



STUDY SESSION
City Hall – 1104 Maple Street
March 28, 2022 6:00 PM

The City is conducting this public meeting using a hybrid model. The public is welcome to attend in-person at Sumner City Hall Council Chambers, or virtually by using the Zoom platform by clicking on the link below -

<https://sumnerwa-gov.zoom.us/j/81793945258>

Or One tap mobile :

US: +12532158782,,81793945258# or +13462487799,,81793945258#

Or Telephone:

Diall 253 215 8782

Webinar ID: 817 9394 5258

CALL TO ORDER

Roll Call: Bitetto, Brown, Cole, Hochstatter, Neuman, Reed and Stuard

REGULAR BUSINESS

1. Cultural Arts Commission 2022 Work Plan and Budget
2. Ordinance No. 2818 - American Rescue Plan Act Budget Amendment
3. Multifamily Tax Exemption for Affordable Housing

CITY ADMINISTRATOR REPORT

AGENDA SETTING

1. Council Meeting Agenda Calendar
2. Council Committee Meeting Calendar

EXECUTIVE SESSION

ADJOURNMENT

This meeting is accessible to persons with disabilities. For individuals who may require special accommodations, please contact the City Clerk at (253) 299-5590, 24 hours in advance.

SUBJECT: Cultural Arts Commission 2022 Work Plan and Budget

CATEGORY: Information Only

BUDGET IMPACT:

Expenditure Required: None

Within Budget Allocation: N/A

ATTACHMENTS:

1. Cultural Arts Commission 2022 Work Plan

STAFF CONTACT: Ryan Windish, Community Development Director

SUMMARY BACKGROUND:

The Cultural Arts Commission (CAC) is made up of 15 members dedicated to bringing a variety of art and cultural offerings to the Sumner community. The CAC has planned a number of events and programs for 2022 and will be presenting their work plan and budget. The CAC looks forward to things returning to normal in 2022 following the pandemic and is planning, to restart the the Music Off Main concerts, and continue the Nights on Ryan market, and annual Chalk Art Festival. The CAC has been successful over the last few years with sponsoring new murals in town. In 2022 they will be wrapping utility boxes with art. Their total budget for 2022 is \$16,150.

COUNCIL COMMITTEE/STUDY SESSION:
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MEETING/STUDY SESSION DATE:

COMMITTEE RECOMMENDATION:

STAFF RECOMMENDATIONS/MOTION:

N/A

Sumner Cultural Arts Commission

2022 Work Plan



Sumner Cultural Arts Commission

2022 Work Plan

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Overview

The work of the Cultural Arts Commission is focused on three broad community outcomes.

Economic Growth and Sustainability

Weaving arts and culture into the fabric of the Sumner community helps attract tourists, retain diverse talent, bring about innovation and grow the economy. A healthy public art ecosystem also drives the growth of new businesses. When visitors and residents engage with public art, it leads to increased foot traffic, which encourages and supports the establishment of shops and restaurants with attractive street-facing aspects.

Community Culture

Public art activates the imagination through visual art and storytelling to emphasize the shared humanity of civic spaces—allowing the individual to better understand strangers and neighbors alike. Public artworks can also address negative stigma issues towards another culture or group by providing another perspective when considering peoples of different backgrounds. By reinforcing the culture of a community, public art acts as a catalyst for unity and social engagement.

Attachment and Identity

When people see themselves reflected in their civic spaces they have a sense of attachment that allows them to feel ownership and respect. By both engaging in public artwork development and facing artwork in the environment, individuals become aware of others and their role in their community. Public art makes places unique through the reflection of local history and culture which gives communities a sense of place and identity.

Commission Members

Sue Larson, **Chair**
Sheila Mellen, **Vice-Chair**
Ben Haines, **Treasurer**
Donna Hardtke, **Secretary**
Lana Hoover, **City liaison**

Emily Browning-Cray
Judy Caviezel
Michael Hochstatter
Jacob Loden

Courtney Shore
Dustin Madden
Annmarie Mathews
Michelle Wells

2021 In Review

2021 was a year of continuous adaptation to the changing environment created by the COVID-19 pandemic. Because of the restrictions on outdoor public gatherings, the Commission changed its focus from large events, like Music off Main, to smaller and more tightly controlled experiences like Nights on Ryan. The Chalk Art Festival remained primarily virtual for the second year in a row. Additional effort and funding went into the Mural Program and Public Art projects, where the Commission could support lasting positive impacts without a risk to public health.

2021 Activities Summary

Chalk Art Festival

The chalk art festival was held both in-person and virtually, and because the virtual program allowed entries to be created anywhere, sidewalks all over Sumner gained some beautiful colors! The Festival was featured as a COVID-friendly event in an Olympia newspaper publication, and the Commission has received great feedback from participants and the community.

Nights on Ryan featuring Kareem Kandi

Attendance was lower than expected, likely due to concerns about COVID-19, but the vendors overwhelmingly agreed that it was a worthwhile experience. Music from the Kareem Kandi Trio enhanced the atmosphere, and food and drinks from adjacent businesses were thoroughly enjoyed. Booth fees offset just under \$500 of the initial cost of the event.

Westside Mural by Devin Thomas

This postcard-worthy mural sits alongside the Sounder tracks, welcoming residents and visitors alike. The artwork is available for reproduction on postcards, T-shirts, mugs, etc., to invite everyone to "Come on In!"

Eastside Mural by Sarah Cederwall

This mural is installed adjacent to the Sumner Food Bank, whose planned community garden will serve to reinforce the artwork's inclusive and inspiring message. Preparation for the mural included cleaning up the adjacent lot and moving unsightly dumpsters out of public view.

Loyalty Park Mural by Ryan Ward

Ryan "Henry" Ward is a prolific artist and muralist based in Seattle, where many of his works appear. The magical menagerie he created for Loyalty Park celebrates love, inclusion, and an integration with both the natural and the mythological landscape.

2021 Expenditures

Westside Mural	\$ 2,500.00
Eastside Mural	\$ 2,500.00
Loyalty Mural (Rotary to pay other half)	\$ 1,750.00
Chalk Art Festival permit fee	\$ 50.00
Bags and chalk	\$ 183.14
More chalk	\$ 737.47
Nights on Ryan permit fee	\$ 500.00
Nights on Ryan Booth fees	\$ (477.60)
Kareem Kandi	\$ 600.00
Holiday decorations	\$ 500.00
Total	\$8,843.01

2022 Work Plan

2022 Summary

The Cultural Arts Commission expects in-person events to return in 2022, likely with some remaining restrictions due to the COVID-19 Pandemic. Music off Main is back on the schedule, with a focus on diverse musical traditions and acoustic performances from the porch of the Ryan House. Nights on Ryan will also return with four evenings in July and August, and the Commission believes that the event has become popular enough to make a significant return from booth fees (which will still remain well below other similar events in the region). The Chalk Art Festival will again have an in-person and virtual component, creating excitement downtown while spreading color throughout Sumner's residential streets. Following the model of several local communities, the Commission will select artists to design vinyl wraps for at least three utility boxes, adding beauty to the streetscape while deterring graffiti and other vandalism. Continuing with established practice, the Commission will contribute \$500 towards downtown winter holiday decorations with Sumner Rotary.

With the understanding that income from entrance and booth fees is not guaranteed, work on the vinyl wraps project will not begin until Fall 2022. If receipts turn out to be less than expected, the wraps project can be reduced or eliminated accordingly. Conversely, if the Commission brings in more than expected during the summer, the number of wraps or the compensation for each artist can be increased.

Staffing for each event will be organized by a Volunteer Coordinator selected from among the members of the event's subcommittee.

The Commission also commits to remaining a key partner in municipal development projects, ensuring that public art is incorporated into local infrastructure where appropriate. It will also begin research into the benefits and costs of pursuing State recognition for Sumner's historic Main Street as a Certified Creative District. Finally, with the hope that the last of the pandemic protocols will eventually be lifted, the Commission will begin planning a day- or weekend-long Family Arts Festival to be held in the summer of 2023 or 2024.

Music off Main

Music is a major component of cultural expression and cultural identity. Artist selection for the 2022 Music off Main series will prioritize diverse musical styles and traditions, focusing on cultural and ethnic groups represented in the Sumner area. The Commission will engage community partners, like the Gordon Family YMCA, in creating intentional experiences and spaces for participants to learn and celebrate within and across identity, culture, and heritage.

Because construction work on the planned "woonerf" around Heritage Park will make it difficult to stage events in that area, the Commission will work with city officials and the Sumner Historical

Society to locate performances at the historic Ryan House. This move will serve as a test run to help finalize design of the Ryan House grounds as “A Place to Gather”.

