



## WORKSHOP MEETING NOTICE OAK HARBOR CITY COUNCIL

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**NOTICE IS HEREBY GIVEN** that the Oak Harbor City Council will hold a Workshop Meeting on:

**Date:** Wednesday, July 27, 2016

**Time:** 3:00 p.m. – 5:00 p.m.

**Location:** City Hall Council Chambers, 865 SE Barrington Drive, Oak Harbor, WA 98277

Note that no action will be taken.

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### AGENDA

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- 1. Introduction of New Employees**
- 2. Departmental Briefings**
  - a. Comprehensive Annual Finance Report 2015 (CAFR)
  - b. Budget Calendar 2017
- 3. Pending Agenda Items**
  - a. Impact Fees Ordinance Amendment (8/03) – Dev/Services
  - b. Medical Marijuana: Development Standards for Producers, Processors, Retailers, and Cooperatives Ordinance Amendment (8/03) – Dev/Services
  - c. Valley High Investments Annexation – Dev/Services
  - d. Transportation Plan – Dev/Services & ENG
  - e. Transportation Improvement Plan (TIP) – Dev/Services & ENG
  - f. Final Acceptance of NE 4<sup>th</sup> Water Line – C. Johnson Construction (8/03) – ENG
  - g. Deception Pass Water Line Bridge Hangers (8/24) – ENG
- 4. Emerging Issues**
  - a. None.

Anna M. Thompson  
City Clerk  
Posted on July 22, 2016

EMAILED: [Councilnotices@oakharbor.org](mailto:Councilnotices@oakharbor.org)

REMOVE: After July 27, 2016

POSTED: City Hall Bulletin Boards  
[www.oakharbor.org](http://www.oakharbor.org)

The City Council may meet informally in workshop sessions (open to the public) to do concentrated strategic planning, review forthcoming programs of the City, receive progress reports on current programs or projects, or receive other similar information from the City Administrator, provided that all discussions and conclusions thereon shall be informal. Council shall make no disposition of any item at a workshop meeting. Public comment is not normally allowed at workshop meetings, although Council may allow, or request participation.

**Please contact the City Clerk at 360-279-4539 within 24 hours advance notice for special accommodations.**

**City of Oak Harbor**  
City Council Workshop Meeting  
July 27, 2016



# Workshop Item

## Departmental Briefing

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**Item 2.b Budget Calendar for 2017-2018 Biennial Budget**

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**Patricia Soule, Finance Director**

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## Attachments

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Budget Calendar Dates

## Targeted Dates for 2017-2018 Budget Preparation Cycle

	<u>Process</u>	<u>Date</u>	<u>Location</u>
	Biennium List of Projects for 2015-2020 CIP	6/7/2016	Council
	2015-2016 Goals Review and Delivery of CIP List	6/15/2016	Council Workshop
	Departments Develop Preliminary Budget Goals for 2017-18 including Capital Projects and Staffing Changes	6/27/2016	Department Head Meeting
	Council Retreat to Set 2017-18 Budget Goal Drafts and Solicit Council and Public Opinion on City Priorities	June	Council Retreat
	Open Budget to Departments for Input	7/5/2016	
	Budget Instructions Completed and Distributed to City Staff.	7/5/2016	
	Discuss 2017-18 Budget Calendar with Council	7/5/2016	Council
	Draft of projected revenues for biennial period	7/27/2016	Workshop
	Departments Submit Requests for Capital Outlay and Personnel	7/29/2016	
	Receive Draft Budgets from Departments	8/12/2016	
	Finance Prepares Documents and Coordinates Revenue Estimates	8/26/2016	
	Administration Review of New Programs Requests, Revenue Estimates, and Base Budgets.	9/9/2016	
	Council Workshop Discussing Expenditure Trends, programs, and Updating Budget Environment.	9/28/2016	Workshop
	Council Workshop - Department Presentation by Public Safety (Police & Fire) and Special Revenue Funds	9/28/2016	Workshop

## Targeted Dates for 2017-2018 Budget Preparation Cycle

	<u>Process</u>	<u>Date</u>	<u>Location</u>
	Preparation of Preliminary Revenues and Resources by Finance. Clerk notification to department heads 14 day requirement for notice of expenditures. (RCW 35A.34.050)	10/1/2016	
	Department Budget Presentation - Public Works	10/4/2016	Pre-Council Meeting 3pm-5pm
	Preliminary Budget Balanced and Budget Document Draft Prepared and Delivered to City Administrator (RCW 35A.34.070)	10/31/2016	
	Mayor's Preliminary Budget and Message at least 60 days before start of fiscal year (RCW 35A.34.090)	10/1/2016	
	Public Hearing – Proposed Preliminary Budget. City Administrator files Preliminary Budget with Clerk prior to 60 days before start of fiscal year (RCW 35A.34.080)	10/18/2016	Council
	Department Budget Presentation - General Fund	10/18/2016	Pre-Council Meeting 3pm-5pm
	Budget Hearings and Considerations of Departmental Review of Budget	10/26/2016	Workshop
	City Clerk Publishes Notice of Preliminary Budget once a week for two weeks. (RCW 35A.34.100)	November	
	Motion to Adopt the Preliminary Budget	11/15/2016	Council
	Set Property Tax Levies (RCW 84.52.020 and RCW 84.52.070)	15-Nov	
	Public Hearing – Final Budget; Required Before First Monday in December (as defined by RCW 35A.33.070) ; Adoption of Budget; Also see RCW 35A.34.110.	12/6/2016	Council



# Workshop Item

## **Pending Agenda Items**

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**Item 3.a Impact Fee Deferral - Code Amendment**

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**Steve Powers, Development Services Director**

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## **Attachments**

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Attachment A: Draft Agenda Bill

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# City of Oak Harbor City Council Agenda Bill

**Bill No.** \_\_\_\_\_  
**Date:** August 3, 2016  
**Subject:** Impact Fee Deferral - Code  
Amendment

**FROM:** Steve Powers  
Development Services Director

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

\_\_\_\_\_ Bob Severns, Mayor  
\_\_\_\_\_ Doug Merriman, City Administrator  
\_\_\_\_\_ Patricia Soule, Finance Director  
\_\_\_\_\_ Nikki, Esparza, City Attorney, as to form

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**RECOMMENDED ACTION**

Two recommended actions:

- 1) Approve Resolution No. 16-20, Amendment of Master Fee Schedule; and,
- 2) Adopt Ordinance No. 1772, Deferral of Impact Fees.

