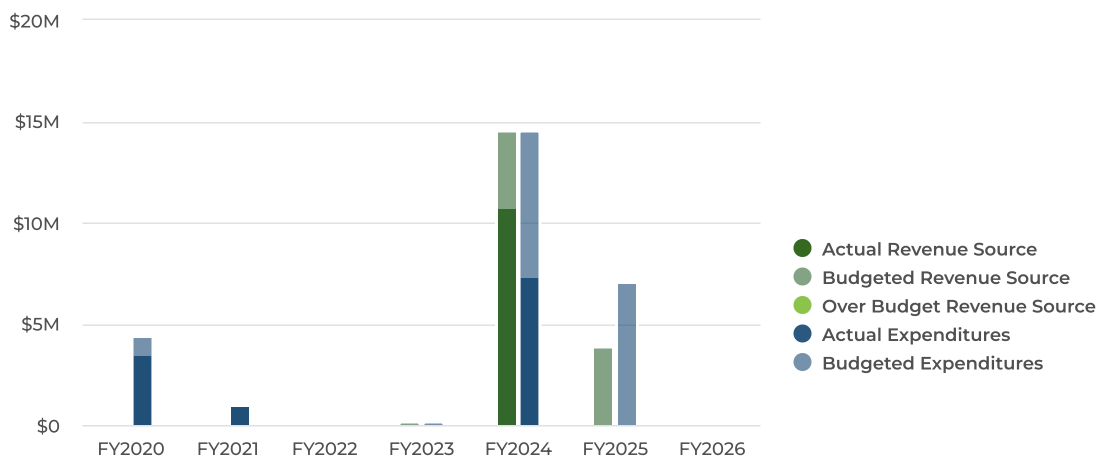
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Retainage Release	$16,013	$206,000	$200,000	$50,000	-75%
Total Non Expenditure:	**$16,013**	**$206,000**	**$200,000**	**$50,000**	**-75%**
Salaries					
Park Mit CP Salaires	$46,432	$75,000	$75,000	$75,000	0%
Total Salaries:	**$46,432**	**$75,000**	**$75,000**	**$75,000**	**0%**
Benefits					
Park Mit CP Benefits	$15,928	$25,000	$25,000	$25,000	0%
Total Benefits:	**$15,928**	**$25,000**	**$25,000**	**$25,000**	**0%**
Supplies					
Tree Replacement Expenditures	$2,195	$75,000	$25,000	$0	-100%
Total Supplies:	**$2,195**	**$75,000**	**$25,000**	**$0**	**-100%**
Capital					
PM - Frontier Heights Capital	$0	$1,708,440	$1,700,000	$1,283,505	-24.5%
PM - North Cove Parking/Rec	$0	$0	$0	$300,000	N/A
PM - Lundeen Park Capital	$9,640	$10,000	$0	$0	0%
PM -LS Bayview Connector - PT	$616,661	$900,000	$483,339	$1,196,000	147.4%
PM - Eagle Ridge	$2,876	$10,000	$22,850	$332,387	1,354.6%
PM - Davis Beach	$0	$0	$100,000	$0	-100%
PM - North Cove Light Bollards	$0	$0	$150,000	$0	-100%
PM - Cedarwood Park	$494	$2,955,589	$2,955,089	$500,000	-83.1%
PM - NC Marina Feasibility	$0	$106,000	$106,000	$400,000	277.4%
PM - Westlake Park	$0	$0	$100,000	$100,000	0%
Total Capital:	**$629,671**	**$5,690,029**	**$5,617,278**	**$4,111,892**	**-26.8%**
Total Expense Objects:	**$710,239**	**$6,071,029**	**$5,942,278**	**$4,261,892**	**-28.3%**

Facility Capital Project Fund

The fund is used for capital project costs related to the City's facilities that are funded by the 2024A LTGO bond proceeds and premiums.

Summary

The City of Lake Stevens is projecting $0 of revenue in FY2026, which represents a 100% decrease over the prior year. Budgeted expenditures are projected to decrease by 100% or $7.09M to $0 in FY2026.



Facility Capital Project Fund Comprehensive Summary

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**$12,160**	**$12,160**	**$3,420,439**	**$437,335**
Revenues				
WS Historical Society - Museum	$0	$0	$764,000	$0
Investment Interest	$116,647	$70,000	$40,000	$0
Misc Revenues	$0	$764,000	$0	$0
Retainage	$0	$100,000	$100,000	$0
2024A - LTGO Bond Proceeds	$9,610,000	$9,610,000	$0	$0
2024A - LTGO Bond Premium	$527,282	$527,283	$0	$0
Sale of Property	$0	$3,000,000	$3,000,000	$0
Transfer In	$540,110	$540,111	$0	$0
Total Revenues:	**$10,794,039**	**$14,611,394**	**$3,904,000**	**$0**
Expenditures				
Retainage Release	$0	$100,000	$100,000	$0
2024A - LTGO Bond Issuance Fee	$134,290	$135,792	$0	$0
Culture Facility Cap - Museum	$36,678	$2,519,300	$2,482,622	$0

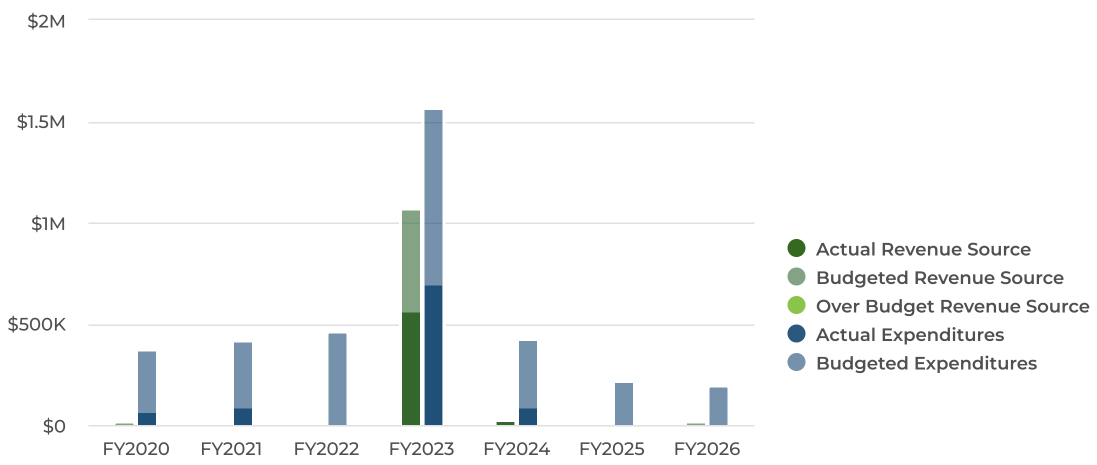
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Transfer out	$12,158	$12,159	$0	$0
Gen Facility CP Salaries	$0	$50,000	$50,000	$0
Gen Facilities CP Benefits	$0	$20,000	$20,000	$0
FC - Municipal Campus GG	$7,202,634	$11,776,192	$4,000,000	$0
FC - Other Capital GG	$0	$0	$438,500	$0
Total Expenditures:	**$7,385,760**	**$14,613,443**	**$7,091,122**	**$0**
Total Revenues Less Expenditures:	**$3,408,279**	**-$2,049**	**-$3,187,122**	**$0**
Ending Fund Balance:	**$3,420,439**	**$10,111**	**$233,317**	**$437,335**

Sidewalk Capital Project Fund

The fund is used for sidewalk capital project costs that are primarily funded through transfers from the Street Fund, grant funding, and interest earnings.

Summary

The City of Lake Stevens is projecting $19K of revenue in FY2026, which represents a 26.7% increase over the prior year. Budgeted expenditures are projected to decrease by 8.6% or $18.79K to $200K in FY2026.



Sidewalk Capital Project Fund Comprehensive Summary

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**$586,848**	**$586,848**	**$516,001**	**$318,594**
Revenues				
Miscellaneous Revenue				
Investment Interest	$27,172	$30,000	$15,000	$19,000
Total Miscellaneous Revenue:	**$27,172**	**$30,000**	**$15,000**	**$19,000**
Total Revenues:	**$27,172**	**$30,000**	**$15,000**	**$19,000**
Expenditures				
Capital				
SW-TBP02	$3,806	$180,000	$63,000	$0
ADA Crosswalk Improvements	$94,213	$150,000	$155,787	$0
Sidewalk Construction	$0	$100,000	$0	$200,000
Total Capital:	**$98,019**	**$430,000**	**$218,787**	**$200,000**
Total Expenditures:	**$98,019**	**$430,000**	**$218,787**	**$200,000**
Total Revenues Less Expenditures:	**-$70,847**	**-$400,000**	**-$203,787**	**-$181,000**
Ending Fund Balance:	**$516,001**	**$186,848**	**$312,214**	**$137,594**

Sewer Fund

This fund is mainly used to account for debt reimbursements from the Lake Stevens Sewer District and debt payments for bonds issued and loans taken on behalf of the District. The fund may also be used to account for reimbursement of costs for coordinated capital projects.

Summary

The City of Lake Stevens is projecting $1.35M of revenue in FY2026, which represents a 69.0% increase over the prior year. Budgeted expenditures are projected to increase by 59.6% or $500.7K to $1.34M in FY2026.

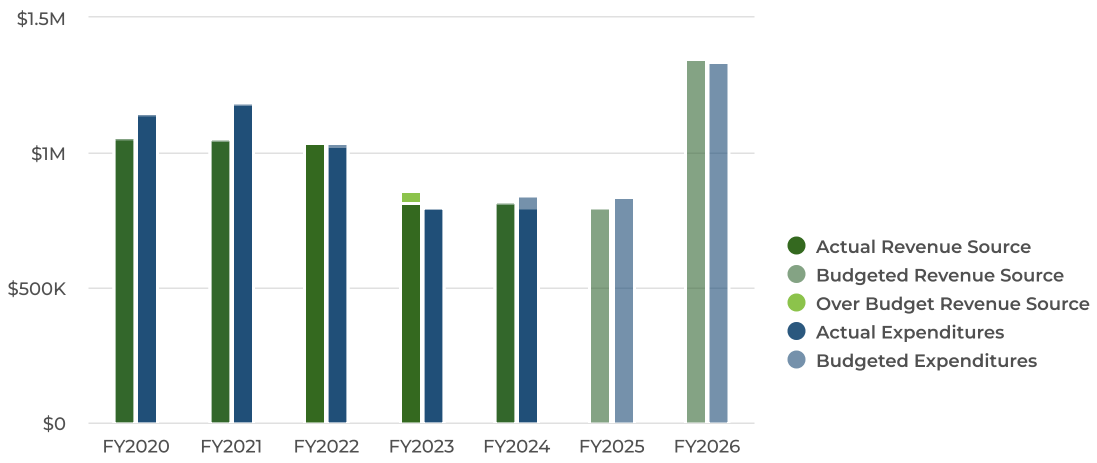
The City of Lake Stevens and the Lake Stevens Sewer District entered into a Unified Sewer Services and Annexation Agreement on the 23rd day of May 2005 that was subsequently implemented January 1, 2006. This agreement called for a transfer of the City System to the District after which the District shall own, operate and maintain the entire wastewater collection, conveyance, treatment and discharge system in the UGA (Urban Growth Area). The agreement also provides for the ultimate transfer of the Unified Sewer System from the District to the City at a future date.

As part of this agreement, the District agreed to transfer to the City all funds necessary for the Public Work Trust Fund Loan No. PW02-691-029 and the City Sewer utility's share of the 1997 General Obligation Bonds which the City has refunded with the 2008 LTGO Bonds. Additionally, the City had acquired three Public Work Trust Fund Loans for the design and construction of the new Treatment Plant. The District agreed to transfer to the City all funds necessary for the payment of the principal and interest of these loans.

Additionally, the Lake Stevens Sewer District requested to have $6.6 million of a 2008 Public Works Trust Fund Loan (PWTF), held by the City of Lake Stevens, refinanced. The refinancing extended the 2008 PWTF loan maturity from 2028 to 2038, reducing annual debt service payments. The new principal and interest amounts began on July 1st, 2017.

During 2022, the Lake Stevens Sewer District fully paid and satisfied the obligations of the Public Work Trust Fund Loan No. PW02-691-029 and the Sewer District's share of the 2008 LTGO Bonds.

The total future debt service requirements owed to the City by the Sewer District as of December 31, 2024, are approximately $5,261,599.



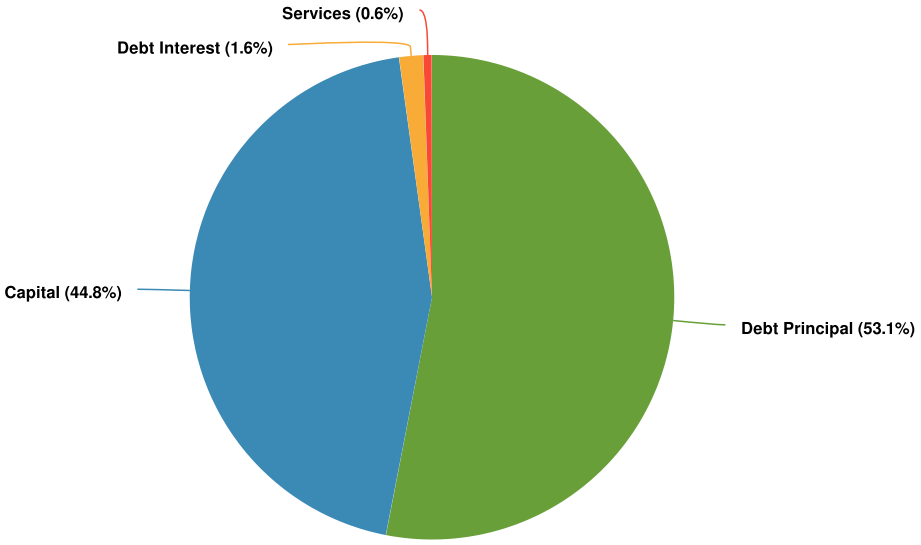
Sewer Fund Comprehensive Summary

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**$78,695**	**$78,695**	**$97,261**	**$61,419**

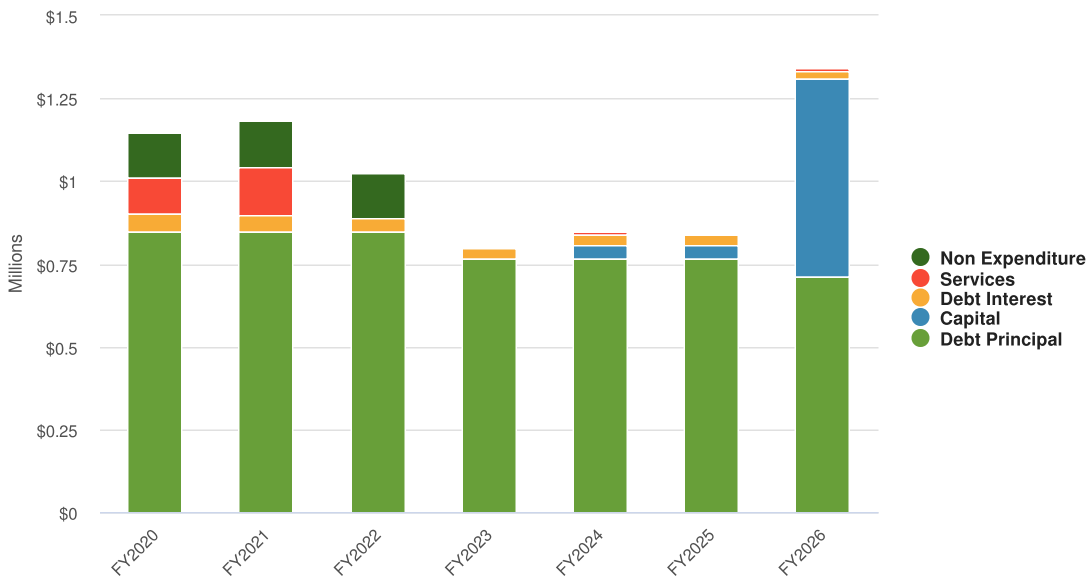
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Revenues				
Intergovernmental	$797,317	$804,785	$798,285	$1,340,436
Charges for Services	$13,750	$15,000	$0	$0
Miscellaneous Revenue	$7,605	$500	$0	$8,500
Total Revenues:	**$818,672**	**$820,285**	**$798,285**	**$1,348,936**
Expenditures				
Services	$6,551	$10,000	$3,500	$7,500
Capital	$0	$41,454	$41,454	$600,000
Debt Principal	$763,904	$763,907	$763,907	$711,275
Debt Interest	$30,878	$30,878	$30,878	$21,661
Total Expenditures:	**$801,333**	**$846,239**	**$839,739**	**$1,340,436**
Total Revenues Less Expenditures:	**$17,339**	**-$25,954**	**-$41,454**	**$8,500**
Ending Fund Balance:	**$96,034**	**$52,741**	**$55,807**	**$69,919**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



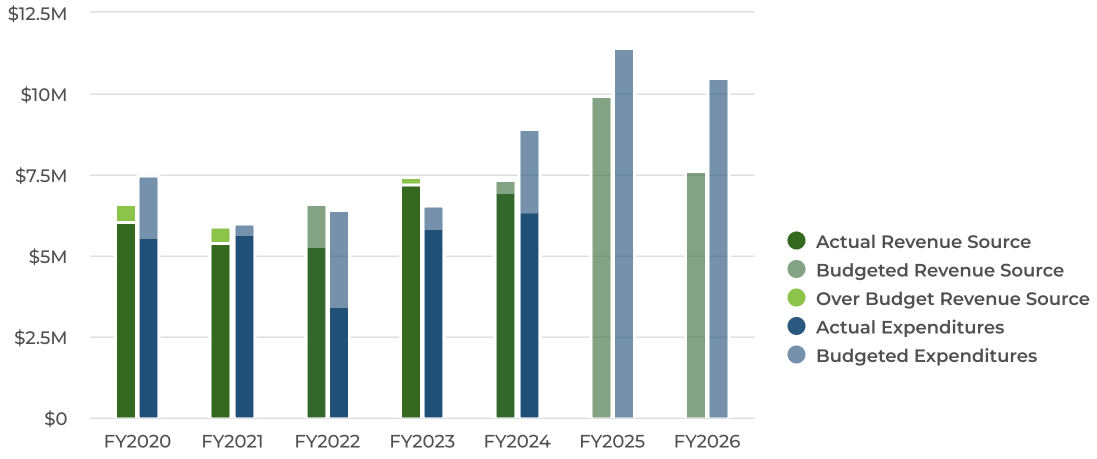
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Services	$6,551	$10,000	$3,500	$7,500	114.3%
Capital	$0	$41,454	$41,454	$600,000	1,347.4%
Debt Principal	$763,904	$763,907	$763,907	$711,275	-6.9%
Debt Interest	$30,878	$30,878	$30,878	$21,661	-29.8%
Total Expense Objects:	**$801,333**	**$846,239**	**$839,739**	**$1,340,436**	**59.6%**

Storm Water Funds

The City provides stormwater management services, lake management, and surface water capital projects. The fund is primarily supported by surface water utility fees and receives grant funding through the State and Federal agencies. There are two managerial funds that roll up into the Stormwater Fund that are used to account for capital projects and debt service.

Summary

The City of Lake Stevens is projecting $7.66M of revenue in FY2026, which represents a 23.2% decrease over the prior year. Budgeted expenditures are projected to decrease by 8.0% or $917.67K to $10.5M in FY2026.



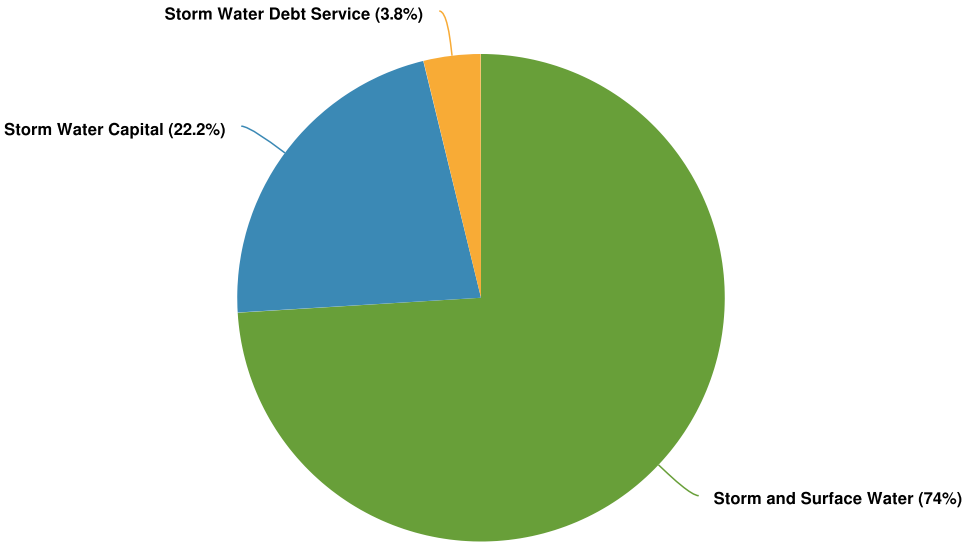
Storm Water Funds Comprehensive Summary

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**$6,463,306**	**$6,463,306**	**$7,077,612**	**$7,748,301**
Revenues				
Intergovernmental	$38,861	$605,975	$1,489,836	$795,000
Charges for Services	$5,163,103	$5,087,681	$5,403,921	$5,451,649
Miscellaneous Revenue	$301,892	$279,382	$253,395	$287,000
Other Fund Resources	$17,482	$10,000	$15,000	$15,000
Other Financing Sources	$1,465,717	$1,392,082	$2,811,177	$1,110,177
Total Revenues:	**$6,987,055**	**$7,375,120**	**$9,973,329**	**$7,658,826**
Expenditures				
Non Expenditure	$1,368,694	$1,378,682	$1,822,177	$1,562,177
Salaries	$1,940,047	$2,112,630	$2,043,049	$2,315,567
Benefits	$782,415	$911,436	$851,479	$932,966
Supplies	$250,147	$295,316	$261,412	$262,500
Services	$1,218,578	$1,583,501	$2,207,510	$1,740,534

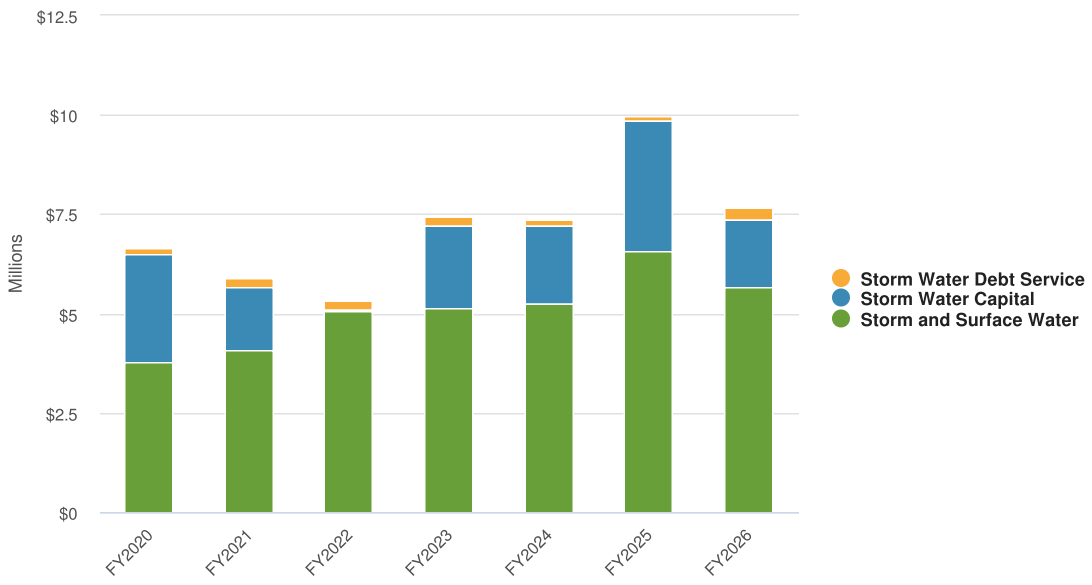
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Capital	$663,692	$2,493,975	$4,133,982	$3,398,200
Debt Principal	$159,078	$161,079	$99,733	$289,733
Debt Interest	$8,001	$8,003	$2,444	$2,444
Total Expenditures:	**$6,390,652**	**$8,944,622**	**$11,421,786**	**$10,504,121**
Total Revenues Less Expenditures:	**$596,403**	**-$1,569,502**	**-$1,448,457**	**-$2,845,295**
Ending Fund Balance:	**$7,059,709**	**$4,893,804**	**$5,629,155**	**$4,903,006**

Revenue by Fund

2026 Revenue by Managerial Fund



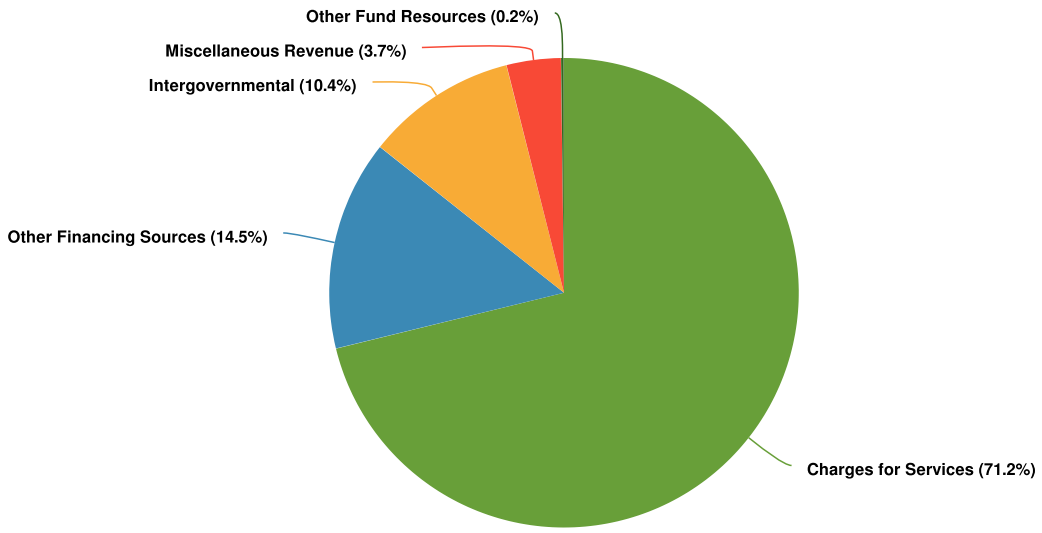
Budgeted and Historical 2026 Revenue by Fund



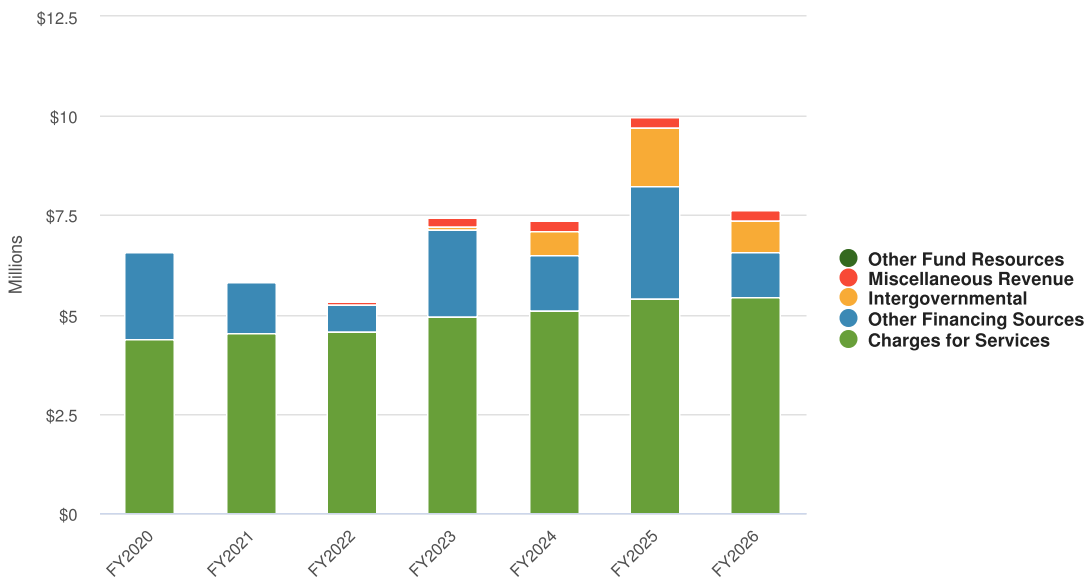
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Storm and Surface Water	$5,414,038	$5,267,063	$6,565,583	$5,670,649	-13.6%
Storm Water Capital	$1,405,936	$1,940,975	$3,307,569	$1,698,000	-48.7%
Storm Water Debt Service	$167,081	$167,082	$100,177	$290,177	189.7%
Total:	**$6,987,055**	**$7,375,120**	**$9,973,329**	**$7,658,826**	**-23.2%**

Revenues by Source

Projected 2026 Revenues by Source



Budgeted and Historical 2026 Revenues by Source

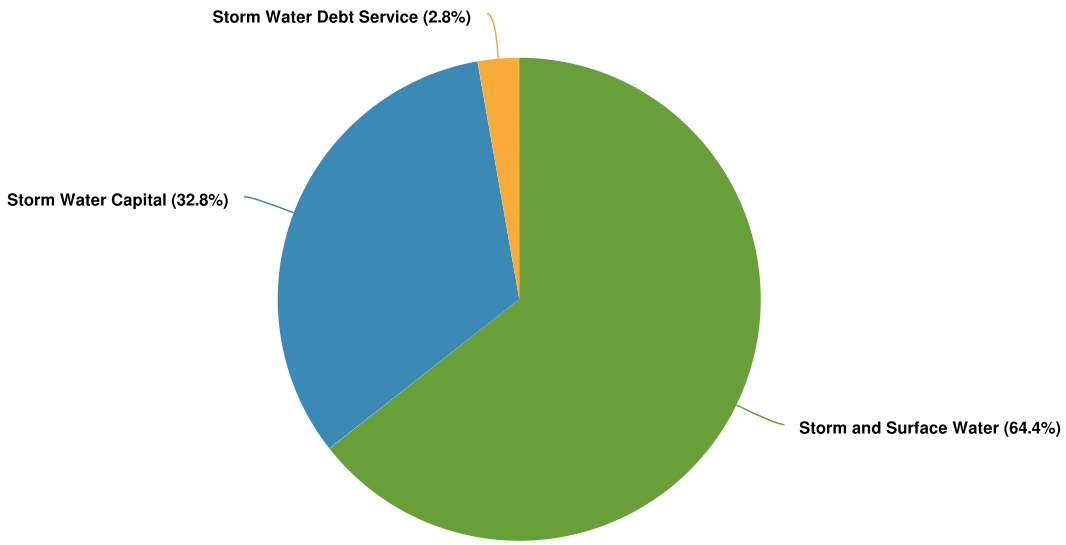


Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Revenue Source					
Intergovernmental					
DOE - Capacity Grants	$38,861	$75,000	$70,000	$70,000	0%
DOE - SFAP Grant	$0	$0	$658,861	$0	-100%

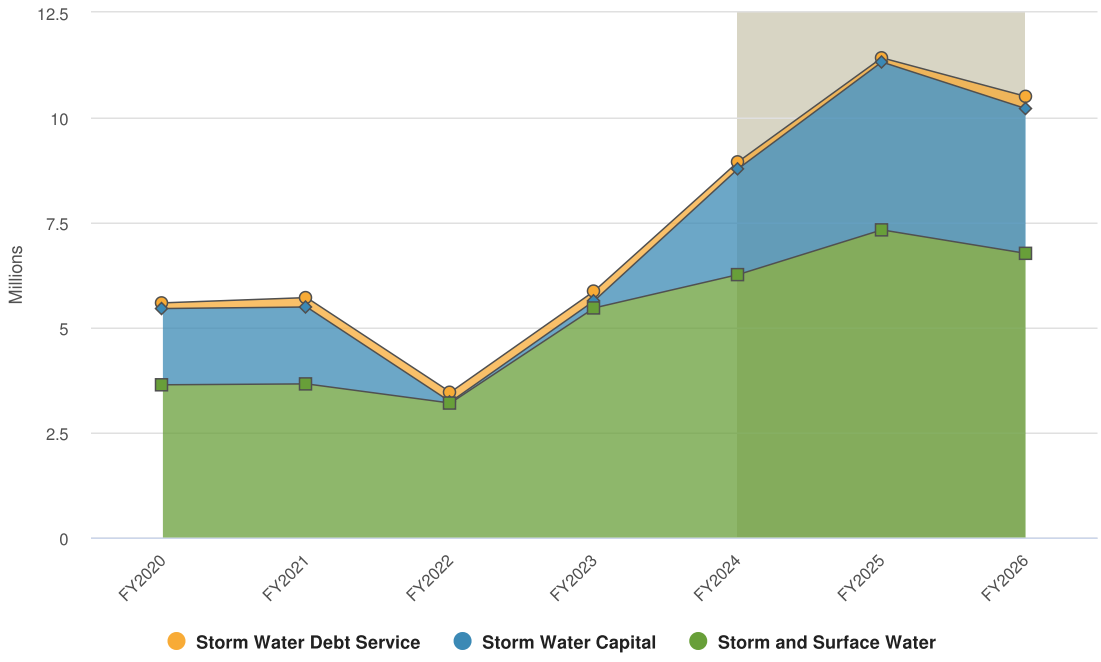
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Commerce Grant- Salmonoid	$0	$0	$247,000	$0	-100%
TIB - Grant	$0	$17,000	$0	$225,000	N/A
SnoCo Conservation Futures Grt	$0	$513,975	$513,975	$0	-100%
EPA 66.202 LS Outlet Grant			$0	$500,000	N/A
Total Intergovernmental:	**$38,861**	**$605,975**	**$1,489,836**	**$795,000**	**-46.6%**
Charges for Services					
Storm Drainage Charges	$5,149,176	$5,087,681	$5,403,921	$5,451,649	0.9%
SW - Charge for Service	$13,927	$0	$0	$0	0%
Total Charges for Services:	**$5,163,103**	**$5,087,681**	**$5,403,921**	**$5,451,649**	**0.9%**
Miscellaneous Revenue					
Investment Interest	$92,246	$79,382	$80,801	$74,000	-8.4%
Miscellaneous Revenues - Storm	$3,710	$0	$0	$0	0%
Investment Interest	$205,873	$200,000	$172,594	$213,000	23.4%
Misc Revenue	$63	$0	$0	$0	0%
Total Miscellaneous Revenue:	**$301,892**	**$279,382**	**$253,395**	**$287,000**	**13.3%**
Other Fund Resources					
SW-Retainage	$17,482	$0	$5,000	$5,000	0%
Retainage	$0	$10,000	$10,000	$10,000	0%
Total Other Fund Resources:	**$17,482**	**$10,000**	**$15,000**	**$15,000**	**0%**
Other Financing Sources					
Interfund Transfer In	$96,497	$25,000	$100,000	$70,000	-30%
SWM - Insurance Recovery	$2,139	$0	$0	$0	0%
Transfer In	$1,200,000	$1,200,000	$1,700,000	$750,000	-55.9%
2025 PWTF Loan Proceeds			$911,000	$0	-100%
Interfund Transfer In	$167,081	$167,082	$100,177	$290,177	189.7%
Total Other Financing Sources:	**$1,465,717**	**$1,392,082**	**$2,811,177**	**$1,110,177**	**-60.5%**
Total Revenue Source:	**$6,987,055**	**$7,375,120**	**$9,973,329**	**$7,658,826**	**-23.2%**

Expenditures by Fund

2026 Expenditures by Fund



Budgeted and Historical 2026 Expenditures by Fund



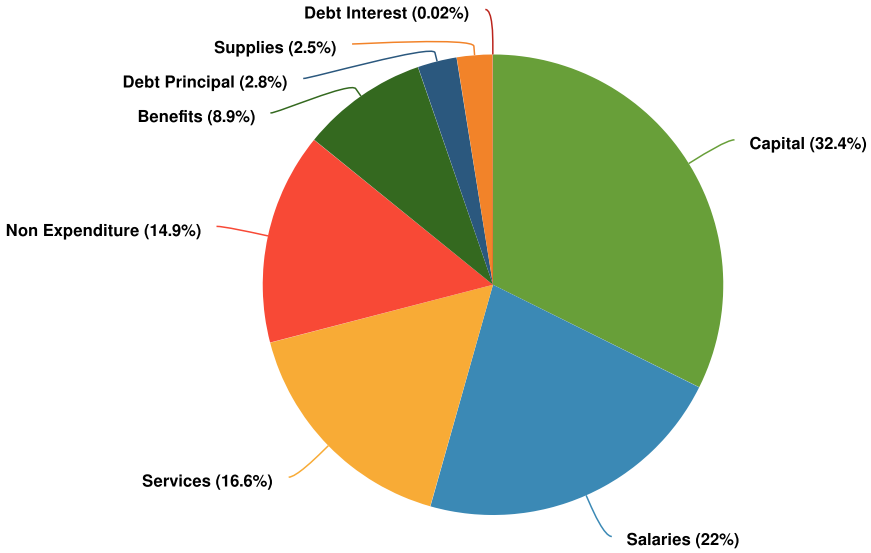
Grey background indicates budgeted figures.

