

SULTAN PLANNING BOARD AGENDA COVER SHEET

ITEM NO: H-1

DATE: April 20, 2010

SUBJECT: Hold a Public Hearing - Permit Extensions and Impact Fee Payments

CONTACT PERSON: Deborah Knight, City Administrator

ISSUE:

The issue before the Planning Board is to hold a Public Hearing to amend the Sultan Municipal Code Development Regulations (Title 16) to implement short-term changes to the City's Zoning and Land Division Codes to offer relief and economic stimulus during the recession. Action on this proposal is scheduled under A-1 of the planning boards agenda.

STAFF RECOMMENDATION:

Hold a public hearing to amend Title 16 SMC to:

1. Allow additional 2-year extension to "active" Preliminary Plats/PUD's, set to expire in 2010 and 2011, with Council approval of a Developer Agreement. This action will provide time for the housing market to continue to recover and potentially for the developer to build homes or market the property to another builder. The following municipal code chapters will be amended as set forth in Attachment A.
 - SMC 16.10.150 – Expiration of Preliminary Planned Unit Development (PUD)
 - SMC 16.10.200 – Expiration of Final PUD
 - SMC 16.28.210 – Compliance with Conditions of Approval for a Short-Plat
 - SMC 16.28.350 – Term of Preliminary Plat approval including those connected to PUD's

2. Implement a short-term (2 year) pilot project during which time the City would allow developers to postpone payment of Park Impact Fees (\$3,175) and Transportation Impact Fees (\$5,272) for single-family residential homes until Certificate of Occupancy. Impact Fees would be due at building permit application unless the builder records a Covenant (lien) with the Assessor prior to permit issuance. The Policy would sunset on June 30, 2012 unless the Council took action to extend the sunset date or make the change permanent.

The following municipal code chapters will be amended as set forth in Attachment A.

- SMC 16.112.060 – Collection of Impact Fees

SUMMARY:

In response to the present economic conditions, other cities in the region have been adopting short-term revisions to Zoning and Land Division Codes to offer relief and economic stimulus during the recession.

This issue was a discussion item at city council meetings on January 28, 2010, February 11, 2010 and March 11, 2010. The city council considered a number of different issues relating to Park Impact Fees, Transportation Impact Fees and Utility Connection Fees. The Council directed the planning board to amend the Sultan Municipal Code Development Regulations (Title 16) to implement short-term changes to the City's Zoning and Land Division Codes to offer relief and economic stimulus during the recession. The planning board discussed the issue at its April 6, 2010 meeting and set a public hearing for April 20, 2010.

In 2009, the City of Sultan addressed plat extensions needed to keep projects active during the economic downturn by negotiating and approving Developer Agreements. The Council approved Planned Unit Development (PUD) extensions for Caleb Court and Greens Estates in 2009 through approved developer agreements. The City is working with the Hammer bankruptcy attorney to extend the Hammer PUD. The Vodnick project manager was contacted about extending the Preliminary PUD approval but never responded.

By entering into a Developer Agreement, the city is not setting precedent that all other developments will be automatically extended. The Developer Agreement mechanism provided the developer an opportunity to validate compliance with the Code Standards as provided by in the Sultan Municipal Code.

The proposed revisions to the Title 16 of the Sultan Municipal Code goes one step further by setting forth the specific process the city and a developer must take to enact the additional proposed extension. The proposed amendments to Title 16 offer the development community a consistent and certain regulatory process to follow.

DISCUSSION:

Affected Developments

The proposal is to limit the changes to active Preliminary and Final Plats/and Planned Unit Developments (PUD's).

The Ordinance would not apply to expired Preliminary or Final PUD's/Plats or Preliminary or Final PUD's/Plats filed after either a date specific (e.g. January 1, 2010) or the effective date of the Ordinance as recommended by the planning board.

The proposed Ordinance would not apply to the most recently approved Preliminary PUD extension which expired on April 10, 2010 unless the Applicant files the necessary Final PUD materials as described in SMC 16.10.150.

The proposed Ordinance would not apply to the most recently filed application for a PUD, accepted by the City in November 2009, since the Applicant has not completed the necessary steps for a Preliminary PUD. The PUD is not yet considered “active” since it has not received Council approval.

The following table summarizes the status of development applications submitted to the city:

DEVELOPER	TYPE	PRE-APP DATE	PRELIMINARY APPROVAL	EXPIRATION
Brickyard (Vodnick)	PUD	7/27/05	2007	09/6/2009 - expired
Cascade Breeze	Subdivision	07/06/05	2006	2011
Green	PUD	11/01/06	2007	Final PUD Approved Subdivision expires 2013
Hammer	PUD	07/26/05	2007	Hold pending bankruptcy
Joshua Freed - Caleb Court	PUD	09/01/06	2008	04/10/2010 - expired
Ramirez Twin Rivers	Subdivision	12/01/04	2007	2012
Steen Park	Subdivision		Final Plat 8/2007	N/A

State Legislative Efforts

The Master Builders Association was unsuccessful in advancing ESSB 3067 which would have required Cities in King and Snohomish Counties that collect impact fees to allow residential builders to require homebuyers to pay the impact fees at closing vs. builders paying when applying for a permit.

However, SB 6544 enacted in March and effective June 10, 2010 for applications submitted after June 10, 2010 provides the following:

- Extends time limitations associated with final plat submissions and the requirements governing applicable subdivisions from five to seven years.
- Expires the extension provisions on December 31, 2014.

FISCAL IMPACT:

There are pros and cons associated with the decision to adopt a permit extension or the point at which Impact Fees are collected. This is the reason why the vast majority of the Cities have adopted short-term changes necessary to stimulate the economy.

The intent of adopting these types of Ordinances is to provide short-term relief and get homebuilders and developers moving again. This is balanced against the need to

ensure that in the long-run, after the economy has recovered – the requirement to move projects along and not tie up land and Staff resources is necessary.

City Staff have some specific concerns about tracking the payment of Impact Fees through Certificate of Occupancy. The Planning Board and City Council need to ensure whatever system is adopted can be efficiently implemented by City Staff with a minimum level of paperwork for both the Developer and the City.

A decision by the City Council to fundamentally change the Land Division Code should be carefully considered and analyzed prior to implementation.

RECOMMENDED ACTION:

Hold a Public Hearing to amend the Sultan Municipal Code Development Regulations (Title 16) to implement short-term changes to the City's Zoning and Land Division Codes to offer relief and economic stimulus during the recession. Action on this proposal is scheduled under A-1 of the planning boards agenda.

ATTACHMENTS:

A – Proposed Amendments to Sultan Municipal Code