Event date(s)

- July 15 at the Ryan House
- July 22 at the Ryan House
- July 30 at Loyalty Park

Expenses		
Sound system	\$2,250.00	Total for three events, based on 2019 expenditure
Park rental	\$150.00	Three events at \$50 each
City electrical connection	\$20.00	Two events at Ryan House at \$10 each
Public Works	\$-	No city services anticipated at this time
Performance fees	\$9,000.00	Three events at \$3000 each
Marketing	\$250.00	Includes \$150 banner fee
New banner printing	\$350.00	
<u>Equipment fees</u>		
Portable stage rental	\$750.00	Approx. 8x12' stage for Loyalty Park performance only; including delivery and installation, based on local rental websites
Generator rental	\$350.00	Loyalty Park event only; 5000w generator + power conditioner
ADA-compliant portable toilet	\$350.00	Two Ryan House events only at \$175 each

City staff time
Artists' RFP and contracts
Ryan House preparation/planning assistance

Nights on Ryan

The Commission will bring back the popular Nights on Ryan night market for 2022, creating a vibrant public space to gather and celebrate local artists and makers, while enjoying great music, drinks and food from Sumner small businesses. Booth fees will remain low compared to similar events in the region, helping to attract new and emerging talent.

Event date(s)

- Friday July 15
- Friday July 22
- Friday August 5
- Friday August 12

Expenses

Street Closure	\$200.00	Closing Ryan Ave. for \$50 per event
Public Works	\$1,560.00	One employee for 6 hours at overtime rates of \$65/hr. (4-10:00 p.m.) for each of the four events
Marketing	\$100.00	Social media and printing costs
Live music	\$2000	\$500 per event
Booth fees	\$(6,000.00)	\$1500 per event, or approx. \$50 per vendor
Water for vendors	\$100.00	\$25 per event

City staff time

Musicians' RFP and contracts
Receiving and processing booth fees

Chalk Art Festival

COVID-19 restrictions permitting, the Chalk Art Festival will return to a centralized location in 2022, although virtual entries may still be considered. As in previous years, this event will transform a stretch of sidewalk into a kaleidoscope of pastel masterpieces. Because the area around Heritage Park will be disrupted by construction, the Festival will be held in an alternative location, e.g. Rhubarb Alley or the walking path at Loyalty Park.

Event date(s)

TBD

Expenses

Parking Lot/Park fee	\$	50.00	Location TBD: Rhubarb Alley? Rainier View park path?
Additional Chalk	\$	100.00	estimated
Marketing	\$	100.00	
Entry fees	\$	(450.00)	estimated 30 paid entrants at an average \$15 each

City staff time

Receiving and processing entry fees

Utility box wraps

Recent projects in Tacoma, Auburn, and other local cities have shown that wrapping unsightly utility boxes in art printed on anti-graffiti vinyl both reduces vandalism and beautifies the streetscape. The Commission will continue to work with city officials to identify high-impact utility boxes and develop a plan for installing and maintaining the vinyl wraps.

The Commission plans to wrap three boxes in 2022. The Commission will select one or more local artists to create the images, with a particular focus on recruiting minority artists to contribute. The expected lifespan of the vinyl wraps is 3-5 years.

Expenses			
Artists' stipend	\$	1,500.00	\$500 per each of three images
Utility box wraps (including installation)	\$	3,000.00	Three wraps at \$1000 each, including installation; estimate based on average listed online prices

City staff time

Call for Artists administration

Contract and disbursement of funds

Holiday decorations

As in 2021, the Commission will partner with Sumner Rotary to purchase and install greenery and lighting along Main Street and in Heritage Park to create an inviting and attractive winter holiday streetscape.

Expenses			
Invoice from Rotary	\$	500.00	

City staff time

None anticipated

Community development advisory

The Commission will remain in conversation with city planners on current development projects—e.g. the Main Street Visioning Plan and the Main St. and Wood Ave. intersection improvements—and such future projects as may arise, to consider and recommend strategies for the integration of public art into these projects, prioritizing work which reflects both the rich historical heritage of Sumner and the diverse, vibrant community into which it has developed.

Expenses

Unfunded

City staff time

Meetings with Commission and/or subcommittees

Certified Creative District research

In 2022, the Commission will explore the costs and benefits involved in seeking Creative District certification for downtown Sumner, and begin conversations with other municipal and development authorities—Chewelah, Olympia, Port Townsend, etc.—which have successfully implemented Creative Districts.

This certification includes grant funding (up to \$5000), marketing and promotion, data and impact analysis, access to technical assistance, and other ongoing supports from ArtsWA. The Commission believes that downtown Sumner is a strong candidate for recognition as a Creative District, and that such recognition would be beneficial to the city and its residents. The Commission also believes that Creative District certification is aligned with the vision and strategies of the Sumner Town Center Plan.

Expenses

Unfunded

City staff time

Responding to requests for demographic and economic data

2022 Planned Expenditures

TOTAL 2022 \$ **16,150.00**

EXPENDITURES

2022 AVAILABLE \$ 16,256.99
FUNDS

Music off Main \$ **16,720.00**

Sound system \$ 2,500.00

Park rental \$ 150.00

City electrical connection \$ 20.00

Public Works \$ -

Performance fees \$ 12,000.00

Marketing \$ 250.00

New banner printing \$ 350.00

Equipment fees

Portable stage rental \$ 750.00

Generator rental \$ 350.00

ADA-compliant portable
toilet \$ 350.00

Nights on Ryan \$ **(4,140.00)**

Street Closure \$ 200.00

Public Works \$ 1,560.00

Marketing \$ 100.00

Booth fees \$ (6,000.00)

Water for vendors \$ 100.00

Chalk Art Festival \$ **(200.00)**

Parking Lot/Park fee \$ 50.00

Additional Chalk \$ 100.00

Marketing \$ 100.00

Entry fees \$ (450.00)

7/15 @ Ryan House, 7/22 @ Ryan House, 7/30 @ Loyalty Park

Total for three events, based on 2019 expenditure

Three events at \$50 each

Two events at Ryan House at \$10 each

No city services anticipated at this time

Three events at \$4000 each

Includes \$150 banner fee

Approx. 8x12' stage for Loyalty Park performance only; including delivery and installation, based on local rental websites
Loyalty Park event only; 5000w generator + power conditioner

Two Ryan House events only at \$175 each

7/15, 7/22, 8/5, 8/12

Closing Ryan Ave. for \$50 per event

One employee for 6 hours at overtime rates of \$65/hr. (4-10:00 p.m.) for each of the four events

\$1500 per event, or approx. \$50 per vendor

\$25 per event

7/30

Location TBD: Rhubarb Alley? Rainier View park path?
estimated

estimated 30 paid entrants at an average \$15 each

Mural Program & Public Art	\$	3,270.00	
Artists' stipend	\$	1,500.00	\$500 per each of three images
Utility box wraps (including installation)	\$	3,000.00	Three wraps at \$1000 each, including installation; estimate based on average listed online prices
Public Works	\$	270.00	One employee at regular time rates of \$45/hr. for two hours at each box to supervise installation
Holiday Decorations	\$	500.00	
Invoice from Rotary	\$	500.00	

Overall 2021/22 Budget

Total 2021/22 Budget		\$25,100.00	
Total Expenditures		\$25,073.01	
2021			2022
Westside Mural	\$2,500.00	Music off Main	\$13,470.00
Eastside Mural	\$2,500.00	Nights on Ryan	\$ (2,040.00)
Loyalty Mural (Rotary to pay other half)	\$1,750.00		\$ (200.00)
Chalk Art Festival permit fee	\$50.00	Chalk Art Festival	
Bags and chalk	\$183.14	Mural Program & Public Art	\$ 4,500.00
More chalk	\$737.47	Holiday Decorations	\$ 500.00
Nights on Ryan permit fee	\$500.00		
Nights on Ryan Booth fees	(\$477.60)		
Kareem Kandi	\$600.00		
Holiday decorations	\$500.00		
Total	\$8,843.01		\$16,230.00

SUBJECT: Ordinance No. 2818 - American Rescue Plan Act Budget Amendment

CATEGORY: Ordinance

BUDGET IMPACT:

Expenditure Required: \$1,520,000

Within Budget Allocation: Yes

ATTACHMENTS:

1. ARPA Funding Recommendations Presentation
2. Ordinance No. 2818 - American Rescue Plan Act Budget Amendment

STAFF CONTACT: Jason Wilson, City Administrator

SUMMARY BACKGROUND:

The American Rescue Plan Act (ARPA) committee reviewed several possible uses of ARPA funds and has recommended allocations that address long term business sustainability and infrastructure needs. The proposed ordinance would allocate \$1,520,000 under the following ARPA categories:

Direct Response: \$-300,000
Economic Impact: \$320,000
Infrastructure \$1,500,000

The negative \$300,000 under direct response is the de-funding of the HR Generalist that was approved in August of 2021 under Ordinance No. 2790.

If approved, the remaining ARPA balance is \$223,676 for future use. The ARPA continues to meet and discuss future allocation recommendations.

COUNCIL COMMITTEE/STUDY SESSION: ARPA Committee MEETING/STUDY SESSION DATE: 3/9/2022 COMMITTEE RECOMMENDATION: Do Pass
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STAFF RECOMMENDATIONS/MOTION:

Forward to a Regular Council Meeting for consideration.



CITY OF
SUMNER
WASHINGTON

ARPA FUNDING RECOMMENDATIONS

ROUND THREE

ORDINANCE NO. 2818

APRIL 4, 2022

Background



- Estimated \$2 Billion in funding to Pierce Co.
- \$2.9 million to Sumner
- Generally must be spent by end of 2024
- Committee's goal: understand options with regional \$ for best use of local \$ for maximum impact in our community
- Keep in mind how to complement existing funding sources for best impact.