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Storm and Surface Water	$5,566,664	$6,259,165	$7,324,827	$6,765,744	-7.6%

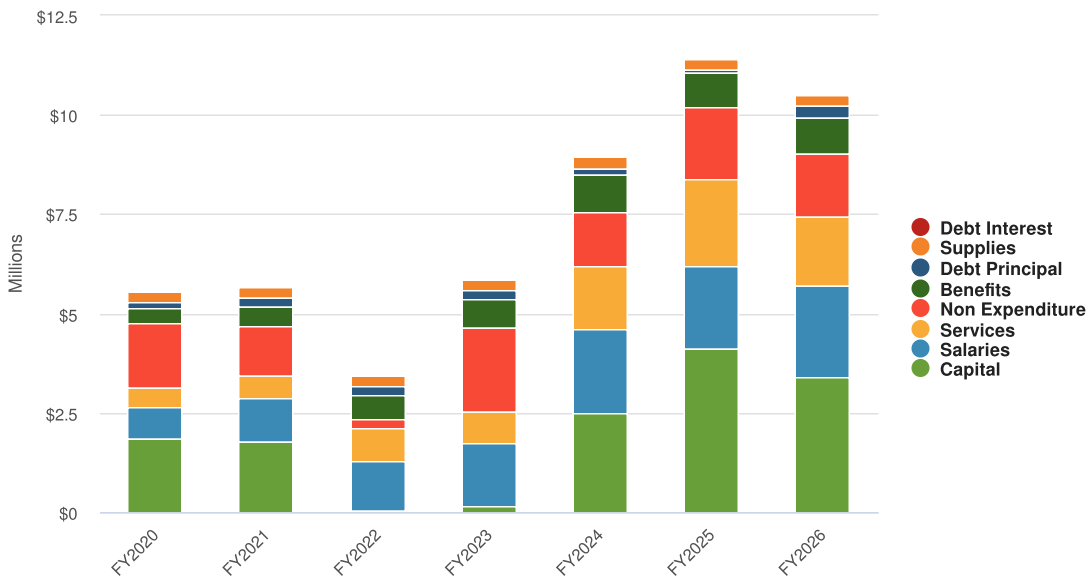
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Storm Water Capital	$656,909	$2,518,375	$3,996,782	$3,448,200	-13.7%
Storm Water Debt Service	$167,079	$167,082	$100,177	$290,177	189.7%
Total:	**$6,390,652**	**$8,944,622**	**$11,421,786**	**$10,504,121**	**-8%**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Non Expenditure	$1,368,694	$1,378,682	$1,822,177	$1,562,177	-14.3%
Salaries	$1,940,047	$2,112,630	$2,043,049	$2,315,567	13.3%
Benefits	$782,415	$911,436	$851,479	$932,966	9.6%
Supplies	$250,147	$295,316	$261,412	$262,500	0.4%
Services	$1,218,578	$1,583,501	$2,207,510	$1,740,534	-21.2%
Capital	$663,692	$2,493,975	$4,133,982	$3,398,200	-17.8%
Debt Principal	$159,078	$161,079	$99,733	$289,733	190.5%
Debt Interest	$8,001	$8,003	$2,444	$2,444	0%
Total Expense Objects:	**$6,390,652**	**$8,944,622**	**$11,421,786**	**$10,504,121**	**-8%**

Internal Service Funds

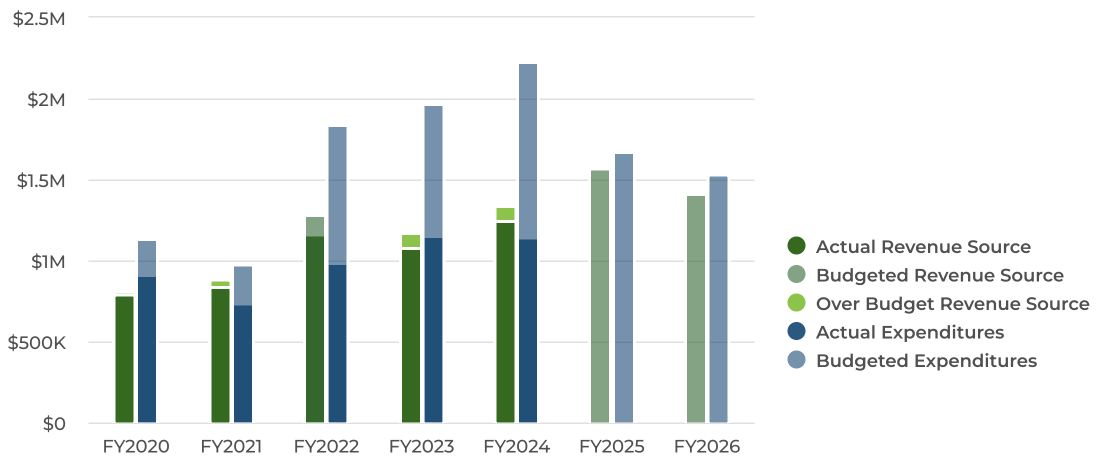
These funds account for operations that provide goods or services to other departments or funds of the government on a cost reimbursement basis.

Summary

The City of Lake Stevens is projecting $1.42M of revenue in FY2026, which represents a 10.2% decrease over the prior year. Budgeted expenditures are projected to decrease by 8.1% or $135.55K to $1.54M in FY2026.

There are 5 separate internal service funds that receive contributions from a combination of funds, including the General Fund, Street Fund, and Stormwater Fund based on usage and function.

- Unemployment – The fund supports the City's unemployment claims against it. An allocation policy determines when and how the fund is replenished.
- Equipment Fund – Computers – This fund is used to purchase the computers and software for the City.
- Equipment Fund – CD Vehicles – This fund is used to purchase or lease vehicles for the Community Development Department.
- Equipment Fund – Police – This fund is to purchase boats, tasers, firearms and vehicle equipment as well as lease vehicles for the City's Police Department.
- Equipment Fund – Public Works – This fund is to purchase equipment and lease vehicles for the Public Works Department.



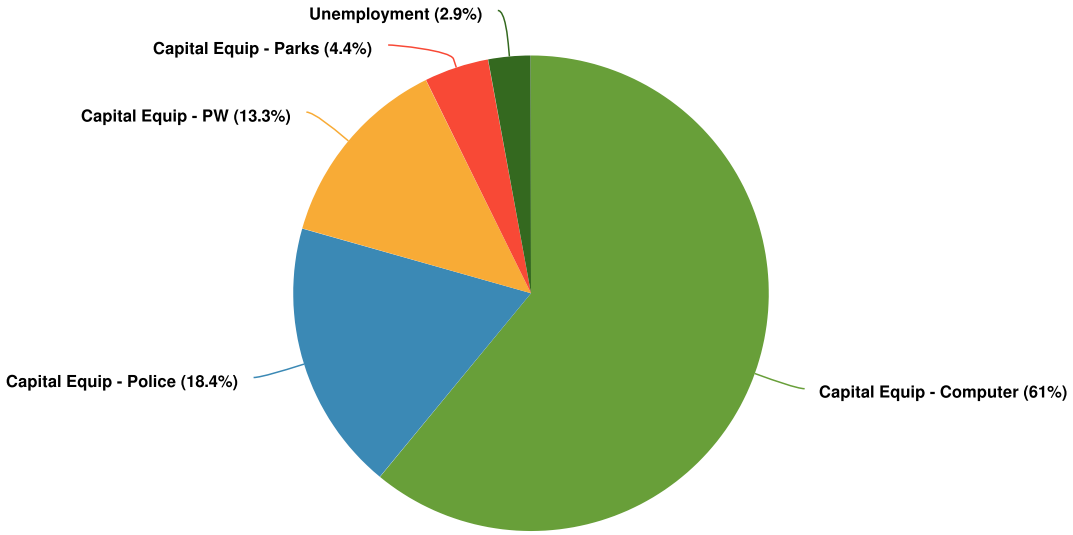
Internal Service Funds Comprehensive Summary

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**$1,943,405**	**$1,943,405**	**$2,135,048**	**$1,892,791**
Revenues				
Charges for Services	$1,142,458	$1,153,779	$1,416,111	$1,385,500
Miscellaneous Revenue	$106,479	$78,000	$76,313	$29,650
Other Financing Sources	$92,809	$16,325	$84,000	$0
Total Revenues:	**$1,341,746**	**$1,248,104**	**$1,576,424**	**$1,415,150**
Expenditures				
Non Expenditure	$0	$0	$84,000	$0

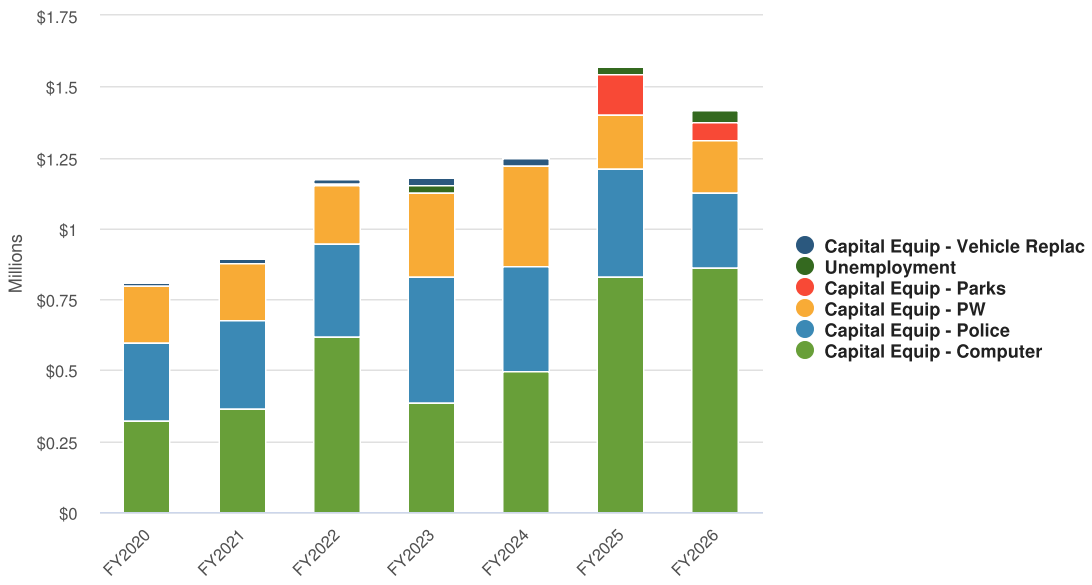
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Supplies	$74,863	$75,000	$90,295	$0
Services	$486,714	$471,372	$635,242	$857,737
Capital	$395,461	$1,224,771	$576,461	$324,800
Debt Principal	$193,050	$455,720	$286,870	$384,781
Total Expenditures:	**$1,150,088**	**$2,226,863**	**$1,672,868**	**$1,567,318**
Total Revenues Less Expenditures:	**$191,658**	**-$978,759**	**-$96,444**	**-$152,168**
Ending Fund Balance:	**$2,135,063**	**$964,646**	**$2,038,604**	**$1,740,623**

Revenue by Fund

2026 Revenue by Fund



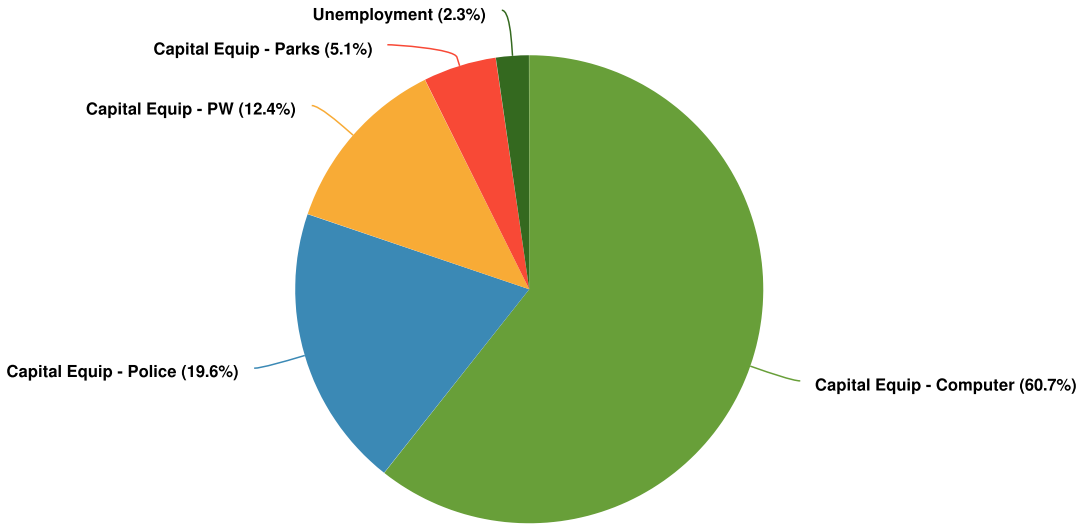
Budgeted and Historical 2026 Revenue by Fund



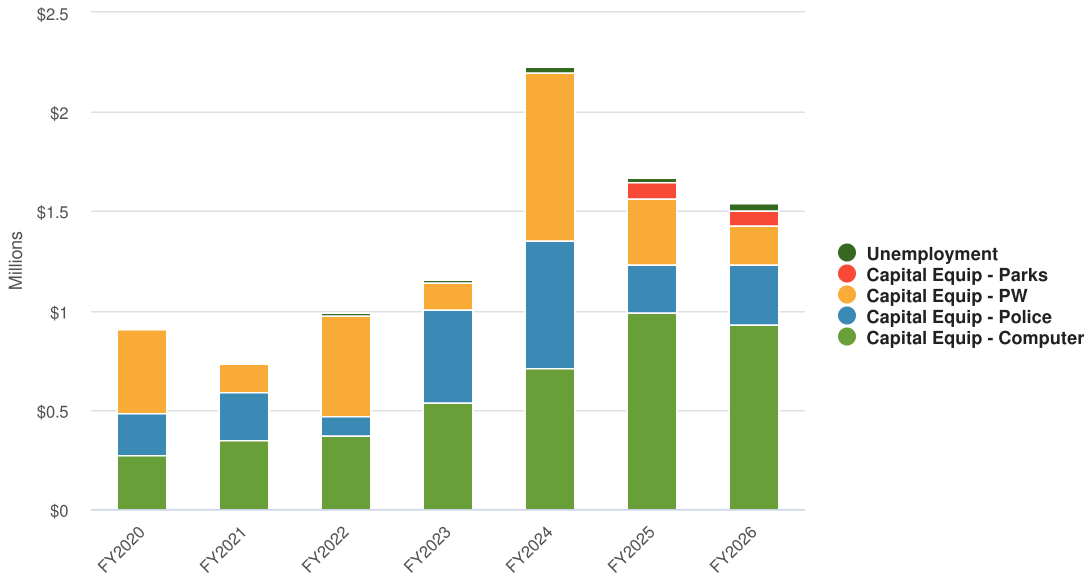
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Unemployment	$1,405	$1,000	$31,000	$40,950	32.1%
Capital Equip - Computer	$485,832	$498,279	$832,563	$862,700	3.6%
Capital Equip - Vehicle Replac	$25,248	$24,500	$4,068	$0	-100%
Capital Equip - Police	$419,012	$370,000	$379,534	$261,000	-31.2%
Capital Equip - Parks	$0	$0	$139,000	$62,000	-55.4%
Capital Equip - PW	$410,249	$354,325	$190,259	$188,500	-0.9%
Total:	**$1,341,746**	**$1,248,104**	**$1,576,424**	**$1,415,150**	**-10.2%**

Expenditures by Fund

2026 Expenditures by Fund



Budgeted and Historical 2026 Expenditures by Fund

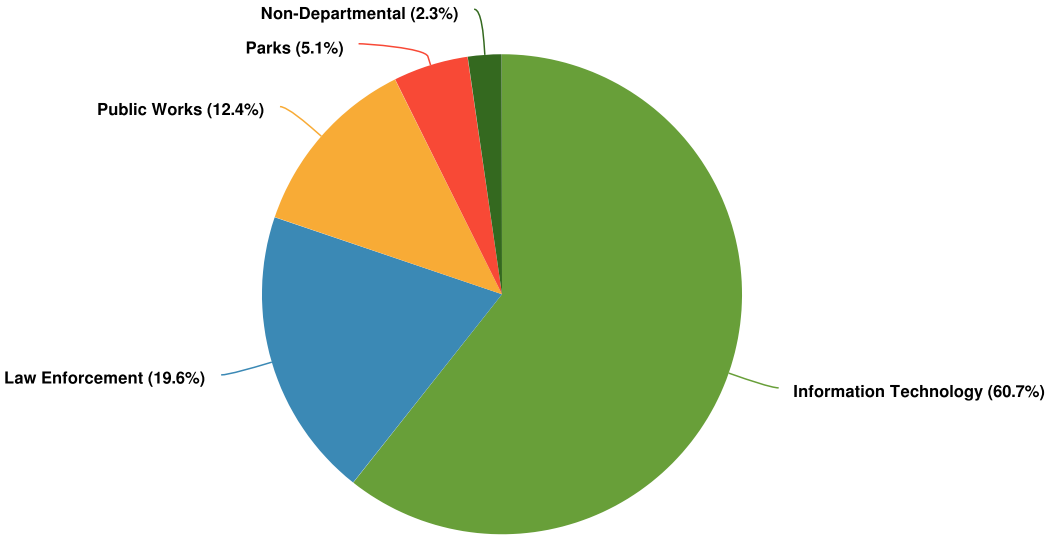


Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Unemployment	$14,229	$30,000	$30,000	$35,000	16.7%
Capital Equip - Computer	$567,575	$711,101	$987,846	$962,441	-5.6%
Capital Equip - Police	$159,570	$643,717	$242,782	$300,700	23.9%
Capital Equip - Parks	$0	$0	$80,240	$77,835	-3%

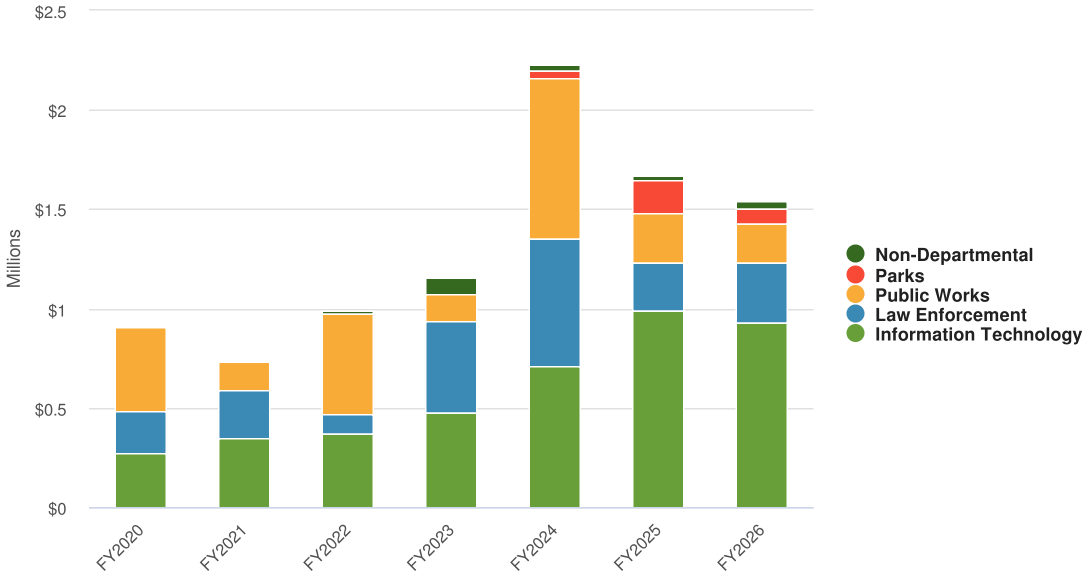
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Capital Equip - PW	$408,714	$842,045	$332,000	$191,342	-42.4%
Total:	**$1,150,088**	**$2,226,863**	**$1,672,868**	**$1,567,318**	**-8.1%**

Expenditures by Function

Budgeted Expenditures by Function



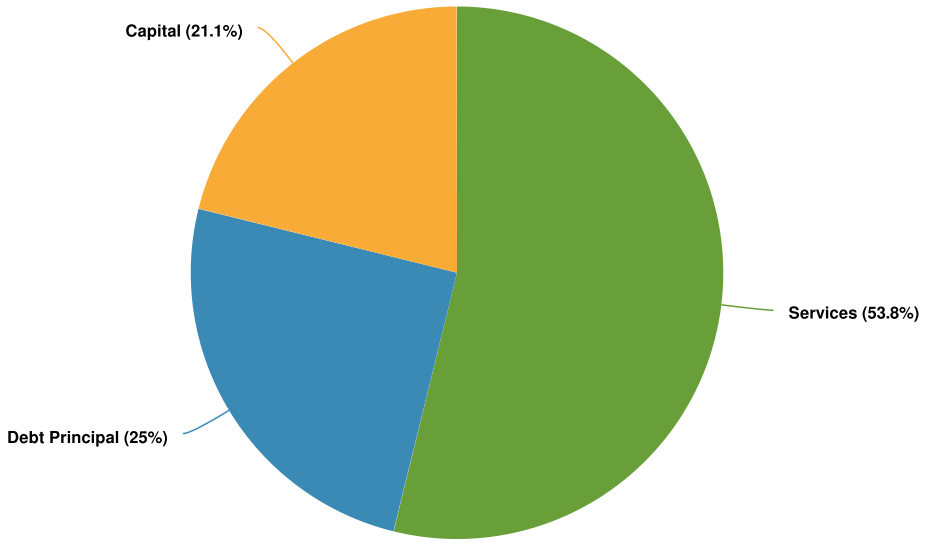
Budgeted and Historical Expenditures by Function



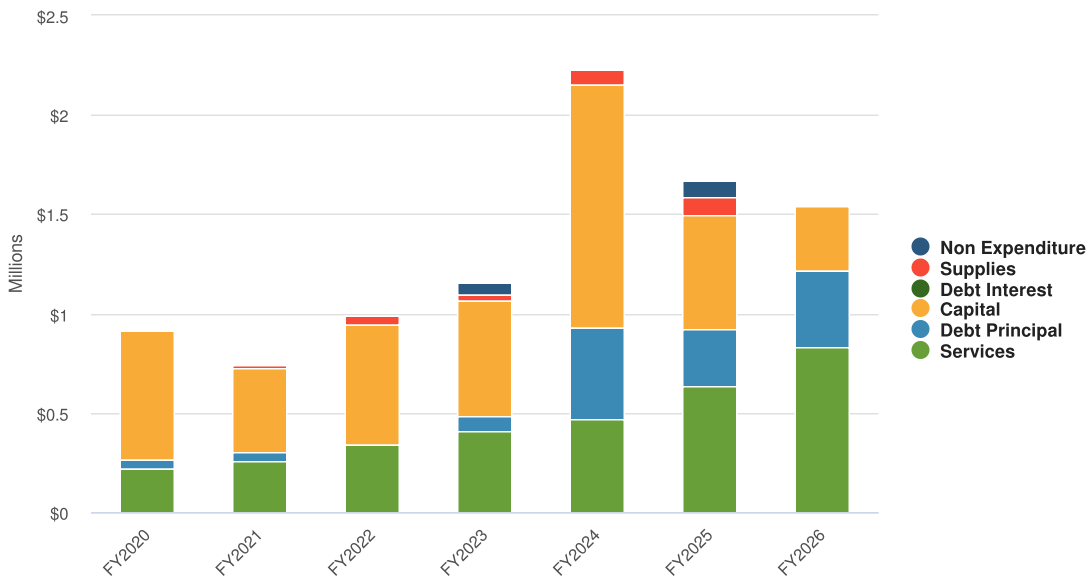
Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expenditures					
Non-Departmental	$14,229	$30,000	$30,000	$35,000	16.7%
Information Technology	$567,575	$711,101	$987,846	$962,441	-5.6%
Law Enforcement	$159,570	$643,717	$242,782	$300,700	23.9%
Parks	$494	$37,500	$164,240	$77,835	-52.6%
Public Works	$408,220	$804,545	$248,000	$191,342	-22.8%
Total Expenditures:	**$1,150,088**	**$2,226,863**	**$1,672,868**	**$1,567,318**	**-8.1%**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type

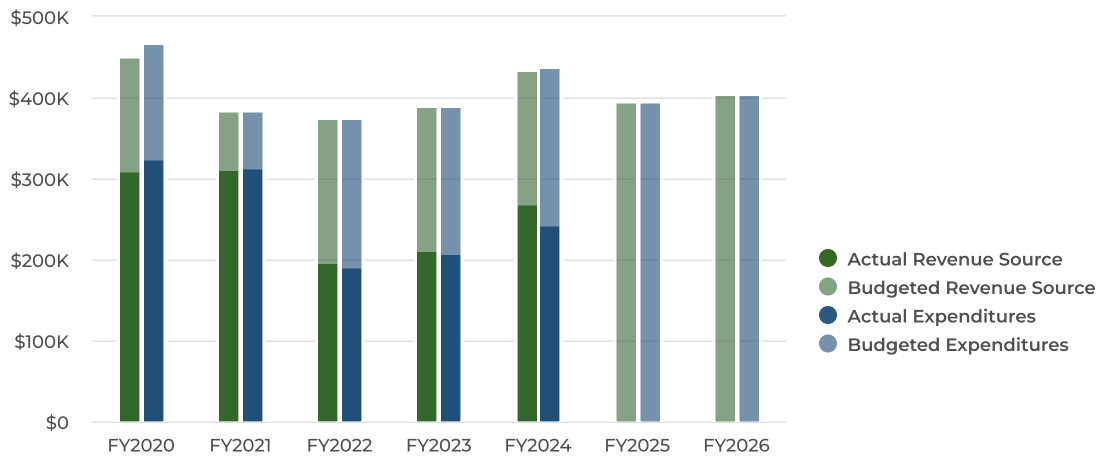


Treasurer Trust Fund

Custodial funds are used to account assets that the government holds on behalf of others in a custodial capacity. This fund is used to hold funds to be remitted to other government agencies which include state court remittances, seizure and forfeit state remittances, leasehold excise taxes, fire district fees and building permit remittances, gun permits, sales tax remittances, and shared grant resources.

Summary

The City of Lake Stevens is projecting $405.1K of revenue in FY2026, which represents a 2.3% increase over the prior year. Budgeted expenditures are projected to increase by 2.3% or $9.2K to $406.16K in FY2026.



Treasurer Trust Fund Comprehensive Summary

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Beginning Fund Balance:	**$3,121**	**$3,121**	**$28,504**	**$34,642**
Revenues				
District Court - State Portion	$138,264	$300,000	$300,000	$300,000
District Court - Crime Victims	$1,973	$4,100	$4,100	$4,100
Gun Permit Fees - DOL	$8,816	$12,000	$12,000	$12,000
St. Bldg Permit Fee Non-Rev	$2,614	$9,000	$9,000	$9,000
Leasehold Excise Tax Receipts	$52,626	$54,000	$14,000	$14,000
Seizure & Forfeit - State REV	$0	$7,000	$7,000	$7,000
Fire DistrictFees	$50,902	$35,000	$35,000	$35,000
Gun Permit Fees - WSP	$3,160	$4,000	$4,000	$4,000
Sales Tax owed to DOR	$1,078	$0	$0	$0
OPD Grant - Arlington Portion	$10,800	$10,800	$10,800	$20,000
Total Revenues:	**$270,233**	**$435,900**	**$395,900**	**$405,100**
Expenditures				

Name	FY2024 Actual	FY2024 Budgeted	FY2025 Budgeted	FY2026 Proposed
Non-Departmental				
State Court Remit	$138,264	$300,000	$300,000	$300,000
Crime Victims Comp - SnoCo	$1,973	$4,100	$4,100	$4,100
Seizure & Forfeit State REMIT	$3,086	$10,087	$7,000	$7,000
Leasehold Excise Tax Remit	$38,272	$54,000	$14,000	$14,000
Fire District Fee Remit	$37,560	$35,000	$35,000	$35,000
State Building Permit Remit	$2,614	$9,000	$9,000	$9,000
Gun Permit - State DOL	$7,923	$12,000	$12,000	$12,000
Gun Permit - WSP Remittance	$3,255	$4,000	$4,000	$4,000
DOR - Sales Tax Remittance	$1,078	$0	$1,061	$1,061
OPD Grant Exp - Arlington	$10,824	$10,825	$10,800	$20,000
Total Non-Departmental:	**$244,849**	**$439,012**	**$396,961**	**$406,161**
Total Expenditures:	**$244,849**	**$439,012**	**$396,961**	**$406,161**
Total Revenues Less Expenditures:	**$25,384**	**-$3,112**	**-$1,061**	**-$1,061**
Ending Fund Balance:	**$28,505**	**$9**	**$27,443**	**$33,581**

CITY OF LAKE STEVENS

One Community Around The Lake

2026 Budget Public Hearing No. 1

BARB STEVENS, FINANCE DIRECTOR

NOVEMBER 18,2025

Budget Process Timeline

January - July
- Project Dashboard
- Citywide Strategic Planning Sessions

Early August
- Base Budget & Forecast created by Finance
- Instructions to DH

Mid – Late August
- DH Budget Requests are compiled and presented to Mayor and City Administrator
- Executive Staff Roundtable

September
- Budget Presentations
- Council Review & Discussion

October
- Council Budget Sessions
- Proposed Budget Finalized
- Available to the Public

October - November
- Public Hearings
- Property Tax Levy Hearing
- Proposed Budget

November
- Final Public Hearing
- Adopt Budget

Citywide Funds

Current Expense Funds (001 – 099)

- 001 General
- 002 Reserve
- 003 Permit Revenue
- 004 Pandemic Recovery
- 005 Rentals

Special Revenue Funds (100 -199)

- 101 Street Fund
- 111 Drug Seizure & Forfeiture
- 112 Municipal Arts
- 120 Transportation Benefit

Debt Service Fund (200 -299)

- 210 2018 LTGO Bond (Refunding)
- 214 2019 LTGO Bond (PD)
- 215 2021A LTGO Bond (Infrastructure)
- 216 2024A LTGO Bond (Civic Campus)

General Government Capital Funds (300 – 399)

- 301 Traffic Mitigation
- 302 Park Mitigation
- 303 REET I
- 304 REET II
- 305 Downtown Development
- 306 Facility
- 307 Infrastructure
- 309 Sidewalk

Enterprise (Utility) Funds (400 – 499)

- 401 Sewer
- 410 Storm & Surface Water O&M
- 411 Stormwater Capital
- 412 Stormwater Debt Service

Internal Service Funds (500 – 599)

- 501 Unemployment
- 510 Information Technology
- 515 Vehicle (PCD)
- 520 Police Equipment
- 525 Park Equipment
- 530 Public Works Equipment

Custodial/Trust Funds (600 699)

- 633 Treasurer's Trust

2026 Budget Priorities

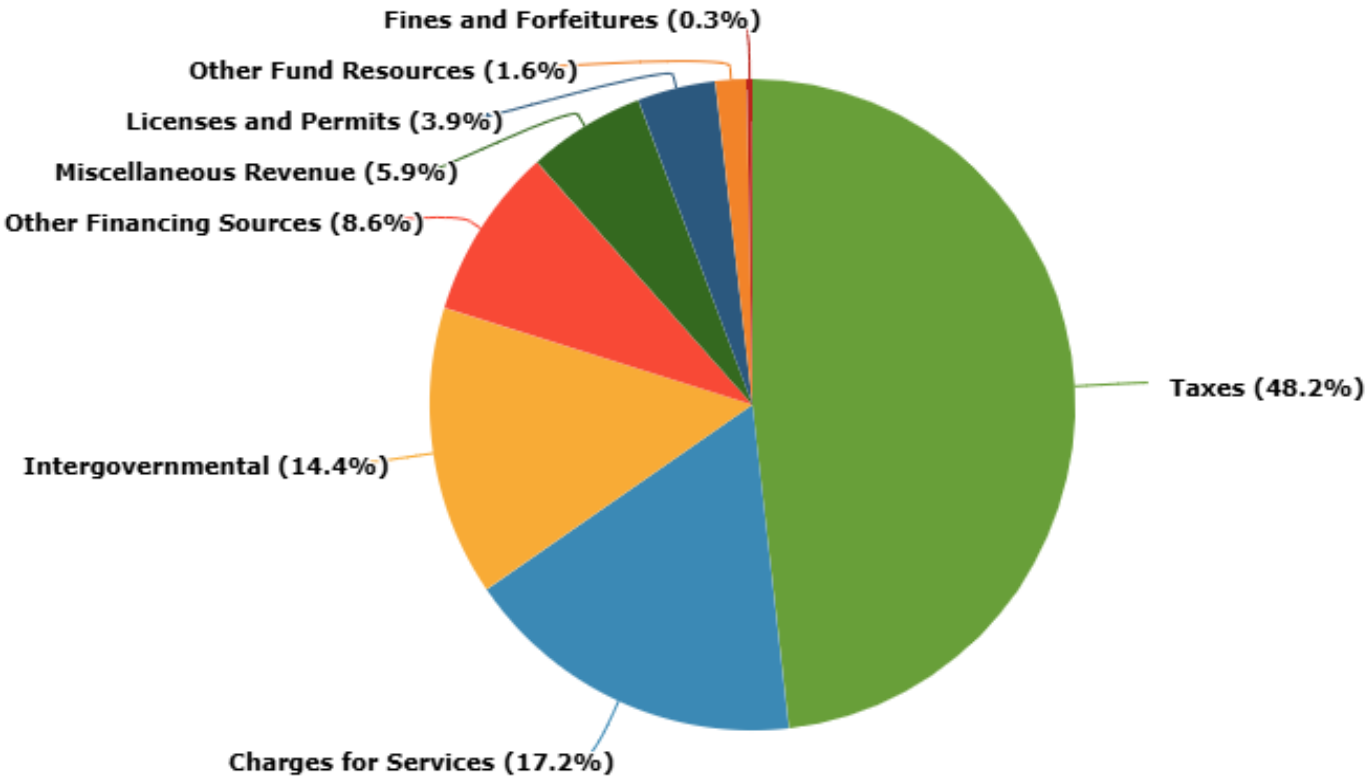
Public Safety	• Implement Traffic Safety Camera Program
Information Technology	• Safeguard Data • Critical System Support
Maintain Infrastructure & Programs	• Maintain Levels of Service • Encourage Innovative Process Improvement

2026 Proposed Budget

Ordinance No. 1205

Fund #	Fund Name	Estimated Beginning Balance	Revenues	Expenditures	Ending Balance
000	**General Funds**	**$19,318,440**	**$24,896,346**	**$31,103,157**	**$13,111,629**
101	**Street**	**$2,187,549**	**$3,742,969**	**$4,445,586**	**$1,484,932**
111	Drug Seizure & Forfeiture Fund	$59,988	$2,260	$51,000	$11,248
112	Municipal Arts Fund	$33,365	$33,400	$25,000	$41,765
120	Transportation Benefit Program	$1,947,798	$2,212,600	$2,992,653	$1,167,745
210	2008 Bonds	$0	$209,335	$209,335	$0
214	2019 LTGO Bond PD	$0	$460,702	$460,702	$0
215	2021A LTGO Bond	$456	$606,950	$606,950	$456
216	2024A LTGO Bond	$18,281	$596,900	$589,300	$25,881
301	Cap. Proj.-Dev. Contrib.	$4,353,886	$806,000	$303,000	$4,856,886
302	Park Mitigation	$2,493,705	$3,719,352	$4,261,892	$1,951,165
303	Cap. Imp.-REET	$8,458,596	$1,300,000	$1,233,637	$8,524,959
304	Cap. Improvements REET 2	$4,879,483	$1,684,000	$6,198,776	$364,707
306	Facility Cap Project - PD	$437,335	$0	$0	$437,335
307	Infrastructure Capital Project	$0	$0	$0	$0
309	Sidewalk Capital Project	$318,594	$19,000	$200,000	$137,594
401	Sewer	$61,419	$1,348,936	$1,340,436	$69,919
410	**Storm and Surface Water**	$1,784,127	$5,670,649	$6,765,744	$689,032
411	SWM Capital	$5,964,171	$1,698,000	$3,448,200	$4,213,971
412	SWM Debt	$0	$290,177	$290,177	$0
501	Unemployment	$7,737	$40,950	$35,000	$13,687
510	Equipment Fund - Computers	$179,284	$862,700	$962,441	$79,543
515	Equipment Fund--Vehicles	$111,944	$0	$0	$111,944
520	Equipment Fund-Police	$1,000,180	$261,000	$300,700	$960,480
525	Equipment Fund - Parks	$31,205	$62,000	$77,835	$15,370
530	Equipment Fund-PW	$610,210	$188,500	$191,342	$607,368
633	Treasurer's Trust	$34,642	$405,100	$406,161	$33,581
	Total All Funds	**$54,292,395**	**$51,117,826**	**$66,499,024**	**$38,911,197**

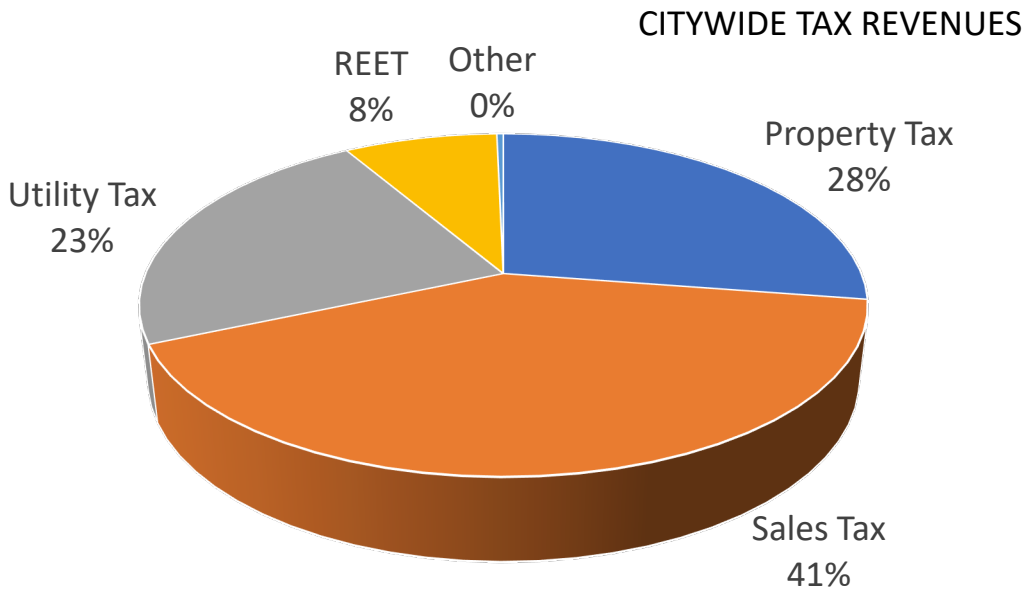
2026 Citywide Revenue Breakdown



- Taxes (48%)
  - Property Tax
  - Sales Tax
  - REET
  - Utility
- Charges for Services (17%)
  - Zoning & Subdivision
  - Impact Fees
  - Storm Water Fees
- Intergovernmental (14%)
  - Grants
  - State Shared

Other Financing Sources are interfund transfers and the anticipated sale of property

2026 Citywide Tax Revenue Breakdown



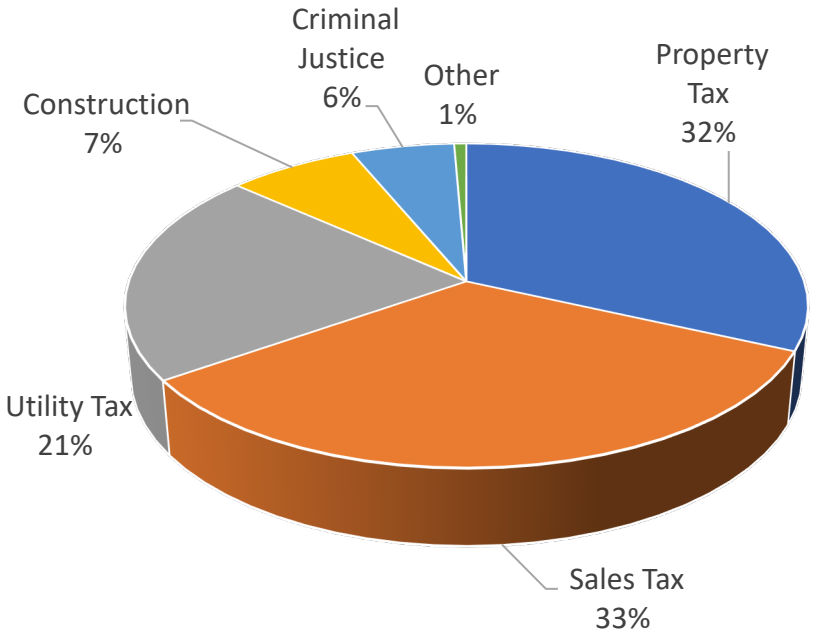
Tax Type	General Fund	GF Reserve	TBP	Street	REET 1	REE 2	Grand Total
Property Tax	$5,798,000			$944,000			**$6,742,000**
Sales Tax	$7,475,360	$1,000,000	$1,632,000				**$10,107,360**
Utility Tax	$3,880,389			$1,776,855			**$5,657,244**
REET					$1,000,000	$1,000,000	**$2,000,000**
Other	$85,100						**$85,100**
Grand Total	**$17,238,849**	**$1,000,000**	**$1,632,000**	**$2,720,855**	**$1,000,000**	**$1,000,000**	**$24,591,704**