**BACKGROUND / SUMMARY INFORMATION**

Impact fees are authorized for Washington State jurisdictions planning under the Growth Management Act and are charges assessed on new development projects that recover the cost incurred by local government in providing public facilities which serve the new development. The City of Oak Harbor has authorized the collection of impact fees for parks (Ordinance No. 1045, May 1996) and transportation (Ordinance No. 1103, September 1997). As established in those ordinances and codified in Oak Harbor Municipal Code (OHMC) Chapter 3.63, Impact Fees, the fees are to be collected at the time the building permit is issued.

With the intent to promote economic recovery in the construction industry, the Washington State Legislature passed Engrossed Senate Bill (ESB) 5923 (see Attachment 1) requiring counties and cities administering an impact fee program to provide an option for impact fee deferral assessed on single-family detached and attached new residential construction. ESB 5923 sets forth specific requirements for the impact fee deferral while allowing the City certain discretion, including the time for deferral and the collection of an administrative fee. A deferral system must include one or more of the following timing options:

- Defer impact fee collection until final inspection;
- Defer impact fee collection until certificate of occupancy; and/or,
- Defer impact fee collection until the time of closing of the first sale of the property occurring after issuance of the building permit.

It is important to note that ESB 5923 limits the term of impact fee deferral to a maximum of 18 months

# City of Oak Harbor City Council Agenda Bill

from the date of building permit issuance.

Development Services staff convened a meeting with representatives from the Building, Finance and Legal Departments to discuss these options. Due to the potential confusion involving fund payment source and timing, the third option was removed. In consideration for the first two options, this amendment identifies both options (final inspection and certificate of occupancy) as available to a developer applying for impact fee deferral. The applicant will specify which timing option is chosen.

Creation of an additional application and processing time will impact staff resources. Resolution No. 16-20 (Attachment 2) amends the city's Master Fee Schedule to include a fair and reasonable fee to administer this program (\$50 per application).

An applicant may not apply for impact fee deferral for more than twenty single-family residential construction building permits per calendar year. An applicant for impact fee deferral must grant and record in favor of the City of Oak Harbor an impact fee lien in the amount of the deferred impact fee. Upon receipt of the final impact fee payment, the City will execute a release of deferred impact fee lien for each structure fees have been received. The lien release must be recorded by the applicant and is at the applicant's expense. The City will withhold final inspection or certificate of occupancy will not be issued until the impact fees have been paid in full. If the period of deferral expires and the fees have not been paid, the City may initiate foreclosure proceedings in accordance with RCW Chapter 61.12.

Proposed amendments to OHMC Chapter 3.63 are incorporated in draft Ordinance No. 1772 which is Attachment 3 of this packet.

This procedural ordinance is exempt from the State Environmental Policy Act requirements (WAC 197-11-800(19)(a)) and was transmitted on May 27, 2016 to the Washington Department of Commerce for the required 60-day Notice of Intent to Adopt Development Regulations.

OHMC Section 18.20.270(2)(b) identifies an amendment to regulation as a Type V review process. The Type V review process requires a public hearing before the Planning Commission. All actions taken by the Planning Commission take the form of a recommendation to the City Council. The Planning Commission held a public hearing on June 28, 2016. Subsequent to closing the public hearing, the Planning Commission moved to recommend to the City Council approval of Ordinance No. 1772 and Resolution No. 16-20. Minutes from that meeting are included as Attachment 4.

## **LEGAL AUTHORITY**

## **FISCAL IMPACT**

Funds Required: \$0

Appropriation Source: N/A

## **PREVIOUS COUNCIL / BOARD / CITIZEN INPUT**

- June 28, 2016: Planning Commission public hearing.

# City of Oak Harbor City Council Agenda Bill

## ATTACHMENTS

- 1) Engrossed Senate Bill 5923.
- 2) Resolution No. 16-20.
- 3) Ordinance No. 1772.
- 4) Minutes from the June 28, 2016 Planning Commission public hearing.

DRAFT

CERTIFICATION OF ENROLLMENT

**ENGROSSED SENATE BILL 5923**

Chapter 241, Laws of 2015

64th Legislature  
2015 Regular Session

SINGLE-FAMILY DETACHED AND ATTACHED RESIDENTIAL CONSTRUCTION--  
DEFERRED IMPACT FEES

EFFECTIVE DATE: 9/1/2016

Passed by the Senate April 16, 2015  
Yeas 28 Nays 18

BRAD OWEN

**President of the Senate**

Passed by the House April 14, 2015  
Yeas 82 Nays 15

FRANK CHOPP

**Speaker of the House of Representatives**

Approved May 11, 2015 2:46 PM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SENATE BILL 5923** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

**Secretary**

FILED

May 12, 2015

**Secretary of State  
State of Washington**

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**ENGROSSED SENATE BILL 5923**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2015 Regular Session

**State of Washington                      64th Legislature                      2015 Regular Session**

**By** Senators Brown, Llias, Roach, Dandel, Hobbs, Warnick, and Chase

Read first time 02/11/15. Referred to Committee on Trade & Economic Development.