DIRECT RESPONSE

This Allocation: \$-300,000

Previous Allocations: \$715,000

14% of Total ARPA

DIRECT RESPONSE



HR Generalist

Workplace safety &
recruitment 2021-2023

\$-300,000

NO LONGER REQUIRED

Change in COVID requirements (no vaccine mandate)

Recruitments are still difficult

Monitor and address during budget process

ECONOMIC RESPONSE & RESILLIANCE

This Allocation: \$320,000

Previous Allocations: \$350,000

23% of ARPA Funding

ECONOMIC RESPONSE

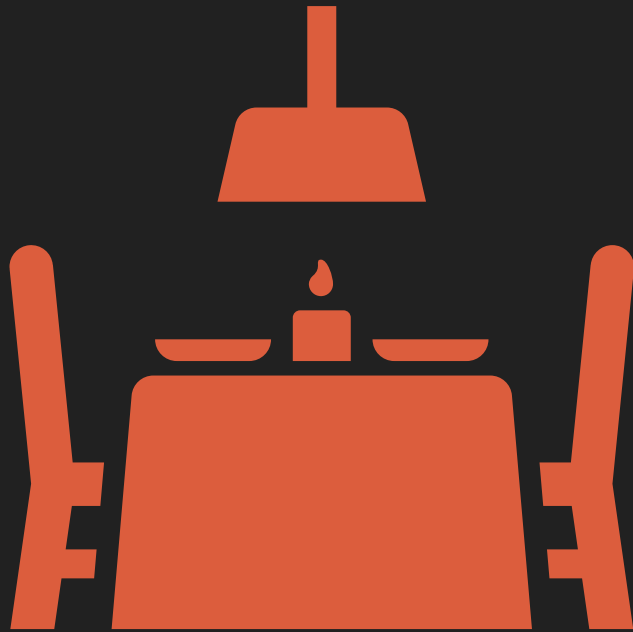


Business Grants

Tenant Improvements

\$100,000

ECONOMIC RESPONSE



Business Grants

Restaurant Establishment

\$120,000

ECONOMIC RESPONSE



Business Grants

Commissary Kitchen
Development

\$100,000

INFRASTRUCTURE INVESTMENTS

This Allocation: \$1,500,000

Previous Allocations: \$102,000

55% of Total ARPA Funding

INFRASTRUCTURE



Park Restroom Improvements
Portland Loo Installation at
Loyalty and Rainier View Parks
\$500,000

INFRASTRUCTURE



Kincaid/Cherry Pedestrian Plaza

Support Water Utility Costs

\$500,000

INFRASTRUCTURE



Kincaid/Cherry Pedestrian
Plaza

Support Storm Utility Costs

\$500,000

Recap – ARPA Funding



- Round One: \$1,062,000
- Round Two: \$105,000
- Round Three: \$1,520,000
- Remaining: \$243,676 (8%)

DIRECT RESPONSE

TOTAL: \$415,000



Costs Associated with Response \$40,000



Air Filtering Improvements \$10,000



Facility Improvements \$95,000



Hybrid meeting/EOC technology \$270,000



Total Allocations: \$2,687,000
Remaining: \$223,676

ECONOMIC RESPONSE

TOTAL: \$670,000



Community Food Bank access to service \$35,000



Wayfinding Signs \$40,000



Kincaid/Cherry Design \$250,000



Emergency Shelter/Outreach \$25,000



Business Grants \$320,000

INFRASTRUCTURE

TOTAL: \$1,602,000



Fiber Broadband Study \$20,000



Cybersecurity \$62,000



Sports Complex Restroom Improvements \$20,000



Infrastructure and Park Restrooms \$1,520,000

Questions?



CITY OF
SUMNER
WASHINGTON

**ORDINANCE NO. 2818
CITY OF SUMNER, WASHINGTON**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUMNER, WASHINGTON, AMENDING THE 2021-2022 BIENNIAL BUDGET AS ORIGINALLY ADOPTED IN ORDINANCE NO. 2758, APPROVED DECEMBER 7, 2020, AND PREVIOUSLY AMENDED IN ORDINANCE 2762, APPROVED FEBRUARY 16, 2021, ORDINANCE 2771, APPROVED APRIL 19, 2021, ORDINANCE 2786, APPROVED AUGUST 2, 2021, ORDINANCE 2790, APPROVED AUGUST 16, 2021, ORDINANCE 2791, APPROVED AUGUST 16, 2021, ORDINANCE 2797, APPROVED OCTOBER 18, 2021, ORDINANCE 2802, APPROVED DECEMBER 6, 2021, ORDINANCE 2803, APPROVED DECEMBER 6, 2021, ORDINANCE 2804, APPROVED JANUARY 18, 2022, ORDINANCE 2813, APPROVED FEBRUARY 7, 2022, AND ORDINANCE 2815, APPROVED MARCH 21, 2022.

WHEREAS, The Sumner City Council approved Ordinance No. 2758 which adopted a biennial budget for fiscal years 2021-2022; and

WHEREAS, The Sumner City Council approved Ordinance No. 2762 which amended the 2021-2022 biennial budget for fiscal years 2021-2022; and

WHEREAS, The Sumner City Council approved Ordinance No. 2771 which amended the 2021-2022 biennial budget for fiscal years 2021-2022; and

WHEREAS, The Sumner City Council approved Ordinance No. 2786 which amended the 2021-2022 biennial budget for fiscal years 2021-2022; and

WHEREAS, The Sumner City Council approved Ordinance No. 2790 which amended the 2021-2022 biennial budget for fiscal years 2021-2022; and

WHEREAS, The Sumner City Council approved Ordinance No. 2791 which amended the 2021-2022 biennial budget for fiscal years 2021-2022; and

WHEREAS, The Sumner City Council approved Ordinance No. 2797 which amended the 2021-2022 biennial budget for fiscal years 2021-2022; and

WHEREAS, The Sumner City Council approved Ordinance No. 2802 which amended the 2021-2022 biennial budget for fiscal years 2021-2022; and

WHEREAS, The Sumner City Council approved Ordinance No. 2803 which amended the 2021-2022 biennial budget for fiscal years 2021-2022; and

WHEREAS, The Sumner City Council approved Ordinance No. 2804 which amended the 2021-2022 biennial budget for fiscal years 2021-2022; and

WHEREAS, The Sumner City Council approved Ordinance No. 2813 which amended the 2021-2022 biennial budget for fiscal years 2021-2022; and

WHEREAS, The Sumner City Council approved Ordinance No. 2815 which amended the 2021-2022 biennial budget for fiscal years 2021-2022; and

WHEREAS, RCW 35A.34 provides procedures for adopting, managing, and amending a biennial budget; and

WHEREAS, RCW 35A.34.130 requires that the adopted biennial budget be subject to a mid-biennial review and modifications as needed; and

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

Section 1. Amendment. The biennial budget for the City of Sumner for the period January 1, 2021 through December 31, 2022 as contained in the adopted 2021-2022 Biennial Budget for total revenue/sources and expenditures/uses as approved by the City Council, is hereby amended by Total Revenue and Expenditures for each fund as shown on the attached Exhibit A.

Section 2. Corrections by City Clerk or Code Reviser. Upon approval of the city attorney, the city clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; ordinance, section, or subsection numbering; or references to other local, state, or federal laws, codes, rules, or regulations.

Section 3. Severability. The provisions of this ordinance are declared separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this ordinance or the invalidity of the application thereof to any person or circumstance shall not affect the validity of the remainder of the ordinance or the validity of its application to other person's circumstances.

Section 4. Effective Date. This Ordinance shall become effective five (5) days from and after its passage, approval, and publication as provided by law.

Passed by the City Council and approved by the Mayor of the City of Sumner, Washington, at a regular meeting thereof this 4th day of April, 2022.