General Fund Revenues for 2026

Total GF Revenues - $24,896,346

Revenue Sources	2025 Budget	2025 Estimated Ending	2026 Proposed Budget
Tax	$15,921,533	$16,421,274	$18,238,849
Charges for Service	$489,026	$529,751	$552,659
Fines & Penalties	$132,000	$134,472	$145,000
License & Permits	$1,517,842	$1,875,993	$1,949,308
Intergovernmental	$1,203,807	$1,165,696	$1,024,460
Interfund	2,339,967	$2,074,223	$1,300,000
Miscellaneous	$1,960,098	$1,884,566	$1,686,070
Grand Total	**$23,564,273**	**$24,085,975**	**$24,896,346**

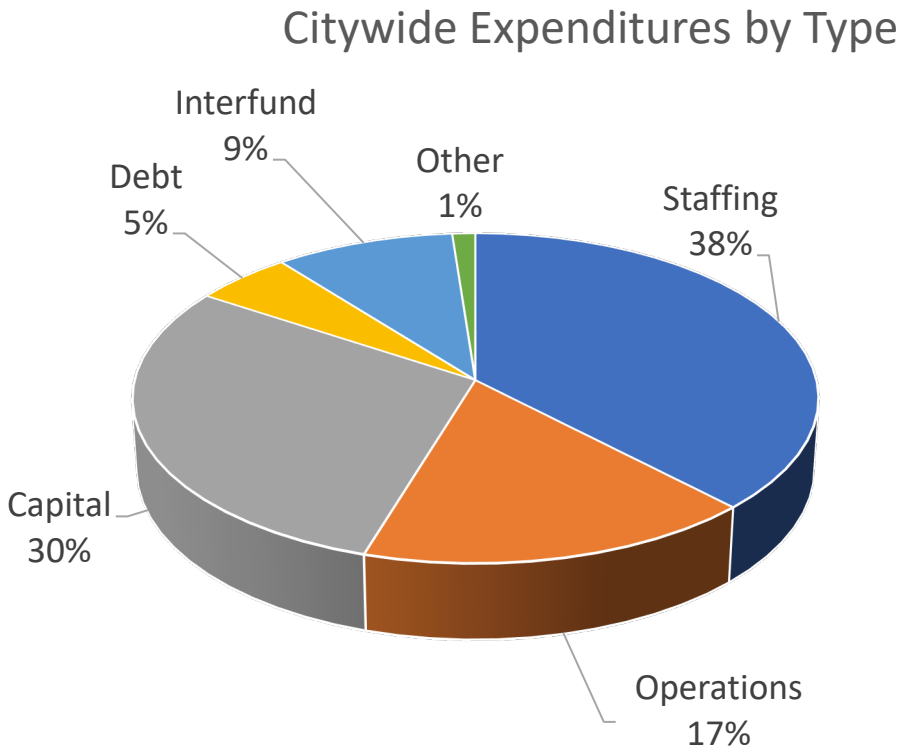
Total General Fund Taxes - $18,238,849



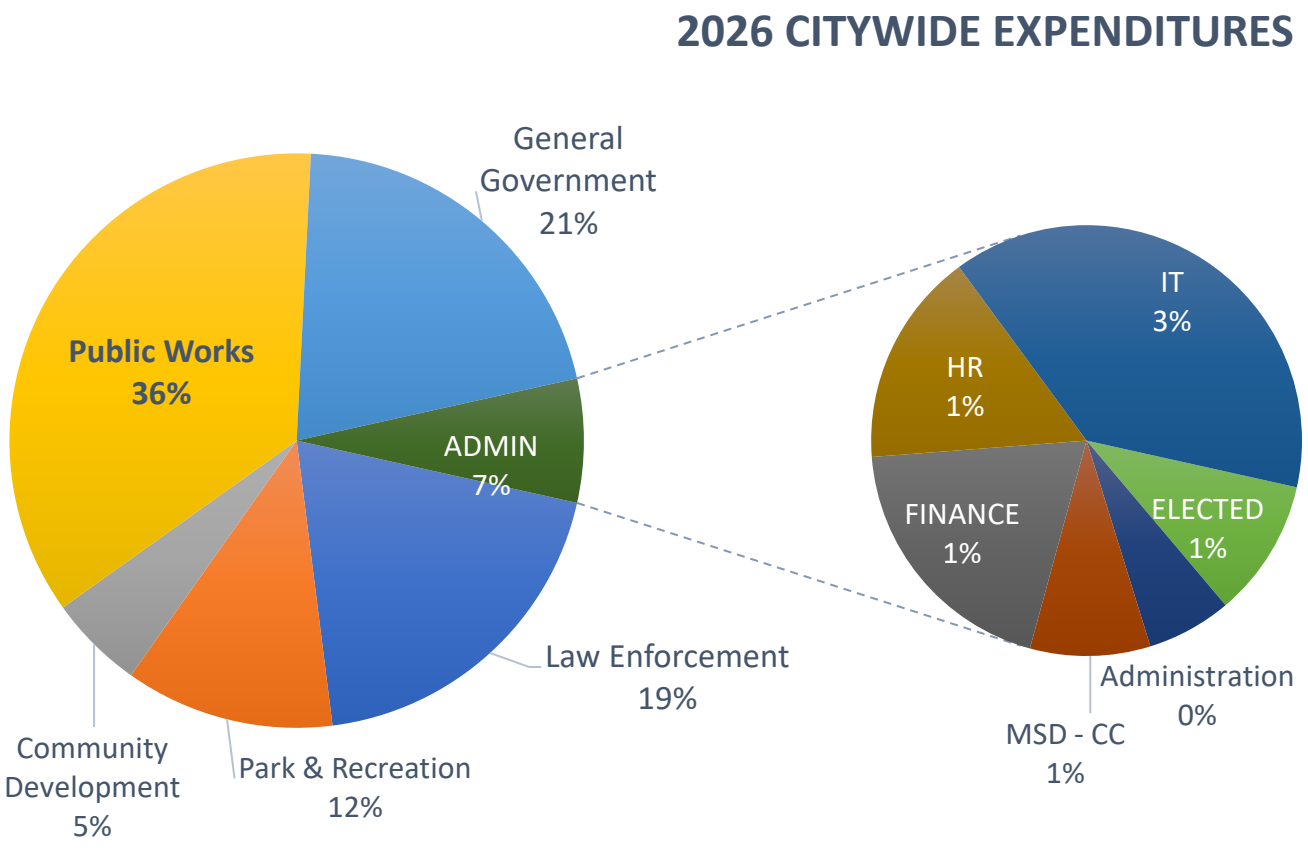
Citywide Expenditure Type for 2026

Citywide Expenditures $66,499,024

Expenditure Type	2025 Budgeted	2025 Estimated Ending	2026 Proposed Budget
Wages	$17,002,424	$16,193,144	$18,148,601
Benefits	$6,845,705	$6,355,373	$6,951,367
Supplies	$1,932,046	$1,575,065	$1,328,322
Services	$10,356,814	$9,694,338	$9,974,340
Capital	$43,781,686	$30,893,080	$19,616,986
Debt	$3,165,069	$3,160,815	$3,427,381
Interfund	$7,720,441	$6,975,749	$6,250,866
Other	$1,088,961	$511,557	$801,161
Totals	**$91,893,146**	**$75,359,119**	**$66,499,024**

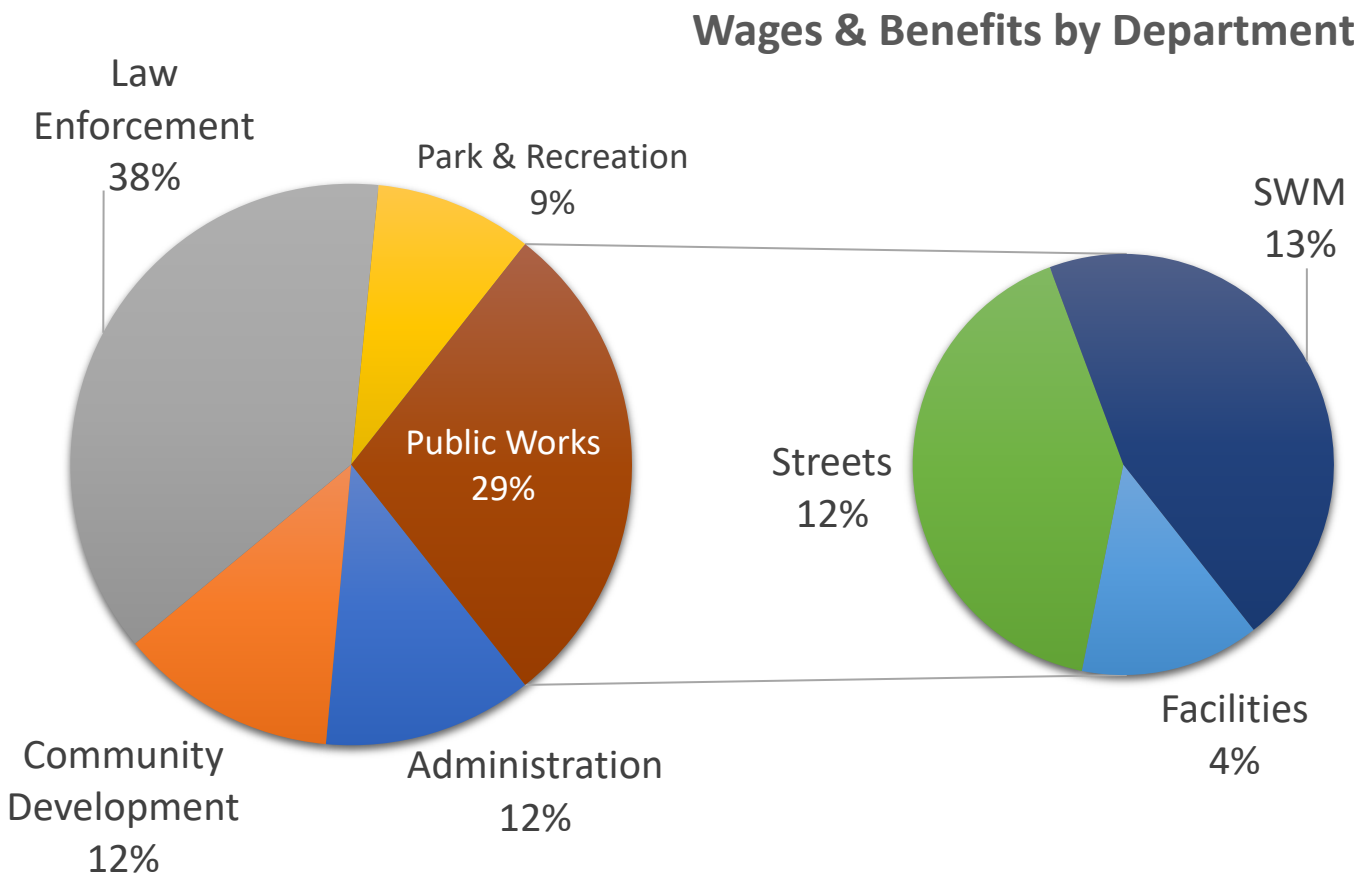


2026 Citywide Expenditures – By Department



- Public Works (36%)
  - Street
  - Storm/Surface Water
  - Facilities
- Park & Recreation (12%)
- General Government (21%)
  - Debt
  - Interfund (Transfers)
  - Legal
- Law Enforcement (19%)
- Community Development (5%)
- Administration (7%)
  - Elected Officials/Admin/MSD/Finance/HR/IT

2026 Citywide Wages & Benefits – By Department



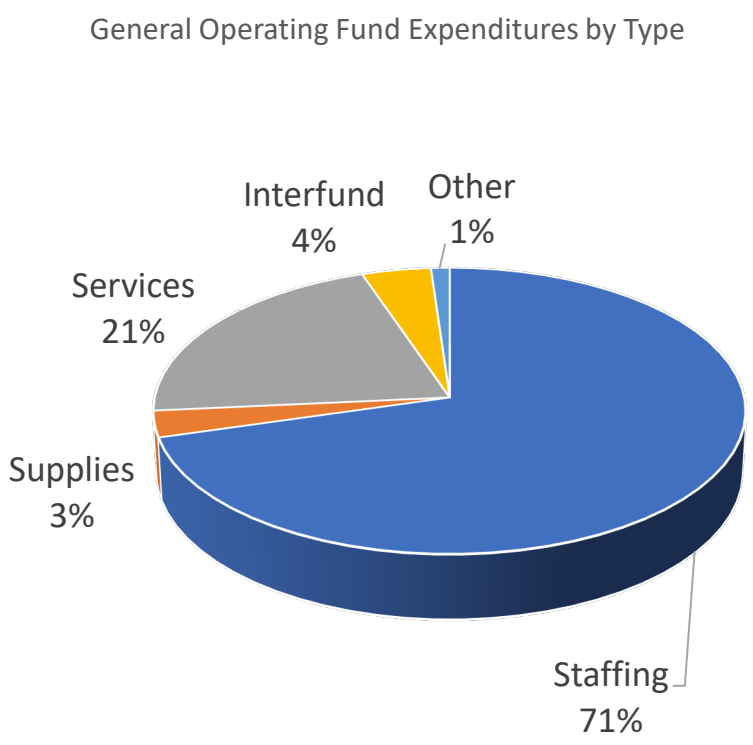
- Law Enforcement (38%)
- Public Works (29%)
  - Street
  - Storm/Surface Water
  - Facilities
- Community Development (12%)
- Administration (12%)
  - Elected Officials/Admin/MSD/Finance/HR/IT
- Park & Recreation (9%)

Cost of Living Increases

- Non-Represented - 2.44%
- Guild Commissioned – 3.00%
- Guild Non-Commissioned – 2.44%
- Teamsters – *In negotiations*

General Operating Funds Expenditure Comparison by Department 2025-2026

Department	2025 Budget	2025 Estimated	% Change 2025 Budget to Est	2026 Proposed Budget	2026 % of Total Exp	% Change 2025 Est - 2026
Legislative & Executive	$487,123	$462,951	-5%	$479,482	2%	4%
Administration	$321,586	$320,719	0%	$295,208	1%	-8%
Municipal Services - CC	$481,022	$460,481	-4%	$417,853	2%	-9%
Finance	$978,160	$837,939	-14%	$805,123	3%	-4%
Human Resources	$803,198	$731,576	-9%	$746,577	3%	2%
Information Technology	$991,887	$986,553	-1%	$823,102	3%	-17%
Community Development	$5,864,576	$5,357,191	-9%	$3,552,696	13%	-34%
Law Enforcement	$11,960,344	$11,157,517	-7%	$12,171,495	46%	9%
Park & Recreation	$3,012,583	$2,985,038	-1%	$3,154,099	12%	6%
Legal	$903,134	$1,031,818	14%	$979,054	4%	-5%
Community	$167,711	$187,193	12%	$206,972	1%	11%
General Government	$1,878,937	$1,730,749	-8%	$1,860,418	7%	7%
Public Works	$1,528,040	$1,269,711	-17%	$1,128,463	4%	-11%
Total Expenditures	**$29,378,301**	**$27,519,435**	**-6%**	**$26,620,542**		**-3%**

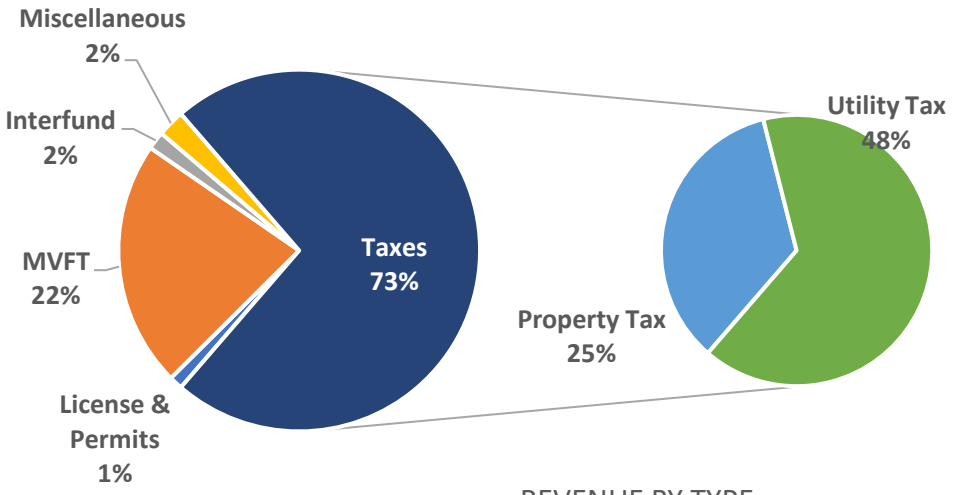


Permit and Rental Managerial Funds are included in this table as they both are used for operating expenses, including wages/benefits.

Street Fund Proposed Budget

Revenues - $3,742,969

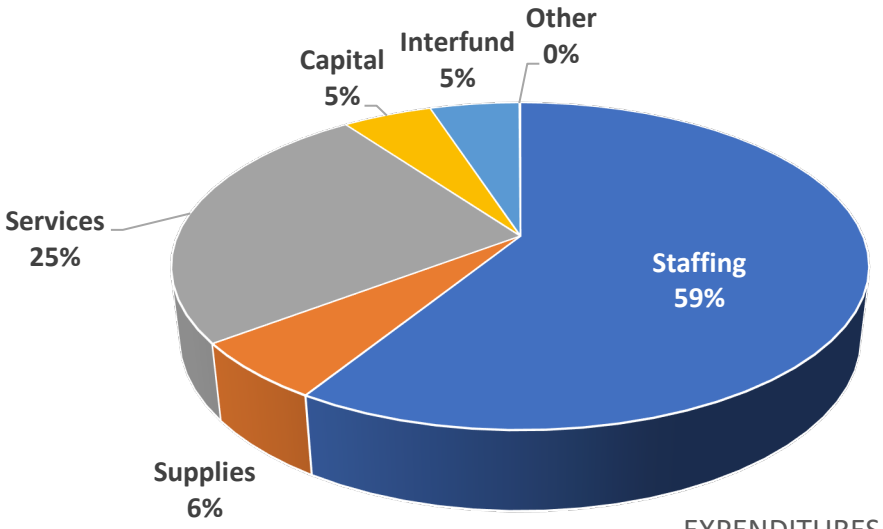
- Property Tax $944,000
  - Allocation Reduced to 14%
- Motor Vehicle Fuel Taxes $825,884
- Garbage Utility Tax $576,855
- Sewer Utility Tax $1,200,000



REVENUE BY TYPE

Expenditures - $4,445,586

- Pavement Preservation Program $200,000
  - Additional Funding in TBP
- Annual Striping Program $100,000
- Traffic Safety Camera Program $120,000
- Traffic Calming Program $100,000

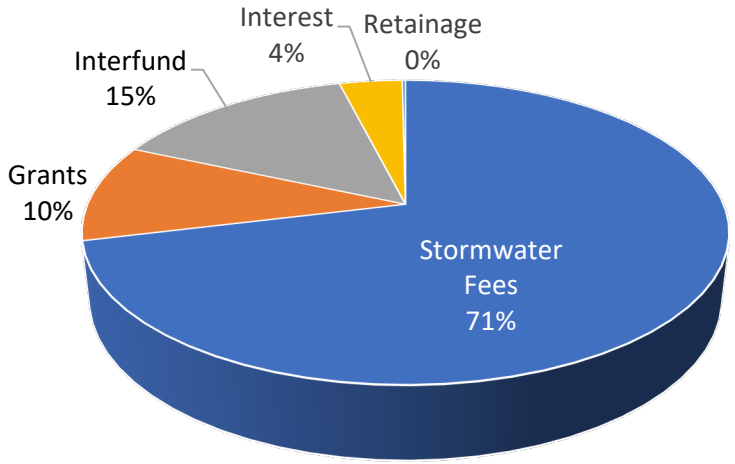


EXPENDITURES BY TYPE

Storm Water Fund Proposed Budget

Revenues $7,658,826

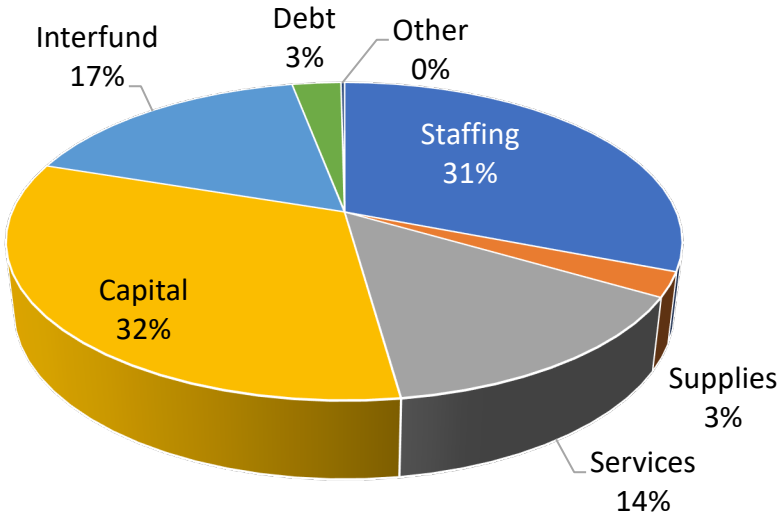
- Storm Drainage Fees $5,451,649
  - 3% Increase – Rate Schedule
- Interfund Transfers $1,110,177
- Grants $795,000
- Interest $287,000



REVENUE BY TYPE

Expenditures $10,504,121

- Continue Weed Abatement & Phosphorus Treatments
- Capital $3,398,200
- Debt Service $292,177
- Interfund $1,771,711



EXPENDITURES BY TYPE

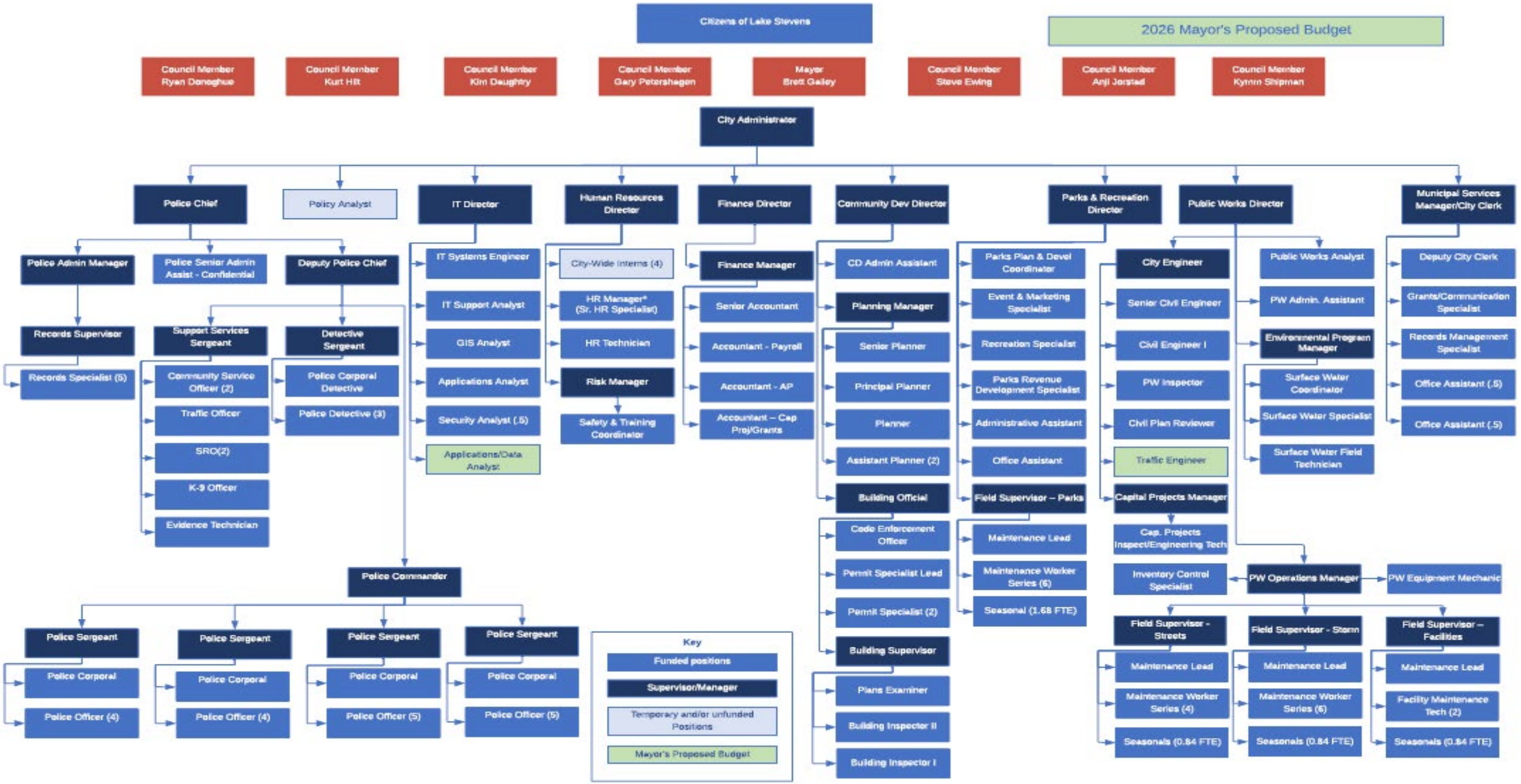
2026 Staffing Recommendations

IT - Application/Data Analyst

- Data Security, Mandatory ADA Updates, Critical System Support
  - Q2 Hire - $112,000
  - 68% General Fund ($76,000)

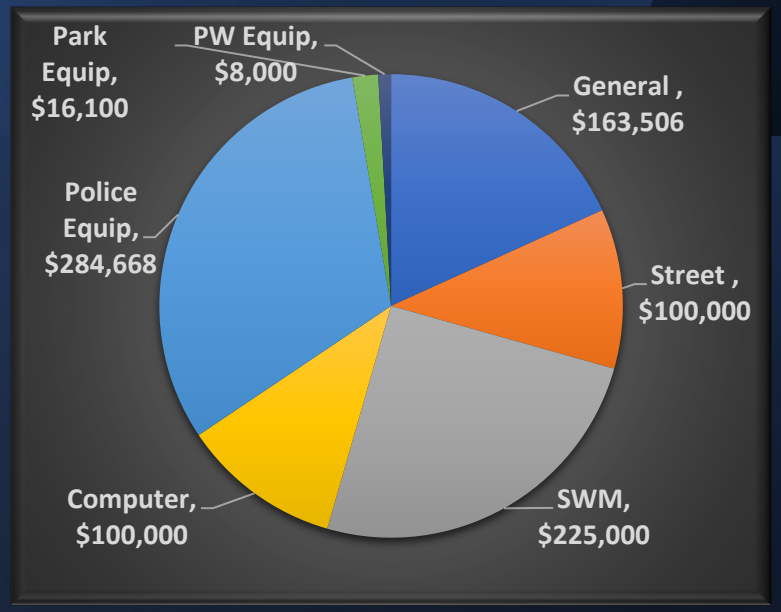
Traffic Engineer

- Develop and Implement traffic safety camera program
- Develop and Implement traffic calming program
  - Q1 Hire - $164,000
  - Includes vehicle lease costs
  - 100% funded by Traffic Safety Camera Program (reimbursed)


Citizens of Lake Stevens
2026 Mayor's Proposed Budget
Council Member Ryan Donoghue
Council Member Kurt Hilt
Council Member Kim Daughtry
Council Member Gary Petershagen
Mayor Brett Gailey
Council Member Steve Ewing
Council Member Anji Jorstad
Council Member Kymin Shipman
City Administrator
Police Chief
Policy Analyst
IT Director
Human Resources Director
Finance Director
Community Dev Director
Parks & Recreation Director
Public Works Director
Municipal Services Manager/City Clerk
Police Admin Manager
Police Senior Admin Assist - Confidential
Deputy Police Chief
Records Supervisor
Records Specialist (5)
Support Services Sergeant
Community Service Officer (2)
Traffic Officer
SRO(2)
K-9 Officer
Evidence Technician
Detective Sergeant
Police Corporal Detective
Police Detective (3)
Police Commander
Police Sergeant
Police Corporal
Police Officer (4)
Police Sergeant
Police Corporal
Police Officer (4)
Police Sergeant
Police Corporal
Police Officer (5)
Police Sergeant
Police Corporal
Police Officer (5)
IT Systems Engineer
IT Support Analyst
GIS Analyst
Applications Analyst
Security Analyst (.5)
Applications/Data Analyst
City-Wide Interns (4)
HR Manager* (Sr. HR Specialist)
HR Technician
Risk Manager
Safety & Training Coordinator
Finance Manager
Senior Accountant
Accountant - Payroll
Accountant - AP
Accountant – Cap Proj/Grants
CD Admin Assistant
Planning Manager
Senior Planner
Principal Planner
Planner
Assistant Planner (2)
Building Official
Code Enforcement Officer
Permit Specialist Lead
Permit Specialist (2)
Building Supervisor
Plans Examiner
Building Inspector II
Building Inspector I
Parks Plan & Devel Coordinator
Event & Marketing Specialist
Recreation Specialist
Parks Revenue Development Specialist
Administrative Assistant
Office Assistant
Field Supervisor – Parks
Maintenance Lead
Maintenance Worker Series (6)
Seasonal (1.68 FTE)
City Engineer
Senior Civil Engineer
Civil Engineer I
PW Inspector
Civil Plan Reviewer
Traffic Engineer
Capital Projects Manager
Cap. Projects Inspect/Engineering Tech
Inventory Control Specialist
Public Works Analyst
PW Admin. Assistant
Environmental Program Manager
Surface Water Coordinator
Surface Water Specialist
Surface Water Field Technician
PW Operations Manager
PW Equipment Mechanic
Field Supervisor - Streets
Maintenance Lead
Maintenance Worker Series (4)
Seasonals (0.84 FTE)
Field Supervisor - Storm
Maintenance Lead
Maintenance Worker Series (6)
Seasonals (0.84 FTE)
Field Supervisor – Facilities
Maintenance Lead
Facility Maintenance Tech (2)
Seasonals (0.84 FTE)
Deputy City Clerk
Grants/Communication Specialist
Records Management Specialist
Office Assistant (.5)
Office Assistant (.5)
Key
Funded positions
Supervisor/Manager
Temporary and/or unfunded Positions
Mayor's Proposed Budget

2026 Proposed Budget

Programs & Purchases



- AED/First Aid Equipment – Risk Management
- Emergency Operation Costs – Risk Management
- Building & Land Use Code Books *(required)* – PCD
- Forensic Investigation Program – Police
- Increased Parks Op Costs *(added parks)* – Park & Recreation
- Contributions to Senior Center & VOA – Human Services

- Pavement Preservation Software – Streets
- Increased Engineering Professional Services – Streets
- Continue EDDS Update *(required)* – Streets/SWM
- SWM Fee Evaluation - SWM
- Alum Treatment – SWM

- Shared Equipment *(added parks)* – PW/Parks & Recreation
- Equipment Attachments for Synthetic Turf Maintenance – Park
- Data Center Upgrade - Computer
- Vehicle Replacement Program – Police Equip

2026 Capital Improvement Plan

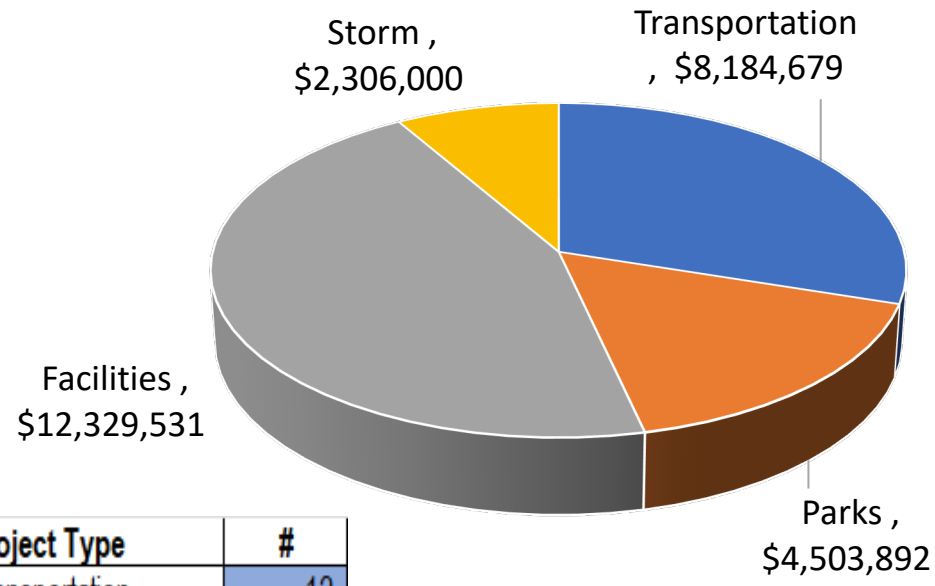
2026 – 30 Projects

- 27 Multiyear - $79,710,425

2026 Budget - $27,324,102

- 23 of these projects were budgeted in 2025 and approximately $19.4M will roll forward into 2026 or have funds “set-aside”
- Remaining have been in planning stages or are phased projects except the Traffic Safety Camera Program

2026 PROJECTS BY TYPE



Project Type	#
Transportation	12
Parks	10
Facilities	3
Storm	5

2026 Capital Projects – Transportation & Stormwater

Project No.	Project Group/Name	Total Project Cost	2026	Forecasted 2027	Description
RD-101	Main St. Improvements (16th St NE to 20th St NE)	$ 4,040,000	$ 400,000		Multi-use path, street frontage improvements along Main Street between 16th St to 20th St.
FC-112	131st Avenue Infrastructure Improvements	$ 2,500,000	$ 2,379,826		Construct new sewer, storm and road improvements along 131st Ave NE from 20th Street NE to Hartford Drive.
RD-113	20th St NE and Main Street Roundabout	$ 3,200,000	$ 80,000	$ 2,691,785	Construct roundabout and frontage improvements per the downtown subarea plan.
TBD-04	117th Ave NE Sidewalk (20th to 26th St NE)	$ 1,650,000	$ 1,374,853		TBD sidewalk along one side of 117th Ave NE between 20th St and26th St. Includes ROW and typical frontage improvements including stormwater.
TBD-05	91st Ave SE Sidewalk (20th to 12th St SE)	$ 2,300,000	$ 2,120,000		TBD sidewalk along the east side of 91st Ave SE between 20th St SE and 12th St. Includes ROW and typical frontage improvements including stormwater.
TBD-07	Soper Hill Sidewalk & Sewer Improvements	$ 3,800,000	$ 570,000	$ 3,230,000	TBD sidewalk along one side of Soper Hill Rd between Lake Dr and SR9. Includes ROW and typical frontage improvements including stormwater.
TBD-06	N Lakeshore Dr Sidewalk (Main St to 123rd Ave NE)	$ 150,000	$ 40,000	$ 110,000	TBD sidewalk along one side of N Lakeshore Dr between Main St and 123rd Ave.
Ongoing	Annual Citywide Road Striping and Thermoplastic	$ 600,000	$ 100,000	$ 100,000	Maintenance of city-wide striping
RD-202	Annual ADA & Sidewalk Improvements	$ 1,200,000	$ 200,000	$ 200,000	Curb ramp and sidewalk repair, maintenance, reconstruction in support of the ADA Transition Plan.
RD-203	Annual Pavement Preservation Program	$ 4,200,000	$ 700,000	$ 700,000	Annual pavement preservation activities including grind and overlay, crack sealing.
RD-205	Traffic Safety & Calming Program	$ 600,000	$ 100,000	$ 100,000	Create Traffic Calming Program with stakeholder engagement, update code, notify public, implement.
*new	Traffic Safety Cameras Program and Equipment	$ 120,000	$ 120,000		City Council has authorized the ordinance to install traffic safety cameras. This ordinance grants the ability to put into place a program
	Streets	$ 42,790,000	$ 8,184,679	$ 8,381,785	
SW-104	Bridge 06 Replacement - 36th Street NE	$ 4,000,000	$ 731,000		Replacement of Bridge 06 to ensure safe access to the Hartford Industrial area by commercial traffic.
SW-111	Catherine Creek/Hartford Crossing Replacement	$ 6,500,000	$ 1,250,000	$ 2,625,000	Lower Stevens Creek Phase 1A: Replace fish passage barrier culvert on Catherine Creek at Hartford Dr. for restored channel realignment.
SW-108	36th St Culvert Replacement	$ 1,725,000	$ 225,000		Replace the fish barrier culvert at 36th Street NE that conveys a tributary to Catherine Creek.
SW-103	99th Ave SE/4th St SE Culvert Feasibility	$ 2,090,000	$ 50,000		Feasibility of a fish barrier culvert replacement project at 99th Ave SE/4th St SE.
*new	SWM Fee - Rate Study and Fee Adoption	$ 50,000	$ 50,000		This project is to hire a consultant to set surface water utility rates.
	Storm	$ 14,365,000	$ 2,306,000	$ 2,625,000	