1            AN ACT Relating to promoting economic recovery in the  
2 construction industry; amending RCW 82.02.050 and 36.70A.070; adding  
3 a new section to chapter 44.28 RCW; adding a new section to chapter  
4 43.31 RCW; and providing an effective date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6            **Sec. 1.** RCW 82.02.050 and 1994 c 257 s 24 are each amended to  
7 read as follows:

8            (1) It is the intent of the legislature:

9            (a) To ensure that adequate facilities are available to serve new  
10 growth and development;

11            (b) To promote orderly growth and development by establishing  
12 standards by which counties, cities, and towns may require, by  
13 ordinance, that new growth and development pay a proportionate share  
14 of the cost of new facilities needed to serve new growth and  
15 development; and

16            (c) To ensure that impact fees are imposed through established  
17 procedures and criteria so that specific developments do not pay  
18 arbitrary fees or duplicative fees for the same impact.

19            (2) Counties, cities, and towns that are required or choose to  
20 plan under RCW 36.70A.040 are authorized to impose impact fees on  
21 development activity as part of the financing for public facilities,

1 provided that the financing for system improvements to serve new  
2 development must provide for a balance between impact fees and other  
3 sources of public funds and cannot rely solely on impact fees.

4 (3)(a)(i) Counties, cities, and towns collecting impact fees  
5 must, by September 1, 2016, adopt and maintain a system for the  
6 deferred collection of impact fees for single-family detached and  
7 attached residential construction. The deferral system must include a  
8 process by which an applicant for a building permit for a single-  
9 family detached or attached residence may request a deferral of the  
10 full impact fee payment. The deferral system offered by a county,  
11 city, or town under this subsection (3) must include one or more of  
12 the following options:

13 (A) Deferring collection of the impact fee payment until final  
14 inspection;

15 (B) Deferring collection of the impact fee payment until  
16 certificate of occupancy or equivalent certification; or

17 (C) Deferring collection of the impact fee payment until the time  
18 of closing of the first sale of the property occurring after the  
19 issuance of the applicable building permit.

20 (ii) Counties, cities, and towns utilizing the deferral process  
21 required by this subsection (3)(a) may withhold certification of  
22 final inspection, certificate of occupancy, or equivalent  
23 certification until the impact fees have been paid in full.

24 (iii) The amount of impact fees that may be deferred under this  
25 subsection (3) must be determined by the fees in effect at the time  
26 the applicant applies for a deferral.

27 (iv) Unless an agreement to the contrary is reached between the  
28 buyer and seller, the payment of impact fees due at closing of a sale  
29 must be made from the seller's proceeds. In the absence of an  
30 agreement to the contrary, the seller bears strict liability for the  
31 payment of the impact fees.

32 (b) The term of an impact fee deferral under this subsection (3)  
33 may not exceed eighteen months from the date of building permit  
34 issuance.

35 (c) Except as may otherwise be authorized in accordance with (f)  
36 of this subsection (3), an applicant seeking a deferral under this  
37 subsection (3) must grant and record a deferred impact fee lien  
38 against the property in favor of the county, city, or town in the  
39 amount of the deferred impact fee. The deferred impact fee lien,

1 which must include the legal description, tax account number, and  
2 address of the property, must also be:

3 (i) In a form approved by the county, city, or town;

4 (ii) Signed by all owners of the property, with all signatures  
5 acknowledged as required for a deed, and recorded in the county where  
6 the property is located;

7 (iii) Binding on all successors in title after the recordation;  
8 and

9 (iv) Junior and subordinate to one mortgage for the purpose of  
10 construction upon the same real property granted by the person who  
11 applied for the deferral of impact fees.

12 (d)(i) If impact fees are not paid in accordance with a deferral  
13 authorized by this subsection (3), and in accordance with the term  
14 provisions established in (b) of this subsection (3), the county,  
15 city, or town may institute foreclosure proceedings in accordance  
16 with chapter 61.12 RCW.

17 (ii) If the county, city, or town does not institute foreclosure  
18 proceedings for unpaid school impact fees within forty-five days  
19 after receiving notice from a school district requesting that it do  
20 so, the district may institute foreclosure proceedings with respect  
21 to the unpaid impact fees.

22 (e)(i) Upon receipt of final payment of all deferred impact fees  
23 for a property, the county, city, or town must execute a release of  
24 deferred impact fee lien for the property. The property owner at the  
25 time of the release, at his or her expense, is responsible for  
26 recording the lien release.

27 (ii) The extinguishment of a deferred impact fee lien by the  
28 foreclosure of a lien having priority does not affect the obligation  
29 to pay the impact fees as a condition of final inspection,  
30 certificate of occupancy, or equivalent certification, or at the time  
31 of closing of the first sale.

32 (f) A county, city, or town with an impact fee deferral process  
33 on or before April 1, 2015, is exempt from the requirements of this  
34 subsection (3) if the deferral process delays all impact fees and  
35 remains in effect after September 1, 2016.

36 (g)(i) Each applicant for a single-family residential  
37 construction permit, in accordance with his or her contractor  
38 registration number or other unique identification number, is  
39 entitled to annually receive deferrals under this subsection (3) for  
40 the first twenty single-family residential construction building

1 permits per county, city, or town. A county, city, or town, however,  
 2 may elect, by ordinance, to defer more than twenty single-family  
 3 residential construction building permits for an applicant. If the  
 4 county, city, or town collects impact fees on behalf of one or more  
 5 school districts for which the collection of impact fees could be  
 6 delayed, the county, city, or town must consult with the district or  
 7 districts about the additional deferrals. A county, city, or town  
 8 considering additional deferrals must give substantial weight to  
 9 recommendations of each applicable school district regarding the  
 10 number of additional deferrals. If the county, city, or town  
 11 disagrees with the recommendations of one or more school districts,  
 12 the county, city, or town must provide the district or districts with  
 13 a written rationale for its decision.

14 (ii) For purposes of this subsection (3)(g), an "applicant"  
 15 includes an entity that controls the applicant, is controlled by the  
 16 applicant, or is under common control with the applicant.

17 (h) Counties, cities, and towns may collect reasonable  
 18 administrative fees to implement this subsection (3) from permit  
 19 applicants who are seeking to delay the payment of impact fees under  
 20 this subsection (3).

21 (i) In accordance with sections 3 and 4 of this act, counties,  
 22 cities, and towns must cooperate with and provide requested data,  
 23 materials, and assistance to the department of commerce and the joint  
 24 legislative audit and review committee.