Mayor Kathy Hayden

ATTEST:

APPROVED AS TO FORM:

City Clerk Michelle Converse, CMC

City Attorney Andrea Marquez

Funds	Beginning Fund Balance		Revenues		Expenditures			Ending Fund Balance
	<i>Adopted</i>	<i>Adopted</i>	<i>Previous</i>	<i>04/04/22</i>	<i>Adopted</i>	<i>Previous</i>	<i>04/04/22</i>	<i>Revised</i>
001 General	\$ 5,978,542	\$ 31,643,467	\$ 550,870	\$ -	\$ 31,919,065	1,061,885	\$ 300,000	\$ 4,891,929
002 General Fund Reserves	980,824	-	-	-	-	-	-	980,824
003 Building Reserves	475,000	200,000	-	-	80,000	150,000	-	445,000
103 Complete Streets	241,851	-	-	-	200,000	41,654	-	197
105 Drug Enforcement	63,457	-	-	-	4,500	-	-	58,957
106 Hotel/Motel	273,747	215,000	25,000	-	106,245	318,000	-	89,502
115 ARPA Funding	-	-	2,910,676	300,000	-	1,167,000	1,820,000	223,676
200 Debt Service	2,570,000	527,200	-	-	520,000	-	-	2,577,200
221 LID Guarantee	694,969	-	-	-	-	-	-	694,969
302 Sidewalk	477,769	4,308,069	(310,000)	-	3,524,069	(310,000)	-	1,261,769
305 Real Estate Excise Tax	1,093,200	1,600,000	-	-	-	1,776,000	-	917,200
307 LID Capital Project Fund	9,545	-	-	-	-	-	-	9,545
310 Parks & Trails Capital Fund	544,740	1,237,500	1,956,000	500,000	1,237,500	1,881,000	500,000	619,740
320 Street Capital Fund	826,206	6,709,520	2,680,700	-	7,679,245	1,381,700	-	1,155,481
325 Facilities Capital Fund	183,773	26,200,000	276,000	-	15,700,000	956,000	-	10,003,773
401 Water	13,477,844	11,104,747	25,000	500,000	15,719,366	716,990	500,000	8,171,234
402 Wastewater	20,996,349	15,706,582	91,050	500,000	18,404,296	1,010,746	500,000	17,378,938
403 Utility Bond Reserves	1,729,536	-	-	-	-	-	-	1,729,536
408 Stormwater	14,788,274	14,201,134	-	-	18,573,507	369,622	-	10,046,279
410 Cemetery Operations	31,493	1,352,800	-	-	1,358,895	2,260	-	23,138
415 Cemetery Development	-	-	40,000	-	-	25,000	-	15,000
440 Animal Control	12,239	1,496,319	121,184	-	1,460,055	114,855	-	54,832
501 Unemployment Insurance	43,989	-	-	-	3,055	-	-	40,934
550 Fleet Management	6,261	1,251,664	-	-	1,251,660	690	-	5,575
551 Information Technology	273,009	2,385,042	155,930	-	2,385,040	146,896	-	282,045
555 Equipment Reserve	1,013,749	1,297,245	315,000	-	790,000	373,000	-	1,462,994
601 Cemetery Endowment	1,472,385	60,000	-	-	-	-	-	1,532,385
603 Alder Ave Remediation	25,649	-	-	-	-	-	-	25,649
605 Development Impact Fees	7,026,351	700,000	-	-	3,397,200	835,000	-	3,494,151
611 Firemen's Pension	11,832	160,000	-	-	160,000	-	-	11,832
Total All Funds	\$ 75,322,583	\$ 122,356,289	\$ 8,837,410	\$ 1,800,000	\$ 124,473,699	\$ 12,018,298	\$ 3,620,000	\$ 68,204,285

SUBJECT: Multifamily Tax Exemption for Affordable Housing

CATEGORY: Information Only

BUDGET IMPACT:

Expenditure Required: None

Within Budget Allocation: N/A

ATTACHMENTS:

1. Multifamily Tax Exemption Memo
 2. Multifamily Tax Exemption Presentation
-

STAFF CONTACT: Ryan Windish, Community Development Director

SUMMARY BACKGROUND:

At the Council Special Study Session on March 7, 2022, the City Council continued discussing the proposal to expand the City's Multifamily Tax Exemption (MFTE) program to include areas beyond the current Town Center for multifamily housing developments that provide 20-25% of the total units as affordable housing. At the study session, staff presented the impact on the City of Sumner revenues from uncollected property tax revenue under the 12 and 20 year MFTE options for a hypothetical project valued at \$10.5M. Staff also discussed and presented the need for affordable housing based on the 2020 Housing Needs Assessment. Some City Councilmembers expressed concern about the potential reduction in property tax revenue for properties and developments that would qualify for the MFTE, especially concerns about impacts on special districts such as the school district and fire district.

As a result of the discussion, staff is seeking Council direction on one of 4 options:

Option 1: Original Proposal. Adopt the policy/regulations as recommended by staff and expand the area where the MFTE would be allowed, *only for affordable housing* for both the 12-year and 20-year options.

Option 2: Reduce Expanded Area for MFTE. This would reduce the proposed expansion of areas where MFTE would be an option for affordable housing. This option retains the areas in East Sumner where the most potential for growth could occur in the short term. This change reduces the overall potential for the MFTE to be used and limits the reduction in property tax revenues as compared to Option 1.

Option 3: Add 20-year MFTE to the Town Center. The MFTE target areas would not expand but be retained in the Town Center and it would expand the allowance to include the 20 year MFTE for those projects providing at least 25% of the units as permanent affordable housing. This would focus on new affordable housing within close proximity to transit but eliminate options for MFTE advantages in East Sumner where much of the new development will occur.

Option 4: Do Not Take Action. Not taking action would retain the MFTE, including a 12-year exemption for affordable housing, in the Town Center. It would limit options for new affordable housing in the East Sumner Neighborhood during a time of growth. No action would leave the option open to update and expand the MFTE in the future as needs warrant or during the 2024 Comprehensive Plan Update to meet state Growth Management Act requirements.

COUNCIL COMMITTEE/STUDY SESSION: Study Session MEETING/STUDY SESSION DATE: 2/14/2022 COMMITTEE RECOMMENDATION:
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STAFF RECOMMENDATIONS/MOTION:

Information Only



DATE: March 28, 2022
TO: Mayor Hayden and City Council
FROM: Ryan Windish, Community Development Director
RE: **Multifamily Tax Exemption (MFTE) for Affordable Housing**

Introduction

At a Council Special Study Session on March 7 staff presented the MFTE and options for both the duration of the use of the MFTE for incentivizing affordable housing construction in Sumner (12 and 20 years) and recommended areas within the City for it to be allowed. Staff also discussed and presented the need for affordable housing based on the 2020 Housing Needs Assessment.

Some City Councilmembers expressed concern with the potential reduction in property tax revenue for properties and developments that would qualify for the MFTE, especially concerns for impacts to special districts such as the school district and fire district. A letter was provided by East Pierce Fire & Rescue asking for Council to carefully consider impacts as the fire district looks at keeping a high level of service.

The MFTE is one of the greatest incentives that the City can offer a developer to construct affordable housing units. The MFTE requires that a minimum 20% of the units be affordable, which means that for a 100 unit development there would be 20 new units that would be affordable to low and moderate income households. This would go a long way toward affordability in Sumner by: 1) reducing the likelihood of displacing low-income households from the community as new development and redevelopment occurs and rental rates continue to rise; and 2) creating new, high quality housing that is affordable.

Tax Revenue Implications

The MFTE provides tax savings for the developer, however, it also results in lost property tax revenue for the City of Sumner and other taxing entities that levy property taxes, including the school district, fire district and library district. The following is an analysis of uncollected property tax revenue based on the hypothetical example of a development as follows:

Example Development Property Assumptions:

Land Value: \$1,500,000
Improvement Value: \$9,000,000
Total Taxable Value: \$10,500,000

Table I: Uncollected Tax Levy—12 year MFTE

Sumner	School	State	Fire	County	Other	Transit	Total
9,663	55,416	16,790	16,236	9,509	5,307	1,789	114,711
9,687	55,550	16,830	16,275	9,532	5,320	1,794	114,988
9,716	55,718	16,881	16,324	9,560	5,336	1,799	115,336
9,751	55,918	16,941	16,383	9,595	5,356	1,806	115,749
9,791	56,147	17,011	16,450	9,634	5,377	1,813	116,223
9,835	56,403	17,088	16,525	9,678	5,402	1,821	116,753
9,884	56,684	17,174	16,607	9,726	5,429	1,830	117,335
9,937	56,989	17,266	16,697	9,779	5,458	1,840	117,966
9,995	57,316	17,365	16,793	9,835	5,489	1,851	118,644
10,055	57,664	17,471	16,895	9,894	5,523	1,862	119,364
10,119	58,032	17,582	17,002	9,957	5,558	1,874	120,125
10,187	58,418	17,699	17,116	10,024	5,595	1,886	120,925
118,620	680,258	206,098	199,303	116,722	65,152	21,965	1,408,117

Table I shows that the total uncollected tax for the example property would be about \$1.4M over the 12-year MFTE. This is a range of approximately \$114,000-\$121,000 per year. The affects on the Sumner-Bonney Lake School District would be about \$55,000-\$58,000 per year and a total of \$680,258 over the 12 years. Likewise, the EPFR would see a reduction in revenue of \$16,000-\$17,000 per year a total of \$199,303.