2026 Capital Projects – Parks & Facilities

Project No.	Project Group/Name	Total Project Cost	2026	Forecasted 2027	Description
PR-100	Frontier Heights Phase II	$ 2,000,000	$ 1,283,505		Phase 2 - multi use synthetic athletic field, 4 pickleball courts, parking, sensory garden, labyrinth.
PR-102	Eagle Ridge Park Phase II	$ 3,332,387	$ 332,387	$ 3,000,000	Phase 2 of master plan - playground, walking trail, amphitheater, parking.
PR-104	Cedarwood Property	$ 2,455,589	$ 500,000	$ 1,955,589	Site feasibility study for Cedarwood property.
PR-106	West Lake Park Recreation Amenities	$ 100,000	$ 100,000		Plan amenities for West Lake Park consistent with the powerline easements. (May inc revamping sports field, adding a playground or pump track.)
PR-113	Davies Beach Pier Resurfacing	$ 180,000	$ 180,000		Resurface public dock at Davies Beach. The wood is degraded and new light transparent decking is needed.
PR-201	N Cove Marina Feasibility & Marine Unit Relocation	$ 4,125,000	$ 400,000	$ 3,725,000	Construct a marina to replace motorized, non-motorized and first responder's dock.
PR-207	North Cove Parking Lot & Recreation Building	$ 1,300,000	$ 300,000	$ 1,000,000	Remove one of the administrative buildings, repurpose the other and construct new parking lot.
PR-108	Lake Stevens Bayview Connector Phase 0.5	$ 773,000	$ 773,000		12th St to 8th St trail, realign 12th Street and connect to Phase 0 project
PR-203	Lake Stevens Bayview Connector Phase 1	$ 2,835,000	$ 635,000	$ 2,200,000	8th St SE to SR 204, coordination with City of Marysville for Bayview Connector.
	Parks	**$ 35,550,976**	**$ 4,503,892**	**$ 12,730,589**	
	Evergreen Office Building (HVAC, Alarm)	$ 97,000	$ 97,000		Replace the HVAC
	Municipal Service Campus	$ 15,152,545	$ 7,949,910		Remodel existing buildings to house the city hall complex
FC-101	Museum	$ 4,282,621	$ 4,282,621		Complete final design of museum and construction of the new building
	Facilities	**$ 21,532,166**	**$ 12,329,531**	**$ -**	
	2026 Capital Projects	**$114,238,142**	**$27,324,102**	**$23,737,374**	

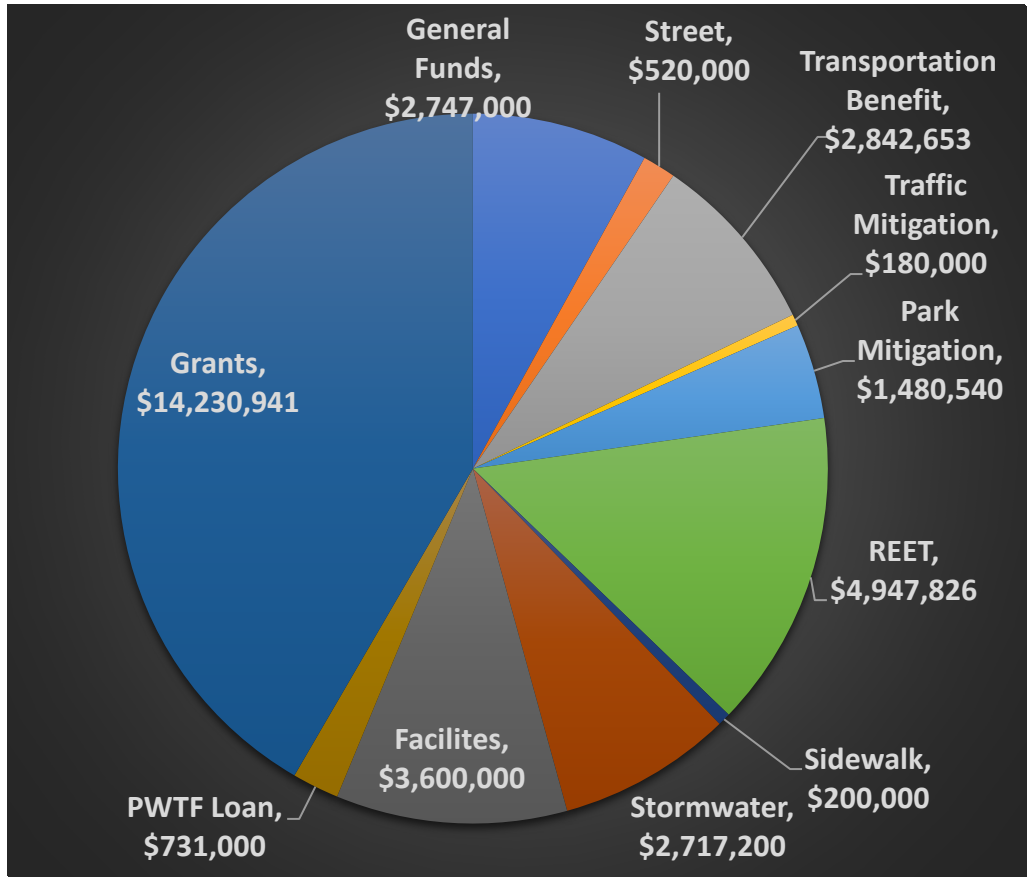
Total 2026 Planned Capital Projects $27,324,102

2026 Capital Project Budget Summary

Funding Sources

General Funds	$2,747,000
Steet	$520,000
Transportation Benefit	$2,842,653
Traffic Mitigation	$180,000
Park Mitigation	$1,480,540
REET	$4,947,826
Sidewalk	$200,000
Stormwater Capital	$2,717,200
Facilies	$3,600,000
PWTF Loan	$731,000
Grants	$14,230,941

- *General Fund includes Pandemic Recovery and Rental Funds*
- *Facilities includes bonded debt for the Civic Campus and Museum*



2026 Budget – Next Steps

- Public Comment
- Approve First Reading of Budget Ordinance 1205
- Final Public Hearing & Budget Adoption November 25, 2025

CITY COUNCIL STAFF REPORT

Agenda Date: 11/18/2025

Subject: Ordinance 1208 - Dissolve the Lake Stevens Veterans Commission

Contact Person/Department: Kelly Chelin, Administration

Budget Impact:

Legal Review: Yes

RECOMMENDATION(S)/ACTION REQUESTED:
Approve Ordinance 1208 Dissolving the Veterans Commission and Repealing Chapter 2.70 of the Lake Stevens Municipal Code

SUMMARY/BACKGROUND:
The City's Veterans Commission has long served as an essential liaison between the City and the veterans' community. Established with the intention of advocating for veterans' needs and fostering programs to support their integration into civilian life, the commission has played a significant role in shaping policies and initiating various support systems.
However, as times change, so did the requirements and effectiveness of this Commission.
One of the primary reasons for considering the dissolution of the Veterans Commission is its lack of a comprehensive workplan. In recent years, it has become apparent that the Commission has faced challenges in defining clear, actionable goals and strategies. Without a clear framework to guide its operations, the Commission has struggled to achieve measurable results. Most of the initial goals set at the Commission's start have been accomplished.
The decision to dissolve the City's Veteran Commission was not made lightly. It was driven by the need for more effective and streamlined operations, and an understanding that the Commission's mission has largely been fulfilled.
The City would like to thank the previous and current members of the Veterans Commission for their outstanding work on the Commission.

APPLICABLE CITY POLICIES:

ATTACHMENTS:

1. Ordinance 1208

CITY OF LAKE STEVENS
Lake Stevens, Washington

ORDINANCE NO. 1208

AN ORDINANCE OF THE CITY OF LAKE STEVENS, WASHINGTON CONCERNING THE VETERANS COMMISSION AND REPEALING CHAPTER 2.70 OF THE LAKE STEVENS MUNICIPAL CODE IN ITS ENTIRETY; PROVIDING FOR SEVERABILITY, AUTHORIZING NECESASARY CORRECTIONS, SUMMARY PUBLICATION BY ORDINANCE TITLE ONLY, AND FOR AN EFFECTIVE DATE.

WHEREAS, the Lake Stevens City Council upon recommendation of Veteran Commission members and after due consideration has determined it appropriate to dissolve the Lake Stevens Veterans Commission by repeal of Chapter 2.70 of the Lake Stevens Municipal Code,

WHEREAS, the Veterans Commission lacks a work plan and therefore it has faced difficulties achieving measurable outcomes;

WHEREAS, the Veterans Commission has run its course and the initial objectives set forth at the Commission's inception have largely been met and

WHEREAS, the decision to dissolve the City's Veteran Commission is driven by a recognition of the need for more effective and streamlined operations, and an understanding that the Commission's mission has largely been fulfilled.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE STEVENS, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Lake Stevens Municipal Code Chapter 2.70 and Lake Stevens Ordinance 996 are hereby repealed.

Section 2. Severability. If any section, subsection, sentence, clause, phrase or word of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality thereof shall not affect the validity or constitutionality of any other section, subsection, sentence, clause, phrase or word of this ordinance.

Section 3. Publication/Effective Date. This ordinance may be published by Summary Publication of the Ordinance Title only and shall become effective five (5) day after passage and publication.

PASSED by the City Council and APPROVED by the Mayor this 18h day of November, 2025.

CITY OF LAKE STEVENS

_____
_____
Brett Gailey, Mayor

ATTEST:

_____
Kelly Chelin, City Clerk

APPROVED AS TO FORM:

_____
Greg Rubstello, City Attorney

Date of publication: _____

Effective Date (5 days after publication):_____

CITY COUNCIL STAFF REPORT

Agenda Date: 11/18/2025

Subject: Code Amendments LSMC 14.08, 14.110 and 14.112, Traffic Impact Fee Methodology, Concurrency and 2025 Capital Facilities Plan Update

Contact Person/Department: Russ Wright, Christi Schmidt, Community Development

Budget Impact:

Legal Review: No

RECOMMENDATION(S)/ACTION REQUESTED:
Discuss three topics: Concurrency and Traffic Impact Fee Code amendments, Traffic Impact Fee Options and a quick update on the Capital Facilities Plan as part of the 2025 docket.

SUMMARY/BACKGROUND:
Planning and Community Development staff, in coordination with the Public Works Department and the city's consultant, the Transpo Group, recommend amendments to the city's concurrency management system (LUA2025-0073) and traffic impact mitigation fees (LUA2025-0082), as shown in **Attachments 1 and 2,** along with associated changes to the city's administrative documents to ensure consistency with the adopted 2024 Comprehensive Plan. City staff briefed the Planning Commission on the proposed codes three times in 2025 and will hold a public hearing on November 19, 2025. The proposed amendments affect chapters 14.08, 14.110, and 14.112 of the Lake Stevens Municipal Code (LSMC).

Staff have also briefed council on these changes and proposed revisions to the city's Traffic Impact Fees as part of the annual fees update. Council requested additional information on the methodology and documentation of traffic impact fees.

Finally, staff will discuss proposed amendments to the city's Capital Facilities Plan and Transportation Projects as part of the 2025 Docket as it affects the city's 2026

budget. These are the only proposed changes to the comprehensive plan in 2025.

For reference, we have included the administrative implementation documents (which do not require action), including the *Traffic Concurrency Handbook for New Development* (**Attachment 3**), *Traffic Impact Fee Methodology* (**Attachment 4**), and the *Traffic Impact Fee Developer's Workbook* (**Attachment 5**). Based on these documents, we have created a concurrency certificate, reservation, and tracking documents along with an updated traffic impact fee worksheet. These code revisions are proposed to ensure that our development regulations are consistent with the comprehensive plan and are legally defensible. A summary of the proposed revisions to each document is provided below.

CODE AMENDMENTS

LSMC 14.08 Definitions

- Added new definitions for several concurrency and traffic-related terms

LSMC 14.110 Concurrency Management System

- Updated and moved administration elements into a single section
- Clarified exemptions, including basic exemptions and specific exemptions for transportation
- Refined and moved section on concurrency testing for development
- Updated the level of service standards, including multi-modal, to match the comprehensive plan
- Added language requiring consideration of nexus and proportionality
- Refined requirements for meeting concurrency through non-construction methods and fee-in-lieu of payments

LSMC 14.112 Traffic Impact Mitigation Fees

- Refined purpose and authority statements
- Updated applicability and exemptions
    - Council will consider a complete or partial exemption for low-income housing, and other development activities with broad public purposes to be paid from public funds other than impact fee accounts. Partial exemptions require development covenants.
- Revised service area section – note TIZ maps and project language were moved to the *Traffic Impact Fee Methodology* document
- Updated traffic impact fee calculation section
- Moved methodology section to the administrative documents

- Revised offsets and credits section, which includes administrative parity with concurrency chapter

TRAFFIC IMPACT FEES AND METHODOLOGY

The Traffic Concurrency Handbook

The Traffic Concurrency Handbook provides guidance on how to determine concurrency for new developments, specifically potential impacts on the transportation system. The handbook summarizes requirements for new traffic studies looking at key intersections, level of service standards, exempt developments and projects within subareas. Finally, the handbook outlines requirements for monitoring and annual reporting considering the items listed above. Note: Final formatting and adjustments will occur after adoption of the code requirements and before publication, as needed.

Traffic Impact Fee Cost Basis

The last update to this document occurred in 2012. The revised document establishes a legal framework for the city's Transportation Impact Fee (TIF) program by detailing its purpose, relationship to the comprehensive plan, calculation methodology, and projected costs associated with transportation-related projects, both vehicle and active, to accommodate growth through 2044. The document reviews the adopted six-year and 20-year capital, identifies vehicle and active transportation facilities, determines eligible projects and defines impact fees by each traffic impact zone.

As a follow-up to an earlier discussion on fees, the City Council wanted additional information on revised traffic impact fees, specifically new fees for Traffic Impact Zone (TIZ) 1. TIZ 1 is in northeast Lake Stevens and has the most extensive documented projects. Staff have evaluated individual projects, estimated costs and potential reductions in scope and costs to maintain affordable impact fees and deliver important infrastructure projects. Staff have prepared three options (**Attachment 6**) for the City Council's consideration as it completes the *Traffic Impact Fee Cost Basis* document and the 2025 docket project list.

- **Option 1** – This option includes all transportation projects from the adopted project list in the comprehensive plan and as shown in the *Traffic Impact Fee Cost Basis*. The proposed impact fees in TIZ 2 ($4,204) and TIZ 3 ($5,100) are within industry standards and in-line with neighboring jurisdictions and have not been modified. As both TIZ 1 and 2 are influenced by state highways and fees can be shared, a final combined impact fee of $4,652 is recommended. The overall projects costs and associated impact fees in TIZ 1 are more than the other zones but show the need for expanded infrastructure in the oldest part of the city. The proposed impact fee of $11,437 reflects the overall number of projects in TIZ 1 with standard deductions to determine cost eligibility.
- **Option 2** – This option reduces project costs by looking at ways to reuse existing infrastructure, phase projects and provide alternative sidewalk and roadway

designs in some residential areas, leading to 25% to 50% cost reductions in some projects. This method would reduce TIZ 1 impact fees to $6,652. This option provides a balanced approach to meeting infrastructure needs through efficient project delivery and considering the cost of impact fees passed on to development.

- **Option 3** – This option reduces project costs by reusing existing infrastructure and provides alternative sidewalk and roadway configuration, leading to cost reductions. Additionally, the costs for nine projects not likely to be constructed over the next 10 years were deducted from the eligible traffic impact fee costs. These projects can be added back in annually when projects are completed. Under this option, TIZ 1 impact fees would be reduced to $5,656. Under this option, delivery of projects is less certain as the city identifies opportunities and matching funds for transportation benefit program projects and grant opportunities.

Staff recommends Council consider Option 2 as its preferred option. Alternative 2 provides certainty and efficient delivery of future projects, assures development contributes an appropriate amount of mitigation related to growth and flexibility in funding projects as opportunities arise. The eligible costs are reasonable to meet the infrastructure needs and are directly attributable to project costs needed to support growth out to 2044.

Traffic Impact Fee Developer's Workbook

The Developer's Workbook includes the methodology to assess fees based on new development impacts on the city's transportation infrastructure to ensure new development mitigates its proportionate share of impacts. Impact fees are calculated by multiplying the projected number of new weekday PM peak hour vehicle trips by a per vehicle trip fee. The workbook allows adjustments to fees based on site-specific characteristics to ensure the fee is equitable and reflects the actual impact.

2025 DOCKET PROJECTS

The proposed 2025 docket will consider updates to the capital projects lists as identified in the transportation and capital facilities elements**.** The specific project changes are minor and will be shared with City Council during its presentation. Final projects will be affected by the Council's direction on traffic impact fees. The docket will be sent to the Planning Commission for a public hearing and back to the City Council for action in Q1 of 2026.

APPLICABLE CITY POLICIES:

ATTACHMENTS:

1. Attach 1 - LSMC 14.110 Concurrency Man Sys_PC Draft 11-18-25

2. Attach 2 - LSMC 14.08 and 14.112 Traffic Imp Mit Fee_ Draft 11-18-25
3. Attach 3 - City of Lake Stevens Concurrency Handbook11-06-2025
4. Attach 4 - Lake Stevens TIF Cost Basis_11-16-2025
5. Attach 5 - Traffic Impact Fee Developer's Worksheet_DRAFT
6. Attach 6 - Traffic Impact Fee Options
7. Presentation

Chapter 14.110
CONCURRENCY MANAGEMENT SYSTEM

Sections:

14.110.010 Purpose
14.110.020 Applicability
14.110.025 Administration
14.110.030 Exemptions
14.110.040 Review of Development Activity - Concurrency Testing
14.110.~~040~~ 050 Level of Service Standards
14.110.~~050~~ 060 Relationship to the State Environmental Policy Act
~~14.110.060 Administration~~
~~14.110.070 Review of Development Proposals - Concurrency Testing~~6
14.110.~~080~~ 070 Methods for Meeting Concurrency
14.110.~~090~~ 080 Requirements for Design and Construction of Facilities Necessary to Achieve Adopted Levels of Service
14.110.~~100~~ 090 Implementation of Strategies In Lieu of Capital Improvements
14.110.~~110~~ 100 Fees
14.110.~~115~~ 110 Concurrency of Projects Vested in the County Pre-Annexation
14.110.120 Appeals

14.110.010 Purpose.

This chapter provides the necessary regulatory mechanism for determining if ~~a~~ development ~~proposal~~ activity meets the concurrency provisions of the Comprehensive Plan and to ensure that public facilities are available to support the development activity's impact at adopted levels of service.

14.110.020 Applicability.

(a) This chapter applies to:

(1) All development ~~approval~~ activity applications filed after its effective date, unless exempted.

(2) Changes of occupancy or changes of use that result in increased demand ~~on~~for system improvements including public parks, ~~roads~~ transportation facilities or sewer.

(3) Reconstruction or expansions of buildings that results in an increase in vehicular trips, housing units or sewage demand ~~in excess of~~ exceeding the pre-existing demand on roads, parks and/or sewer facilities.

(4) Phased Development, which is any development involving the review of multiple buildings on a single-site or as part of a related project or distinct phases of a subdivision, where the issuance of building permits and/or final land use actions occur at different times, per a defined schedule. For phased developments, the city shall consider the potential impacts and need for public services cumulatively for the entire project, to determine concurrency.

DRAFT

14.110.025 Administration

(a) The Director of Planning and Community Development, or designee shall administer this chapter including but not limited to:

(1) Establishing application requirements;

(2) Evaluating development activities to determine if the project meets level of service standards, "no impact" criteria or identified exemptions;

(3) Tracking cumulative project impacts and available capacity to streets and parks; and

(4) Monitoring projects and maintaining records.

(b) The Directors of Planning and Community Development and Public Works, or their designees shall jointly assess transportation impacts and identify appropriate mitigation strategies to meet concurrency, including construction of system improvements or alternative concurrency strategies considering engineered design solutions, impact to public infrastructure and the assessment of in-lieu fees, as identified in this chapter.

14.110.030 Exemptions.

(a) No Impact. Development activities, which ~~creates no~~do not create additional, measurable ~~additional~~ impacts on any transportation or parks facility, ~~is~~ are exempt from the requirements of this chapter, including but not limited to:~~. This type of development includes, but is not necessarily limited to:~~

(1) Any addition or accessory structure to a residence with no change in use or increase in the number of dwelling units.

(2) Interior alterations with no change of use or increased demand for system improvements per LSMC 14.110.020, or additional dwelling units for residential uses.~~Interior renovations with increase in floor area and no change of use or, if a residential use, no increase in the number of dwelling units.~~

(3) Replacement structures with no change of use, expansion in floor area or increased demand for system improvements per LSMC 14.110.020, or additional dwelling units for residential uses.~~Replacement structure with no change in use, no increase in floor area or, if a residential use, no increase in the number of dwelling units.~~

(4) Temporary construction trailers.

(5) Driveway resurfacing or parking lot paving.

(6) Normal repair and maintenance activities, which do not increase floor area or add residential dwelling units, such as re-roofing.

(7) Demolitions.

(8) Clearing, grading, filling.

~~(9) The Public Works and Planning and Community Development Departments shall jointly be responsible for determining if other types of development also meet this "no impact" standard so as to be included under this exemption.~~

(b) Exempt Permits and Decisions. The following development permits and decisions are exempt from the requirements of this chapter:

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(1) Boundary line adjustment.

(2) Final plat.

(3) Land use permit for temporary uses such as fireworks stands and Christmas tree lots.

(4) Variance when not associated with a development that is subject to this chapter.

(5) Clearing, filling and grading permit.

(6) Sign permit.

(7) Building permit for a fence or wall.

(8) Right-of-way use permit.

(9) Rezones/comprehensive plan amendments.

(10) Planned action projects. (Ord. 876, Sec. 22, 2012; Ord. 811, Sec. 88, 2010)

(c) Transportation Exemptions. The transportation concurrency requirements, in this chapter, do not apply to the development activities listed below.

(1) A single-family residence, duplex or accessory dwelling unit as defined in Chapter 14.08 LSMC.

(2) Development activities that do not add new projected trips to key intersections listed in the *Traffic Concurrency Handbook for New Development*.

(3) Development activities located within the city's subareas, as identified in Chapter 14.38 LSMC, that do not exceed the adopted subarea EIS thresholds and that do not add new projected trips to key intersections listed in the *Traffic Concurrency Handbook for New Development.*, outside of subareas.

(4) Development activities or uses generating 25 or fewer new p.m. peak hour trips.

14.110.040 Review of Development Activities - Concurrency Testing

(a) Application. All development applications for land use and/or building permits shall include a concurrency application, which the city will review for consistency with LSMC 14.110.070 to determine its impact on the transportation, parks, and sewer facilities. This review may be conducted before a development application is submitted to the city.

(1) Non-exempt development activities must include a traffic analysis to inform the concurrency decision. The scope of the traffic analysis shall be consistent with the requirements in the city's Overview of Typical Traffic Study Requirements.

(2) All development activities subject to the requirements of this chapter shall submit a traffic concurrency worksheet containing PM peak-hour trip estimates calculated using the latest edition of the Institute of Transportation Engineers (ITE) Trip Generation Manual or other information supported by studies and data submitted by the developer.

(3) For potable water and sanitary sewer, availability letters from the utility purveyor will be used in conducting the concurrency test.

(b) Certificate of Concurrency Approval. A certificate of concurrency will be issued under this chapter if it is determined that the adopted LOS for transportation, parks and sewer are met; and the project will not degrade the LOS below the adopted standard. Concurrency testing may rely on:

(1) Capacity provided by projects in the city's current Six-year Capital Facilities Plan;

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(2) Projects funded for construction within six years by other agencies or jurisdictions; and

(3) Improvements under contract as part of other approved development activities.

(4) The concurrency testing shall consider development projects already in the pipeline but not yet completed. Development in the pipeline includes projects that either were vested prior to the adoption of this chapter or have received a certificate of concurrency.

(c) Transferability. A certificate of concurrency runs with the land, for active permits and is valid only for the subsequent development approval(s) for the same parcel that has not expired under subsection(d) and is transferable to new owners of the original parcel for which it was issued.

(d) Expiration. A certificate of concurrency will expire when:

(1) A complete land use or building permit application is not submitted within 180 days of the date of issuance; or

(2) The underlying land use permit application expires; or

(3) The accompanying land use or building permit expires. If that permit has no expiration date, the certificate of concurrency shall expire 12 months following its issuance; or

(4) The permit application is denied or revoked.

(e) Once a certificate of concurrency expires, is revoked, or if development does not use the total capacity allotted, the unused capacity will be returned to the available pool of capacity.

(f) Certificate of Concurrency Denial. A certificate of concurrency will not be approved under this chapter if degradation is caused beyond the adopted LOS standard unless mitigated to meet the LOS standard.

14.110.~~040~~050 Level of Service Standards.

(a) Transportation. All transportation facilities shall maintain multimodal Levels of Service (LOS) in accordance with the adopted Comprehensive Plan or the applicable Subarea Plan. The city's concurrency requirements for transportation do not apply to state highways or private streets.

(1) Vehicular LOS: Intersection levels of service shall meet the vehicular LOS standards identified in the Comprehensive Plan.

(2) Vehicular LOS standards in subareas, as identified in Chapter 14.38 LSMC, shall meet the LOS standards identified in the Subarea Plan.

(i) If a development activity falls within the applicable planned action threshold, the project is deemed to meet concurrency requirements.

(ii) The city reserves its authority to require projects within subareas to evaluate intersections for level of service concurrency, including intersections within other subareas or outside of subareas, when the trip generation from the proposal adds new projected trips to key

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intersections listed in the City's Overview of Typical Traffic Study Requirements and is not otherwise exempt under this chapter.

(3) Active Transportation LOS: Pedestrian and bicycle facility levels of service shall meet the active transportation LOS standards identified in the Comprehensive Plan.

(i) Active transportation LOS standards do not apply directly to determine concurrency for specific development projects.

(ii) The City shall consider active transportation LOS standards when it updates the annual Six-year Capital Improvement Plan.

(4) Transit LOS: Transit stop levels of service shall meet the transit LOS standards identified in the Comprehensive Plan.

(i) Transit LOS standards do not apply directly to determine concurrency for specific development projects.

(ii) The City shall consider Transit LOS standards when it updates the annual Six-year Capital Improvement Plan and for coordination with Community Transit.

(b) For the purpose of this section, vehicular level of service uses the methodology outlined in the most recent version of the Transportation Research Board's Highway Capacity Manual (HCM), which defines levels of service based on average delay per vehicle.

(1) Level of service standards for signalized intersections are based on the overall average delay per vehicle for the whole intersection. For signalized intersections, an average delay per vehicle greater than 80 seconds shall be defined LOS F; an average delay per vehicle between 55 and 80 seconds shall be defined LOS E; and an average delay per vehicle between 35 and 55 seconds shall be defined LOS D.

(2) Level of service standards at all-way, stop-controlled and roundabout intersections are based on the overall average delay per vehicle for the whole intersection. For these intersections, an average delay per vehicle greater than 50 seconds shall be defined LOS F; an average delay per vehicle between 35 and 50 seconds shall be defined LOS E; and an average delay per vehicle between 25 and 35 seconds shall be defined LOS D.

(3) Level of service standards at two-way, stop-controlled intersections are based on the average delay per vehicle for the worst traffic movement. For stop-controlled approaches, an average delay per vehicle greater than 50 seconds shall be defined LOS F; an average delay per vehicle between 35 and 50 seconds shall be defined LOS E; and an average delay per vehicle between 25 and 35 seconds shall be defined LOS D.

~~(a) Transportation. All City streets shall maintain an LOS C or better at peak hour traffic in residential areas and LOS E along arterials and collectors in other areas at peak hour.~~

~~(b) As part of the subarea plans, the level of service for the subareas has been modified from an intersection LOS Standard "C" or "E" to a system LOS Standard "E" for each subarea. The system would consist of key intersections and connecting roads servicing each subarea. Under this approach, the~~

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~~LOS analysis would take the accumulative average LOS from intersections within the transportation network, while excluding intersections with State Route facilities.~~

~~(1) For the 20th Street SE Corridor Subarea, this would include all intersections within the defined subarea boundaries of the 20th Street SE Corridor with the exclusion of SR-9 intersections.~~

~~(2) For the Lake Stevens Center Subarea, this would include all intersections within the defined subarea boundaries of the Lake Stevens Center excluding SR-9 and SR-204 intersections.~~

~~(3) For the Downtown Lake Stevens Subarea, this would include all intersections within the defined subarea boundaries. The westbound leg of the intersection at Main Street/20th Street NE may fall below the defined LOS standard in 2035. Over the plan horizon, it is reasonable to accept a reduced LOS standard for the PM peak at this intersection because of physical constraints and given the vision for a mixed use district that functions as a local and regional destination, with the inclusion of multimodal transportation elements that emphasizes safe pedestrian amenities to maintain the character of the district.~~

~~(c) For the purpose of this section, transportation level of service shall be the percentage of the capacity of the roadway (number of cars that a road is capable of handling) which is actually used by traffic during any one hour. For example, if the roadway has a capacity to serve 100 cars per hour, and it is observed that there are 70 cars per hour on that road, the percentage is 70 percent, which is also called a volume/capacity ratio. LOS C shall be defined as having a volume/capacity ratio greater than 70 percent and less than or equal to 80 percent. For LOS D, that ratio is greater than 80 percent and less than or equal to 90 percent. For LOS E, that ratio is greater than 90 percent and less than or equal to 100 percent.~~

(~~d~~c) Parks. Per the Comprehensive Plan.

14.110.~~050~~060 Relationship to the State Environmental Policy Act (SEPA).

This chapter establishes the minimum standards which are to be applied to all development ~~proposals~~activities ~~in order~~ to provide transportation, parks and sewer improvements and is not intended to eliminate the application of SEPA to specific proposals. Each proposal shall be reviewed and be subject to the substantive authority of SEPA.

~~**14.110.060 Administration**~~

~~The Directors of Public Works and Planning and Community Development shall be responsible for the administration of this chapter including but not limited to determining application submittal requirements, records maintenance, monitoring and evaluation, and administration of a capacity waiting list.~~

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~~**14.110.070 Review of Development Proposals - Concurrency Testing**~~

~~(a) Application. Any proposed development which is subject to the chapter will be reviewed by the Planning and Public Works Directors to determine its impact on the transportation, parks, and sewer facilities. This review may be conducted before a development application is submitted to the City.~~

~~(b) Certificate of Concurrency Approval. A certificate of concurrency will be issued under this chapter if it is determined that the adopted LOS for transportation, parks and sewer are met; and the project will not degrade the LOS below the adopted standard. Concurrency testing may rely on:~~

~~(1) Capacity provided by fully funded projects, including projects in the current six-year Capital Facilities Plan;~~

~~(2) Projects funded for construction within six years by other agencies or jurisdictions; and~~

~~(3) Improvements under contract as part of other approved development proposals.~~

~~(4) The concurrency testing shall take into account development projects already in the pipeline but not yet completed. Development in the pipeline includes projects that either were vested prior to the adoption of this chapter or have received a certificate of concurrency.~~

~~(c) Transferability. A certificate of concurrency runs with the land, is valid only for the subsequent development approvals for the same parcel, and is transferable to new owners of the original parcel for which it was issued.~~

~~(d) Expiration. A certificate of concurrency will expire when:~~

~~(1) A complete land use or building permit application is not submitted within 120 days of the date of issuance; or~~

~~(2) The underlying land use permit application expires; or~~

~~(3) The accompanying land use or building permit expires. If that permit has no expiration date, the certificate of concurrency shall expire 12 months following its issuance; or~~

~~(4) The permit application is denied or revoked.~~

~~(e) Once a certificate of concurrency expires, is revoked, or if development does not use the total capacity allotted, the unused capacity will be returned to the available pool of capacity.~~

~~(f) Certificate of Concurrency Denial. A certificate of concurrency will not be approved under this chapter if degradation is caused beyond the adopted LOS standard unless mitigated to meet the LOS standard.~~

14.110.~~080~~070 Methods for Meeting Concurrency.

(a) If mitigation is required to meet the LOS standard to maintain concurrency, the applicant may choose to:

(1) Reduce the size of the development until the standard is met; or

(2) Delay the development until the ~~City~~city and/or others provide needed improvements; or

(3) Design and/or construct the facilities necessary to achieve the LOS in compliance with Section 14.110.~~090~~080 considering nexus and proportionality of the impact to the level of service standard being exceeded by the proposed development.

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14.110.~~090~~080 Requirements for Design and Construction of Facilities Necessary to Achieve Adopted Levels of Service.

(a) If the developer chooses to design and construct the facilities necessary to achieve the adopted LOS standard(s), the following requirements must be met:

(1) Issuance of a final plat or building permit approval, ~~which ever~~whichever comes first, will not be made unless improvements are made by the developer or sufficient financial security pursuant to Section 14.16A.180(d) is in place to ensure the improvements will be made within six years of the issuance of the approval, to mitigate the proportionate impact of the development activity. This allowance for up to a six-year deferral applies only to supplemental mitigation not normally required of the development.

(2) The developer shall be responsible for engineering and design of the facilities and shall provide documentation showing the improvements will ensure the LOS is met. The developer shall receive City approval of the engineering and design of the facilities, which shall be consistent with accepted engineering standards and practices.

(3) The developer shall enter into a detailed agreement with the City identifying the improvements required and the schedule for their completion. This shall include any necessary interim deadlines necessary to ensure the improvements are completed within the six-year time frame.

(4) Alternatively, the city may accept a fee-in lieu, for transportation and parks levels of services, based on an alternatives analysis of needed improvements and an engineer's cost estimate, to mitigate a proportionate share of the impact created by the development activity. ~~If a developer makes improvements to the sewer general facilities, those cost of those improvements shall be credited against the developer's general facilities charges, except no such credit shall be given if the developer is to be reimbursed through a latecomer's agreement. The credit shall not exceed the general facilities charge that would normally be applied to the project.~~

(5) If a developer makes improvements to a transportation project that would otherwise require SEPA mitigation, the developer shall be given credit for the amount spent on that project against the SEPA mitigation required for that project, but not to exceed the mitigation that would normally be applied to the project.

(6) The effect of the improvement shall not degrade another related objective. For example, adding a vehicular lane at the expense of eliminating a bike lane.

(7) The project shall comply with the procedural and substantive requirements of the State Environmental Policy Act (SEPA).

(8) The improvements shall not create a significant safety hazard.

(b) Supplemental Mitigation Denial Process. If the City determines that the proposed supplemental mitigation does not meet the requirements of this section, the ~~Public Works and Planning and Community Development Directors may deny the issuance of a~~ development activity will not receive a certificate of concurrency. (Ord. 811, Sec. 89, 2010)

14.110.~~100~~090 Implementation of Strategies in Lieu of Capital Improvements.

(a) With approval from the Public Works and Planning and Community Development Directors, non-construction strategies for reducing demand for public facilities, including payment of agreed in lieu fees, to ~~assure~~ensure LOS are met may be implemented if the following requirements are met:

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(1) The proponent clearly demonstrates to the satisfaction of the City that the proposed strategies have a demonstrated historical track record for effectiveness and reliability for projects similar to that being proposed.

(2) The proponent shall provide an analysis as to how much capacity is available, which will provide a maximum amount of demand the project may put upon the public improvements.

(3) The effectiveness of the strategies must be easily measured and annual reports must be provided to the City to ensure the actual demand ~~actually~~ put on the public improvements does not exceed the amount allocated to the development pursuant to subsection (a)(2) of this section.

(4) The developer shall provide~~d~~ a financial guarantee for a period of up to ~~ten~~ 10 years which the City may use to construct the necessary improvements, at any time during that ~~ten~~ 10-year period, where it finds the demands on the public system exceed the amounts allocated to the project.

(b) For the purposes of this section, non-construction strategies include any programs which reduce demand for public facilities during peak hour constraints, including but not limited to car/van pooling, staggered work hours, or transfer flow of sewer use to off-peak hours.

14.110.~~110~~100 Fees.

The City shall charge processing fees to any individual that requests a concurrency determination or approval of a supplemental mitigation program. The fees shall be set by Council resolution.

14.110.~~115~~110 Concurrency of Projects Vested in the County Pre-Annexation.*

Pursuant to the terms of an interlocal agreement with Snohomish County, the City will accept the County's concurrency determination for projects vested to the County Code, where the subject property of a vested application has been annexed to the City since the concurrency determination was made by the County. ~~The terms of the concurrency, including expiration, shall be regulated by the vested County code.~~ (Ord. 859, Sec. 2, 2011)

~~* Code reviser's note: Section 3 of Ordinance 859 adopts sections of the Snohomish County Code concerning mitigation fees and concurrency determination. The text of these sections is attached as Exhibit 1 to the ordinance, on file with the City Clerk's office.~~

14.110.120 Appeals.

Appeals of requirements imposed pursuant to the chapter shall be governed by the appeal provisions of Section 14.16A.265. (Ord. 903, Sec. 56, 2013; Ord. 643, Sec. 1, 2001)

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14.08 Definitions

"Capacity" means the ability of an affected intersection or intersections to handle increased traffic from a development without causing delays that fall below the LOS standards established in this chapter.

"Development activity" means any proposal or action requiring a development permit, not otherwise exempted, including the construction or expansion of a building, structure, or use, any change in the use of a building or structure, or any land use change that creates additional demand for public facilities. "Development activity" does not include:

(a) Buildings or structures constructed by a regional transit authority; or

(b) Buildings or structures constructed as shelters providing emergency housing for people experiencing homelessness, or emergency shelters for victims of domestic violence, as defined in RCW 70.123.020.

"Development approval" means any written authorization from a county, city, or town that permits the commencement of development activity.

"Impact fee" means a payment imposed on development as a condition of approval to fund public facilities needed to serve new growth and development. This fee must be reasonably related to the new development, proportionate to the cost of the public facilities, and used for facilities that benefit the new development.

"Level of service" means the established minimum capacity of public facilities or services that must be provided per a defined unit of demand or other appropriate measure of need. Level of service standards are synonymous with locally established minimum standards.

"Off-site road improvement" means an improvement, excluding a frontage improvement, to an existing or proposed city road outside the boundaries of a development.

"Owner" means the owner of record of real property or when real property is being purchased under a real estate contract, the purchaser is considered the owner of the real property if the contract is recorded.

"PM Peak hour" means the highest volume of traffic for a continuous hour between 4:00 p.m. and 6:00 p.m.

"Project improvement" means site improvements and facilities planned and designed to serve a particular development project, necessary for the use and convenience of the occupants or users of the project that are not system improvements.

"Proportionate share" means that portion of the cost of public facility improvements that are reasonably related to the service demands and needs of new development.

"Public facilities" means capital facilities owned or operated by government entities: (a) Public streets, roads, and bicycle and pedestrian facilities that were designed with multimodal commuting as an intended use; (b) publicly owned parks, open space, and recreation facilities; (c) school facilities; and (d) fire protection facilities.

"Service area" means a geographic area defined by a county, city, town, or intergovernmental agreement where a defined set of public facilities provide service to development within the area. Service areas must be designated based on sound planning or engineering principles.

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"System improvement" means public facilities included in the capital facilities plan, designed to provide service to specific areas within the community at large, in contrast to project improvements.

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Chapter 14.112

TRAFFIC IMPACT MITIGATION FEES*

Sections:

14.112.010 Purpose
14.112.020 Authority
14.112.030 Applicability and Exemptions
~~14.112.040 Exemptions~~
14.112.~~050~~ 040 Service Areas
14.112.~~060~~ 050 Mitigation of Traffic Impacts Required
14.112.~~070~~ 060 Relationship to the State Environmental Policy Act (SEPA)
14.112.~~080~~ 070 Calculation of ~~Street~~ Traffic~~System~~ Impact Fees
14.112.~~090~~ 080 Offsets and credits
14.112.~~100~~ 090 Collection of Impact Fees
14.112.~~110~~ 100 Uses of Traffic Impact Fee Revenues
14.112.~~120~~ 110 Expenditure Requirements for Impact Fee
14.112.~~130~~ 120 Refund of Fees Paid
14.112.130 Appeals

~~* Code reviser's note: Ordinance 955 establishes a temporary traffic impact fee adjustment to stimulate growth of new retail businesses within established subareas, pursuant to Section 14.112.080(d). The ordinance is effective from August 31, 2016, to August 22, 2019, unless extended by ordinance.~~

14.112.010 Purpose.

The purpose of this chapter is to implement the Capital Facilities Element of the Lake Stevens Comprehensive Plan and the Growth Management Act by:

(a) Ensuring adequate ~~public street system~~transportation facilities are available to serve multimodal trips~~traffic~~ from new development.