25 (4) The impact fees:

26 (a) Shall only be imposed for system improvements that are  
 27 reasonably related to the new development;

28 (b) Shall not exceed a proportionate share of the costs of system  
 29 improvements that are reasonably related to the new development; and

30 (c) Shall be used for system improvements that will reasonably  
 31 benefit the new development.

32 ~~((4))~~ (5)(a) Impact fees may be collected and spent only for  
 33 the public facilities defined in RCW 82.02.090 which are addressed by  
 34 a capital facilities plan element of a comprehensive land use plan  
 35 adopted pursuant to the provisions of RCW 36.70A.070 or the  
 36 provisions for comprehensive plan adoption contained in chapter  
 37 36.70, 35.63, or 35A.63 RCW. After the date a county, city, or town  
 38 is required to adopt its development regulations under chapter 36.70A  
 39 RCW, continued authorization to collect and expend impact fees  
 40 ~~((shall be))~~ is contingent on the county, city, or town adopting or

1 revising a comprehensive plan in compliance with RCW 36.70A.070, and  
2 on the capital facilities plan identifying:

3 ~~((a))~~ (i) Deficiencies in public facilities serving existing  
4 development and the means by which existing deficiencies will be  
5 eliminated within a reasonable period of time;

6 ~~((b))~~ (ii) Additional demands placed on existing public  
7 facilities by new development; and

8 ~~((c))~~ (iii) Additional public facility improvements required to  
9 serve new development.

10 (b) If the capital facilities plan of the county, city, or town  
11 is complete other than for the inclusion of those elements which are  
12 the responsibility of a special district, the county, city, or town  
13 may impose impact fees to address those public facility needs for  
14 which the county, city, or town is responsible.

15 **Sec. 2.** RCW 36.70A.070 and 2010 1st sp.s. c 26 s 6 are each  
16 amended to read as follows:

17 The comprehensive plan of a county or city that is required or  
18 chooses to plan under RCW 36.70A.040 shall consist of a map or maps,  
19 and descriptive text covering objectives, principles, and standards  
20 used to develop the comprehensive plan. The plan shall be an  
21 internally consistent document and all elements shall be consistent  
22 with the future land use map. A comprehensive plan shall be adopted  
23 and amended with public participation as provided in RCW 36.70A.140.  
24 Each comprehensive plan shall include a plan, scheme, or design for  
25 each of the following:

26 (1) A land use element designating the proposed general  
27 distribution and general location and extent of the uses of land,  
28 where appropriate, for agriculture, timber production, housing,  
29 commerce, industry, recreation, open spaces, general aviation  
30 airports, public utilities, public facilities, and other land uses.  
31 The land use element shall include population densities, building  
32 intensities, and estimates of future population growth. The land use  
33 element shall provide for protection of the quality and quantity of  
34 groundwater used for public water supplies. Wherever possible, the  
35 land use element should consider utilizing urban planning approaches  
36 that promote physical activity. Where applicable, the land use  
37 element shall review drainage, flooding, and storm water run-off in  
38 the area and nearby jurisdictions and provide guidance for corrective

1 actions to mitigate or cleanse those discharges that pollute waters  
2 of the state, including Puget Sound or waters entering Puget Sound.

3 (2) A housing element ensuring the vitality and character of  
4 established residential neighborhoods that: (a) Includes an inventory  
5 and analysis of existing and projected housing needs that identifies  
6 the number of housing units necessary to manage projected growth; (b)  
7 includes a statement of goals, policies, objectives, and mandatory  
8 provisions for the preservation, improvement, and development of  
9 housing, including single-family residences; (c) identifies  
10 sufficient land for housing, including, but not limited to,  
11 government-assisted housing, housing for low-income families,  
12 manufactured housing, multifamily housing, and group homes and foster  
13 care facilities; and (d) makes adequate provisions for existing and  
14 projected needs of all economic segments of the community.

15 (3) A capital facilities plan element consisting of: (a) An  
16 inventory of existing capital facilities owned by public entities,  
17 showing the locations and capacities of the capital facilities; (b) a  
18 forecast of the future needs for such capital facilities; (c) the  
19 proposed locations and capacities of expanded or new capital  
20 facilities; (d) at least a six-year plan that will finance such  
21 capital facilities within projected funding capacities and clearly  
22 identifies sources of public money for such purposes; and (e) a  
23 requirement to reassess the land use element if probable funding  
24 falls short of meeting existing needs and to ensure that the land use  
25 element, capital facilities plan element, and financing plan within  
26 the capital facilities plan element are coordinated and consistent.  
27 Park and recreation facilities shall be included in the capital  
28 facilities plan element.

29 (4) A utilities element consisting of the general location,  
30 proposed location, and capacity of all existing and proposed  
31 utilities, including, but not limited to, electrical lines,  
32 telecommunication lines, and natural gas lines.

33 (5) Rural element. Counties shall include a rural element  
34 including lands that are not designated for urban growth,  
35 agriculture, forest, or mineral resources. The following provisions  
36 shall apply to the rural element:

37 (a) Growth management act goals and local circumstances. Because  
38 circumstances vary from county to county, in establishing patterns of  
39 rural densities and uses, a county may consider local circumstances,  
40 but shall develop a written record explaining how the rural element

1 harmonizes the planning goals in RCW 36.70A.020 and meets the  
2 requirements of this chapter.

3 (b) Rural development. The rural element shall permit rural  
4 development, forestry, and agriculture in rural areas. The rural  
5 element shall provide for a variety of rural densities, uses,  
6 essential public facilities, and rural governmental services needed  
7 to serve the permitted densities and uses. To achieve a variety of  
8 rural densities and uses, counties may provide for clustering,  
9 density transfer, design guidelines, conservation easements, and  
10 other innovative techniques that will accommodate appropriate rural  
11 densities and uses that are not characterized by urban growth and  
12 that are consistent with rural character.