Table 2: Uncollected Tax Levy—20 year MFTE

Sumner	School	State	Fire	County	Other	Transit	Total
9,663	55,416	16,790	16,236	9,509	5,307	1,789	114,711
9,687	55,550	16,830	16,275	9,532	5,320	1,794	114,988
9,716	55,718	16,881	16,324	9,560	5,336	1,799	115,336
9,751	55,918	16,941	16,383	9,595	5,356	1,806	115,749
9,791	56,147	17,011	16,450	9,634	5,377	1,813	116,223
9,835	56,403	17,088	16,525	9,678	5,402	1,821	116,753
9,884	56,684	17,174	16,607	9,726	5,429	1,830	117,335
9,937	56,989	17,266	16,697	9,779	5,458	1,840	117,966
9,995	57,316	17,365	16,793	9,835	5,489	1,851	118,644
10,055	57,664	17,471	16,895	9,894	5,523	1,862	119,364
10,119	58,032	17,582	17,002	9,957	5,558	1,874	120,125
10,187	58,418	17,699	17,116	10,024	5,595	1,886	120,925
10,257	58,822	17,821	17,234	10,093	5,634	1,899	121,761
10,330	59,243	17,949	17,357	10,165	5,674	1,913	122,631
10,407	59,679	18,081	17,485	10,240	5,716	1,927	123,535
10,485	60,131	18,218	17,617	10,318	5,759	1,942	124,470
10,567	60,597	18,359	17,754	10,398	5,804	1,957	125,435
10,650	61,077	18,505	17,895	10,480	5,850	1,972	126,429
10,736	61,571	18,654	18,039	10,565	5,897	1,988	127,450
10,825	62,077	18,808	18,188	10,652	5,945	2,004	128,499
202,877	1,163,455	352,493	340,872	199,632	111,430	37,567	2,408,325

Table 2 indicates that the total uncollected tax for the example property would be about \$2.4M over the 20-year MFTE. This is a range of approximately \$114,000-\$128,000 per year of uncollected taxes. The effects on the Sumner-Bonney Lake School District would be about \$55,000-\$62,000 per year and a total of \$1,163,455 over the 20 years. Likewise, the EPFR would see a reduction in revenue of \$16,000-\$18,000 per year a total of \$340,872.

A Path Forward: Options

Given the discussion and concerns, staff proposes 4 options for Council consideration and will be asking for direction during the study session:

Option 1: Original Proposal. Adopt the policy/regulations as recommended by staff and expanding the area where the MFTE would be allowed, ***only for affordable housing*** for both the 12 year and new 20 year options. This would include residential target areas as shown in Exhibit 1, see below.

Option 2: Reduce Expanded Area for MFTE. This would reduce the proposed expansion of area within the City where MFTE would be an option for affordable housing. This option retains the areas in East Sumner where the most potential for growth could occur in the short term. This change reduces the overall potential for the MFTE to be used and limits the reduction in property tax revenues as compared to Option 1. (See Exhibit 2 showing proposed map changes.)

Option 3: Add 20-year MFTE to the Town Center. The MFTE target areas would not expand but be retained in the Town Center and it would expand the allowance to include the 20 year MFTE for those projects providing at least 25% of the units as permanent affordable housing. This would focus new affordable housing within close proximity to transit but eliminates options for MFTE advantages in East Sumner where much of the new development will occur.

Option 4: Do Not Take Action. Not taking action would retain the MFTE, including a 12-year exemption for affordable housing, in the Town Center. It would limit options for new affordable housing in the East Sumner Neighborhood during a time of growth. No action would leave the option open to update and expand the MFTE in the future as needs warrant or during the 2024 Comprehensive Plan Update to meet state Growth Management Act requirements.

Exhibit I: Map of Multifamily Tax Exemption Residential Target Areas

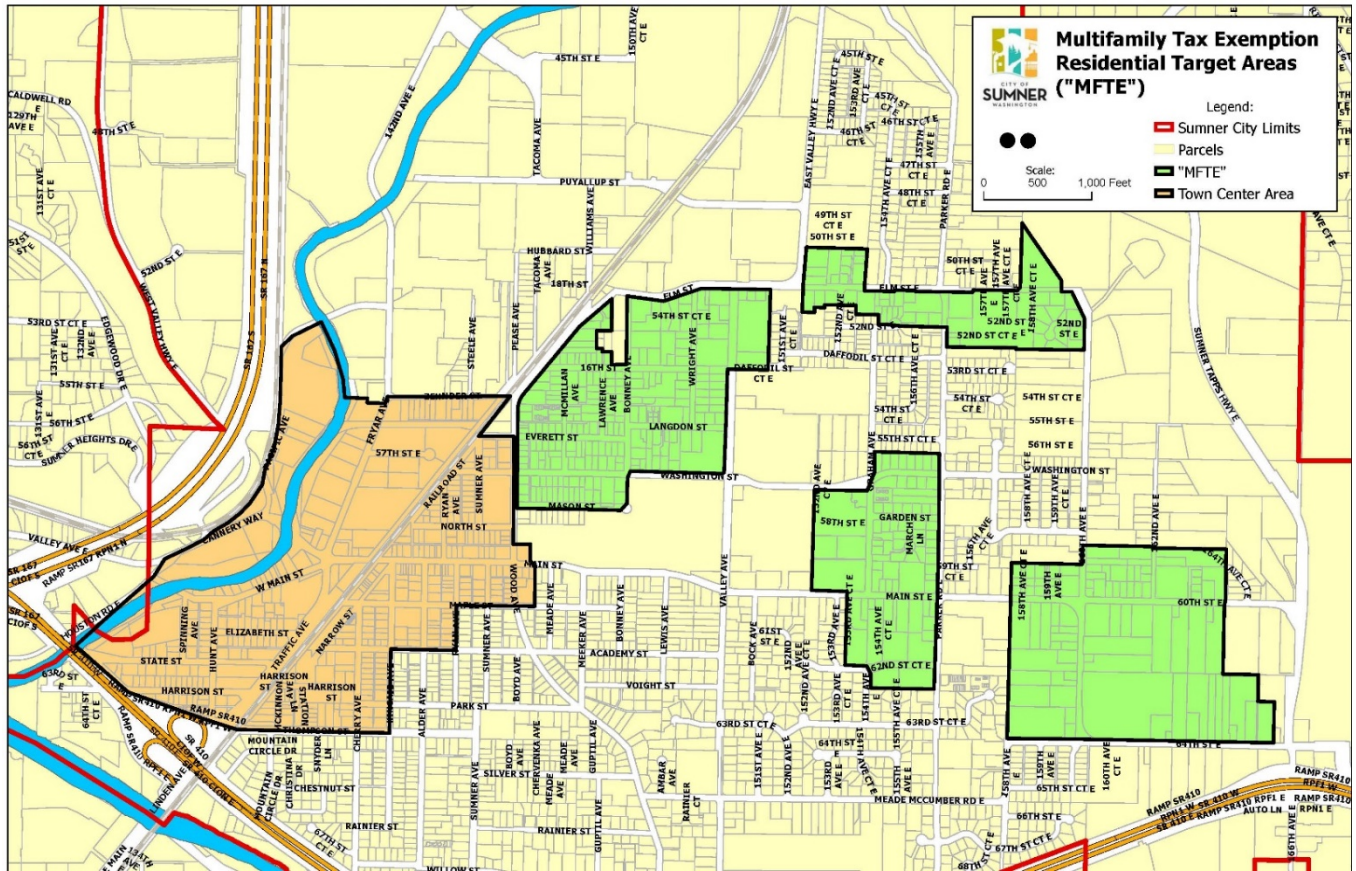
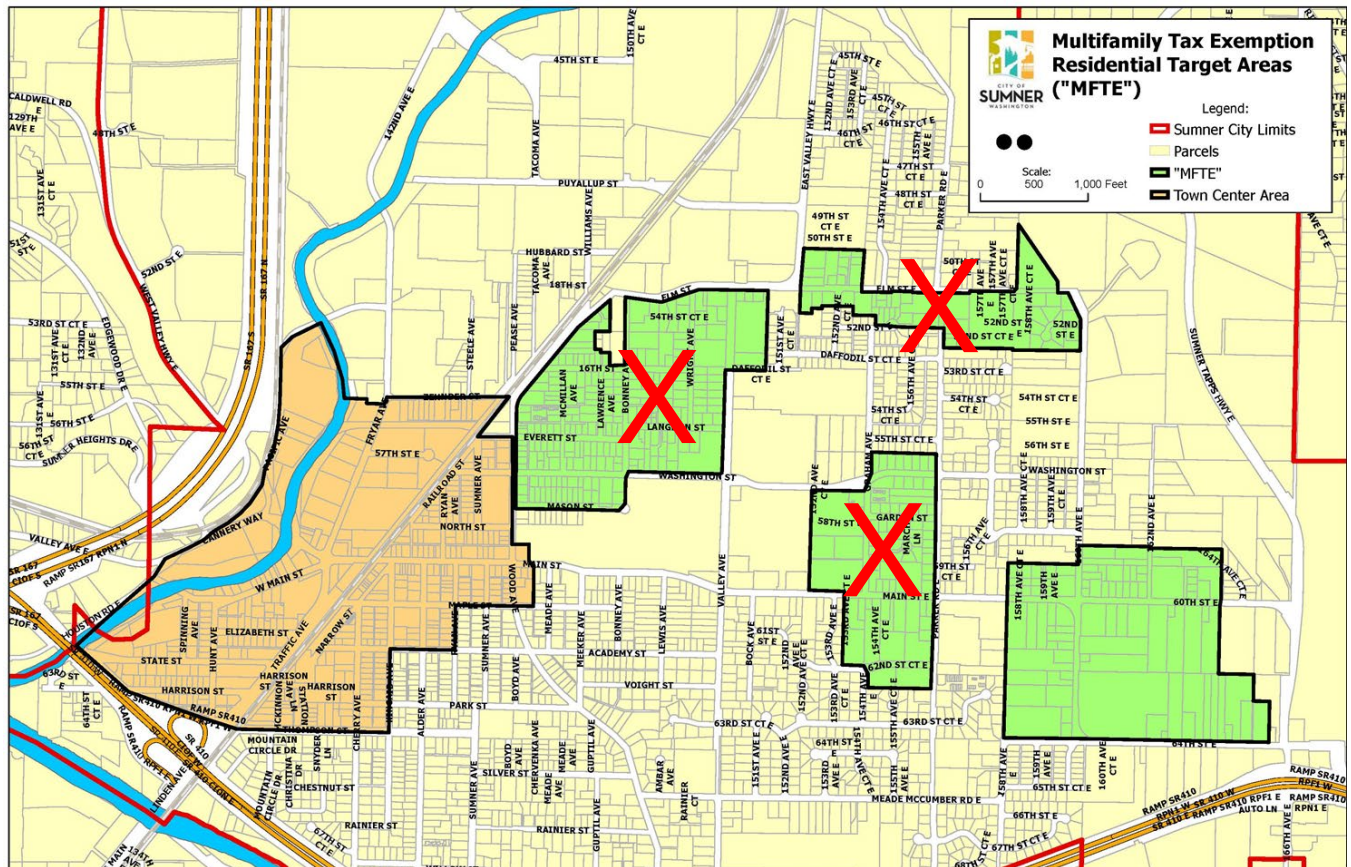