(b) Ensuring adequate ~~public streets~~ transportation facilities are available to serve growth and maintain established levels of service~~existing service levels~~ for present businesses and residents.

(c) Establishing procedures to impose fees for new development to pay a proportionate share of the costs of transportation facility improvements, reasonably related to the new development. This reduces transaction costs for both the city and developer, ensuring new developments do not pay arbitrary or duplicative fees.~~Establishing procedures whereby new development pays its proportionate share of the costs of street system capacity improvements, reducing transaction costs for both the City and developers, ensuring new developments do not pay arbitrary or duplicative fees. (Ord. 876, Sec. 6 (Exh. 4), 2012)~~

14.112.020 Authority.

(a) This chapter is adopted under ~~RCW 82.02.050 through 82.02.100~~Chapter 82.02 RCW, which ~~authorize~~authorizes cities planning under the Growth Management Act, Chapter 36.70A RCW, to

~~assess~~impose, collect, and use traffic impact fees to help finance public facilities and system improvements needed to accommodate growth and development.

(b) The city will collect traffic impact mitigation fees for development activities approved by the County, when the subject property has been annexed to the city.

~~Under the authority of RCW 36.70A.070(3) and 82.02.050(4), the City is authorized to impose, collect, and use impact fees. (Ord. 876, Sec. 6 (Exh. 4), 2012)~~

14.112.030 Applicability and Exemptions.

This chapter applies to all new development activities, except ~~as may be~~ for those exempted ~~below~~by the concurrency management system described in LSMC 14.110.030(a) and 14.110.030(b).

Note: The City Council will consider optional exemptions complete or partial exemption for low-income housing, and other development activities with broad public purposes to be paid from public funds other than impact fee accounts. Partial exemptions require development covenants.

~~**14.112.040 Exemptions.**~~

~~The exemptions for traffic impact fees are the same as for concurrency in Section 14.110.030 except for planned action projects identified in Section 14.110.030(b)(10), which are not exempt under this chapter. (Ord. 876, Sec. 6 (Exh. 4), 2012)~~

14.112.~~050~~040 Service Areas.

(a) The city has established service areas referred to as traffic impact zones (TIZ), as defined in the *Traffic Impact Fee Cost Basis for the City of Lake Stevens,* to help prioritize capital improvements throughout the city and assess appropriate traffic impact fees.

~~For the provision of public streets, implementation of the Capital Facilities and Transportation Elements of the Comprehensive Plan and administration of this chapter, three traffic impact zones (TIZ) are established. They consist of TIZ 1 - East Lake Stevens, TIZ 2 - West Lake Stevens, and TIZ 3 - South Lake Stevens. The precise boundaries of these service areas are shown in Figure 14.112-I.~~

(a) The exterior TIZ boundaries follow the city limits. Properties within the Urban Growth Area (UGA), ~~that are~~ annexed into the city, shall ~~be~~ automatically be assigned the same TIZ (service area) as city properties directly contiguous to the annexation, unless an independent TIZ is established per the *Traffic Impact Fee Cost Basis for the City of Lake Stevens*~~, as shown in Figure 14.112-I~~.

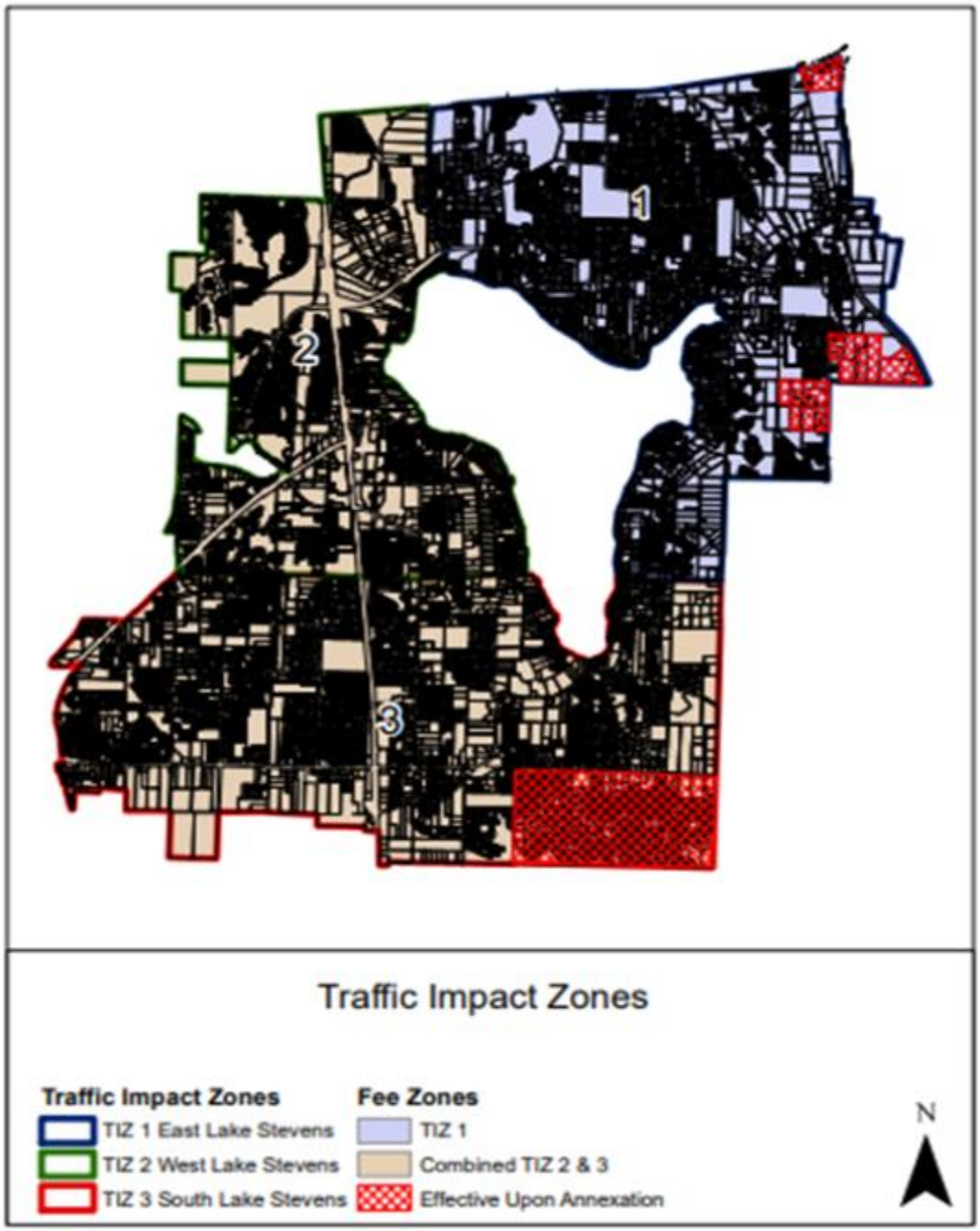

Figure 14.112-I Traffic Impact Zones

(Ord. 1123, Sec. 2 (Exh. A), 2021; Ord. 876, Sec. 6 (Exh. 4), 2012)

14.112.~~060~~050 Mitigation of Traffic Impacts Required.

Any new development activity shall mitigate ~~the development's~~identified impacts to~~on~~ the city's ~~street~~ transportation facilities~~system~~ either by payment of an amount calculated pursuant to Section 14.112.~~080~~070, ~~or by dedication of~~dedicating land pursuant to Section 14.112.~~090~~080, ~~by construction of~~constructing off-site ~~street system capacity~~transportation facility improvements pursuant to Section 14.112.~~090~~080, or as otherwise provided in Section 14.112.070. (Ord. 876, Sec. 6 (Exh. 4), 2012)

14.112.~~070~~060 Relationship to the State Environmental Policy Act (SEPA).

This chapter establishes minimum traffic impact fees, applied to all developments. These fees are presumed to mitigate traffic demand on the capacity of the city's ~~street~~ transportation facilities~~system~~. However, each non-exempt development activity shall be ~~reviewed and be~~ subject to the substantive authority of SEPA (LSMC 16.04.105) ~~for~~ to mitigate potential adverse ~~traffic~~ impacts on ~~the~~ transportation~~street system~~ facilities not mitigated by this fee. (Ord. 876, Sec. 6 (Exh. 4), 2012)

14.112.~~080~~070 Calculation of ~~Street~~ Traffic~~System~~ Impact Fees.

(a) The traffic impact fees will be collected and spent for ~~capacity~~ system improvements to ~~the public street system~~ transportation facilities as identified in the city's adopted Capital Facilities Plan, ~~. I~~in accordance with RCW 82.02.050~~(43)~~.

(1) ~~, the i~~Impact fees shall only be imposed for system improvements reasonably related to new development impacts.

(2) ~~and~~ Impact fees shall not exceed a proportionate share of the costs of the identified system improvements.

(3) Impact fees shall be used for system improvements that will reasonably benefit the new development ~~in the adopted Capital Facilities Plan.~~.

(4) Impact fees may only be collected and spent on system improvements, included in the capital facilities element of the Comprehensive Land Use Plan, identifying:

(i) Deficiencies in public facilities serving existing development and how existing deficiencies will be eliminated within a reasonable period of time;

(ii) Additional demands placed on existing public facilities by new developments; and

~~(i)~~(iii) Additional public facility improvements required to serve new development;

(b) The ~~street system~~traffic impact fee cost basis is established in the *Traffic Impact Fee Cost Basis for the City of Lake Stevens*, or as amended, based on methodology consistent with the requirements of RCW 82.02.050 through 82.02.100. ~~including, but not limited to, the following:~~

~~(1) Street system capacity improvements identified in the City GMA Capital Facilities Plan that are reasonably necessary to maintain adopted street system levels of service while accommodating the future development envisioned in the City's adopted GMA Comprehensive Plan.~~

~~(2) The costs of the needed street system capacity improvements estimated by the Public Works Director using generally accepted engineering practices.~~

~~(3) The estimated costs adjusted (reduced) to account for portions of the identified street system improvements that will likely be constructed by new development as part of their required on-site public street improvements and/or frontage improvements.~~

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~~(4) The estimated costs adjusted (reduced) to provide a credit for taxes (excluding impact fees paid under this section) paid by new development which help pay for the identified capacity improvements.~~

~~(5) The estimated costs adjusted (reduced) to account for any improvements needed to remedy any level of service deficiencies in the street system serving existing uses.~~

~~(6) The estimated costs adjusted (reduced) to reflect impacts on the capacity of the street system from new vehicle trips which have neither origin nor destination within the City of Lake Stevens (often referred to as "pass-through" trips).~~

~~(7) The final adjusted total costs of the identified improvements, as adjusted above, and aggregated for each traffic impact zone, are the cost basis of the impact fee.~~

~~(8) The number of weekday afternoon (PM) peak hour trips likely generated by existing land uses and future land uses (i.e., new development) are estimated based on current land use data and the adopted GMA Comprehensive Plan future land use map. The total existing and new trips are aggregated into the traffic impact zones.~~

~~(9) The maximum impact fee that can legally be charged to new development for each new weekday PM peak hour trip generated equals the cost basis of the impact fee divided by the new weekday PM peak hour trips for each traffic impact zone.~~

~~(10) The actual level of impact fees as established in *Traffic Impact Fee Cost Basis for the City of Lake Stevens*, as amended, shall not exceed the maximum as calculated above.~~

(c) A development shall mitigate its traffic impact by paying an impact fee reasonably related to the impact of the development activity on transportation facilities in the same traffic impact zone. ~~A development shall mitigate its traffic impact upon the future capacity of the street system by paying an impact fee reasonably related to the impact of the development on public streets located in the same traffic impact zone as the development.~~ A development's ~~street~~traffic ~~system~~ impact fee will equal the number of new average weekday afternoon (PM) peak-hour trips generated by the development~~, based and on calculated using the latest edition of the Institute of Traffic Engineers (ITE) Trip Generation ReportManual as a basis~~,~~, times the per trip amount~~ as identified in the currently adopted fees resolution, for the type and location of the development, except that the following adjustments may be made:

(1) In accordance with RCW 82.02.060(~~5~~6), the ~~Public Works Director~~ city shall have the authority to adjust the amount of the impact fee to consider unusual circumstances in specific cases, based on analysis of specific trip generating characteristics of the development (e.g., mixed-use characteristics, ridesharing programs, transit availability, etc.), to ensure that traffic impact fees are fairly imposed, when approved by the Directors of Planning and Community Development and Public Works, or their designees; and

(2) In accordance with RCW 82.02.060(~~5~~7), the ~~Public Works Director shall~~has have the authority to adjust the amount of the impact fee to be imposed on a particular development to reflect local information when available, including studies and data submitted by the developer when approved by the Directors of Planning and Community Development and Public Works, or their designees.

(3) Cost Indexing. The city may adjust the traffic impact fees annually considering the Consumer Price Index (CPI) for the most recent 12-month period as guide for adjusting fees.

(d) The City Council shall have the authority to adjust the amount of ~~the~~ traffic impact fees pursuant to RCW 82.02.060(2) through (4) ~~to reflect other public benefits resulting from~~ for development activities with defined broad public purposes ~~proposed development or redevelopment~~ in accordance with specific programs as determined and adopted by the City Council. ~~Public benefits and/or broad public purposes for adjustments primarily include the economic development goals identified in the City's Comprehensive Plan related to job creation and growth of new retail sales tax receipts.~~ The City Council shall identify the public funding source other than impact fees collected to compensate for any reductions in impact fees pursuant to this provision. (Ord. 922, Sec. 1, 2014; Ord. 876, Sec. 6 (Exh. 4), 2012)

14.112.~~090~~080 Offsets and credits.

(a) The city shall reduce required traffic impact fees or provide a credit ~~shall be reduced by the amount of any~~ for payment for ~~public~~ transportation~~street~~ ~~system~~ facility improvements previously made for the development ~~either~~ as a condition of approval or under voluntary agreements with the City entered into after the effective date of the ordinance ~~codified in this chapter~~.

(b) The city shall reduce required traffic impact fees or provide a credit w~~W~~henever a development has agreed to, pursuant to the terms of a voluntary agreement with the City, or is granted approval subject to a condition that the developer provide right-of-way for or construct off-site ~~street~~ transportation ~~system capacity~~facility improvements that are identified in the Traffic Impact Fee Cost Basis for the City of Lake Stevens, as amended, as being part of the ~~street~~ traffic~~system~~ impact fee cost basis, ~~the developer shall be entitled to an offset for~~ up to the value of land or up to the actual cost of construction against the impact fee assessed under Section 14.112.060.

(c) The city shall reduce required traffic impact fees or provide a credit for the value of any dedication of land for, improvement to, or new construction of any system improvements provided by the developer, to facilities that are identified in the six-year capital facilities plan and that are required a condition of approving the development activity. ~~The land value or cost of construction shall be estimated at the time of approval and shall be based on acceptable evidence and documentation provided by the developer. The evidence and documentation shall be reviewed and, if acceptable, approved by the Public Works Director or designee. When land is proposed for dedication, the person required to pay impact fees shall present either a Member of the Appraisal Institute (MAI) appraisal or evidence of the assessed value as determined by the County Assessor's Office. If construction costs are estimated, the documentation shall be confirmed after the construction is completed to assure that an accurate offset amount is provided. If the land value or construction cost is less than the calculated fee amount, the difference remaining shall be chargeable as an impact fee.~~

(d) The amount of the offset or credit for a development activity shall not exceed the amount of the impact fee the development ~~activity~~ is required to pay.

(1) The land value or cost of construction shall be estimated at the time of approval and shall be based on acceptable evidence and documentation provided by the developer. The evidence and documentation shall be reviewed and, if acceptable, approved by the Directors of Planning and Community Development and Public Works, or their designees.

(2) When land is proposed for dedication, the person required to pay traffic impact fees shall present either a Member of the Appraisal Institute (MAI) appraisal or evidence of the assessed value as determined by the County Assessor's Office.

(3) If construction costs are estimated, the estimate must be provided by a professional engineer or use construction values established by the city and the documentation shall be confirmed after the construction is completed to assure that an accurate offset amount is provided.

(4) If the land value or construction cost is less than the calculated fee amount, the difference remaining shall be chargeable as an impact fee.

(~~e~~f) Any claim for offset should be made at least 30 days prior to application for a building permit ~~so as to~~to eliminate or minimize any delays in issuance of a permit. (Ord. 876, Sec. 6 (Exh. 4), 2012)

14.112.~~100~~090 Collection of Impact Fees.

Impact fees for each development shall be assessed and collected at the time of issuance of a building permit, unless deferred pursuant to Chapter 14.124. Where no building permit will be associated with the development, such as a development requiring a conditional use permit, payment is required as a precondition to approval. (Ord. 970, Sec. 5, 2016; Ord. 876, Sec. 6 (Exh. 4), 2012)

14.112.~~110~~100 Uses of Traffic Impact Fee Revenues.

(a) Traffic impact fee revenue will be used for capital improvements ~~on the public street system~~to transportation facilities, not operating or maintenance expenses.

(b) Traffic impact fees shall be used for costs associated with City ~~street~~ transportation ~~system capacity~~facility improvements, including, but not limited to, planning, design, engineering, right-of-way acquisition, financing, project administration, construction, and/or construction engineering.

(c) ~~In the event that~~If bonds or similar debt instruments are issued for the advanced provision of system improvements, for which impact fees may be expended and where consistent with provisions of the bond covenants, impact fees may be used to pay debt service on such bonds or similar debt instruments to the extent that facilities or improvements provided are consistent with the requirements of this section.

(d) Traffic impact fees are collected and spent on system improvements as opposed to project improvements, ~~in accordance with~~as defined in RCW 82.02.090. (Ord. 876, Sec. 6 (Exh. 4), 2012)

14.112.~~120~~110 Expenditure Requirements for Impact Fees.

Traffic impact fee~~ payments~~s not expended or encumbered within 10 years ~~shall~~ may be refunded, pursuant to RCW 82.02.070, .080 and Section 14.112.130; unless the City Council makes written findings that there exists an extraordinary and compelling reason for fees to be held longer than 10 years. ~~In order to~~To verify these two requirements, impact fee revenues must be deposited into separate accounts of the City, and annual reports must describe revenue and expenditures. (Ord. 876, Sec. 6 (Exh. 4), 2012)

14.112.~~130~~120 Refund of Fees Paid.

(a) Traffic impact fees collected pursuant to this chapter shall be deposited into an ~~interest bearing~~interest-bearing account established for the City.

(b) If a development approval expires without commencement of construction, ~~then~~ the developer shall be entitled to a refund of traffic impact fees paid, with interest.~~, of the impact fee paid for that~~

development. The developer must submit an application for such a written refund request to the Finance Director within 30 days prior to the expiration of the permit. By resolution, the City Council may adopt fees to offset administrative costs of collecting and refunding mitigation fees.

(c) Any funds not expended or encumbered by the end of 10 years from the date the fee was paid shall be returned to the developer/owner with interest; provided, that the developer/owner submits a written refund request to the Finance Director a request for a refund to the City of Lake Stevens within one year of the expiration of the 10-year period.

(d) Impact fees that are not expended or encumbered within these time limitations, and for which no application of awritten refund request has been made in accordance with this section, shall be retained and expended on public transportationstreet system facilities.

(e) Interest due upon the refund of traffic impact fees shall be calculated according to the average rate received by the City on invested funds throughout the period during which the fees were retained. (Ord. 876, Sec. 6 (Exh. 4), 2012)

14.112.130 Appeals

A developer may appeal the amount of an impact fee determined, following the appeal process for the underlying development approval, pursuant to LSMC 14.16A.265. The developer shall bear the burden of proving:

(a) The city erred in its impact fee assessment of the developer's proportionate share, as determined by an individual fee calculation or as set forth in the fee schedule, or in granting a credit or offset.

(b) The impact fee assessed on the development activity was based upon incorrect data.

DRAFT

Chapter 16.04 SEPA

16.04.105 Substantive Authority.

(e) Through its substantive authority, in conjunction with the Master Annexation Interlocal Agreement between the City of Lake Stevens and Snohomish County, the City hereby establishes a process for collecting traffic and park mitigation fees, for properties annexed into the City of Lake Stevens, when Snohomish County received the initial development application and said application vested to Snohomish County regulations, including those related to the payment of traffic or park mitigation fees.

(1) The City shall apply Snohomish County code requirements related to the payment of traffic and/or park mitigation fees.

(2) The City shall collect required traffic and/or park mitigation fees directly when such fees were not previously paid to Snohomish County.

(3) Payment of said fees to the City shall satisfy the requirements of ~~Sections 14.56.190 and 14.56.192~~ Chapter 14.112 for traffic mitigation and Chapter 14.120 for park impact mitigation.

(4) The City shall assess and collect required impact fees at the time of building permit issuance.

DRAFT

City of Lake Stevens
Traffic Concurrency Handbook for New Development

This document outlines the process applicants must follow when submitting development applications for the city of Lake Stevens (Lake Stevens) to make concurrency determinations under Chapter 14.110 Lake Stevens Municipal Code (LSMC). Depending on the type, size and location of a development, a licensed Professional Engineer or Transportation Planner with traffic study expertise may need to prepare a traffic study.

Chapter 14.110 Lake Stevens Municipal Code (LSMC) 14.110 Concurrency Management System – Concurrency requirements are established in Chapter 14.110 LSMC to make concurrency determinations related to proposed development activities. Applicants should read these code provisions to understand the basis for concurrency determinations and the traffic study requirements.

Exempt Developments – A development that creates no measurable additional impacts on any transportation facility will likely be exempt from requirements to provide detailed traffic information. Examples include proposals that do not increase the number of residential dwelling units or add commercial space, unless the proposal changes the use and increases trip generation. See LSMC 14.110.030 for a complete list of exemptions.

Subareas – Developments located ***within*** a subarea are assumed to meet the concurrency provisions of Chapter 14.110 LSMC. Each subarea has undergone a significant environmental analysis resulting in the adoption of planned action ordinances for SEPA compliance. Additional details are available at LSMC 14.38.120. The three adopted subareas are listed below:

- ***Lake Stevens Center***, See map **Error! Reference source not found.** or on the city's website at http://www.ci.lake-stevens.wa.us/DocumentCenter/View/829
- ***20th Street SE Corridor Subarea***, See map **Error! Reference source not found.** or on the web at http://www.ci.lake-stevens.wa.us/DocumentCenter/View/916
- ***Lake Stevens Downtown,*** See map Figure 3 or on the city's website at https://www.lakestevenswa.gov/DocumentCenter/View/6733/ADOPTED-DT-Lake-Stevens-Subarea-Plan_-7-10-18 (page 21)

Developments Required to Provide Concurrency Evaluation –Development projects **outside** of the adopted subareas are required to provide a complete traffic study as outlined below. Developments within subareas are not required to provide a complete LOS analysis except when additional traffic analysis is required to make a concurrency or threshold determination when a proposal meets or exceeds one or more of the following criteria:

1) The development requires a land use change;
2) The development exceeds the established development thresholds for the subarea;
3) The development contributes significant PM peak hour trips to key intersections, Appendix B, outside of subareas, that may negatively affect the level or service; and
4) The development requires additional infrastructure improvements beyond what was identified in the Capital Facilities Plan[1]. To support the Lake Stevens concurrency tracking process, proposed developments within subareas must provide the minimum traffic study elements for non-exempt developments.

[1] LSMC 14.110.060 defines the relationship of the city's concurrency rules with the State Environmental Policy Act (SEPA). In general, the city's concurrency rules are not intended to eliminate the application of SEPA to specific development proposals that may be subject to the substantive authority of SEPA.

Figure 1 - Lake Stevens Center Zoning Map

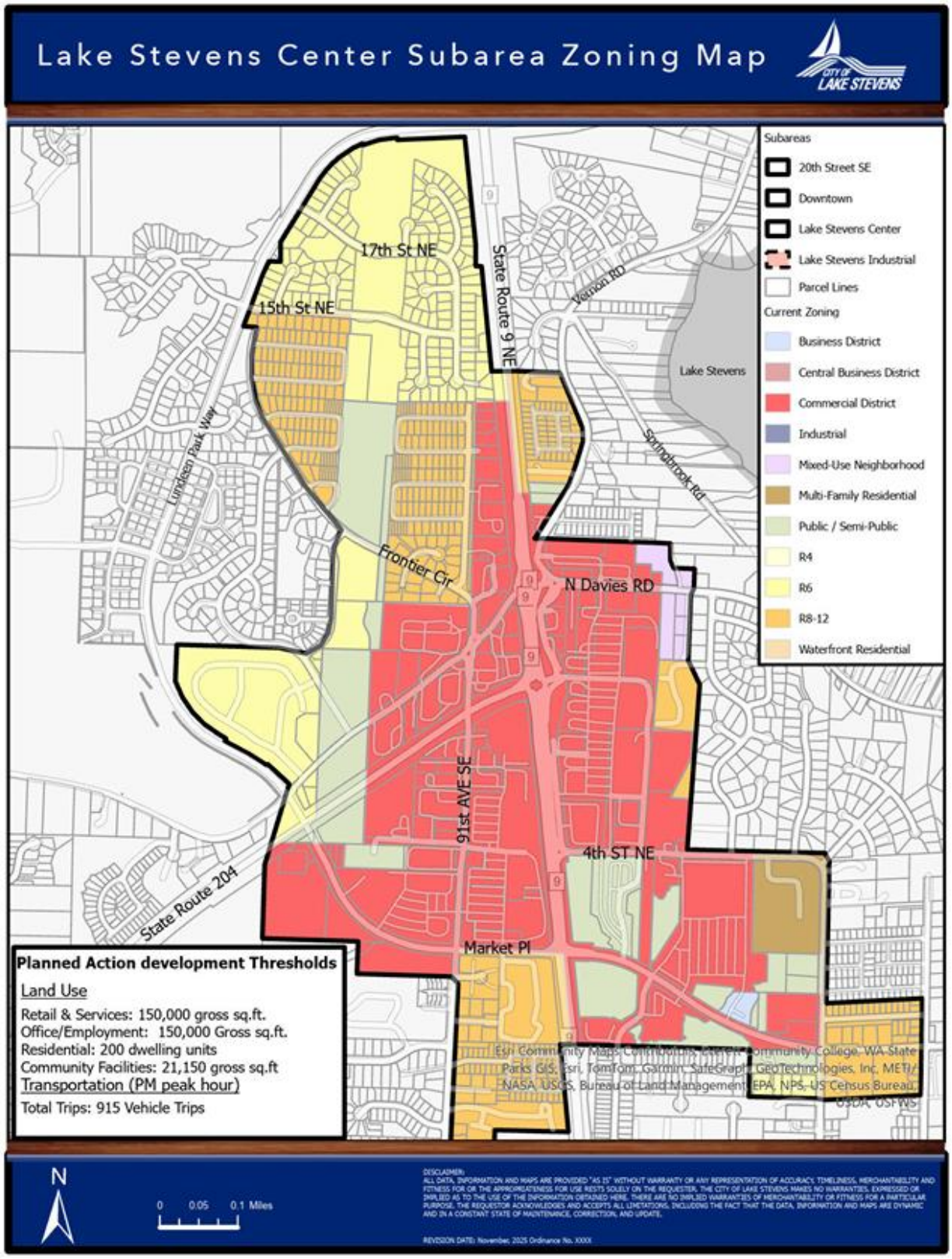


Figure 2 - 20th Street SE Corridor Subarea Zoning Map

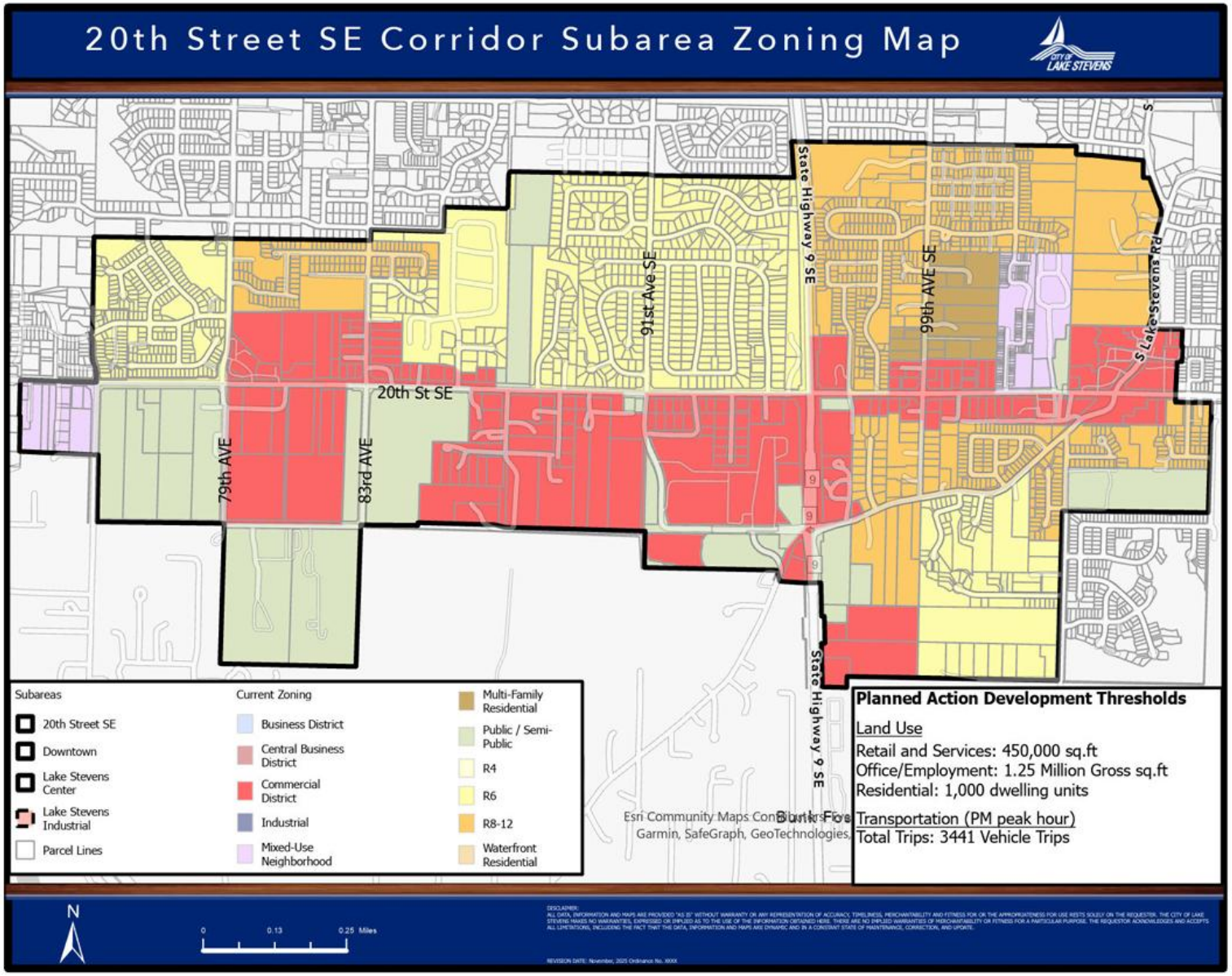
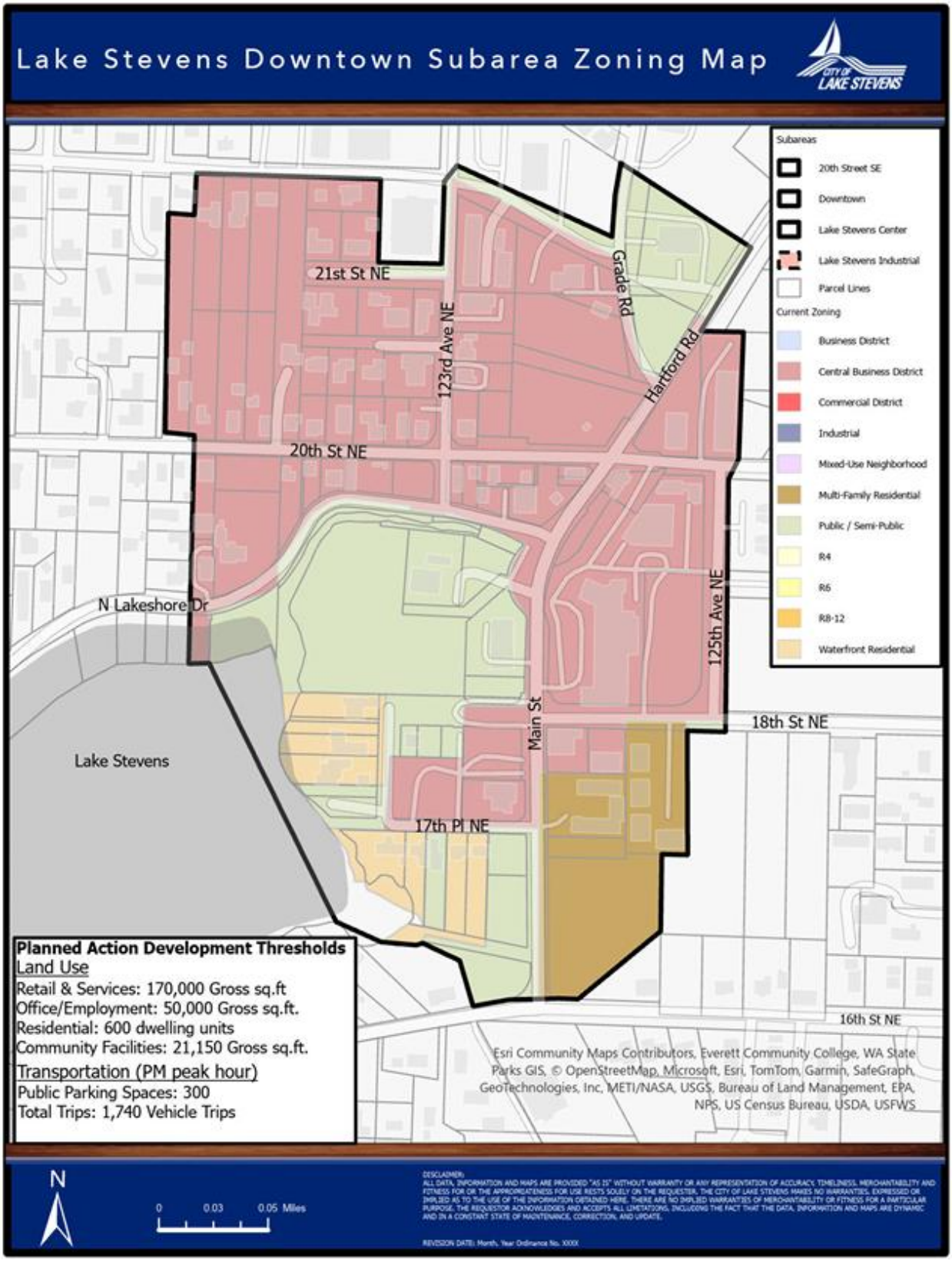


Figure 3– Lake Stevens Downtown Subarea Zoning Map



Minimum Traffic Study Elements for Non-Exempt Developments – Non-Exempt Developments must provide sufficient information and/or analysis to determine likely traffic impacts on the street system. A non-exempt development project generating fewer than 25 trips must include the following items:

1. Traffic Impact Fee (TIF) Worksheet following the *city of Lake Stevens TIF Handbook.*
2. An Access Plan that shows how vehicles and pedestrians will safely and efficiently access the street system consistent with the Engineering Design and Development Standards http://www.lakestevenswa.gov/DocumentCenter/Home/View/53) or otherwise show how the proposal will meet established safety and operational standards. Depending on the size and location of the development, a licensed Professional Engineer or Transportation Planner may need to prepare the plan.

Concurrency Traffic Study Requirements – If a project generates 25 or more trips, a licensed Professional Engineer or Transportation Planner, with traffic/transportation expertise must prepare a traffic study, including the elements above, and three additional elements. Figure 4 presents a flowchart depicting the process for determining the level of traffic analysis required for a proposed development project.

1. Trip Generation – The study must identify the new PM peak-hour trips (PHT) likely to be generated by the proposed development based on the most recent edition of the *Institute of Traffic Engineers (ITE) Trip Generation Manual*.
2. Trip Distribution – The study must show the distribution of the new PM PHT onto the transportation system. The distributions must be carried out to all adjacent streets and any key intersections affected by more than 25 PM PHT. This intersection threshold is reached by combining both the incoming and outgoing trips from the development. It does not mean 25 directional trips on a single leg of the intersection.
3. Level-of-Service Analysis – If the trip distribution shows the addition of more than 25 new PM PHT to any key intersection, the study must provide a level-of-service analysis to enable the city to make a concurrency determination under Chapter 14.110 LSMC. For guidance on standard traffic study requirements see Appendix A.