13 (c) Measures governing rural development. The rural element shall  
14 include measures that apply to rural development and protect the  
15 rural character of the area, as established by the county, by:

- 16 (i) Containing or otherwise controlling rural development;  
17 (ii) Assuring visual compatibility of rural development with the  
18 surrounding rural area;  
19 (iii) Reducing the inappropriate conversion of undeveloped land  
20 into sprawling, low-density development in the rural area;  
21 (iv) Protecting critical areas, as provided in RCW 36.70A.060,  
22 and surface water and groundwater resources; and  
23 (v) Protecting against conflicts with the use of agricultural,  
24 forest, and mineral resource lands designated under RCW 36.70A.170.

25 (d) Limited areas of more intensive rural development. Subject to  
26 the requirements of this subsection and except as otherwise  
27 specifically provided in this subsection (5)(d), the rural element  
28 may allow for limited areas of more intensive rural development,  
29 including necessary public facilities and public services to serve  
30 the limited area as follows:

31 (i) Rural development consisting of the infill, development, or  
32 redevelopment of existing commercial, industrial, residential, or  
33 mixed-use areas, whether characterized as shoreline development,  
34 villages, hamlets, rural activity centers, or crossroads  
35 developments.

36 (A) A commercial, industrial, residential, shoreline, or mixed-  
37 use area (~~shall be~~) are subject to the requirements of (d)(iv) of  
38 this subsection, but (~~shall~~) are not (~~be~~) subject to the  
39 requirements of (c)(ii) and (iii) of this subsection.

1 (B) Any development or redevelopment other than an industrial  
2 area or an industrial use within a mixed-use area or an industrial  
3 area under this subsection (5)(d)(i) must be principally designed to  
4 serve the existing and projected rural population.

5 (C) Any development or redevelopment in terms of building size,  
6 scale, use, or intensity shall be consistent with the character of  
7 the existing areas. Development and redevelopment may include changes  
8 in use from vacant land or a previously existing use so long as the  
9 new use conforms to the requirements of this subsection (5);

10 (ii) The intensification of development on lots containing, or  
11 new development of, small-scale recreational or tourist uses,  
12 including commercial facilities to serve those recreational or  
13 tourist uses, that rely on a rural location and setting, but that do  
14 not include new residential development. A small-scale recreation or  
15 tourist use is not required to be principally designed to serve the  
16 existing and projected rural population. Public services and public  
17 facilities shall be limited to those necessary to serve the  
18 recreation or tourist use and shall be provided in a manner that does  
19 not permit low-density sprawl;

20 (iii) The intensification of development on lots containing  
21 isolated nonresidential uses or new development of isolated cottage  
22 industries and isolated small-scale businesses that are not  
23 principally designed to serve the existing and projected rural  
24 population and nonresidential uses, but do provide job opportunities  
25 for rural residents. Rural counties may allow the expansion of small-  
26 scale businesses as long as those small-scale businesses conform with  
27 the rural character of the area as defined by the local government  
28 according to RCW 36.70A.030(15). Rural counties may also allow new  
29 small-scale businesses to utilize a site previously occupied by an  
30 existing business as long as the new small-scale business conforms to  
31 the rural character of the area as defined by the local government  
32 according to RCW 36.70A.030(15). Public services and public  
33 facilities shall be limited to those necessary to serve the isolated  
34 nonresidential use and shall be provided in a manner that does not  
35 permit low-density sprawl;

36 (iv) A county shall adopt measures to minimize and contain the  
37 existing areas or uses of more intensive rural development, as  
38 appropriate, authorized under this subsection. Lands included in such  
39 existing areas or uses shall not extend beyond the logical outer  
40 boundary of the existing area or use, thereby allowing a new pattern

1 of low-density sprawl. Existing areas are those that are clearly  
 2 identifiable and contained and where there is a logical boundary  
 3 delineated predominately by the built environment, but that may also  
 4 include undeveloped lands if limited as provided in this subsection.  
 5 The county shall establish the logical outer boundary of an area of  
 6 more intensive rural development. In establishing the logical outer  
 7 boundary, the county shall address (A) the need to preserve the  
 8 character of existing natural neighborhoods and communities, (B)  
 9 physical boundaries, such as bodies of water, streets and highways,  
 10 and land forms and contours, (C) the prevention of abnormally  
 11 irregular boundaries, and (D) the ability to provide public  
 12 facilities and public services in a manner that does not permit low-  
 13 density sprawl;

14 (v) For purposes of (d) of this subsection, an existing area or  
 15 existing use is one that was in existence:

16 (A) On July 1, 1990, in a county that was initially required to  
 17 plan under all of the provisions of this chapter;

18 (B) On the date the county adopted a resolution under RCW  
 19 36.70A.040(2), in a county that is planning under all of the  
 20 provisions of this chapter under RCW 36.70A.040(2); or

21 (C) On the date the office of financial management certifies the  
 22 county's population as provided in RCW 36.70A.040(5), in a county  
 23 that is planning under all of the provisions of this chapter pursuant  
 24 to RCW 36.70A.040(5).

25 (e) Exception. This subsection shall not be interpreted to permit  
 26 in the rural area a major industrial development or a master planned  
 27 resort unless otherwise specifically permitted under RCW 36.70A.360  
 28 and 36.70A.365.

29 (6) A transportation element that implements, and is consistent  
 30 with, the land use element.