Exhibit 2: Map of Multifamily Tax Exemption Residential Target Areas—Reduced



Multifamily Tax Exemption Program

Incentives for Affordable Housing

Ryan Windish, Community Development Director

City Council Meeting
March 28, 2022



CITY OF
SUMNER
WASHINGTON

Objectives

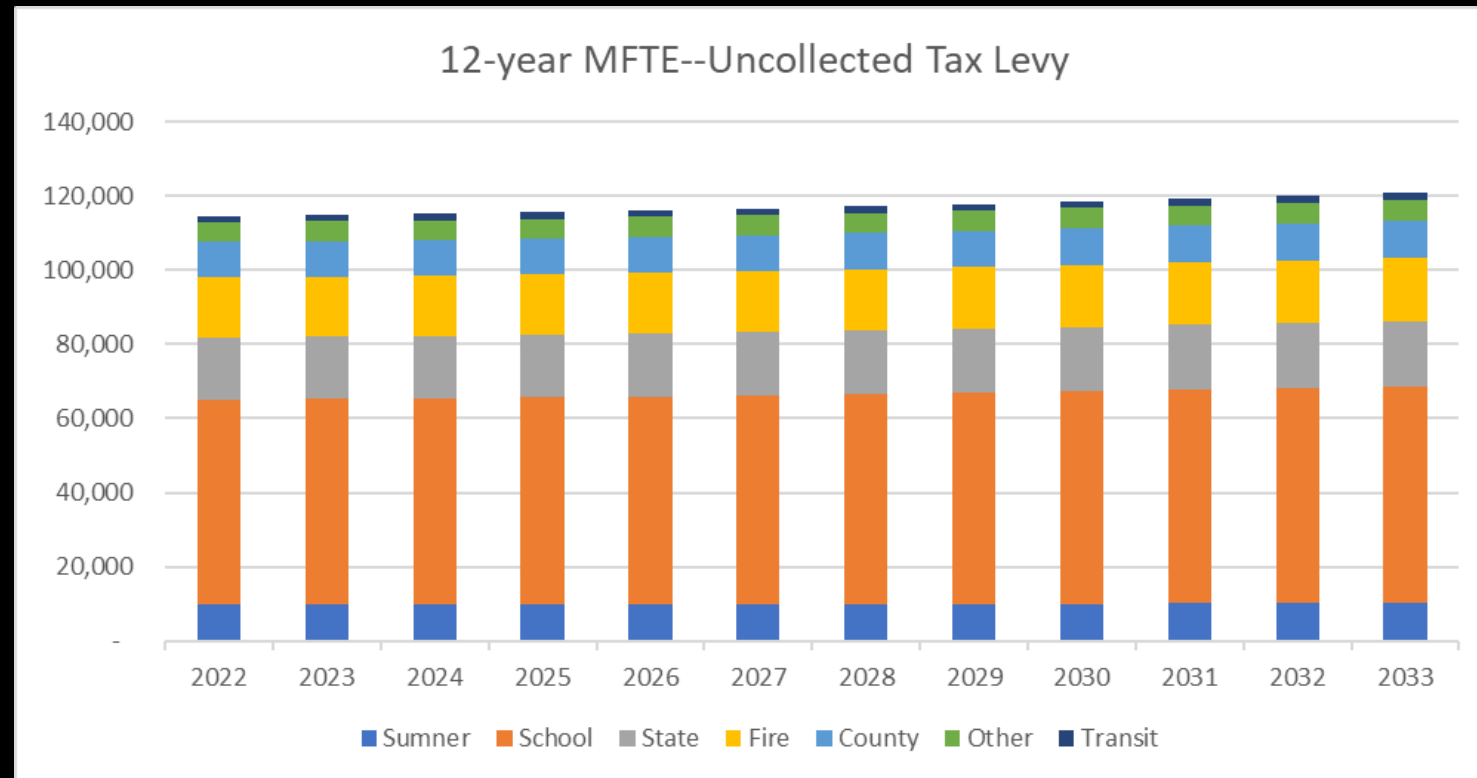
- MFTE expansion was a priority action in the 2021 Housing Action Plan
- Discussed in February 14 and March 7 Study Sessions with some councilmembers concerned about impacts to tax revenue
- Staff will present options for moving forward or not and seeking direction from Council