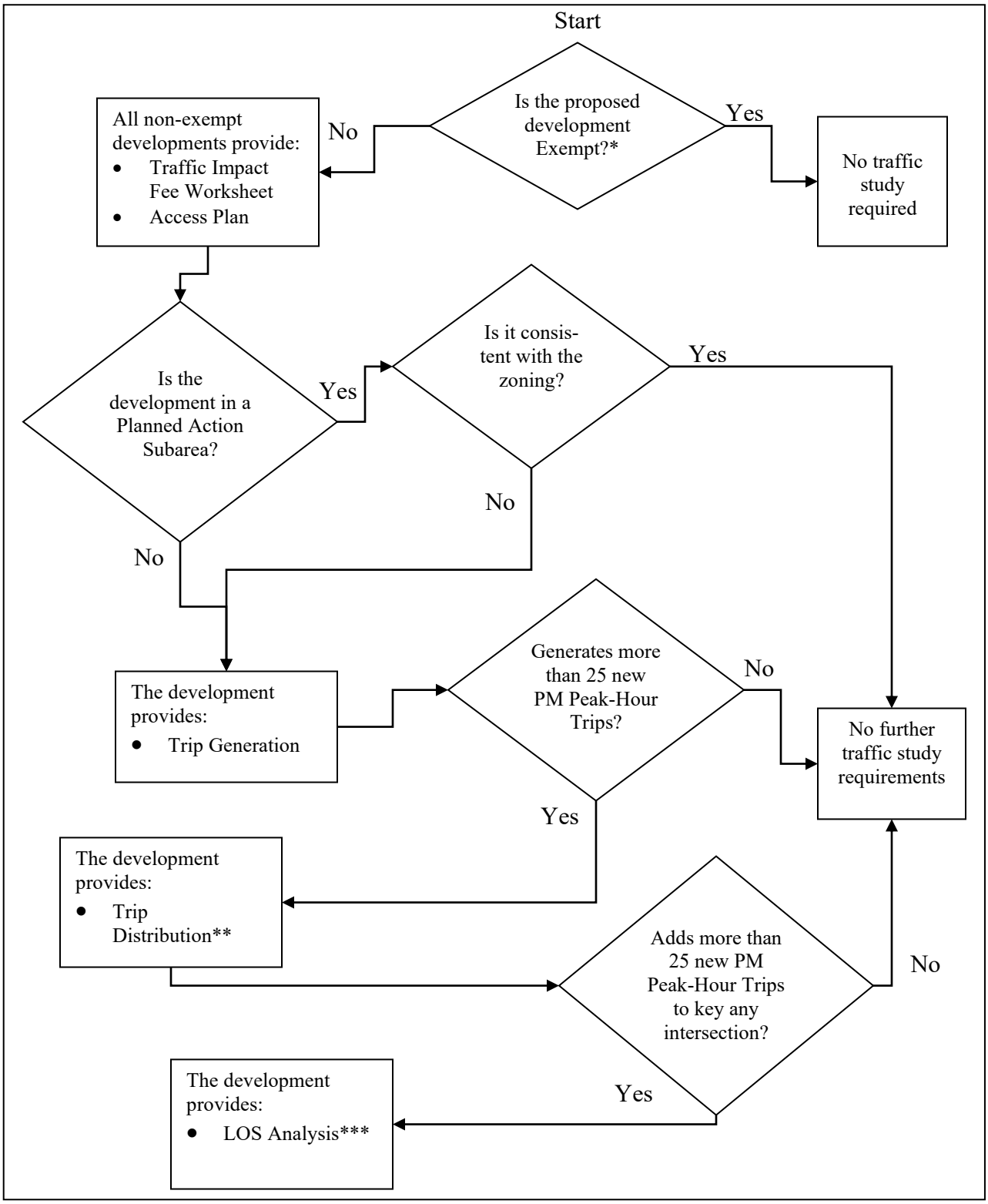
Level-of-Service Analysis Detailed Requirements – The following sections of this handbook provide detailed information and instructions related to LOS analysis for concurrency determinations. Analysis assumptions and other technical requirements are found in Appendix A. Key intersections are shown in Appendix B. Traffic Impact Zones (TIZs) are illustrated in Appendix C. Intersections of city streets with state highways are excluded from the calculation of the average "system" delay and LOS.

Translating Average Delay into LOS – The most-recent edition of the *Transportation Research Board's Highway Capacity Manual (HCM)* is the primary reference for measuring level of service and translating seconds of delay into a graded A through F scale. For concurrency tracking, the city applies the vehicular LOS standards identified in the Comprehensive Plan as follows:

- LOS E or better for major / minor arterials and collector roadways.
- LOS C or better for local access roadways.

Within subareas, vehicular LOS is measured on a system-wide basis by averaging delays across key intersections. Intersections with more traffic are weighted by total approach volumes. Lake Stevens has established a system LOS E standard for its subareas.

Figure 4 - Typical Traffic Study Requirements for Developments in Lake Stevens



* A development that creates no measurable additional impact on any transportation facility. Examples include proposals that add no net increase to the number of residential dwelling units or no additional commercial space.

** Must be prepared by a licensed Professional Engineer or Transportation Planner with expertise in traffic studies

*** See Appendix A.

Active Transportation and Transit –The Comprehensive Plan identifies LOS standards for active transportation and transit. The city does not evaluate concurrency for these transportation elements on a project-by-project basis; rather, active transportation and transit concurrency will be tracked through the *Annual Concurrency Program Report*. Active transportation concurrency will be based on the city's progress towards completing active transportation connections within the city. The city will consider Transit LOS standards annually as coordinated with Community Transit. Individual developments will be deemed to have satisfied concurrency requirements for active transportation and transit LOS through the payment of traffic impact fees (TIF) and/or construction of required improvements.

Which Subarea to Evaluate – Applicants must conduct a level-of-service (LOS) analysis if trip distribution contributes more than 25 entering PM peak hour trips (PHT) at any key intersection. This threshold is reached by combining both incoming and outgoing trips from the development, not by counting 25 directional trips on any single leg of the intersection. When this impact threshold is met, applicants must evaluate LOS for the subarea containing the affected key intersection, using the subarea-wide averaging.

- For the predominantly signalized set of key intersections in the Lake Stevens Center and 20th Street SE Corridor subareas, the HCM scale for signalized intersections is used. The 7th Edition defines the threshold between LOS E and LOS F as 80 seconds of average vehicle delay.
- For the predominantly un-signalized set of intersections in the Downtown Lake Stevens subarea, the scale for stop-controlled intersections is used. The threshold between LOS E and LOS F is 50 seconds of average vehicle delay.

If a development affects more than one key intersection within a subarea, the same LOS analysis applies. If key intersections are affected in multiple subareas, each subarea with an affected intersection must be evaluated. For example, if a large development adds more than 25 entering PM PHT to two key intersections—one in the Lake Stevens Center subarea and one in the 20th Street SE Corridor subarea—the LOS analysis must calculate the separate average weighted vehicle delay for both subareas.

Note that the calculation of average weighted vehicle delay does not include intersections of city streets and state highways. Project contributions of more than 25 PM PHT trips to intersections along SR 9, SR 92 and SR 204 do not require calculation of the subarea average weighted delay.

Transportation Demand Management TDM – LSMC 14.110.100 contemplates using Transportation Demand Management (TDM) strategies, on a case-by-case basis, as an alternative to constructing capital improvements to address LOS deficiencies. With approval from the Public Works Director and the Planning and Community Development Director, applicants may propose non-construction strategies to reduce demand on public facilities and ensure LOS requirements are met.

Annual Concurrency Program Report – As part of the Lake Stevens Concurrency Program, city staff will prepare an annual report in conjunction with the annual *Six-year Transportation Improvement Program* (TIP), identifying ongoing and planned development throughout the city and within each subarea. Subsequently, staff will review and update the list of key intersections as needed for any intersection operating at or approaching the established LOS standards. The annual concurrency report will:

- List ongoing/planned development (including land uses and intensities);
- Summarize remaining development and trip capacity within subareas and the city;
- Evaluate LOS at key intersections, listed in Appendix B, approaching the identified thresholds;
- Identify completed vehicular and active transportation improvement projects; and
- Discuss progress towards achieving the active transportation and transit networks identified in the Comprehensive Plan.

Appendix A – LOS Analysis (Traffic Study) Requirements

If a proposed development contributes more than 25 PM peak hour trips (PHT) to any key intersection listed in Appendix B, the applicant must prepare a level-of-service (LOS) analysis evaluating all key intersections affected by more than 25 trips. General assumptions and requirements for the traffic study are provided in LSMC 14.110 and summarized below.

Modeling Existing Conditions – LOS analysis begins by modeling existing conditions and estimating average vehicle delay at affected key intersections. Traffic volumes used for modeling must be collected within two years prior to application submittal. For intersections not affected by more than 25 PM PHT, counts and delay estimates from recent studies may be used if approved by the city.

Modeling Future Traffic Volumes – Future LOS conditions are modeled by adding expected growth volumes to existing counts. These include new volumes from proposed development, developments in the pipeline, and developments outside the city. Pipeline developments are those approved by Lake Stevens but not yet completed/occupied. For intersections not affected by more than 25 PM PHT, future volumes and delay estimates from recent studies may be used if approved by the city.

Determining the Volumes in the Pipeline – The Planning and Community Development Department will provide applicants with lists of approved developments generating more than 25 PM PHT. If occupancy dates are not available, applicants must conduct fieldwork. The study may assume the worst-case scenario, with all pipeline trips added to existing counts.

Trip Distributions for Volumes in the Pipeline – If the traffic studies for pipeline developments are not available, then the applicant must distribute those trips as well.

Trips from Developments Outside the city – To estimate additional volumes from development activity outside the city, applicants must apply a 2% annual growth rate to existing counts.

Alternative to Pipeline for Internal Growth – Instead of adding volumes from actual pipeline developments, applicants may use a 2% annual growth rate applied to existing counts, in addition to the 2% growth factor for external growth. If system LOS does not exceed LOS E using this alternative, applicants do not need to obtain pipeline volumes.

Future Horizon for LOS Calculations – The horizon year for LOS calculations is six years from the date of a complete application or the year of project build-out, whichever is greater. This aligns with the six-year horizon for the city's *Transportation Improvement Program* (TIP) and *Capital Facilities Plan* (CFP). For a six-year horizon, future LOS volumes can be estimated using a 24% increase from existing counts [(2% + 2%) × 6].

Assumptions on Future Capital Improvements to Model LOS – Future LOS analysis must include any capacity improvements identified in the city's capital improvement program as fully funded for completion within six years of application submittal. Improvements on state highways are included if fully funded for completion within two years.

Future Year Growth Assumptions – To be deemed concurrent, the traffic study must show that future vehicle delay at the intersection, or averaged across all key intersections within a subarea, meets LOS E or better. Future counts include the applicant's traffic, traffic from pipeline developments (or the 2% alternative growth factor), and a 2% growth factor for external growth. If future LOS fails, the applicant may make capacity improvements at any key intersection to reduce the average delay and achieve LOS E.

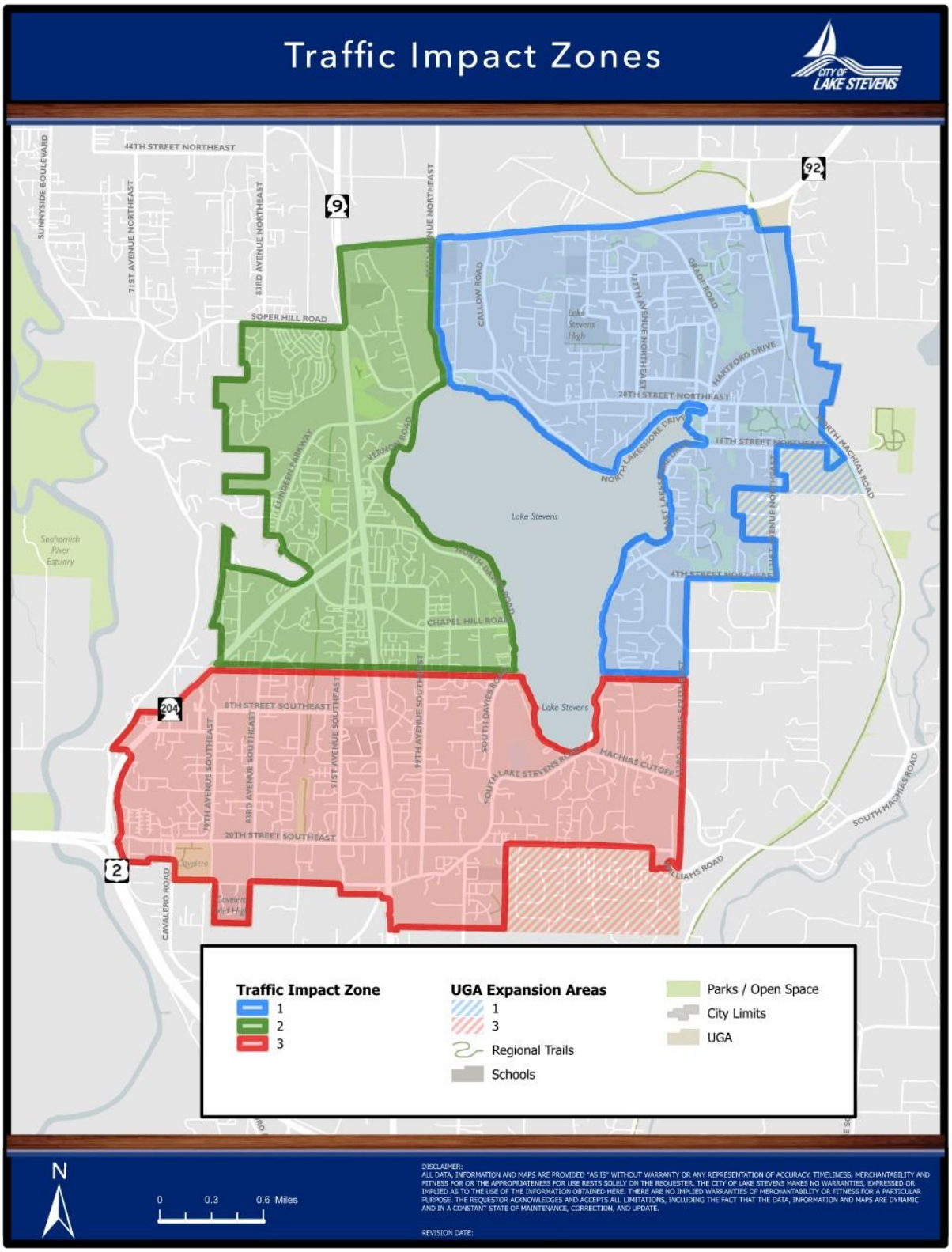
Conclusion – This document outlines the city's traffic study requirements for developments that must provide LOS analysis for concurrency determinations. The city will make the final determination of specific traffic study requirements for each proposal, but this handbook covers most development situations. For more information, contact the Lake Stevens Planning and Community Development Department.

Appendix B – Key Intersections by Traffic Impact Zone (TIZ)

TIZ	#	Location
1	1	Callow Road and SR 92
	2	Grade Road and SR 92[1]
	3	127th Drive NE and SR 92[1]
	4	127th Drive NE and 36th Street NE[1]
	5	Grade Road and 32nd Street NE
	6	Grade Road and 26th Street NE
	7	117th Avenue NE and 20th Street NE
	8	123rd Avenue NE and 20th Street NE[2]
	9	Main Street and 20th Street NE[2]
	10	Main Street and North Lakeshore Drive[2]
	11	18th Street NE and Main Street[2]
	12	Main Street and East Lake Stevens Road[2]
	13	North Machias Road and 28th Street NE[1]
	14	North Machias Road and 20th Street NE[1]
	15	North Machias Road and 16th Street NE
	16	East Lake Stevens Road and 118th Ave NE
2	1	91st Avenue NE and Market Place[3]
	2	91st Avenue SE and 4th Street SE
	3	99th Avenue NE and Market Place[3]
	4	99th Avenue NE and Lundeen Park Way
	5	Davies Road and Chapel Hill Road
3	1	91st Avenue and 8th Street SE
	2	SR 204 and Everett Road
	3	SR 204 and Sunnyside Boulevard
	4	79th Avenue SE and 20th Street SE[4]
	5	83rd Avenue SE and 20th Street SE[4]
	6	91st Avenue SE and 20th Street SE[4]
	7	99th Avenue SE and 20th Street SE[4]
	8	South Lake Stevens Road and 20th Street SE[4]
	9	South Lake Stevens Road and South Davies Road[4]
	10	South Lake Stevens Road and Machias Cut-Off
	11	118th Avenue SE and Machias Cut-Off

[1] Intersection is in the Lake Stevens Industrial Center subarea
[2] Intersection is in the Downtown Lake Stevens subarea
[3] Intersection is in the Lake Stevens Center subarea
[4] Intersection is in the 20th Street SE Corridor subarea

Appendix C –Traffic Impact Zones (TIZs)



Attachment 4

TRAFFIC IMPACT FEE COST BASIS FOR THE CITY OF LAKE STEVENS

Prepared for:
City of Lake Stevens

October 2025

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24348.00

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Appendix A: Intersection LOS Summary

Executive Summary

This report presents the Transportation Impact Fee (TIF) program for the city of Lake Stevens (City). The TIF program has been updated based on the transportation project list from the Transportation Element (TE) within the City's 2024 Comprehensive Plan, with further revisions in 2025. This report outlines the methodology for determining the amount of transportation-related project costs eligible for TIF funding, based on forecasted land use growth within the City considering projected total PM peak hour vehicle trips. As required by the Growth Management Act (GMA), the impact fee calculation presented here reflects transportation improvement costs needed to accommodate growth and does not include existing network deficiencies. The multimodal level of service (MMLOS) standards established in the TE were used to identify the transportation improvements needed to accommodate growth.

Table ES.1 summarizes the key findings of the TIF program. TIF-eligible project costs across the three Traffic Impact Zones (TIZs) are estimated at $91.6 million. The expected increase in PM peak hour trips associated with planned land use growth citywide through 2044 is estimated to be 12,201 trips. The TIF-eligible costs are divided by the estimated growth in PM peak hour trips in each TIZ to arrive at the base TIF rates shown in Table ES.1.

Table ES.1 Citywide Transportation Impact Fee Rate

	TIZ 1 – East Lake Stevens	TIZ 2 – West Lake Stevens	TIZ 3 – South Lake Stevens	Combined TIZ 2 & 3
A. Growth Share of TIF Cost[1]	$59,577,471	$16,408,883	$15,660,380	$32,069,263
B. Growth in Trips[2]	5,014	4,196	2,991	7,187
C. Base TIF Rate for Service Area[3]	$11,882	$3,911	$5,236	$4,462

1. See Table 5 for how share of cost is allocated by TIZ.
2. Based on analysis of land use growth from the 2024 Land Use Plan and PM peak hour trip generation rates from the ITE *Trip Generation Manual, 11th Edition.*
3. Values in line A are divided by values in line B and rounded up to the nearest dollar.

New developments within the city must pay the necessary TIF fees at the time of building permit issuance, as outlined in Chapter 14.112 of the Lake Stevens Municipal Code (LSMC). The City uses impact fees collected to fund the transportation projects outlined in Table 1 of this report.

The city will update the impact fee base rate annually in the fees resolution using the Consumer Price Index (CPI) in the region, unless a more applicable industry standard construction cost index is available. The City will prepare an annual report summarizing the fees collected and the projects financed using TIF funds for the previous calendar year.

Introduction

Lake Stevens, like many local government agencies in Washington State, has implemented transportation impact fee (TIF) program to help fund improvements to its transportation system. The Growth Management Act (GMA) allows agencies to develop and implement a TIF program to help fund some of the costs of transportation facilities needed to accommodate growth. Chapter 82.02 of the Revised Code of Washington (RCW) requires TIFs to be:

- Related to improvements serving new developments, not existing deficiencies;
- Assessed proportional to the impacts of new developments;
- Allocated for improvements that reasonably benefit new development; and
- Spent on facilities identified in the Capital Facilities Plan

The city adopted its TIF program in 2012 (Ordinance No. 876) codified in Chapter 112 of the Lake Stevens Municipal Code (LSMC). The analysis, provided in the Transportation Element (TE), from the current Comprehensive Plan sets the basis for the TIF program.

The TIF program is built from the long-term transportation project lists contained in the Transportation and Capital Facilities Elements of the Comprehensive Plan. The project list was prepared utilizing the city's travel demand model to evaluate future transportation system needs. The travel demand model is a tool for forecasting traffic volumes based on the projected growth in housing and employment identified in the Land Use Element. The travel demand model provides the technical basis for the TIF program. The scope and cost of transportation projects have been updated and refined since adoption of the Comprehensive Plan to reflect further design elements, increased costs, or modifications to the general scope of the project.

In line with the multimodal level of service (MMLOS) requirements enacted by House Bill 1181 (HB1181) in 2023, the Washington State Legislature also passed Senate Bill 5452 (SB 5452) expanding the transportation improvements eligible for TIF funding. RCW 82.02.090(7) includes pedestrian and bicycle facilities on the list of "public facilities" eligible for TIF funding. The revised TIF cost basis analysis now includes an expanded project list with pedestrian and bicycle projects and incorporates the cost of these improvements into the fee calculation.

Further, recent legal rulings have changed the manner with which impact fees are calculated and documented. The U.S. Supreme Court in *Sheetz v. El Dorado County* (2024) ruled that legislatively imposed conditions to all development are not exempt from the Takings Clause outlined in the Fifth Amendment. Thus, impact fees must provide a nexus to the development and be roughly proportional to its impact. While TIFs in the state have long been subject to nexus and proportionality requirements, the *Sheetz* decision shifts the responsibility onto public agencies to document and support the methodology used to calculate the impact fee. The city's updated TIF program, outlined herein, has been refined to meet the heightened requirements of this ruling.

This report outlines the City's TIF program. It also highlights what transportation impact fees are and how they relate to other development regulations. An overview of the TIF program summarizes how the program was created and how the fees were established. It also details how the program will be implemented by Lake Stevens.

What are Transportation Impact Fees?

Transportation impact fees (TIFs) are allowed under the GMA to help fund growth-related capital facility improvements to public streets and roads. Impact fees are also allowed under

the GMA to fund other public capital facilities such as parks, open space, recreation facilities, schools, and fire protection. The following summarizes the GMA definition of an impact fee:

> *"Impact fee" means a payment of money imposed upon development as a condition of development approval to pay for public facilities needed to serve new growth and development, and that is reasonably related to the new development that creates additional demand and need for public facilities, that is a proportionate share of the cost of the public facilities, and that is used for facilities that reasonably benefit the new development. (source: RCW 82.02.090[3])*

Public transportation facilities for which TIF funding can be used include:

> *Public streets, roads, and bicycle and pedestrian facilities that were designed with multimodal commuting as an intended use; (source: RCW 82.02.090[7](a))*

Impact fees are an optional element of the GMA; agencies are not required to implement them; however, they are used to help jurisdictions mitigate some of the transportation impacts due to new development or redevelopment.

TIFs cannot be the only funding used to pay for the growth-related transportation improvements. The project cost allocations must account for other public funding, which would be generated by development in forms of taxes or user fees.

Transportation impact fees help mitigate development impacts for system wide traffic impacts. The following summarizes the key points:

- Supports "growth pays for growth" principle
- Funds must be spent on transportation improvement projects that will serve new growth and not fix existing deficiencies
- Funds must be spent on improvements that generally benefit the developments paying the fee
- Impact fee projects are to address "system" improvements, not "project" improvements
- Must be generally proportional to impacts of development
- Provide funding for the agency's six-year Capital Improvement Program
- Funds assessed for several improvement needs can be "pooled" to address agency's priority projects

How do Transportation Impact Fees Relate to Other Development Regulations?

TIFs are an optional element allowed under GMA; however, they are a crucial tool to help mitigate development impacts on the transportation system. TIFs are used in conjunction with other development regulations as shown in Figure 1:

- Frontage Improvements/Development Regulations
- State Environmental Policy Act (SEPA)
- Transportation Concurrency

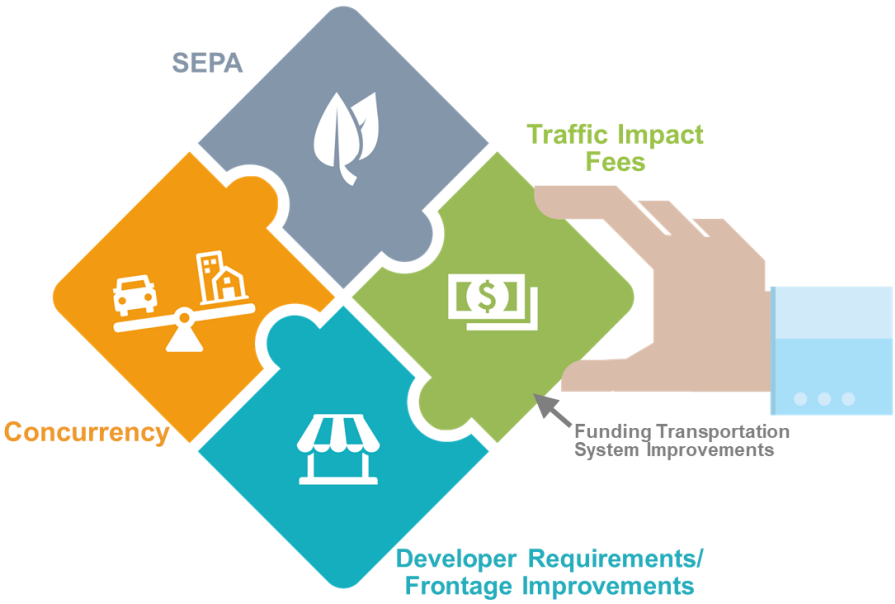


Figure 1. Elements of the Development Review Process

These other requirements cover transportation impacts directly resulting from specific developments. They do not explicitly address the long-term transportation system needs resulting from forecast growth. While transportation impact fees can change how agencies apply some of these other regulations, the other requirements do not cease with the adoption of a TIF. The following summarizes the basic roles of the other transportation review and mitigation programs.

Development Regulations/Frontage Improvements

When properties are subdivided or otherwise developed, the permitting agency can require transportation and other improvements needed to promote the public health, safety, and general welfare (RCW 58.17). Frontage improvements and site development regulations help ensure that the city's road standards are met and that ultimately, new development is served by transportation facilities in a safe and efficient manner. Developers can be required to construct the site's frontage and on-site roadways based on the City's Engineering Design and Development Standards (EDDS). Frontage improvements apply to both vehicular and active transportation facilities. Key elements related to mitigating impacts on the transportation system include:

- Addressing on-site impacts and access onto public rights-of-way;
- Ensuring new development is served by adequate roadways;
- Requiring developers to construct frontages along public and private roads; and
- Defining potential vehicular, transit, and active transportation needs serving the development

State Environmental Policy Act (SEPA)

Washington's State Environmental Policy Act (SEPA), adopted in 1971 (RCW 43.21C), directs state and local decision-makers to consider the environmental impacts of their actions. "SEPA gives agencies the tools to both consider and mitigate for environmental impacts of proposals." (*Washington State Department of Ecology, SEPA Handbook, 2003*) Implementing regulations, in the form of the SEPA Rules (WAC 197-11) establish uniform requirements for agencies to

use when evaluating the potential environmental impacts of a proposal. The process also allows review of possible project alternatives or mitigation measures that will reduce the environmental impacts of a project. For transportation, SEPA is typically used to review impacts within the immediate and nearby vicinity, such as vehicular access points, operations and safety at nearby intersections or roadways. Depending on the potential for impacts, SEPA review can extend beyond the immediate vicinity of the development based on an assessment of the likely impacts of the proposed development. The intention of SEPA, as applied for transportation, is to mitigate a development's impact on the transportation system in terms of capacity, operations, and safety, including access, circulation, pedestrian connections and safety, bicycle system needs, and transit facilities and services.

The following list summarizes common SEPA review items related to specific development projects:

- Considers impacts and "significant adverse impact" standard, not just level of service;
- Broad scope can be used to address impacts on capacity, safety, operations, non-motorized travel, and transit; and
- Typically reviewed on a development-by-development basis, or as part of a Planned Action Ordinance

Mitigation measures can include constructing improvements or the payment of proportionate share of improvement costs and can be used to mitigate both on- and off-site impacts.

Concurrency

The GMA (RCW 36.70A.070) requires that infrastructure improvements or strategies to accommodate development be available when the impacts of development occur. For transportation facilities, concurrency is defined in the GMA and the Washington Administrative Code (WAC) to mean that any needed transportation improvements or programs be in place at the time of development or that a financial commitment exists to complete the improvements or strategies within six years. Local governments have flexibility regarding how they set level-of-service standards and how to apply transportation concurrency within their plans, regulations, and permit processes.

As part of the requirement to develop a comprehensive plan, jurisdictions are required to establish level-of-service standards for arterials, transit service, and other facilities, such as water and sewer. With the passage of HB 1181, when evaluating the performance of the transportation networks, jurisdictions are now required to adopt multimodal level-of-service standards by which to measure the performance not just for vehicles, but also pedestrians, bicyclists, and transit users. As part of the major *2024 Comprehensive Plan* update, the city adopted multimodal level of service standards.

Once a jurisdiction adopts a standard, it is used to determine whether the impacts of a proposed development can be accommodated with the existing transportation system. If a "development causes the level of service on a locally owned transportation facility to decline below the standards adopted in its transportation element", jurisdictions are required to prohibit development approval unless transportation improvements or strategies to accommodate the impacts of development are made ***concurrent*** with the development. Transportation is the only area of concurrency that specifies denial of development if the standards are not met within six years. The Growth Management Hearings Boards reiterated the role of a concurrency program, finding that "the concept of concurrency is not an end in of itself but a foundation for local governments to achieve the coordinated, consistent, sustainable growth called for by the Act" *(source: Puget Sound Regional Council, Assessing the Effectiveness of Concurrency, 2002).*

Concurrency provides a link between land use, transportation, and public investments. The following identifies key requirements for concurrency programs.

- Compliance with the GMA
- Local governments have flexibility in applying concurrency
- Measured with level of service standards as defined by the City's Comprehensive Plan
- Addresses system wide impacts
- Developments shall not be approved if development causes the level of service to decline below identified standards and the standards cannot be met within six years.

Development of the City of Lake Stevens's Transportation Impact Fee Program

The updated Transportation Impact Fee program for the city of Lake Stevens is based on technical analyses and policy direction as part of the adopted Transportation Element of the City's Comprehensive Plan, which was last updated in 2024. The 2025 update to the TIF program represented a comprehensive review of the existing impact fee methodologies and incorporation of legislative changes allowing consideration of active transportation projects into the program. In addition to refined methodology, the TIF program reviews project eligibility criteria more closely and includes updated cost estimates for the capital projects identified in the Comprehensive Plan. Material and labor costs associated with construction have continued to increase since the last comprehensive update of the TIF program in 2012.

Key elements of the program are presented in this section, including:

- What improvement projects and costs are included?
- What share of the TIF Costs are allocated to growth in Lake Stevens?
- What is the service area for the TIF Program?
- What are the resulting impact fee rates and schedules?
- How are TIF rates determined for uses not specifically included in the rate schedule?
- How are the transportation impact fees collected and spent?
- Are any developments exempt from the fees?
- How will the impact fees be kept up to date?

What Improvement Projects and Costs are Included?

As noted above, the GMA specifies that Transportation Impact Fees shall only be used for system improvements that are reasonably related to new development. As defined by GMA (RCW 82.02.090), *"system improvements mean public facilities that are included in the capital facilities plan and are designed to provide service to service areas within the community at large, in contrast to project improvements."*

The Transportation Element includes a list of transportation projects needed to address existing and forecast capacity, operations, and safety needs through 2044. The plan builds upon the city's policies, standards, and overall transportation funding strategy. The plan also considers state and regional plans and programs, including planned improvements to the state highway system.

The project list was reviewed to confirm which improvements were needed to address deficiencies and serve growth (and therefore, TIF eligible) and those that were not TIF-eligible. The multimodal level-of-service (LOS) standards established in the Transportation Element

were used to determine whether a project could be considered necessary to address future land use growth. This initial screening of the project list used the results of the analysis conducted as part of the Transportation Element update and evaluated both vehicular and active transportation needs.

TIF Eligible Projects

The first step to calculate the TIF-eligible project costs was to determine which Transportation Element projects are required to address future growth. The process used to determine whether projects were eligible for TIF funding considered the results of the LOS analysis conducted as part of the Transportation Element to determine whether transportation deficiencies are projected under 2044 baseline conditions. All projects at locations identified as operating below either the city's vehicular or active transportation LOS standards (as established in the Transportation Element) were assumed to be TIF-eligible. The city's planned growth adds vehicle trips to these locations operating below the established LOS under future conditions, and therefore, can reasonably be determined to contribute to the network deficiencies.

The following LOS standards are established in the Transportation Element and were used to identify the TIF-eligible projects:

Vehicular LOS

- **State Highway:** LOS D or better for SR 9 and SR 92 and LOS E Mitigated or better SR 204, as established by WSDOT and PSRC
- **Other Intersections:** LOS E or better along major and minor arterials and collector roadways and LOS C or better on local access roadways[1]

Active Transportation LOS

- **Planned Pedestrian Network Roadways:** an orange or acceptable LOS, based on the completeness, connectivity, and comfort of active transportation facilities, as defined within the Transportation Element

Table 1 and Figure 2 show the transportation improvements from the 2024 Transportation Element and as revised in 2025 that were identified as being growth-related system improvements needed to address future deficiencies. The projects listed represent most of the improvement projects in the Transportation Element. As shown, the TIF-eligible projects have an estimated total cost of approximately $235 million (in 2024 dollars).

[1] LOS within the city's subareas is measured based on a system LOS E standard which takes an accumulative average of LOS at key intersections within each subarea (excluding intersections with State Route facilities).

Table 1. TIF Program Projects

TE #	Citywide Project #	Title & Location	Project Description	TIZ	Project Cost ($1,000s)[1]
TE-2	RD-113	20th St NE and Main Street Roundabout	Construct roundabout and frontage improvements per the downtown subarea plan. Includes realignment improvements at Grade Rd/Hartford Dr.	TIZ 1 - East Lake Stevens	$32,500
TE-3	RD-105	125th Ave NE/18th St NE/20th St NE Downtown Roadway Improvements	Upgrade road to two 10' travel lanes, 8' parking on both sides, 5' planters and 5' sidewalks.	TIZ 1 - East Lake Stevens	$5,530
TE-4	RD-212	20th St NE - Neighborhood Connector	Upgrade road between Main St and Machias Rd to two 10' travel lanes, 8' parking on one side, 4' landscaping on both sides, a 10' multi-use path on one side, and a 6' sidewalk on one side.	TIZ 1 - East Lake Stevens	$12,810
TE-5	TBD-01	16th Street NE Multi-Use Path	Construction of an MUP to connect downtown Lake Stevens to the Centennial Trail.	TIZ 1 - East Lake Stevens	$4,500
TE-6	RD-104	Grade Road - Boulevard	Upgrade road (SR 92 to 20th St SE) to minor arterial road standard including multi-use path or sidewalk with 7' bike lane, 11' travel lanes and 12' center lane with landscape islands.	TIZ 1 - East Lake Stevens	$38,955
TE-7	CP-103	Hartford Drive - Neighborhood Connector	Install 12' multi-use path adjacent to northbound travel lane between Grade Rd and 131st Ave NE.	TIZ 1 - East Lake Stevens	$3,320
TE-8	TBD-06	N Lakeshore Dr Sidewalk (Main St to 123rd Ave NE)	TBD sidewalk along one side of N Lakeshore Dr between Main St and 123rd Ave.	TIZ 1 - East Lake Stevens	$225
TE-9	RD-206	SR 92 Access Improvements (Grade Road)	Improve the intersection of SR 92 / Grade Rd (roundabout) to reduce side street delay	TIZ 1 - East Lake Stevens	$4,500
TE-10	RD-102-I	91st Ave NE Commercial Revitalization Phase I	Market Place to SR 204, upgrade road to minor arterial road standard between Market Place to SR 204.	TIZ 2 - West Lake Stevens	$3,850
TE-11a	RD-102-II	91st Ave NE Commercial Revitalization Phase II	SR 204 to Frontier Circle, upgrade road to minor arterial road standard between SR 204 to Frontier Circle.	TIZ 2 - West Lake Stevens	$1,100
TE-11b	RD-102-III	91st Ave NE Commercial Revitalization Phase III	Custom road profile along Frontier Circle East to 113th Ave NE to support multimodal transit, parking and vehicles	TIZ 2 - West Lake Stevens	$3,850
TE-12	RD-210	Vernon Road Commercial Corridor Improvements	Widen/restripe roadway to provide one travel lane in each direction with a center TWLTL and sidewalks/landscaping (Minor Arterial standard).	TIZ 2 - West Lake Stevens	$8,990
TE-13	CP-116	4th St Sidewalk (97th Dr to 98th Dr)	Construction of sidewalk and curb ramp improvements along 4th St between 97th Dr NE and 98th Dr NE.	TIZ 2 - West Lake Stevens	$1,230

Table 1. TIF Program Projects

TE #	Citywide Project #	Title & Location	Project Description	TIZ	Project Cost ($1,000s)[1]
TE-14	CP-117	99th Ave Pedestrian/Bicycle Improvements (4th St NE to Market Pl)	Install sidewalks, curb ramps, and bicycle lanes/wide shoulders between 4th Street NE and Market Place.	TIZ 2 - West Lake Stevens	$1,055
TE-15	RD-103	99th Ave NE - Boulevard (Market Place to 4th St SE)	Upgrade road (Market Pl to 4th St SE) to minor arterial road standard including multi-use path or sidewalk with 7' bike lane, 11' travel lanes and 12' center lane with landscape islands. Potential for roundabout at midblock for circulation into commercial areas	TIZ 2 - West Lake Stevens	$7,790
TE-16	CP-120-I	99th Ave Pedestrian/Bicycle Improvements (4th St SE to 11th Pl SE)	Install sidewalks, curb ramps, and bicycle lanes/wide shoulders between 4th Street SE and 11th Place SE.	TIZ 3 - South Lake Stevens	$3,655
TE-17	TBD-05	91st Ave SE Pedestrian/Bicycle Improvements (12th St SE to 20th St SE)	Install sidewalks, curb ramps, and bicycle lanes/wide shoulders between 12th Street SE and 20th Street SE.	TIZ 3 - South Lake Stevens	$3,100
TE-18	CP-120-II	99th Ave Pedestrian/Bicycle Improvements (11th Pl SE to S Lake Stevens Rd)	Install sidewalks, curb ramps, and bicycle lanes/wide shoulders between 11th Pl SE and S Lake Stevens Road.	TIZ 3 - South Lake Stevens	$3,000
TE-19	RD-100	79th Ave SE Access Road	Construct new roadway including bike lane, two travel lanes, landscape strips and sidewalks for through road to Cavalero Mid-High School.	TIZ 3 - South Lake Stevens	$3,180
TE-20	RD-211	20th St SE Corridor Improvements	Widen roadway west of 83rd Avenue SE to provide an additional eastbound travel lane. Install a sidewalk along the south side of the roadway and bike lanes/wide shoulders in both directions.	TIZ 3 - South Lake Stevens	$14,200
TE-22	CP-126S	20th St Sidewalk (Lake Stevens Rd to 122nd Ave)	Construction of sidewalk and curb ramp improvements along 20th St SE between S Lake Stevens Rd and 122nd Ave SE, including 8 RRFB crosswalk improvements.	TIZ 3 - South Lake Stevens	$4,820
TE-23	CP-140S	"S Lake Stevens Rd Multi-Use Path Phase II	Install a multi-use path along along S Lake Stevens Dr between SR 9 and 100th Dr SE.	TIZ 3 - South Lake Stevens	$3,650
TE-25	RD-209	131st Ave/28th St NE Intersection Alignment	Upgrade road between 36th St NE and 20th St NE to two 18' travel lanes, 5' landscaping on both sides, and a 5' sidewalk on both sides. Maintain the existing multi-use path along the east side of the roadway.	TIZ 1 - East Lake Stevens	$23,730
TE-26	RD-213	131st Ave/Old Hartford Rd - Collector	Improve the intersection of Machias Rd/28th St NE (potential roundabout or signal) to reduce delay and improve access to the Industrial Center.	TIZ 1 - East Lake Stevens	$4,500