31 (a) The transportation element shall include the following  
 32 subelements:

33 (i) Land use assumptions used in estimating travel;

34 (ii) Estimated traffic impacts to state-owned transportation  
 35 facilities resulting from land use assumptions to assist the  
 36 department of transportation in monitoring the performance of state  
 37 facilities, to plan improvements for the facilities, and to assess  
 38 the impact of land- use decisions on state-owned transportation  
 39 facilities;

40 (iii) Facilities and services needs, including:

1 (A) An inventory of air, water, and ground transportation  
2 facilities and services, including transit alignments and general  
3 aviation airport facilities, to define existing capital facilities  
4 and travel levels as a basis for future planning. This inventory must  
5 include state-owned transportation facilities within the city or  
6 county's jurisdictional boundaries;

7 (B) Level of service standards for all locally owned arterials  
8 and transit routes to serve as a gauge to judge performance of the  
9 system. These standards should be regionally coordinated;

10 (C) For state-owned transportation facilities, level of service  
11 standards for highways, as prescribed in chapters 47.06 and 47.80  
12 RCW, to gauge the performance of the system. The purposes of  
13 reflecting level of service standards for state highways in the local  
14 comprehensive plan are to monitor the performance of the system, to  
15 evaluate improvement strategies, and to facilitate coordination  
16 between the county's or city's six-year street, road, or transit  
17 program and the office of financial management's ten-year investment  
18 program. The concurrency requirements of (b) of this subsection do  
19 not apply to transportation facilities and services of statewide  
20 significance except for counties consisting of islands whose only  
21 connection to the mainland are state highways or ferry routes. In  
22 these island counties, state highways and ferry route capacity must  
23 be a factor in meeting the concurrency requirements in (b) of this  
24 subsection;

25 (D) Specific actions and requirements for bringing into  
26 compliance locally owned transportation facilities or services that  
27 are below an established level of service standard;

28 (E) Forecasts of traffic for at least ten years based on the  
29 adopted land use plan to provide information on the location, timing,  
30 and capacity needs of future growth;

31 (F) Identification of state and local system needs to meet  
32 current and future demands. Identified needs on state-owned  
33 transportation facilities must be consistent with the statewide  
34 multimodal transportation plan required under chapter 47.06 RCW;

35 (iv) Finance, including:

36 (A) An analysis of funding capability to judge needs against  
37 probable funding resources;

38 (B) A multiyear financing plan based on the needs identified in  
39 the comprehensive plan, the appropriate parts of which shall serve as  
40 the basis for the six-year street, road, or transit program required

1 by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW  
2 35.58.2795 for public transportation systems. The multiyear financing  
3 plan should be coordinated with the ten-year investment program  
4 developed by the office of financial management as required by RCW  
5 47.05.030;

6 (C) If probable funding falls short of meeting identified needs,  
7 a discussion of how additional funding will be raised, or how land  
8 use assumptions will be reassessed to ensure that level of service  
9 standards will be met;

10 (v) Intergovernmental coordination efforts, including an  
11 assessment of the impacts of the transportation plan and land use  
12 assumptions on the transportation systems of adjacent jurisdictions;

13 (vi) Demand-management strategies;

14 (vii) Pedestrian and bicycle component to include collaborative  
15 efforts to identify and designate planned improvements for pedestrian  
16 and bicycle facilities and corridors that address and encourage  
17 enhanced community access and promote healthy lifestyles.

18 (b) After adoption of the comprehensive plan by jurisdictions  
19 required to plan or who choose to plan under RCW 36.70A.040, local  
20 jurisdictions must adopt and enforce ordinances which prohibit  
21 development approval if the development causes the level of service  
22 on a locally owned transportation facility to decline below the  
23 standards adopted in the transportation element of the comprehensive  
24 plan, unless transportation improvements or strategies to accommodate  
25 the impacts of development are made concurrent with the development.  
26 These strategies may include increased public transportation service,  
27 ride sharing programs, demand management, and other transportation  
28 systems management strategies. For the purposes of this subsection  
29 (6), "concurrent with the development" means that improvements or  
30 strategies are in place at the time of development, or that a  
31 financial commitment is in place to complete the improvements or  
32 strategies within six years. If the collection of impact fees is  
33 delayed under RCW 82.02.050(3), the six-year period required by this  
34 subsection (6)(b) must begin after full payment of all impact fees is  
35 due to the county or city.

36 (c) The transportation element described in this subsection (6),  
37 the six-year plans required by RCW 35.77.010 for cities, RCW  
38 36.81.121 for counties, and RCW 35.58.2795 for public transportation  
39 systems, and the ten-year investment program required by RCW  
40 47.05.030 for the state, must be consistent.

1 (7) An economic development element establishing local goals,  
2 policies, objectives, and provisions for economic growth and vitality  
3 and a high quality of life. The element shall include: (a) A summary  
4 of the local economy such as population, employment, payroll,  
5 sectors, businesses, sales, and other information as appropriate; (b)  
6 a summary of the strengths and weaknesses of the local economy  
7 defined as the commercial and industrial sectors and supporting  
8 factors such as land use, transportation, utilities, education,  
9 workforce, housing, and natural/cultural resources; and (c) an  
10 identification of policies, programs, and projects to foster economic  
11 growth and development and to address future needs. A city that has  
12 chosen to be a residential community is exempt from the economic  
13 development element requirement of this subsection.

14 (8) A park and recreation element that implements, and is  
15 consistent with, the capital facilities plan element as it relates to  
16 park and recreation facilities. The element shall include: (a)  
17 Estimates of park and recreation demand for at least a ten-year  
18 period; (b) an evaluation of facilities and service needs; and (c) an  
19 evaluation of intergovernmental coordination opportunities to provide  
20 regional approaches for meeting park and recreational demand.

21 (9) It is the intent that new or amended elements required after  
22 January 1, 2002, be adopted concurrent with the scheduled update  
23 provided in RCW 36.70A.130. Requirements to incorporate any such new  
24 or amended elements shall be null and void until funds sufficient to  
25 cover applicable local government costs are appropriated and  
26 distributed by the state at least two years before local government  
27 must update comprehensive plans as required in RCW 36.70A.130.

28 NEW SECTION. **Sec. 3.** A new section is added to chapter 44.28  
29 RCW to read as follows:

30 (1) The joint legislative audit and review committee must review  
31 the impact fee deferral requirements of RCW 82.02.050(3). The review  
32 must consist of an examination of issued impact fee deferrals,  
33 including: (a) The number of deferrals requested of and issued by  
34 counties, cities, and towns; (b) the type of impact fee deferred; (c)  
35 the monetary amount of deferrals, by jurisdiction; (d) whether the  
36 deferral process was efficiently administered; (e) the number of  
37 deferrals that were not fully and timely paid; and (f) the costs to  
38 counties, cities, and towns for collecting timely and delinquent  
39 fees. The review must also include an evaluation of whether the

1 impact fee deferral process required by RCW 82.02.050(3) was  
2 effective in providing a locally administered process for the  
3 deferral and full payment of impact fees.