12-year MFTE Tax Revenue Loss

\$117,318

Base Valuation

Land	\$	1,500,000
Improvement	\$	9,000,000
Total	\$	10,500,000

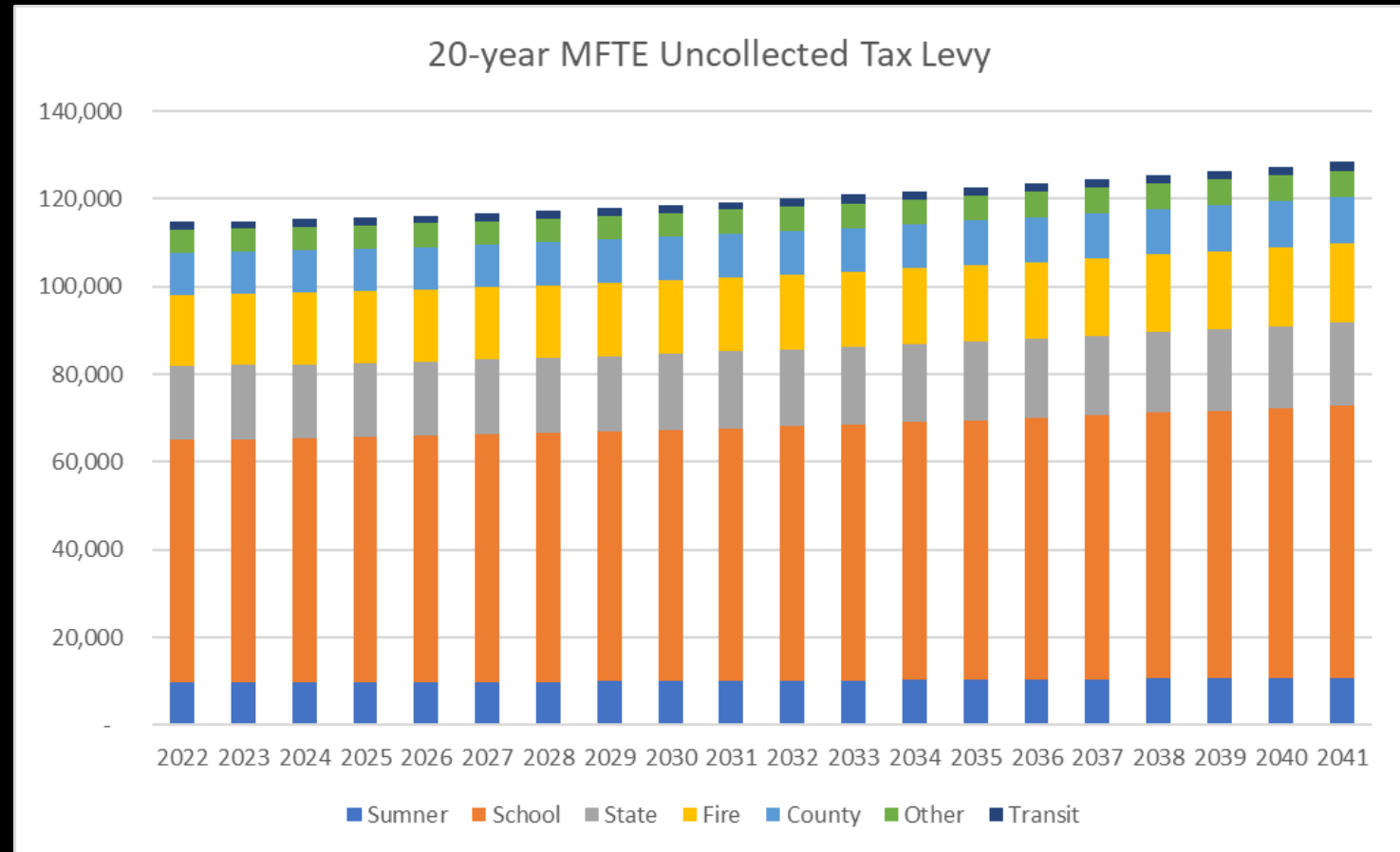


Uncollected tax revenue: \$1,408,117

20-year MFTE City Tax Revenue Loss

Base Valuation

Land	\$	1,500,000
Improvement	\$	9,000,000
Total	\$	10,500,000



Uncollected tax revenue: \$2,408,325

Options to Discuss

Option 1: Original Proposal

Option 2: Reduce Expanded MFTE Area

Option 3: Add 20-year MFTE to Town Center Only

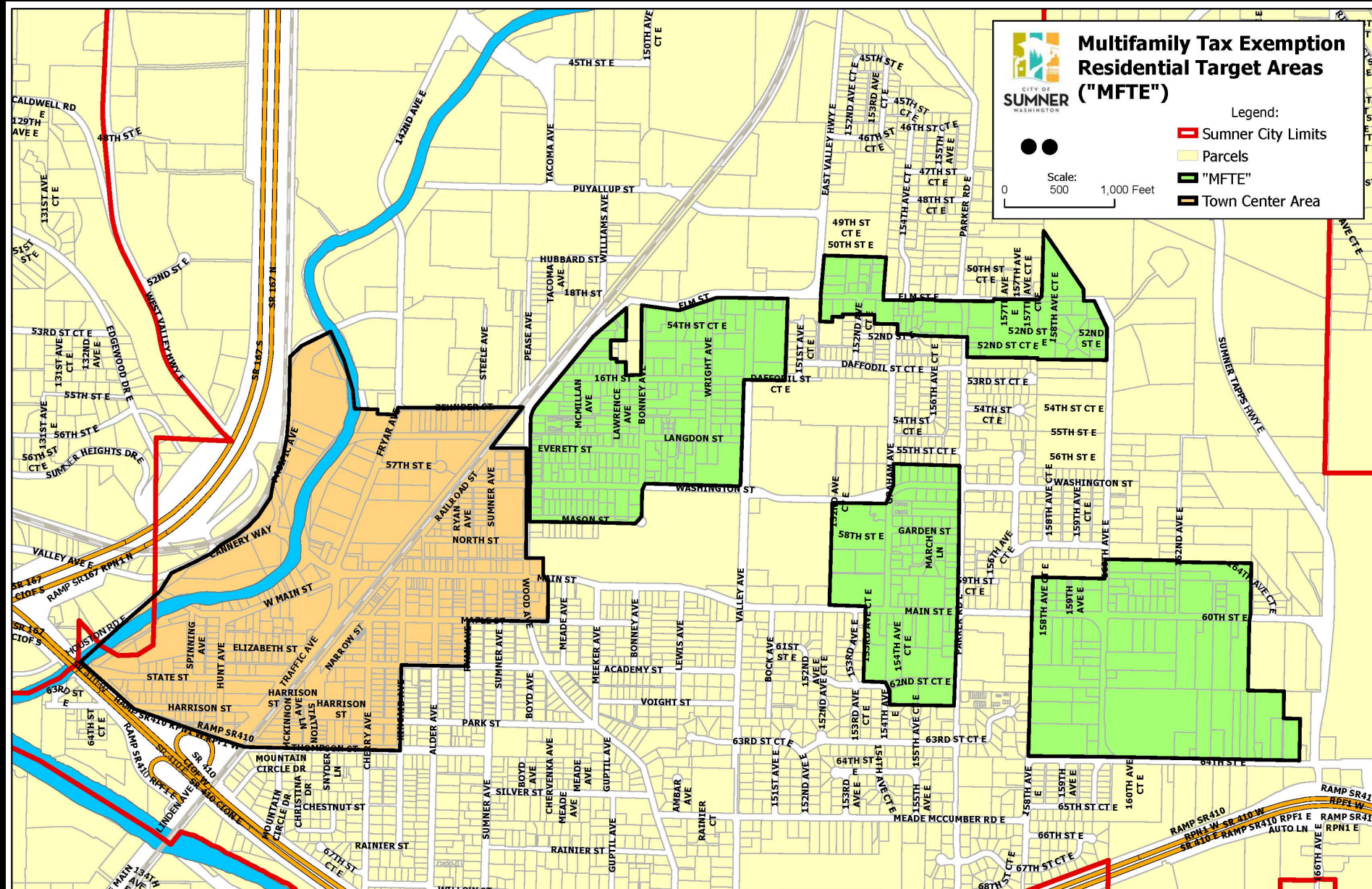
Option 4: Do Not Take Action

Option 1: Original Proposal

- Adopt State Law that would allow for the expansion of MFTE program including the East Sumner Neighborhood
- Allow for option of 12-year exemption for developing 20% of units as affordable.
- Allow for option of 20-year exemption for developing 25% of units as permanent affordable to be managed by a third-party, plus other requirements.
- Retain a 4-unit qualifying number for affordable housing option
- Revisit the program every 5 years.



Option 1: MFTE Expanded Residential Target Areas

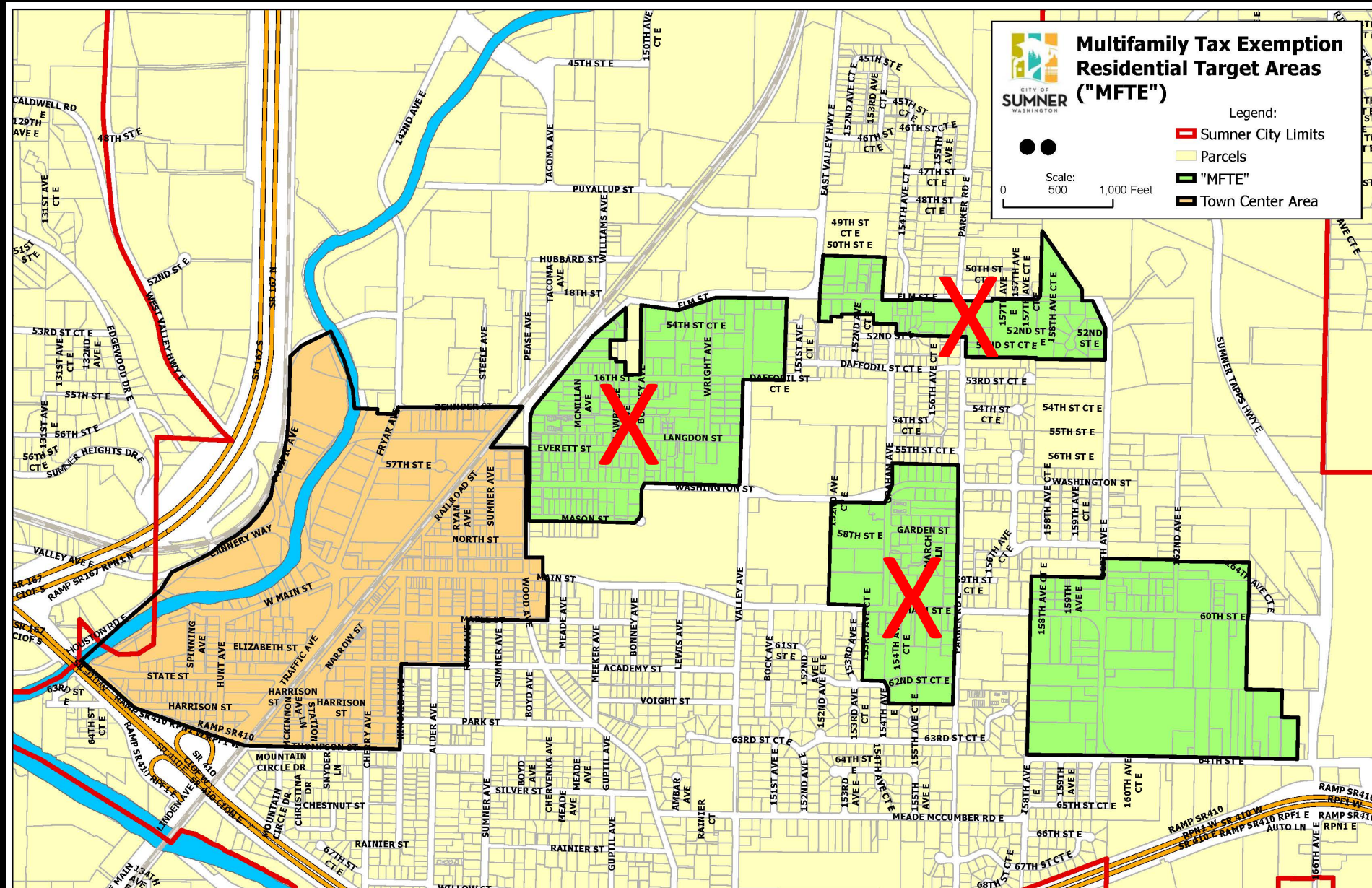


Option 2: Reduce Expanded MFTE Area

- Reduce the expansion area for the MFTE but retain East Sumner properties
- Retain all other aspects of Option 1