Table 1. TIF Program Projects

TE #	Citywide Project #	Title & Location	Project Description	TIZ	Project Cost ($1,000s)[1]
TE-32	TBD-04	117th Ave NE Sidewalk (20th to 26th St NE)	TBD sidewalk along one side of 117th Ave NE between 20th St and 26th St. Includes ROW and typical frontage improvements including stormwater.	TIZ 1 - East Lake Stevens	$2,000
TE-33	CP-158	116th Ave NE Sidewalk (20th to 26th St NE)	Sidewalk and curb ramp improvements along one side of 116th Ave NE between 20th St and 26th St	TIZ 1 - East Lake Stevens	$1,335
TE-34	TBD-07	Soper Hill Sidewalk (Lake Drive to SR9)	TBD sidewalk along one side of Soper Hill Rd between Lake Dr and SR9. Includes ROW and typical frontage improvements including stormwater.	TIZ 2 - West Lake Stevens	$3,700
TE-35	TBD-18	South Lake Stevens Multi-Use Path Phase III	Construction of MUP to connect pedestrian generators to the existing trail along Machias Cutoff (Lake Stevens Road to 123rd Avenue)	TIZ 3 - South Lake Stevens	$5,600
TE-37	CP-102	123rd Ave NE Sidewalk (22nd St to N Lakeshore Dr)	Construction of sidewalk and curb ramp improvements along 123rd Ave between 22nd St NE and N Lakeshore Dr.	TIZ 1 - East Lake Stevens	$665
TE-38	CP-108	Lake View Dr Sidewalk (112th Dr to Callow Rd)	Construction of sidewalk and curb ramp improvements along Lake View Dr between 112th Dr and Callow Rd.	TIZ 1 - East Lake Stevens	$4,390
TE-39	CP-111	Lake Dr Sidewalk (Lundeen Pkwy to 28th St)	Construction of sidewalk and curb ramp improvements along Lake Dr between Lundeen Pkwy to 28th St.	TIZ 2 - West Lake Stevens	$2,180
TE-40	CP-121	32nd St Sidewalk (Grade Rd to 118th Dr)	Construction of sidewalk and curb ramp improvements along 32nd Street NE between Grade Rd and 118th Dr NE.	TIZ 1 - East Lake Stevens	$665
TE-41	CP-136S	8th St Sidewalk (79th Ave to 91st Ave)	Construction of sidewalk and curb ramp improvements along 8th St SE between 79th Ave SE and 91st Ave SE, including 2 RRFB crosswalk improvements.	TIZ 3 - South Lake Stevens	$3,705
TE-42	CP-123	79th Ave Sidewalk (8th St to 16th St)	Construction of sidewalk and curb ramp improvements along 79th Ave SE between 8th St SE and 16th St SE, including 6 RRFB crosswalk improvements.	TIZ 3 - South Lake Stevens	$4,205
TE-43	CP-125	Vernon Rd Sidewalk (12th Pl to 15th St)	Construction of sidewalk and curb ramp improvements along Vernon Rd between 12th Pl NE and 15th St NE.	TIZ 2 - West Lake Stevens	$895
TE-44	CP-129S	83rd Ave Sidewalk (20th St to 17th St)	Construction of sidewalk improvements along 83rd Ave NE between 20th St SE and 17th St SE.	TIZ 3 - South Lake Stevens	$742
TE-45	CP-135S	99th Ave Sidewalk (Sunnycrest Elementary to 30th St)	Construction of sidewalk and curb ramp improvements along 99th Ave NE between Sunnycrest Elementary School and 30th St NE.	TIZ 1 - East Lake Stevens	$2,430

Table 1. TIF Program Projects

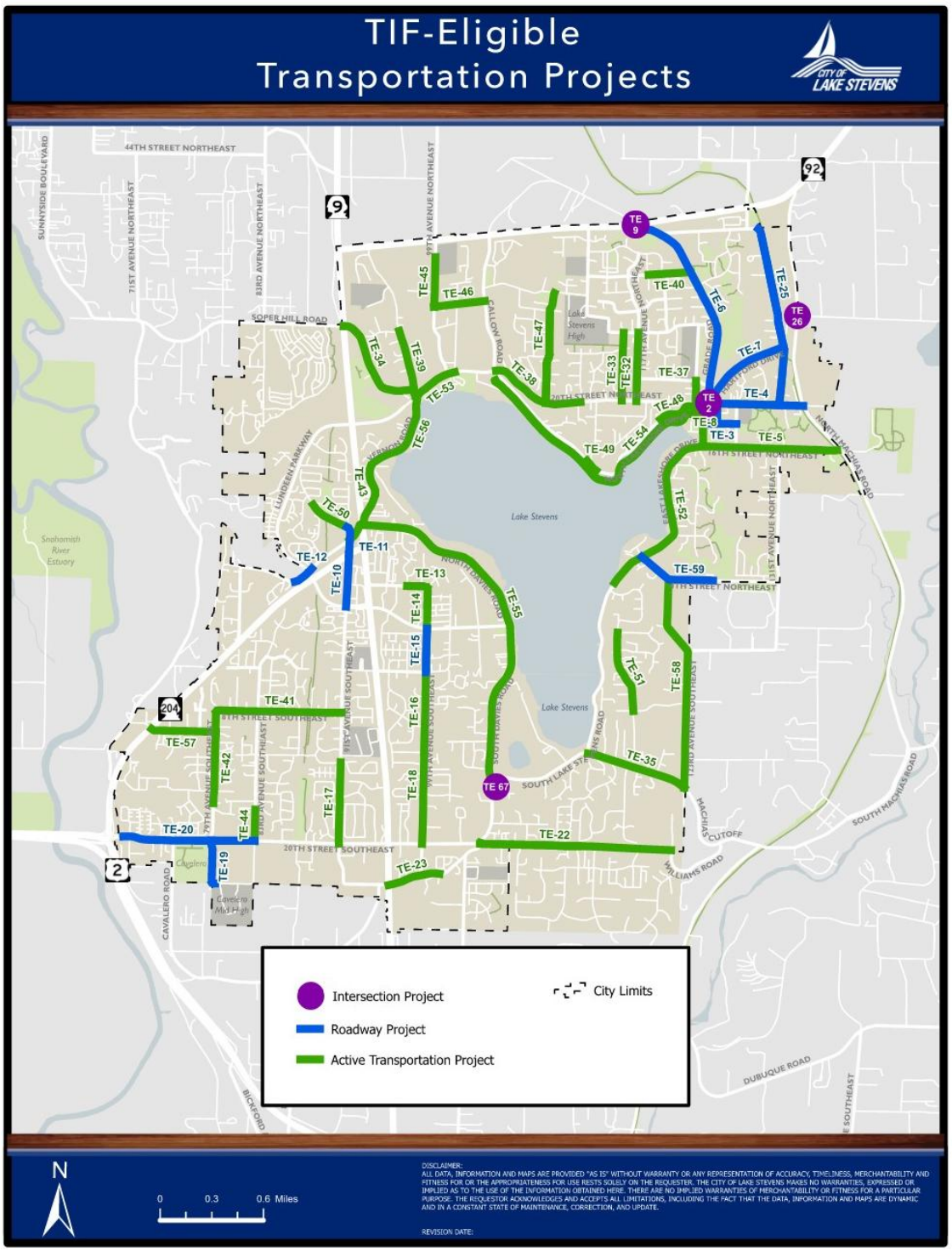
TE #	Citywide Project #	Title & Location	Project Description	TIZ	Project Cost ($1,000s)[1]
TE-46	CP-137S	30th St Sidewalk (99th Ave to Callow Rd)	Construction of sidewalk and curb ramp improvements along 30th St NE between 99th Ave NE and Callow Road, including 2 RRFB crosswalk improvements.	TIZ 1 - East Lake Stevens	$1,830
TE-47	CP-138S	Cedar Rd Sidewalk (20th St to 30th St)	Construction of sidewalk and curb ramp improvements along Cedar Rd between 20th St NE and 30th St NE, including 2 RRFB crosswalk improvements.	TIZ 1 - East Lake Stevens	$5,020
TE-48	CP-142S	Lakeshore Dr Sidewalk (123rd Ave to Lakeshore Swim Beach)	Construction of sidewalk and curb ramp improvements along N Lakeshore Dr between 123rd Ave NE and N Lakeshore Swim Beach, including 2 RRFB crosswalk improvements.	TIZ 1 - East Lake Stevens	$2,430
TE-49	CP-143S	N Lakeshore Dr Sidewalk (Mitchell Rd to 114th Dr)	Construction of sidewalk and curb ramp improvements along N Lakeshore Dr between Mitchell Rd and 114th Dr NE.	TIZ 1 - East Lake Stevens	$2,340
TE-50	CP-146S	Frontier Circle Sidewalk (Frontier Circle E to 11th St)	Construction of sidewalk and curb ramp improvements along Frontier Circle between Frontier Circle E and 11th St SE.	TIZ 2 - West Lake Stevens	$1,475
TE-51	CP-148S	118th Ave SE Sidewalk (2nd St SE to 9th Pl SE)	Construction of sidewalk and curb ramp improvements along 118th Ave SE between 2nd Street SE and 9th Place SE.	TIZ 3 - South Lake Stevens	$6,265
TE-52	CP-149S	E Lake Stevens Multi-Use Path (Main St to Sunset Beach)	Construction of a multi-use path along E Lake Stevens Rd between Main St and Sunset Beach.	TIZ 1 - East Lake Stevens	$5,575
TE-53	CP-150S	Lundeen Pkwy Non-Motorized Improvements (Lake Drive and 101st Ave NE)	Install a multi-use trail along Lundeen Pkwy between Lake Drive and 101st Ave NE.	TIZ 2 - West Lake Stevens	$460
TE-54	CP-151S	Vernon Rd/Lakeshore Dr Non-Motorized Improvements (Lakeview Dr to 123rd Ave)	Implement sharrow makings along the roadway and extend/connect existing sections of the 4-foot sidepath along the roadway. Traffic calming measures are recommended for the corridor as well.	TIZ 1 - East Lake Stevens	$1,490
TE-55	CP-125S	Davies Rd Non-Motorized Improvements (Vernon Rd to Lake Stevens Rd)	Implement sharrow makings along the roadway and extend/connect existing sections of the 4-foot sidepath along the roadway.	TIZ 2 - West Lake Stevens	$1,670
TE-56	CP-153S	Vernon Rd Non-Motorized Improvements (15th St to Lundeen Pkwy)	Implement sharrow makings along the roadway and extend/connect existing sections of the 4-foot sidepath along the roadway.	TIZ 2 - West Lake Stevens	$470
TE-57	CP-154	10th St SE Sidewalk (SR 204 to 79th Ave)	Construction of sidewalk and curb ramp improvements along 10th Street SE between SR 204 and 79th Ave SE.	TIZ 3 - South Lake Stevens	$445

Table 1. TIF Program Projects

TE #	Citywide Project #	Title & Location	Project Description	TIZ	Project Cost ($1,000s)[1]
TE-58	CP-155-I	122nd Ave/123rd Ave Sidewalk (4th St NE to Machias Cutoff)	Construction of sidewalk and curb ramp improvements along 122nd Avenue SE and 123rd Avenue SE between 4th Street NE and 20th Street SE.	TIZ 3 - South Lake Stevens	$3,685
TE-59	CP-156S	4th St NE/Purple Pennant Rd Sidewalk (Lake Stevens Rd to 5th Pl NE)	Construction of sidewalk and curb ramp improvements along 4th Street NE and Purple Pennant Road between Lake Stevens Road and 5th Place NE.	TIZ 1 - East Lake Stevens	$940
TE-67		S Lake Stevens Rd & Davies Rd Intersection Improvements	Intersection improvements to address LOS deficiencies at the intersection	TIZ 3 - South Lake Stevens	$2,000
					$235,342

1. Costs in 2024 dollars (2024 $).

Figure 2. TIF-Eligible Transportation Projects



What are the Total TIF Program Project Costs?

Table 1 summarizes the improvements projects included in the City's TIF program. The project locations are shown in Figure 2. The first two columns in Table 1 indicate the project identification numbers used in the Transportation Element and Capital Facilities Element, respectively. The project identifiers do not represent the City's priorities or implementation sequence.

TIF Eligibility Percentages

Projects identified as TIF eligible were reviewed to determine what portion of the project costs could be included in the TIF rate calculation. The review addressed existing and forecast traffic volumes and levels of service. The primary focus of the technical analysis was to determine if the improvements were adding capacity to the transportation system that was needed to serve growth. The evaluation also assessed each improvement in resolving existing deficiencies - which cannot be covered by impact fees.

Since the project list identifies both vehicular and active transportation projects, separate TIF-eligible cost percentages were calculated for projects addressing vehicular LOS deficiencies and those addressing active transportation LOS deficiencies. The calculation of separate TIF eligibility percentages based on project type allows for a stronger nexus between the improvement type and development impacts.

The City has divided its transportation into three service areas, Traffic Impact Zones (TIZs), for which separate TIF rates are applied. For consistency with each TIZ, separate TIF eligibility percentages have been developed for each TIZ.

Vehicular Project TIF Eligibility Percentages

As shown in Table 1, several projects are proposed throughout the city to address future vehicular LOS deficiencies. The results of existing intersection LOS analysis in the Transportation Element, conducted in 2023,were reviewed to determine whether the proposed projects are needed to address existing deficiencies. A summary of the vehicular LOS results for the Transportation Element is provided in Appendix A. As shown, all intersections operate above the city's LOS standards[2]. The proposed improvement projects in the TIF program address future growth issues and are considered eligible projects.

The TIF eligibility percentages for projects addressing vehicular LOS deficiencies were derived based on data from the travel demand model updated as part of the Transportation Element. The percentage of PM peak hour traffic growth at each project location was calculated from the model and averaged across each TIZ. The resulting vehicle eligibility percentages for each TIZ are presented in Table 2.

Table 2. TIF Eligibility – Vehicular Projects

Traffic Impact Zone (TIZ)	Traffic Growth %[1]
TIZ 1 – East Lake Stevens	50%
TIZ 2 – West Lake Stevens	50%
TIZ 3 – South Lake Stevens	30%

1. Rounded to the nearest 5 percent.

Active Transportation Project TIF Eligibility Percentages

While the travel demand model has historically been used to calculate the nexus between growth and traffic increase, the travel demand model does not calculate active mode trips

[2] In line with the city's LOS standards, the existing LOS in the subareas was measured on a system-wide basis averaging the delay and LOS at all non-WSDOT facility intersections.

directly. As a result, a different measurement was needed to capture the link between development and active transportation trips. The assumption for this linkage is that active transportation improvement projects located nearer to areas of more dense development and existing pedestrian and bicycle generators (schools, parks, etc.) are more likely to shift traveler choice toward walking, biking and rolling and away from default automobile trips. Therefore, the TIF eligibility for active transportation improvement projects was calculated using proximity to planned growth. The level of planned housing and employment growth was categorized into low, medium and high for each transportation analysis zone (TAZ) within the updated travel demand model. The planned growth is shown in Figure 3.

Active transportation projects were then awarded TIF eligibility based on their proximity to the highest level of growth shown in Figure 3. This criterion was selected to create a measurable nexus between areas of higher development and likely walk / bicycle activity.

Table 3 summarizes the link between the proximity to household growth and the TIF eligibility percentage. Note that the upper limit of TIF eligibility for active transportation projects was linked to the higher of the Vehicular TIF Eligibility percentages for each TIZ shown in Table 2.

Table 3. TIF Eligibility – Active Transportation Projects

	Household & Employment Growth		
Traffic Impact Zone (TIZ)	**Low**	**Medium**	**High**
TIZ 1 – East Lake Stevens	17%	33%	50%
TIZ 2 – West Lake Stevens	17%	33%	50%
TIZ 3 – South Lake Stevens	10%	20%	30%

TIF Eligible Costs

The TIF eligibility percentages presented in Tables 2 and 3 for the vehicular and active transportation projects, respectively, were applied to the total project costs presented in Table 1 to determine the TIF-eligible cost for each project. The vehicular TIF eligibility percentages (Table 2) were applied to all projects addressing only vehicular LOS deficiencies. The active transportation TIF eligibility percentages (Table 3) were applied to all projects addressing only active transportation LOS deficiencies. Projects addressing both vehicular and active transportation LOS deficiencies applied the larger of the two TIF eligibility percentages. Table 4 summarizes the TIF eligibility percentages and TIF-eligible costs for the Transportation Element project list.

The TIF eligible costs presented in Table 4 were reviewed against grant funding awards received for project implementation. TIF-eligible project costs for all projects which have received have funding were reduced to be the lesser of the TIF-eligible project cost (as calculated using the methodology described above) or the non-grant funded portion of the project.

The total TIF-eligible cost allocated to the program is $91.6 million.

Figure 3. Growth by TAZ and Proximity to Active Transportation Improvement Projects

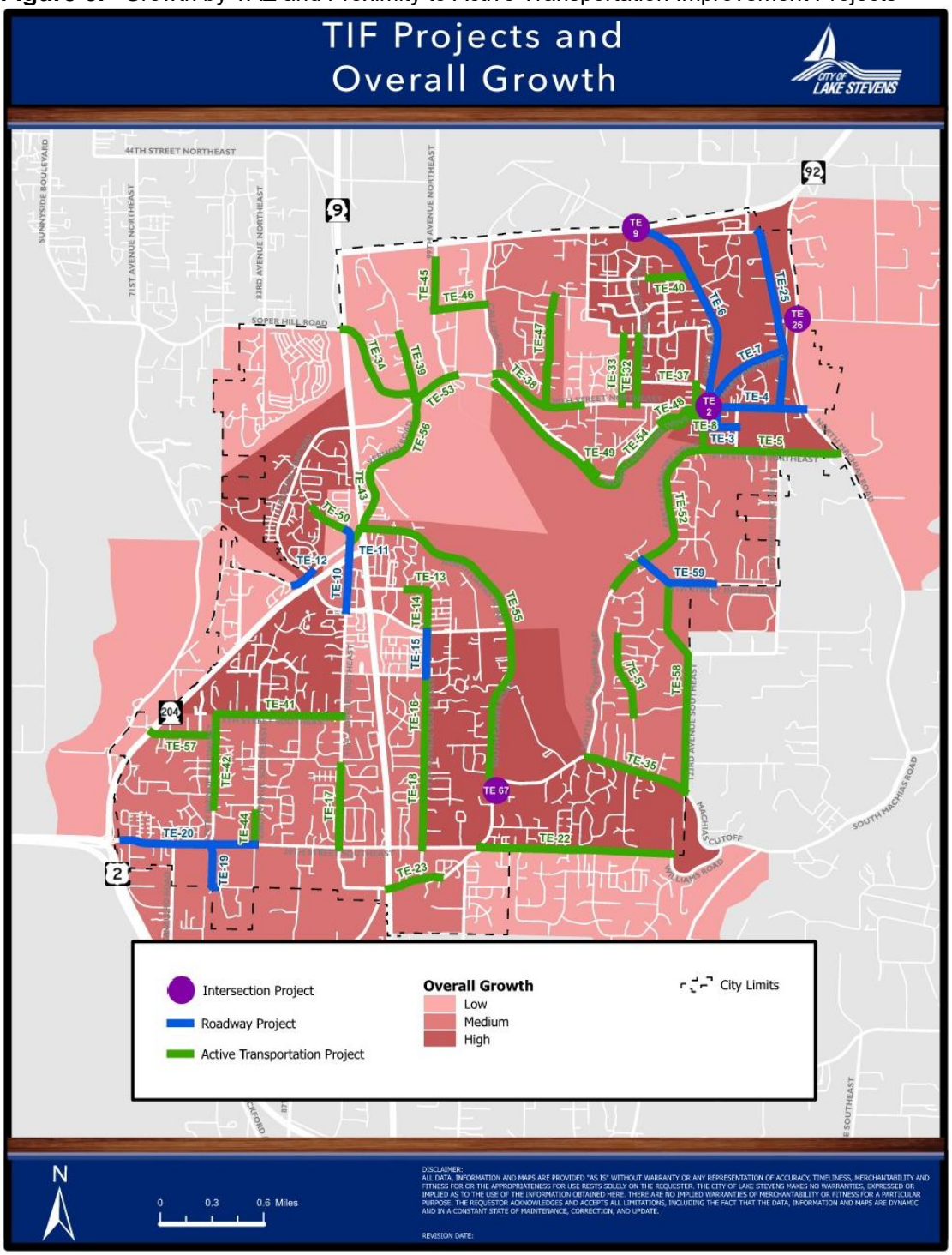


Table 4. TIF Eligible Project Costs

TE #	Citywide Project #	Title & Location	TIF Eligibility %			TIZ	TIF-Eligible Cost ($1,000s)[1]
			Vehicular	Active Transportation	Overall		
TE-2	RD-113	20th St NE and Main Street Roundabout	50%	50%	0%	TIZ 1 – East Lake Stevens	$0
TE-3	RD-105	125th Ave NE/18th St NE/20th St NE Downtown Roadway Improvements	50%	50%	50%	TIZ 1 – East Lake Stevens	$2,765
TE-4	RD-212	20th St NE – Neighborhood Connector	N/A	50%	50%	TIZ 1 – East Lake Stevens	$6,405
TE-5	TBD-01	16th Street NE Multi-Use Path	N/A	50%	44%	TIZ 1 – East Lake Stevens	$2,000
TE-6	RD-104	Grade Road – Boulevard	50%	50%	50%	TIZ 1 – East Lake Stevens	$19,478
TE-7	CP-103	Hartford Drive – Neighborhood Connector	N/A	50%	50%	TIZ 1 – East Lake Stevens	$1,660
TE-8	TBD-06	N Lakeshore Dr Sidewalk (Main St to 123rd Ave NE)	N/A	50%	50%	TIZ 1 – East Lake Stevens	$113
TE-9	RD-206	SR 92 Access Improvements (Grade Road)	50%	N/A	50%	TIZ 1 – East Lake Stevens	$2,250
TE-10	RD-102-I	91st Ave NE Commercial Revitalization Phase I	50%	N/A	50%	TIZ 2 – West Lake Stevens	$1,925
TE-11a	RD-102-II	91st Ave NE Commercial Revitalization Phase II	50%	N/A	50%	TIZ 2 – West Lake Stevens	$550
TE-11b	RD-102-III	91st Ave NE Commercial Revitalization Phase III	50%	33%	50%	TIZ 2 – West Lake Stevens	$1,925
TE-12	RD-210	Vernon Road Commercial Corridor Improvements	50%	50%	50%	TIZ 2 – West Lake Stevens	$4,495
TE-13	CP-116	4th St Sidewalk (97th Dr to 98th Dr)	N/A	33%	33%	TIZ 2 – West Lake Stevens	$410
TE-14	CP-117	99th Ave Pedestrian/Bicycle Improvements (4th St NE to Market Pl)	N/A	33%	33%	TIZ 2 – West Lake Stevens	$352

Table 4. TIF Eligible Project Costs

TE #	Citywide Project #	Title & Location	TIF Eligibility %			TIZ	Project Cost ($1,000s)[1]
			Vehicular	Active Transportation	Overall		
TE-15	RD-103	99th Ave NE – Boulevard (Market Place to 4th St SE)	50%	50%	50%	TIZ 2 – West Lake Stevens	$3,895
TE-16	CP-120-I	99th Ave Pedestrian/Bicycle Improvements (4th St SE to 11th Pl SE)	N/A	30%	30%	TIZ 3 – South Lake Stevens	$1,097
TE-17	TBD-05	91st Ave SE Pedestrian/Bicycle Improvements (12th St SE to 20th St SE)	N/A	20%	20%	TIZ 3 – South Lake Stevens	$620
TE-18	CP-120-II	99th Ave Pedestrian/Bicycle Improvements (11th Pl SE to S Lake Stevens Rd)	N/A	30%	30%	TIZ 3 – South Lake Stevens	$900
TE-19	RD-100	79th Ave SE Access Road	30%	20%	30%	TIZ 3 – South Lake Stevens	$954
TE-20	RD-211	20th St SE Corridor Improvements	30%	20%	30%	TIZ 3 – South Lake Stevens	$4,260
TE-22	CP-126S	20th St Sidewalk (Lake Stevens Rd to 122nd Ave)	N/A	30%	30%	TIZ 3 – South Lake Stevens	$1,446
TE-23	CP-140S	"S Lake Stevens Rd Multi-Use Path Phase II	N/A	20%	18%	TIZ 3 – South Lake Stevens	$650
TE-25	RD-209	131st Ave/28th St NE Intersection Alignment	50%	50%	50%	TIZ 1 – East Lake Stevens	$11,865
TE-26	RD-213	131st Ave/Old Hartford Rd – Collector	50%	N/A	50%	TIZ 1 – East Lake Stevens	$2,250
TE-32	TBD-04	117th Ave NE Sidewalk (20th to 26th St NE)	N/A	50%	50%	TIZ 1 – East Lake Stevens	$1,000
TE-33	CP-158	116th Ave NE Sidewalk (20th to 26th St NE)	N/A	50%	50%	TIZ 1 – East Lake Stevens	$668

Table 4. TIF Eligible Project Costs

TE #	Citywide Project #Title & Location		TIF Eligibility %			TIZ	Project Cost ($1,000s)[1]
			Vehicular	Active Transportation	Overall		
TE-34	TBD-07	Soper Hill Sidewalk (Lake Drive to SR9)	N/A	17%	17%	TIZ 2 – West Lake Stevens	$617
TE-35	TBD-18	South Lake Stevens Multi-Use Path Phase III	N/A	30%	30%	TIZ 3 – South Lake Stevens	$1,680
TE-37	CP-102	123rd Ave NE Sidewalk (22nd St to N Lakeshore Dr)	N/A	50%	50%	TIZ 1 – East Lake Stevens	$333
TE-38	CP-108	Lake View Dr Sidewalk (112th Dr to Callow Rd)	N/A	33%	33%	TIZ 1 – East Lake Stevens	$1,463
TE-39	CP-111	Lake Dr Sidewalk (Lundeen Pkwy to 28th St)	N/A	17%	17%	TIZ 2 – West Lake Stevens	$363
TE-40	CP-121	32nd St Sidewalk (Grade Rd to 118th Dr)	N/A	50%	50%	TIZ 1 – East Lake Stevens	$333
TE-41	CP-136S	8th St Sidewalk (79th Ave to 91st Ave)	N/A	20%	20%	TIZ 3 – South Lake Stevens	$741
TE-42	CP-123	79th Ave Sidewalk (8th St to 16th St)	N/A	20%	20%	TIZ 3 – South Lake Stevens	$841
TE-43	CP-125	Vernon Rd Sidewalk (12th Pl to 15th St)	N/A	17%	17%	TIZ 2 – West Lake Stevens	$149
TE-44	CP-129S	83rd Ave Sidewalk (20th St to 17th St)	N/A	20%	20%	TIZ 3 – South Lake Stevens	$148
TE-45	CP-135S	99th Ave Sidewalk (Sunnycrest Elementary to 30th St)	N/A	17%	17%	TIZ 1 – East Lake Stevens	$405
TE-46	CP-137S	30th St Sidewalk (99th Ave to Callow Rd)	N/A	17%	17%	TIZ 1 – East Lake Stevens	$305
TE-47	CP-138S	Cedar Rd Sidewalk (20th St to 30th St)	N/A	33%	33%	TIZ 1 – East Lake Stevens	$1,673

Table 4. TIF Eligible Project Costs

TE #	Citywide Project #	Title & Location	TIF Eligibility %			TIZ	Project Cost ($1,000s)[1]
			Vehicular	Active Transportation	Overall		
TE-48	CP-142S	Lakeshore Dr Sidewalk (123rd Ave to Lakeshore Swim Beach)	N/A	33%	33%	TIZ 1 – East Lake Stevens	$810
TE-49	CP-143S	N Lakeshore Dr Sidewalk (Mitchell Rd to 114th Dr)	N/A	33%	33%	TIZ 1 – East Lake Stevens	$780
TE-50	CP-146S	Frontier Circle Sidewalk (Frontier Circle E to 11th St)	N/A	50%	50%	TIZ 2 – West Lake Stevens	$738
TE-51	CP-148S	118th Ave SE Sidewalk (2nd St SE to 9th Pl SE)	N/A	20%	20%	TIZ 3 – South Lake Stevens	$1,253
TE-52	CP-149S	E Lake Stevens Multi-Use Path (Main St to Sunset Beach)	N/A	33%	33%	TIZ 1 – East Lake Stevens	$1,858
TE-53	CP-150S	Lundeen Pkwy Non-Motorized Improvements (Lake Drive and 101st Ave NE)	N/A	17%	17%	TIZ 2 – West Lake Stevens	$77
TE-54	CP-151S	Vernon Rd/Lakeshore Dr Non-Motorized Improvements (Lakeview Dr to 123rd Ave)	N/A	33%	33%	TIZ 1 – East Lake Stevens	$497
TE-55	CP-125S	Davies Rd Non-Motorized Improvements (Vernon Rd to Lake Stevens Rd)	N/A	50%	50%	TIZ 2 – West Lake Stevens	$835
TE-56	CP-153S	Vernon Rd Non-Motorized Improvements (15th St to Lundeen Pkwy)	N/A	17%	17%	TIZ 2 – West Lake Stevens	$78
TE-57	CP-154	10th St SE Sidewalk (SR 204 to 79th Ave)	N/A	20%	20%	TIZ 3 – South Lake Stevens	$89
TE-58	CP-155-I	122nd Ave/123rd Ave Sidewalk (4th St NE to Machias Cutoff)	N/A	20%	20%	TIZ 3 – South Lake Stevens	$737

Table 4. TIF Eligible Project Costs

TE #	Citywide Project #	Title & Location	TIF Eligibility %			TIZ	Project Cost ($1,000s)[1]
			Vehicular	Active Transportation	Overall		
TE-59	CP-156S	4th St NE/Purple Pennant Rd Sidewalk (Lake Stevens Rd to 5th Pl NE)	N/A	33%	33%	TIZ 1 – East Lake Stevens	$313
TE-67		S Lake Stevens Rd & Davies Rd Intersection Improvements	30%	N/A	30%	TIZ 3 – South Lake Stevens	$600
						TIF Eligible Project Costs	**$91,647**

1. Costs in 2024 dollars (2024 $).

As shown on Table 1, the total cost of projects included in the TIF program is approximately $235.3 million (2024 dollars). After applying the adjustments, the TIF related portion of the costs is reduced to $91.6 million. This represents approximately 39 percent of the total project costs included in the TIF analysis.

What is the Service Area for the TIF Program?

GMA requires an agency implementing impact fees to establish one or more service areas (RCW 82.02.060) for assessing the fees. In 2012, the city divided its transportation system into three service areas for implementation of the TIF program. A single service area for the entire City was reviewed but was determined to not be an appropriate approach due to the lake serving as a natural barrier to circulation within the roadway network. The Traffic Impact Zones (TIZ) in the city are shown in Figure 4.

As part of the 2012 TIF program analysis, it was determined that Stevens Creek makes a good dividing point between eastern and western portions of the city, since it is close to SR 9 and only one city street crosses it. SR 9 itself does not make a good zone boundary since it is crossed by several streets, and because parcels east of SR9 along the west side of the lake are well connected with the Lake Stevens Center area and poorly connected to Old Town.

The west side of the city does not have the same issue with lack of connectivity so it realistically could be analyzed as one zone. However, since the city has defined two distinct subareas on the west side for its land-use planning, the Lake Stevens Center and the 20th Street SE Corridor, it made sense to divide the west into two zones, at least to begin with, and for analysis purposes if nothing else. One western zone includes the area around Lake Stevens Center and will be referred to as “TIZ 2 – West Lake Stevens.” The other western zone includes the area around the 20th Street SE Corridor and will be referred to as TIZ 3 – South Lake Stevens.” The boundary between TIZ 2 and TIZ 3 is the centerline of 4th Street SE or its imaginary alignment to the west and east where 4th Street SE does not exist.

Figure 4 also identifies the TIZ for the City’s Urban Growth Area (UGA) expansion areas. Once these areas are annexed into city limits, impact fees will be applied to new development within these areas in alignment with the identified TIZ.

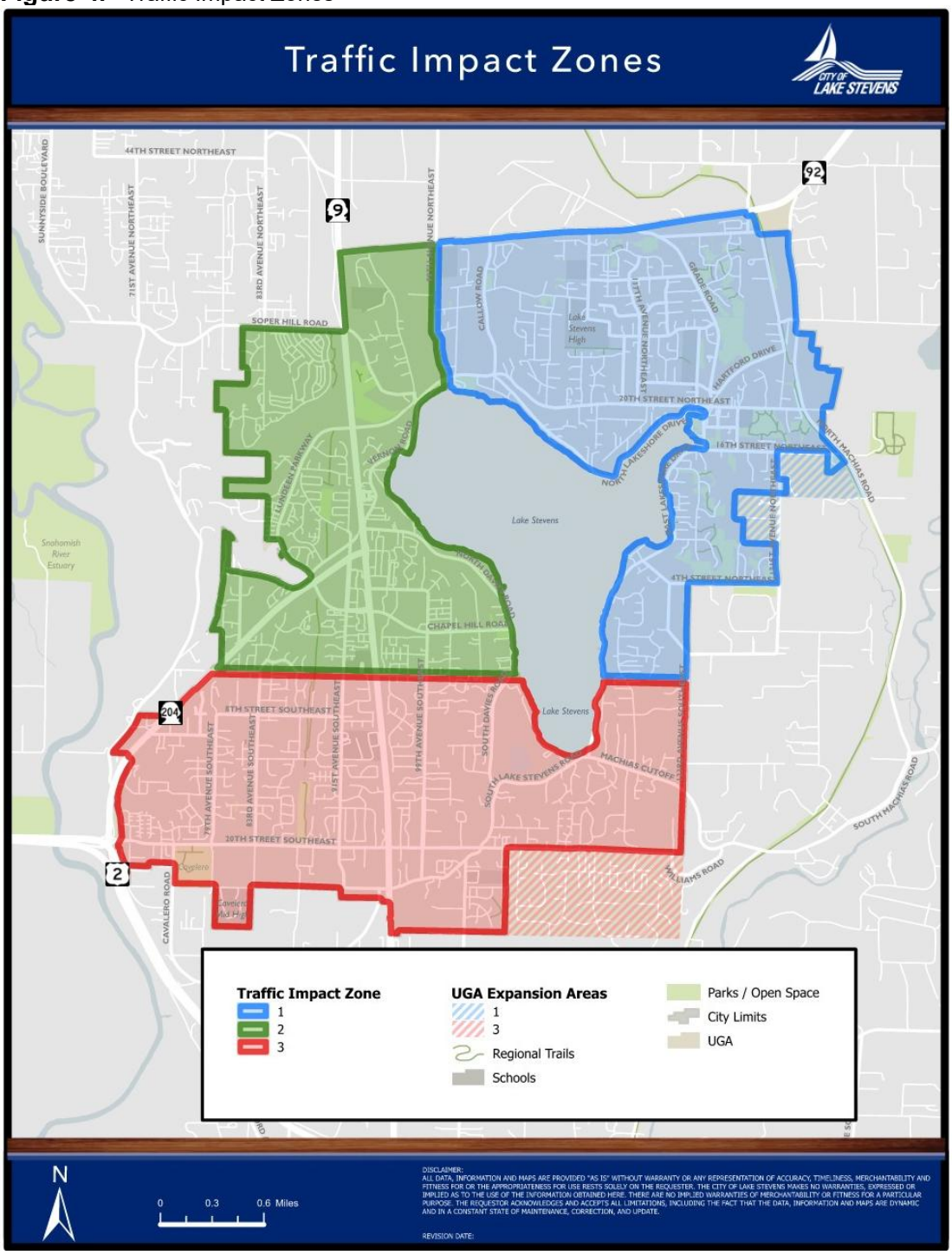
What Share of the TIF Costs Are Allocated to Growth in Lake Stevens

Increases in traffic in Lake Stevens will result from growth within the city as well as increased travel from outside of the city. Without specific Interlocal Agreements, the city can only apply its TIF to growth within its boundaries. The TIF share for growth in the city is based on the proportional share of the growth share of the forecast travel demands on city roadways. As noted previously, the TIF-eligibility rates derived from the travel demand model were calculated to separate out the growth-related travel demands from the existing travel demands.

What are the Resulting Transportation Impact Fees and Rates?

The city share of the impact fee project costs was converted to a base cost per new PM peak hour trip. The base cost per new PM peak hour trip was then used to develop the TIF rate schedule for a wide range of land uses. The rate schedule considers the relative net new trip generation of the various land uses.

Figure 4. Traffic Impact Zones



Project Cost Allocation

To develop TIF rates for each of the three TIZs, the TIF-eligible project costs were proportionately divided between the three zones based on the distribution of growth trips throughout the city. The TIF-eligible project costs were first assigned to each TIZ based on the location of the improvement projects (shown in Figure 2). The total project costs for each TIZ were then proportionately split between based on the amount of vehicle travel occurring within each TIZ. This allocation of project costs based on the amount of travel occurring within each TAZ accounts for land uses in one TIZ contributing trips to intersections and road segments in other TIZs. Table 5 summarized the TIF-eligible project costs by TIZ.

Table 5. TIF Eligibility – Vehicular Projects

Traffic Impact Zone (TIZ)	TIF-Eligible Project Costs
TIZ 1 – East Lake Stevens	$59,557,471
TIZ 2 – West Lake Stevens	$16,408,883
TIZ 3 – East Lake Stevens	$15,660,380

Base Transportation Impact Fee Rate

Based on the City's adopted Land Use Plan for 2024, growth in the city will generate a total of 12,201 additional PM peak hour trips across the three TIZs. To calculate a base transportation impact fee rate for each zone, the growth share of the TIF project costs for each service area were divided by the increase in trips forecast within the same service area. Table 5 presents the base TIF rates for the City's three TIZs. These reflect the maximum trip rates for each TIZ justified by this analysis, but adopted rates may be lower.

Since TIZ 2 and TIZ 3 are both within the influence of the SR-9 corridor and access from the west by US-2, a combined impact fee was developed for these two zones to ensure equity in the per vehicle trip cost due to their shared connections with the identified highways. This means, the identified transportation improvements required for the combined area can share resources from fees paid in both TIZ areas to construct projects. In recognition of the importance of the growth centers, the individual TIZ designations were retained.

Table 6. Calculating the Base Transportation Impact Fee Rates

	TIZ 1 – East lake Stevens	TIZ 2 – West Lake Stevens	TIZ 3 – South lake Stevens	Combined TIZ 2 & 3
A. Growth Share of TIF Cost[1]	$59,577,471	$16,408,883	$15,660,380	$32,069,263
B. Growth in Trips[2]	5,014	4,196	2,991	7,187
C. Base TIF Rate for Service Area[3]	$11,882	$3,911	$5,236	$4,462

1. See Table 5.
2. Based on model analysis of growth in travel based on land use assumptions.
3. Values in line A divided by values in line B, rounded to nearest dollar.