4 (2) The review required by this section must, in accordance with  
5 RCW 43.01.036, be submitted to the appropriate committees of the  
6 house of representatives and the senate on or before September 1,  
7 2021.

8 (3) In complying with this section, and in accordance with  
9 section 4 of this act, the joint legislative audit and review  
10 committee must make its collected data and associated materials  
11 available, upon request, to the department of commerce.

12 (4) This section expires January 1, 2022.

13 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.31  
14 RCW to read as follows:

15 (1) Beginning December 1, 2018, and each year thereafter, the  
16 department of commerce must prepare an annual report on the impact  
17 fee deferral process established in RCW 82.02.050(3). The report must  
18 include: (a) The number of deferrals requested of and issued by  
19 counties, cities, and towns; (b) the number of deferrals that were  
20 not fully and timely paid; and (c) other information as deemed  
21 appropriate.

22 (2) The report required by this section must, in accordance with  
23 RCW 43.01.036, be submitted to the appropriate committees of the  
24 house of representatives and the senate.

25 NEW SECTION. **Sec. 5.** This act takes effect September 1, 2016.

Passed by the Senate April 16, 2015.

Passed by the House April 14, 2015.

Approved by the Governor May 11, 2015.

Filed in Office of Secretary of State May 12, 2015.

RESOLUTION NO. 16-20

A RESOLUTION OF THE CITY OF OAK HARBOR AMENDING THE MASTER FEE SCHEDULE ADDING A FEE FOR IMPACT FEE DEFERRALS

WHEREAS, various City Council ordinances have adopted regulations requiring certain actions and services; and,

WHEREAS, Ordinance No. 1772, in compliance with Engrossed Senate Bill (ESB) 5923, has amended Oak Harbor Municipal Code (OHMC) Chapter 3.63, Impact Fees, establishing an impact fee deferral option; and,

WHEREAS, Section 1(h) of ESB 5923 allows counties and cities to collect reasonable administrative fees to implement the impact fee deferral program; and,

WHEREAS, it is the intent of the City of Oak Harbor to charge fees and charges that are consistent with the services provided and to cover the public cost of providing these services so that the public is not subsidizing individual benefits derived therefrom;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Oak Harbor as follows:

1. Amendment of Master Fee Schedule. The City hereby amends the Master Fee Schedule, (Schedule A Development Services – Land Development) amended by Res. No. 16-04, in 2016, is hereby amended to read as follows:

**MASTER FEE SCHEDULE (Schedule A)  
DEVELOPMENT SERVICES**

**LAND DEVELOPMENT**

Chapter 3.63	IMPACT FEES	FEE
3.63.020	<u>Payment and amount of park impact fees by subdivider.</u> <ul style="list-style-type: none"> <li>• Park impact fee:                             <ul style="list-style-type: none"> <li>- Single-family residence lot</li> <li>- Multiple-family, mobile home or modular home lot as computed in the appendix</li> </ul> </li> </ul>	\$1,673.00 (Reduced to \$836.50 until 2/17/16)  \$1,344.00 (Reduced to \$672.00 until 2/17/16)
3.63.030	<u>Payment and amount of park impact fees.</u> <ul style="list-style-type: none"> <li>• Park impact fee:                             <ul style="list-style-type: none"> <li>- Single-family residence lot</li> <li>- Multiple-family, mobile home or modular home lot as computed in the appendix</li> </ul> </li> </ul>	\$1,673.00 (Reduced to \$836.50 until 2/17/16)  \$1,344.00 (Reduced to

		\$672.00 until 2/17/16)
3.63.065(3)	<u>Payment and amount of transportation impact fees for development activities.</u> <ul style="list-style-type: none"> <li>• Transportation impact fee per peak hour generated for:                             <ul style="list-style-type: none"> <li>- Nonresidential activities</li> <li>- Residential unit developed</li> </ul> </li> </ul>	\$589.00  \$907.00 (Reduced to \$453.50 until 2/17/16)
<u>3.63.075(1)</u>	<u>Deferral of Impact Fees</u> <ul style="list-style-type: none"> <li>• <u>Transportation and park impact fees deferral application fee</u></li> </ul>	<u>\$50.00</u>
3.63.090(3)	Appeals. <ul style="list-style-type: none"> <li>• Impact fee</li> </ul>	\$400.00

2. Severability. If any provision of this Resolution or its application to any person or circumstance is held invalid, the remainder of the Resolution or the application of the provision to other persons or circumstances is not affected.
3. Effective Date. This Resolution shall be in full force and effect immediately.

PASSED by the City Council and approved by its Mayor this 3rd day of August, 2016.

CITY OF OAK HARBOR

\_\_\_\_\_  
ROBERT SEVERNS, MAYOR

Attest:

Approved as to form:

\_\_\_\_\_  
Anna Thompson, City Clerk

\_\_\_\_\_  
Nikki Esparza, City Attorney

Date of Publication: \_\_\_\_\_

Effective Date: \_\_\_\_\_

**ORDINANCE NO. 1772****AN ORDINANCE OF THE CITY OF OAK HARBOR, WASHINGTON, AMENDING OAK HARBOR MUNICIPAL CODE CHAPTER 3.63, IMPACT FEES, BY REVISING SECTIONS 3.63.020 AND 3.63.030 AND ADDING SECTION 3.63.065(7) AND SECTION, 3.63.075, DEFERRAL OF IMPACT FEES.**

**WHEREAS**, impact fees are authorized for those jurisdictions planning under the Growth Management Act and are charges assessed by local governments on new development projects that recover the cost incurred by local government in providing public facilities required to serve the new development; and,