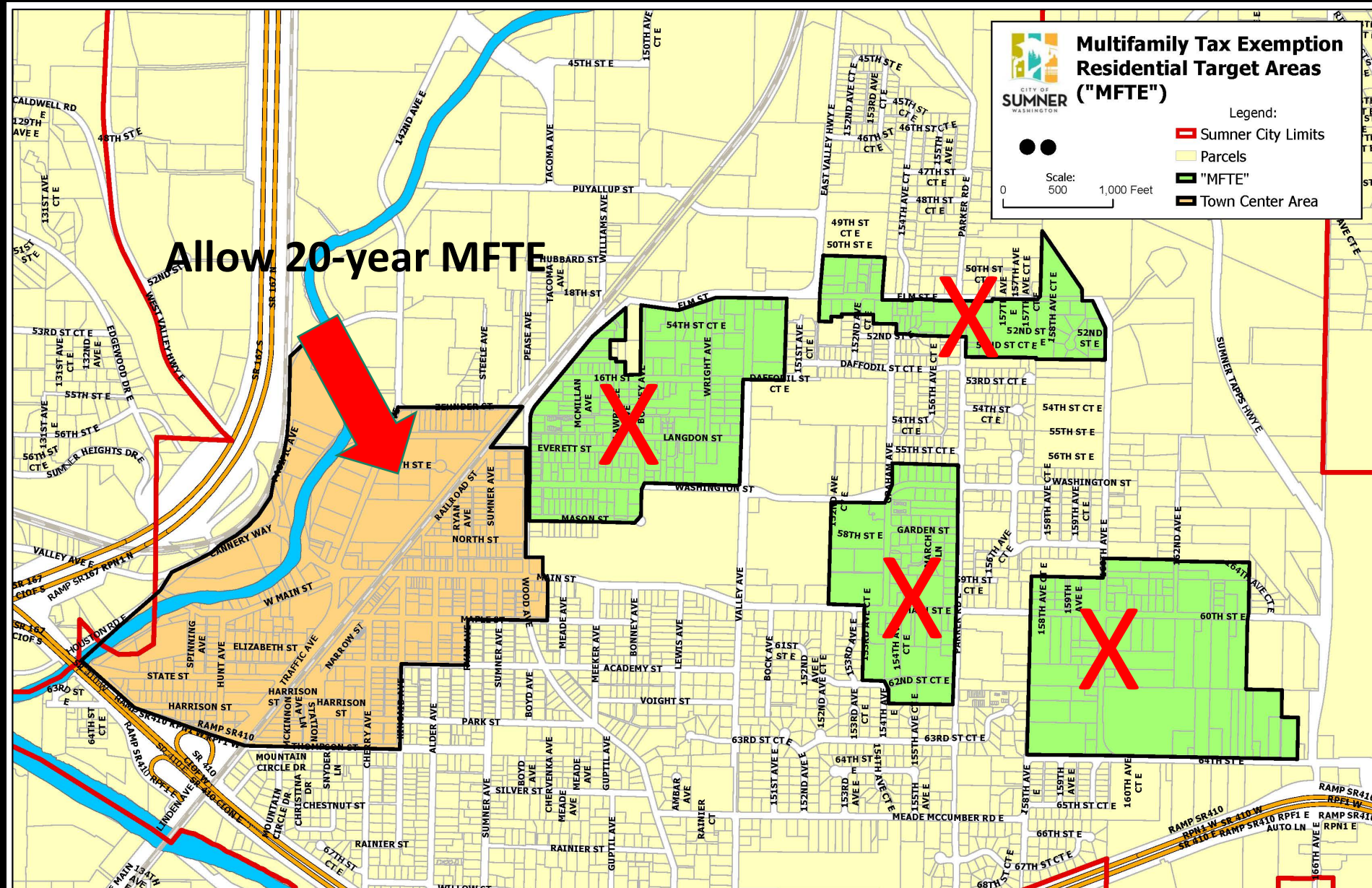
Option 3: Reduce MFTE Expanded Residential Target Areas



Option 3: Add 20-year MFTE to Town Center Only

- Retain MFTE in the Town Center
- Allow 20-year MFTE for projects as follows:
- 25% of the units must be sold to a qualified nonprofit or local government partner that will assure **permanent affordable homeownership**.
- Local jurisdiction may collect administration fee
- Certain restrictions for **permanently affordable homeownership** for resale, etc.
- Option available until December 31, 2026

Option 3: Reduce MFTE Expanded Residential Target Areas



Option 4: Do Not Take Action

- Retains current MFTE allowance in Town Center near transit
- No further impacts on property tax revenue from expanded area
- May need to revisit during 2024 Comprehensive Plan Update to address state GMA
- Reduces chances for new affordable housing being built during housing boom

Next Steps

- **February – March:** City Council Overview (Finance Committee/Study Sessions)
- **April:** Decision



CITY COUNCIL AGENDA CALENDAR**Updated March 21, 2022**

CA – CONSENT AGENDA	ES – EXECUTIVE SESSION	NB – NEW BUSINESS
UB – UNFINISHED BUSINESS	P – PRESENTATION	PH – PUBLIC HEARING PR - PROCLAMATION

APRIL 4 RCM

PR Arbor Day
PR Animal Care and Control Officers' Appreciation Week
CA Parks Master Plan Approval
CA Resolution No. XXXX Authorization for Recreation and Conservation Organization Grant (Local Parks)
CA Resolution No. XXXX Authorization for Recreation and Conservation Organization Grant (Land and Water Conservation)
UB Resolution No. XXXX - 6-Year TIP
NB Commissioner Re-Appointment (Jolene Peterson/Design)
NB Commissioner Re-Appointment (Arts)
NB Commissioner Re-Appointment (Arts)
NB Commissioner Re-Appointment (Arts)
NB Commissioner Re-Appointment (Arts)
NB Commissioner Re-Appointment (Arts)
NB Commissioner Re-Appointment (Arts)
NB Commissioner Re-Appointment (LTAC)
NB Commissioner Re-Appointment (LTAC)
NB Commissioner Re-Appointment (LTAC)
NB Ordinance No. XXXX – Budget Amendment ARPA
NB Ordinance No. XXXX – Amending the MFTE

APRIL 11 SS

- Development Services Update
- Council Rules

APRIL 18 RCM

PR Senior Center Update
NB New Commission Appointments (Dustin Madden / Design)
NB New Commission Appointment (LTAC)
NB Ordinance No. XXXX – Animal Code Amendment
NB Ordinance No. XXXX – SMC Update – Electronic Signatures

APRIL 25 SS

- Review and Presentation of Documents for White River project
- Council DEI Training

MAY 2 RCM

PR Police Week & Peace Officer Memorial Day
P EPFR Update (Chief Parkinson)
NB Ordinance No. XXXX – SMC Amending Pet License Fees

MAY 9 SS

- Legislative Session Re-Cap
- YMCA Services Agreement Amendment
- Community Food Bank Update

MAY 16 RCM

MAY 18 – ALL-STAFF MEETING (8:15am)

MAY 23 SS

- Transit in Sumner
- Comcast Franchise Agreement Renewal

Pending

MISC.	MISC.	WHITE RIVER RESTORATION PROJECT
ROW Vacation Code Amendment	Family Center Update	PH - Surplus Utility Property South of 24 th Street East
Community Float Discussion	Bond Issuance for Operations Facility	UB - Resolution No. XXXX - Surplus Utility Property South of 24 th St E
Ordinance Insurance Requirements	Temporary Use Permit – Food Trucks	
Sign Code Update	Paper of Record	BNSF Agreement
Parks Funding		
CTR Ordinance Update	ILA RCC	CA - Water Rights Acquisition Agreement
Development Agreement Code updates	Houston Road Annexation	
	Heritage Park Expansion property acquisition	
Hearing Examiner Appointment		

APRIL 2022

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2
4	5	6	7	8	9
6:00PM Regular Council Meeting	4:00 PM Public Works Committee (Virtual)	5:30PM Finance Committee (Virtual)	6:00PM Planning Commission (Virtual)		
11	12	13	14	15	16
6:00PM Study Session		5:30 PM American Rescue Plan Comm. (Virtual) 6:30PM Design Commission (Virtual)	4:30PM Forestry/Parks Commission (Virtual)		
18	19	20	21	22	23
6:00PM Regular Council Meeting		5:30PM Public Safety Committee (Virtual)			
25	26	27	28	29	30
6:00PM Study Session		5:00PM CD Committee (Virtual)	5:30PM Cultural Arts Commission (Virtual)		

Meeting dates and times may change. Please contact City Hall to confirm this information prior to any meeting you plan to attend. **These meetings are accessible to persons with disabilities.** For individuals who require special accommodations, please contact City Hall at (253) 299-5500, 24 hours in advance.

Name: Michelle Converse, CMC
 Title: City Clerk

City of Sumner | 1104 Maple Street | Sumner, Washington 98390
 Ph: (253) 299-5500
 Website: www.sumnerwa.gov