Development of the TIF Rate Schedules

The base transportation impact fee rate per new PM peak hour trip end is converted to a schedule of fees by land use category. This makes it simpler for staff and applicants to calculate the TIF for a specific development project. *Trip Generation*, Institute of Transportation Engineers (ITE), 12th Edition, 2021 provides data on the average PM peak hour trips generated for a wide range of land uses. The weekday PM peak hour trip rate is used because it is consistent with the modeling analysis of growth trips and was the basis for defining the

improvement projects. The ITE rates are based on studies from around the United States using standardized sampling and reporting methods. The trip rates are defined based on units of development. Typically, trip rates for residential land uses are based on the number of dwelling units. Trip rates for employment land uses can be reported for several different variables, with the most typical being trips per 1,000 square feet of building area. The base trip rates are adjusted to reflect the impacts of "new" trips, consistent with methodologies identified in *Trip Generation*.

Pass-by Trip Adjustment

The base PM peak hour trip rate reported by *Trip Generation* reflects the number of trips entering and exiting the site access driveways or roadways during the weekday afternoon time frame. *Trip Generation* notes that some retail and other commercial land uses, not all driveway trips are "new" to the road system but are "pass-by" trips. Pass-by trips reflect traffic that would otherwise be traveling on the adjacent street system but make an intermediate stop at the new development. A person making a trip between work and home but stops at a gas station along the route is an example of a pass-by trip. The inbound and outbound trips at the gas station would not be new trips to the system and should not be charged in the TIF. Therefore, the rate schedule applies an adjustment to account for the reduction of traffic impacts to account for pass-by trips.

The *Trip Generation Handbook* provides guidance on adjustments for pass-by trips. In addition to using ITE data, data on pass-by trip rates applied in TIF programs by other agencies were reviewed in developing the proposed adjustment for Lake Stevens. The base trip generation rate for residential and many other land use categories do not affect pass-by trips and therefore, the full base trip rate is applied in the rate schedule.

TIF Rate Schedules

A revised transportation impact fee schedule was prepared for the citywide service area for a wide range of typical land uses. The rate schedule was calculated as follows:

Transportation Impact Fee Rate per Unit = Cost per New PM Peak Hour Trip x Base Trip Generation Rate per Unit of Development x Pass-by Trip Adjustment Factor

A spreadsheet was prepared, which includes the resulting rate schedule. The base trip rate and adjustments for pass-by trips are incorporated in the rate schedules. The impact fee assessed for a specific development would simply be calculated by multiplying the number of units by the rate per unit for the corresponding district.

Total Transportation Impact Fee = Number of Units x Transportation Impact Fee per Unit

How are TIF Rates Determined for Uses Not Specifically Included in the Rate Schedule?

The impact fee rate schedule developed for the city includes impact fee rates for a wide range of typical land uses. There will, however, be development applications for land uses that are not included in the rate schedule. The GMA requires that the TIF ordinance allow applicants to submit their own independent studies to reflect unique characteristics that may not be accurately reflected by the average trip rates reported in *Trip Generation*.

For developments where the land use category is not included in the rate schedule, the applicant and/or traffic consultant must provide a base rate for the most comparable type of land use in the schedule, subject to approval by the city considering the definitions in *Trip Generation* or other available studies.

Assigned staff from the departments of Public Works and Planning and Community will consider the type of activity, size of development, and other information provided by the applicant when considering the comparable land use type to establish the trip generation. Additional information may include the hours of operations; number of employees, staff, or visitors; parking requirements; potential market area; and proximity to other land uses. The rationale for selecting a comparable land use must be provided for documentation and included in the project file.

If none of the categories in the rate schedule provides a suitable comparable land use, the city can request the applicant provide an independent fee calculation. An applicant can also choose to submit their own independent fee study for their development if they believe that the characteristics of their project are not accurately reflected by the rate schedule for one or more land uses. The independent fee calculation would provide data and/or analyses on trip generation characteristics including trip rates, mode share. The Directors of Planning and Community Development and Public Works, or their designees may accept the calculation and impose the fee based on the independent fee analysis. If the Directors do not accept the independent fee calculation, the applicant can appeal the decision to the hearing examiner consistent with City code.

How are the Transportation Impact Fees Collected and Spent?

The city of Lake Stevens requires that transportation impact fees be paid prior to the issuance a building permit. If a building permit is not required, the fees would be payable at the time of issuance of an applicable construction permit. The required fees would be those in effect at that time. Under GMA, the city is required to maintain a separate account in its accounting processes for the collected impact fees. The City will use the account to track collection of the TIF and where the funds are spent. The City would encumber the fees as part of its annual budgeting process to ensure the funds are properly spent. Collected fees must be encumbered or spent within 10 years of receipt, unless an extraordinary reason is identified in written findings by the City Council.

The city can only spend the collected fees on improvement projects identified in the TIF program (Figures 2 and 3). The fees can be spent on planning, engineering design, acquisition of right-of-way (for those projects where right-of-way was included in the TIF cost), or construction of any of the TIF improvement projects.

GMA requires that the city provides a credit against the TIF for applicants that are required to construct all or a portion of a TIF project or for dedication of land that was *included in the costs of the TIF project*. This eliminates the potential for double charging a development applicant for the same improvement. Since the costs of rights-of-way and frontage improvements for the parallel road system projects were not included in the TIF cost share, credits would not be required for those project elements.

Are any Developments Exempt from the Fees?

GMA allows jurisdictions to exempt low-income housing or other developments that serve broad public purposes, as defined by the city. Fees that would otherwise be collected from exempt developments would be the responsibility of the city. These could be paid through property taxes, general funds, grants, or other applicable funding sources but cannot be paid with other TIF fees. The total amount of the potential revenues generated by the program would be directly reduced by any exemptions.

How Will the Impact Fees Be Kept Up to Date?

Many communities with adopted impact fee programs incorporate an annual cost escalation to help keep fees more current. The cost escalator is based on an index that reflects changes in improvement costs for the area. Moving forward, the City's TIF program will include a cost escalation factor based on the most recent Consumer Price Index (CPI) in the region, unless a more applicable industry standard construction cost index is available.

The city also should plan to update the base TIF rates as new growth-related transportation improvement projects are defined as part of the next update of its Comprehensive Plan. Significant changes in forecast residential or employment growth from those in the current Land Use Element and travel forecasting model also would result in a need to update the TIF program and base rate schedule. Significant annexations to the city also could trigger a need to update the base TIF rates. Changes in land use and growth-related transportation improvement projects would likely be identified as part of the future updates of the City's Comprehensive Plan

Appendix A: Intersection LOS Summary

		Existing			Future (2044) Without Improvements			Future (2044) With Improvements		
TIZ	Intersection/Subarea	LOS	Delay	WM	LOS	Delay	WM	LOS	Delay	WM
	Outside Subareas									
1	Callow Road and SR 92	C	18.5	NB	C	24.3	NB	C	24.3	NB
1	Grade Road and 32nd Street NE	A	9.2	EB	A	9.6	EB	A	9.6	EB
1	Grade Road and 26th Street NE	A	9.7	EB	B	11.2	EB	B	11.2	EB
1	99th Avenue NE and Lundeen Park Way	C	19.7	SB	E	47.2	SB	E	47.2	SB
1	117th Avenue NE and 20th Street NE	B	11.9	SB	B	12.5	SB	B	12.5	SB
1	North Machias Road and 16th Street NE	C	15.6	EB	E	37.3	EB	E	37.3	EB
1	East Lake Stevens Road and 118th Ave NE	C	15.4	WB	C	18.4	WB	C	18.4	WB
	Downtown Lake Stevens Subarea	**B**	**12.3**	**-**	**D**	**32.3**	**-**	**A**	**6.9**	**-**
1	123rd Avenue NE and 20th Street NE	A	9.7	EB	B	10.2	EB			
1	Main Street and 20th Street NE	B	13.9	WB	F	58.6	-			
1	Main Street and North Lakeshore Drive	B	13.4	EB	C	19.4	EB			
1	18th Street NE and Main Street	C	15.1	SB	D	25.1	SB			
1	Main Street and East Lake Stevens Road	B	10.6	EB	B	14.3	EB			
	Lake Stevens Industrial Center Subarea	**B**	**12.6**	**-**	**F**	**71.8**	**-**	**B**	**11.7**	**-**
1	127th Drive NE and 36th Street NE	A	9.3	SB	B	12.5	SB	B	12.5	SB
1	North Machias Road and 28th Street NE	B	12.4	NB	F	79.6	NB	A	6.2	-
1	North Machias Road and 20th Street NE	B	14.4	EB	E	49.2	EB	E	49.2	EB
	Outside Subareas									
2	Davies Road and Chapel Hill Road	B	10.5	-	B	11.2	-	B	11.2	-
2	91st Avenue SE and 4th Street SE	C	17.8	EB	D	29.4	WB	D	29.4	WB
	Lake Stevens Center Subarea	**C**	**18.7**	**-**	**C**	**23.7**	**-**	**C**	**23.71**	**-**
2	91st Avenue NE and Market Place	C	21.8	-	C	27.4	-			
2	99th Avenue NE and Market Place	B	12.9	EB	C	16.6	EB			
	Outside Subareas									
3	91st Avenue and 8th Street SE	C	18.3	EB	E	42.1	EB	E	42.1	EB
3	South Lake Stevens Road and Machias Cut-Off	B	12.8	SB	B	14.2	SB	B	14.2	SB
3	118th Avenue SE and Machias Cut-Off	B	10	SB	B	10.4	SB	B	10.4	SB
	20th Street SE Corridor Subarea	**C**	**17.6**	**-**	**C**	**24.4**	**-**	**C**	**24.37**	**-**
3	79th Avenue SE and 20th Street SE	B	18.8	-	C	28.6	-	C	28.6	-
3	83rd Avenue SE and 20th Street SE	A	8.8	-	A	9.9	-	A	9.9	-
3	91st Avenue SE and 20th Street SE	B	15.7	-	B	17.1	-	B	17.1	-
3	99th Avenue SE and 20th Street SE	A	8.9	-	A	9.2	-	A	9.2	-
3	South Lake Stevens Road and 20th Street SE	C	28	-	C	33.3	-	C	33.3	-
3	South Lake Stevens Road and South Davies Road	B	14.8	NB	C	20.5	NB	C	20.5	NB

Planning and Community Development
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permits@lakestevenswa.gov

Traffic Impact Fee Determination Worksheet

Name of Development: _____

Site Address: _____

Date Prepared: _____ Prepared by: _____

Base Impact Fee Calculation

1. Land Use Code [ ] (1)

2. PM Peak Hour Trip Number from Latest Edition of ITE Trip Generation Manual

ITE LAND USE CODE [ ]

Average Trip Generation Rate [ ] (2) (trips/unit)

(Indicate Unit of Measure, e.g. per 1000 sf, number of dwelling units)

3. Pass-by Trip Reduction Factor (see Schedule of Transportation Impact Fees) [ ] (3)

4. Net New Trip Rate (see Schedule of Transportation Impact Fees) (2) x (3) [ ] (4) (trips/unit)

5. Traffic Impact Zone (TIZ) Per Trip Fee: see Figure 1 for a map of TIZs

TIZ 1 = $ TIZ 2 = $ TIZ 3 = $ Per Trip Fee: $ [ ] (5)

6. **Calculated Base Impact Fee Rate** (4) x (5) $ [ ] per unit (6)

7. Project Size [ ] units (7)

8. Total Impact Fee (6) x (7) $ [ ]

Offsite System Improvements - Credits for offsite transportation improvements may be given when the improvements are portions of a project identified in the City's Capital Facility Plan used in the determination of the Traffic Impact fee "per trip fee." City staff can provide a list of the system projects. The determination of a credit is based on City-approved cost estimates provided by the Developer's site engineer. A credit for offsite system improvements cannot be greater than the Calculated Base Impact Fee.

State Environmental Policy Act (SEPA) - excerpt from City Municipal Code

14.112.060 Relationship to the State Environmental Policy Act (SEPA). This chapter establishes minimum traffic impact fees, applied to all developments. These fees are presumed to mitigate traffic demand on the capacity of the city's transportation facilities. However, each non-exempt development activity shall be subject to the substantive authority of SEPA (LSMC 16.04.105) to mitigate potential adverse impacts on transportation facilities not mitigated by this fee.

Traffic Impact Fee Options based on the 20-Year Capital Facilities Plan

Option 1 - Original Traffic Impact Fee		Traffic Impact Zones (TIZ)		
#	Item	TIZ 1	TIZ 2	TIZ 3
1	Total Estimated Project Costs	$145,180,000	$39,800,000	$63,672,000
2	TIF Eligible Project Costs	$57,344,167	$17,641,667	$15,255,400
3	PM Peak Hour Growth Trips	5,014	4,196	2,991
4	**Base TIF Rate per PM Peak Hour Trip**	**$11,437**	**$4,204**	**$5,100**

Option 1 Base TIF rate = Eligible project cost divided by the PM peak hour trips (same methodology used in all options)

Option 2 – Revised Cost Estimates		Traffic Impact Zones (TIZ)		
#	Item	TIZ 1*	TIZ 2	TIZ 3
1	Total Estimated Project Costs	$144,180,000	$39,800,000	$63,672,000
2	TIF Eligible Project Costs	$33,353,000	$17,641,667	$15,255,400
3	PM Peak Hour Growth Trips	5,014	4,196	2,991
4	**Base TIF Rate per PM Peak Hour Trip**	**$6,652**	**$4,204**	**$5,100**

Option 2 reduces project costs by looking at ways to reuse existing infrastructure and providing alternative sidewalks in some residential areas leading to 25% to 50% cost reductions in some projects.

Option 3 – Revised Cost Estimates w/ removal of some projects		Traffic Impact Zones (TIZ)		
#	Item	TIZ 1*	TIZ 2	TIZ 3
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Option 3 reduces project costs by looking at ways to reuse existing infrastructure and provide alternative sidewalks leading to cost reductions. Additionally, the cost for nine projects, not likely to be constructed over the next 10 years or those more appropriate as transportation benefit projects, were deducted from the eligible costs. These projects can be added back in annually when projects are completed.

CITY OF LAKE STEVENS

One Community Around The Lake

Code Amendments LSMC 14.08, 14.110 and 14.112, Traffic Impact Fee Methodology and 2025 Capital Facilities Plan Update

RUSS WRIGHT, COMMUNITY DEVELOPMENT DIRECTOR

AARON HALVERSON, PUBLIC WORKS DIRECTOR

CHRISTI SCHMIDT, PLANNING MANAGER

NOVEMBER 18, 2025

Discussion Items:

- Concurrency and Traffic Impact Mitigation Fee Code Amendment
- Traffic Impact Fee Options
- Briefing on Capital Facilities Plan 2025 Docket

Packet Items

- **Staff Report**

Attachment 1 – Strikeout Version LSMC 14.110 Concurrency Management Systems

Attachment 2 – Strikeout Version LSMC 14.08 and LSMC 14.112 Traffic Mitigation Impact Fees

Attachment 3 - *Concurrency Traffic Study Handbook*

Attachment 4 - *Traffic Impact Fee Methodology*

Attachment 5 – *Traffic Impact Fee Developers Workbook*

Attachment 6 – Traffic Impact Fee Options

Italic items are administrative documents

Background

- 2024 comprehensive plan adopted per RCW 36.70A.130
- City contracted with Transpo to assist in technical aspects to the code and administrative document updates
- To date 3 work sessions with Planning Commission
- 60 Day notice of intent to adopt issued October 3, 2025
- Public Hearing November 19, 2025 Planning Commission
- Council adopted fee Resolution 2025-09 CPI-U updated fees for 2026.

Purpose of the Proposed Amendments

1. Refine concurrency standards to be complaint with LOS standards in the comprehensive plan
2. Incorporate industry best practices for multimodal street and sidewalk standards
3. Update traffic impact fee methodology and latest ITE trip generation data
4. New definitions and terminology

Concurrency and Traffic Impact Mitigation Fee Code Amendments

LSMC 14.110 Concurrency Management Systems

- Refine concurrency standards to be compliant with LOS standards in the comprehensive plan
- Clarify exemptions
- Add new terminology
- Address multi-modal requirements
- Update the level of service standards to match comprehensive plan

* See Attachment 1 for the strike out version

Concurrency Handbook (administrative doc)

- Technical direction manual for new development projects that outlines the traffic impacts review process to enable the City to make concurrency determinations.
- Provides guidelines and resources for the traffic engineers and applicants

*Attachment 3 (11 pages)

City of Lake Stevens
Concurrency Traffic Study Handbook for New Development Applications

This document outlines the process development projects must follow to enable the City to make concurrency determinations under Lake Stevens Municipal Code (LSMC) 14.110. Depending on the type, size and location of a development, a traffic study may need to be prepared by a licensed Professional Engineer or Transportation Planner with expertise in traffic studies. This document provides general guidelines on required traffic study elements and assumptions. If required, the scope of the traffic study should be coordinated with the Lake Stevens City Engineer.

Lake Stevens Municipal Code (LSMC) 14.110 on Concurrency – The City's requirements for concurrency are established in LSMC 14.110. City staff will apply LSMC 14.110 when making concurrency determinations for proposed developments. Potential applicants should read these code provisions to understand the basis for concurrency determinations and the traffic study requirements described below.

Exempt Developments – A development that creates no measurable additional impacts on any transportation facility will likely be exempt from requirements to provide traffic information. Examples include proposals that add no net increase to the number of residential dwelling units or no additional commercial space (unless the proposal includes a change of use which results in a higher trip generation).

Planned Action Subareas – Developments located ***within*** a Planned Action Subarea are assumed to meet the concurrency provisions of LSMC 14.110. There are currently three adopted Planned Action Subareas and one additional subarea being planned and developed as follows:

- ***Lake Stevens Center***, See map or on the City's website at http://www.ci.lake-stevens.wa.us/DocumentCenter/View/829
- ***20th Street SE Corridor Subarea***, See map or on the web at http://www.ci.lake-stevens.wa.us/DocumentCenter/View/916
- ***Lake Stevens Downtown***, See map Figure 3 or on the City's website at https://www.lakestevenswa.gov/DocumentCenter/View/6733/ADOPTED-DT-Lake-Stevens-Subarea-Plan_-7-10-18 (page 21)
- ***Lake Stevens Industrial Center*** *(under development)*

Developments within Planned Action Subareas are not required to provide LOS analysis except in limited cases where additional traffic analysis is required under the State Environmental Policy Act (SEPA). Examples include a proposal that meets one or more of the following: 1) require a land use change; 2) have usage greater than the established development thresholds for the subarea; 3) require additional infrastructure improvements beyond what was identified in the Capital Facilities Plan[1].

[1] LSMC 14.110.050 defines the relationship of the City's concurrency rules with the State Environmental Policy Act (SEPA). In general, the City's concurrency rules are not intended to eliminate the application of SEPA to specific development proposals that may be subject to the substantive authority of SEPA. For example, under concurrency any given key intersection can be allowed to fall to LOS F provided that the subarea system-wide average is LOS E

Concurrency Certificate & Matrix (administrative docs)

- To assist the city in monitoring LOS for transportation, Transpo has provided the city with a certificate of concurrency template along with a tracking matrix which will be used during the review of development applications.
- An annual report will be provided to the Council as part of the annual comprehensive plan update to the transportation and capital facilities chapters for capital projects

Concurrency Tracking Matrix City-Wide

Lake Stevens Citywide
Planned Action Development Thresholds

Project Name	Project Number	Date of Issuance	Retail Services/Commercial[1] gross sq.ft.	Office[1] gross sq.ft.	Residential[1] dwelling units	Industrial[1] gross sq.ft.	Total Trips (PM peak hour)	NOTES
			310,000	1,105,000	4,593	1,431,000	12,201.0	
Total			*0*	*0*	*0*	*0*	*0*	
Remaining Capacity			**310,000**	**1,105,000**	**4,593**	**1,431,000**	**12,201**	

Note:

[1] Land use square footage and housing growth totals for the City are an estimate based on the model inputs from the Transportation Element update. Concurrency should be tracked against the number of PM peak hour trips

Traffic Impact Mitigation Fees

Background

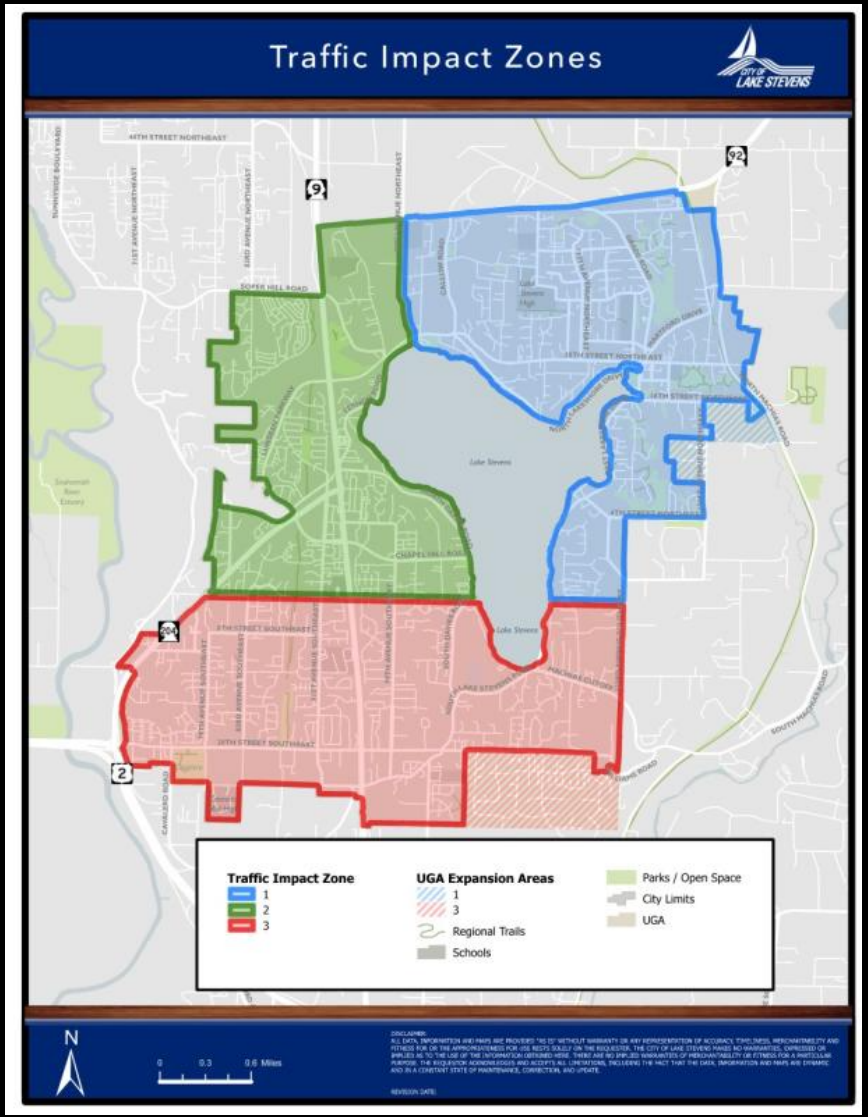
- In October staff introduced the traffic impact fees and methodology along with a 40% reduction in TIZ 1.
- Impact fee comparison with comparable cities.
- One public comment from Master Builders.
- Staff agreed to come back after re-assessing CIP projects to decrease the traffic impact fee and example of TIF reductions for affordable housing per RCW 84.14

LSMC 14.08 & 14.112 Traffic Impact Mitigation Fees

- Update traffic impact fee methodology and latest ITE trip generation data
- Add new terminology
- Provide multi-modal requirements
- Clarify exemptions
- Update the level of service standards to match comprehensive plan
- New Traffic Impact Zone map
- *** Attachments 2-6**

Traffic Impact Zones

- TIZ for the City's Urban Growth Area (UGA) expansion areas. Once these areas are annexed into the City limits, impact fees will be applied to new development within these areas in alignment with the identified TIZ



*Attachment 5

Traffic Impact Fee Program Developers Wksht

This is used by developers and traffic engineers to calculate their proportionate share of traffic impact fees and is submitted to the city with a development application.

RECEIVED

Planning and Community Development
1812 Main Street• PO Box 257 • Lake Stevens, WA 98258
Phone: (425) 622-9400 • www.lakestevenswa.gov
permits@lakestevenswa.gov

Traffic Impact Fee Determination Worksheet

Name of Development: Eklund Estates Cove Project

Site Address: 12006 20th ST NE

Date Prepared: 4/4/25 Prepared by: Ellen Jorgenson/Sugi Moss Architecture

Base Impact Fee Calculation

1. Land Use Code: Single Family Detached Housing (1)

2. PM Peak Hour Trip Number from Latest Edition of ITE Trip Generation Manual

ITE LAND USE CODE: 210 Average Trip Generation Rate: .94 (2) (trips/unit)

(Indicate Unit of Measure, e.g. per 1000 sf, number of dwelling units)

3. Pass-by Trip Reduction

Percentage from Table T-1: 0 % percentage x (2): 0 (3) (trips/unit)

4. Total new Peak Hour Trip Rate (2) - (3): .94 (4) (trips/unit)

5. Traffic Impact Zone (TIZ) Per Trip Fee: see Figure 1 for a map of TIZs

TIZ 1 = $2,894 TIZ 2 & TIZ 3 - $3,655 Per Trip Fee: $2894

6. **Calculated Base Impact Fee Rate** (4) x (5): $2720 per unit

7. Project Size: 2 units

8. Total Impact Fee (6) x (7): $8161

Offsite System Improvements - Credits for offsite transportation improvements may be given when the improvements are portions of a project identified in the City's Capital Facility Plan used in the determination of the Traffic Impact fee "per trip fee." City staff can provide a list of the system projects. The determination of a credit is based on City-approved cost estimates provided by the Developer's site engineer. A credit for offsite system improvements cannot be greater than the Calculated Base Impact Fee.

State Environmental Policy Act (SEPA) - excerpt from City Municipal Code

14.112.070 Relationship to the State Environmental Policy Act (SEPA). This chapter establishes minimum impact fees, applied to all developments. These fees are presumed to mitigate traffic demand on the capacity of the city street system. However, each development shall be reviewed and be subject to the substantive authority of SEPA for potential adverse traffic impacts on the street system not mitigated by this fee.

Traffic Impact Fee Cost Basis

TRAFFIC IMPACT FEE
COST BASIS FOR THE
CITY OF LAKE STEVENS

Prepared for:
City of Lake Stevens

October 2025

Prepared by:

transpogroup
WHAT TRANSPORTATION CAN BE.

12131 113th Avenue NE, Suite 203
Kirkland, WA 98034-7120
Phone: 425-821-3665
www.transpogroup.com

24348.00

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- *Last updated in 2024 - Attachment 4

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Appendix

Appendix A: Intersection LOS Summary

Three Staff Options

- Staff is recommending Option 2 – reducing projects costs by looking at ways to use existing infrastructure and alternative sidewalk solutions 25-50% $
- Council discussion?

Traffic Impact Fee Options based on the 20-Year Capital Facilities Plan

Option 1 - Original Traffic Impact Fee		Traffic Impact Zones (TIZ)		
#	Item	TIZ 1	TIZ 2	TIZ 3
1	Total Estimated Project Costs	$145,180,000	$39,800,000	$63,672,000
2	TIF Eligible Project Costs	$57,344,167	$17,641,667	$15,255,400
3	PM Peak Hour Growth Trips	5,014	4,196	2,991
4	**Base TIF Rate per PM Peak Hour Trip**	**$11,437**	**$4,204**	**$5,100**

Option 1 Base TIF rate = Eligible project cost divided by the PM peak hour trips (same methodology used in all options)

Option 2 – Revised Cost Estimates		Traffic Impact Zones (TIZ)		
#	Item	TIZ 1*	TIZ 2	TIZ 3
1	Total Estimated Project Costs	$144,180,000	$39,800,000	$63,672,000
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Option 2 reduces project costs by looking at ways to reuse existing infrastructure and providing alternative sidewalks in some residential areas leading to 25% to 50% cost reductions in some projects.

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Traffic Impact Fee Reduction Affordable Housing Options

Transportation Impact Fee Reductions for Affordable Housing Options

Income Bracket	GMA Need	Likely to Construct (LTC)	Assumptions[1]	Traffic Impact Fee[2]	ITE Rate	Revised ITE PM Trip TIF[3]	TIF Full Buildout (100% reduction scenario)	Total TIF - LTC (100% reduction scenario)	Total TIF Reduced by 80%	Total TIF Reduced by 50%	Total TIF Reduced by 20%
0-30 AMI	1168	117	Fully subsidized by housing authority / non-profit 10% of growth assumption	$ 5,319	0.46	$ 2,447	$ 2,857,792	$ 285,779	$ 228,623	$ 114,312	$ 45,725
30-50 AMI	820	164	> 3 stories Multifamily (MFTE) / partially subsidized	$ 5,319	0.39	$ 2,074	$ 1,701,016	$ 340,203	$ 272,163	$ 136,081	$ 54,433
	820	164	2 - story Multifamily (MFTE) / partially subsidized. 20% of growth assumption.	$ 5,319	0.46	$ 2,447	$ 2,006,327	$ 401,265	$ 321,012	$ 160,506	$ 64,202
50-80	549	165	> 3 stories Mix of multifamily / paritally subdidized w/ market rate project	$ 5,319	0.39	$ 2,074	$ 1,138,851	$ 341,655	$ 273,324	$ 136,662	$ 54,665
	549	165	2 story - Mix of multifamily / paritally subdidized w/ market rate project	$ 5,319	0.51	$ 2,713	$ 1,489,267	$ 446,780	$ 357,424	$ 178,712	$ 71,485
Total Scenario 1	***2537***	***445***	***All will require subsidies, working with non-profits and the city reworking its MFTE program for only affordable housing.***				***$ 5,697,660***	***$ 967,638***	***$ 774,110***	***$ 387,055***	***$ 154,822***
Total Scenario 2	***2537***	***610***	***All will require subsidies, working with non-profits and the city reworking its MFTE program for only affordable housing.***				***$ 6,353,386***	***$ 1,133,825***	***$ 907,060***	***$ 453,530***	***$ 181,412***

TIF Affordable Housing Reduction 20-80%

Transportation Impact Fee Reductions for Affordable Housing Options

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Multi-Family Tax Exemption TIF Reductions

Example for an MFTE apartment with 2 story and 3 story options combined with a market rate project, with 20% included as affordable

Building type	Units	Income Level	Number of affordable units	Traffic Impact Fee	ITE Rate	Revised TIF	Total TIF - LTC	Total TIF Reduced by 80%	Total TIF Reduced by 80%	Total TIF Reduced by 50%	Total TIF Reduced by 20%
3-story	100 units	20% affordable units at 50 - 80% AMI	20	$ 5,319	0.39	$ 2,074	***$ 41,488***	***$ 33,191***	***$ 6,638***	***$ 3,319***	***$ 2,655***
2-story	100 units	20% affordable units at 50 - 80% AMI	20	$ 5,319	0.51	$ 2,713	***$ 54,254***	***$ 43,403***	***$ 8,681***	***$ 4,340***	***$ 3,472***

[redacted]

How do we compare with peer cities and our neighbors?

TRANSPORTATION

Our current TRANSPORTATION Fees are lower than peer and neighboring cities.

- Lynnwood's model is most comparable, using the same pm peak hour methodology with traffic zones.
- Some other cities use land use categories to define impact fees creating more complicated formulas.
- When you look at our capital program list of nearly $316 million dollars in projects, our fees are average.

Transportation Impact Fees Comparison

	Comparable Cities (30,000 to 50,000) Average*	COLS	Marysville	Snohomish	Everett
Commercial			$2,220	$5,111	$6,3
Residential	$5,658	Current Fees $2,771 to $3,500 Proposed Fees $4,204 to $6,896 (Per PM peak hour trip)	$6,300	$5,111	
ADU per unit					$3,6
SFH/Townhome					$6,2
Duplex					$12,4
Triplex					$18,6
4-plex					$24,9
MFH<3 BR					$3,614/u
MFH 3+ BR	$3,670				$6,231/u

Mitigation Chart Notes:

* Issaquah high $10,805 / Burien low $957 (high and low ranges)

* Lynwood only other jurisdiction using pm peak distribution and traffic zones varies $5,107 to $7,944

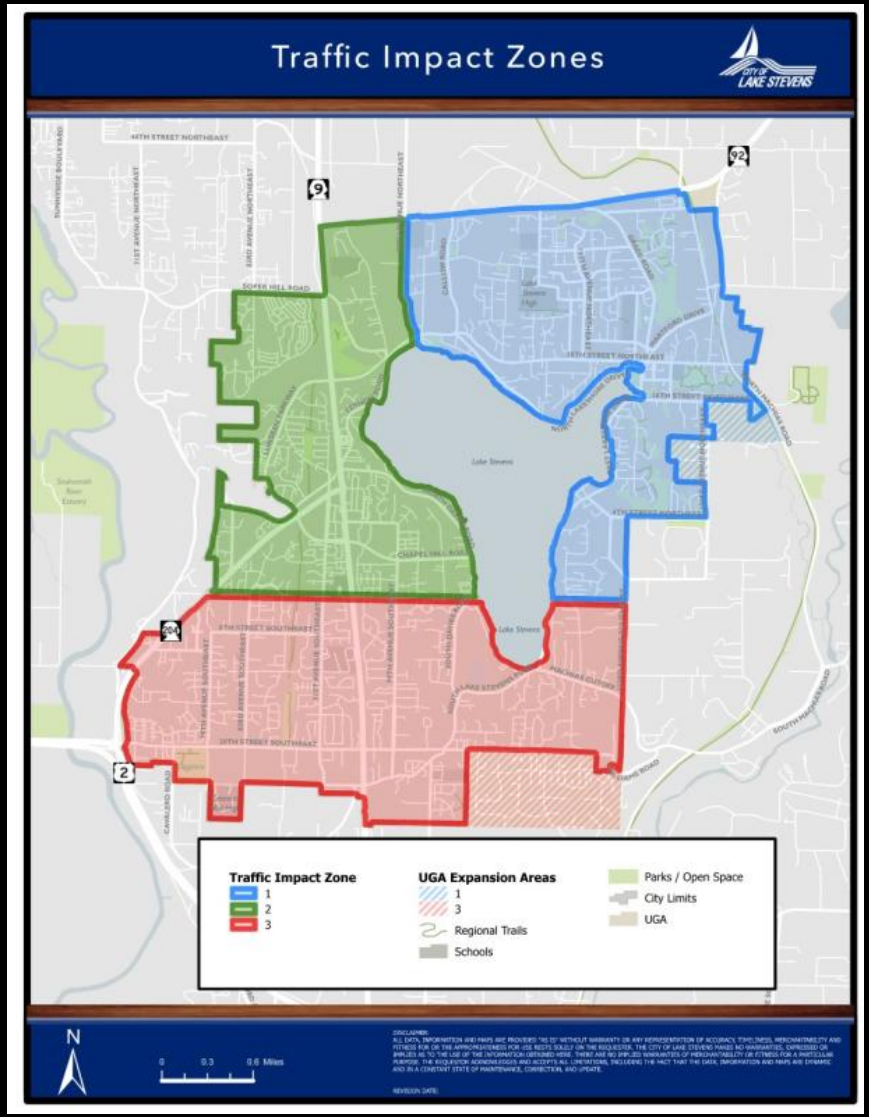
[redacted]

Impact Fees

SCHOOL DISTRICTS
SCHOOL
SERVICES
WHAT ARE IMPACT FEES USED FOR?
INFRASTRUCTURE
PARKS & RECREATIONS

Traffic Impact Zones

TIZ for the City's Urban Growth Area (UGA) expansion areas. Once these areas are annexed into the City limits, impact fees will be applied to new development within these areas in alignment with the identified TIZ.



Traffic Impact Fee Options

Update traffic impact fee based on current Capital Improvement Projects (CIP) and updated methodology.

		Traffic Impact Zones (TIZ)		
#	Item	TIZ 1	TIZ 2	TIZ 3
1	Total Estimated Project Costs	$144,180,000	$39,800,000	$63,672,000
2	TIF Eligible Project Costs	$57,344,167	$17,641,667	$15,255,400
3	Estimated Grant Funding (Secured)	$5,000,000	$0	$3,000,000
4	PM Peak Hour Growth Trips	5,014	4,196	2,991
5	**Base TIF Rate per PM Peak Hour Trip**	**$11,436.81**	**$4,204.40**	**$5,100.43**

		Traffic Impact Zones (TIZ)		
#	Item	TIZ 1*	TIZ 2	TIZ 3
1	Total Estimated Project Costs	$ 144,180,000	$ 39,800,000	$ 63,672,000
2	TIF Eligible Project Costs	$ 34,575,820	$ 17,641,667	$ 15,255,400
3	Estimated Grant Funding (Secured)	$ 5,000,000	$ -	$ 3,000,000
4	PM Peak Hour Growth Trips	$ 5,014	$ 4,196	$ 2,991
5	**Base TIF Rate per PM Peak Hour Trip**	**$ 6,896**	**$ 4,204**	**$ 5,100**

* assumes reduced projects and greater contribution by city.

2025 Annual Docket Capital Facilities Update

Table 6-Year CIP and 20-Year CIP
Minor project changes

City Council Discussion and Questions

Backup Slides (not part of presentation)

Impact Fees

- Parks: 5.36% CPI-U adjustment. Fee to be recalculated in 2026.
- Traffic:
  - TIZ 1: 6,896 (Staff 40% reduced fee recommended)
  - TIZ 2: $4,204/unit
  - TIZ 3: $5,100/unit
- Schools: No change until 2026.

Other issues:

- City Council also needs to consider optional discounts to impact fees allowed in RCW 82.02.060 to reduce fees for affordable housing or early learning facility facilities.
- Option 1 – Exempt low-income housing & early learning facilities from impact fees
  - Low-income project subject to restrictive covenants to remain low-income or repay impact fees
  - Early learning facilities subject to a restrictive covenant that at least 25 percent of the children and families using the early learning facility qualify for state subsidized childcare
  - City is responsible to fund the offset revenue
- Option 2 – Partial exemption up to 80% for low-income housing & childcare facilities from impact fees
  - Low-income project subject to restrictive covenants to remain low-income or repay impact fees
  - Early learning facilities subject to a restrictive covenant that at least 25 percent of the children and families using the early learning facility qualify for state subsidized childcare
  - City is responsible to fund the balance of the offset revenue

CPI-U Five Year Average

	CPI-U 5-Year Average	CPI-U % Change	CPI-U June	CPI-W 5-Year Average	CPI-W % Change	CPI-W June	90% of W	Variance
2026	5.36%	2.68%		5.34%	2.715%		2.44%	0.03%
2025	5.00%	3.83%	364.344	4.99%	3.63%	357.780	3.26%	-0.20%
2024	4.69%	4.62%	354.824	4.61%	4.51%	348.323	4.06%	-0.10%
2023	4.42%	10.14%	341.734	4.43%	9.54%	336.135	8.59%	-0.60%
2022		5.52%	326.656		6.29%	321.626	5.66%	*0.76%*
2021		0.87%	296.573		1.01%	293.607	0.91%	*0.14%*
2020		2.29%	281.055		1.68%	276.244	1.52%	-0.60%
2019		3.28%	278.631		3.65%	273.488	3.28%	*0.37%*
2018			272.395			268.957		
2017			263.756			259.487		