**WHEREAS**, on May 21, 1996 the City of Oak Harbor City Council adopted Ordinance No. 1045 authorizing the collection of impact fees for parks; and,

**WHEREAS**, on September 2, 1997 the City of Oak Harbor City Council adopted Ordinance No. 1103 authorizing the collection of impact fees for transportation; and,

**WHEREAS**, as established in Ordinance Nos. 1045 and 1103 the park and transportation impact fees are to be collected at the time the building permit is issued; and,

**WHEREAS**, on May 11, 2015 the Washington State Legislature passed Engrossed Senate Bill (ESB) 5923 requiring counties and cities to provide an option for impact fee deferral assessed on single-family detached or attached new residential construction; and,

**WHEREAS**, ESB 5923 sets forth specific requirements for the impact fee deferral while also allowing the City certain discretion, including the time for deferral and the collection of an administrative fee; and,

**WHEREAS**, pursuant to this legislative mandate, the City of Oak Harbor seeks to amend Oak Harbor Municipal Code (OHMC) Chapter 3.63, Impact Fees, to establish a deferral program and the Master Fee Schedule to include an administrative fee for this program; and,

**WHEREAS**, under Washington Administrative Code 197-11-800(19)(a) this procedural ordinance is exempt from the State Environmental Policy Act; and,

**WHEREAS**, in conformance with the requirements of the Washington Department of Commerce the proposed Ordinance was transmitted on May 27, 2016 to satisfy the 60-day review requirement; and,

**WHEREAS**, the City of Oak Harbor Planning Commission held a public hearing on June 28, 2016 to consider this Resolution and Ordinance and forwarded a recommendation of approval to the City Council; and,

**WHEREAS**, the City of Oak Harbor City Council held a public hearing on August 3, 2016 to consider this Resolution and Ordinance; and,

**NOW, THEREFORE**, the City Council of the City of Oak Harbor, Washington do ordain as follows:

**Section One.** OHMC Chapter 3.63.020 entitled “Payment and amount of park impact fees by subdivider”, and Chapter 3.63.030 entitled “Payment and amount of park impact fees”, amended by Ord. No. 1696, in 2014, are hereby amended to read as follows:

**3.63.020 Payment and amount of park impact fees by subdivider.**

All persons proposing any subdivision of property zoned for residential use may pay the impact fee set out hereinafter in accordance with the provisions of this chapter at the time that the plat of the subdivision receives preliminary approval. Payment for short plats may be at the time the subdivision receives administrator’s approval; provided, however, that the impact fees herein assessed may be paid at or before the time of final approval of a long subdivision if such fees are bonded as an additional cost. Impact fees not paid at the time of subdivision or short plat approval shall be paid at the time of building permit issuance. Park impact fees associated with residential short plats and subdivisions may be deferred in conformance with Section 3.63.075 of this Chapter.

The park impact fees imposed in this section for a single-family residence lot and for a multiple-family, mobile home or modular home lot as computed in the appendix shall be in the master fee schedule adopted by resolution of the city council. (Ord. [1696](#) § 3, 2014; Ord. [1697](#) § 1, 2014; Ord. [1473](#) § 2, 2006; Ord. [1103](#) § 3, 1997; Ord. [1045](#), 1996).

**3.63.030 Payment and amount of park impact fees.**

Prior to the issuance of any building permit for any single-family residence, multiple-family residence, or for installation of any modular or mobile home, the park impact fees imposed herein shall be paid, less any credit for impact fees paid under this chapter at time of subdividing property. Park impact fees associated with single-family detached or attached new residential construction may be deferred in conformance with Section 3.63.075 of this Chapter.

**Section Two.** OHMC Chapter 3.63.065 entitled “Payment and amount of transportation impact fees for development activities”, amended by Ord. No. 1735, in 2015, is hereby amended to read as follows:

**3.63.065 Payment and amount of transportation impact fees for development activities.**

(1) The owners of property in which development activity takes place shall pay a transportation impact fee set out hereinafter in accordance with this chapter. Such transportation impact fee shall be deposited with the city prior to written approval from the city which authorizes commencement of such development activity.

(2) “Development activity at the time the building permit is issued according to RCW [82.02.090\(1\)](#)” means any construction or expansion of a building, structure or use, any change in use of a building or structure, or any changes in the use of land that create additional

demand and need for transportation facilities. Transportation impact fees shall be collected at the time the building permit is issued.

(3) The transportation impact fees imposed in this section per peak hour trip generated for nonresidential activities and per residential unit developed shall be in the master fee schedule adopted by resolution of the city council. Peak hour trip generation shall be determined as per Chapter [11.32](#) OHMC.

(4) The following development activities are exempt from imposition of transportation impact fees:

(a) Replacement of a structure with a new structure of the same gross floor area and use at the same site or lot when such replacement occurs within five years of the demolition or destruction of the prior structure.

(b) Replacement, alteration, expansion, enlargement, remodeling, rehabilitation or conversion of an existing dwelling unit where no additional units are created and the use is not changed.

(c) Any building permit for a legal accessory dwelling unit approved under OHMC Title [19](#) (Zoning) as it is considered part of the single-family use associated with this fee.

(d) Alteration of an existing nonresidential structure that does not expand the usable space or change the use.

(5) All commercial development activity occurring within the area zoned central business district (CBD, CBD-1 and CBD-2) is exempt from imposition of transportation impact fees.

(6) The public works director is authorized to adjust the impact fees to be calculated under this chapter where the developer demonstrates that unusual circumstances make the standard impact fee applied to such development unfair or unjust. The circumstances that form the basis for the adjustment shall not be circumstances that are generally applicable to similar land uses or to all development activity in the vicinity. Unusual circumstances may include that the development activity will have substantially less impact on the system improvements than other development activities in the same land use category. Any request for an adjustment shall be made no later than the time of the application triggering imposition of impact fees. Adjustments granted under this section shall not be transferable from one property, project or development activity to another. (Ord. [1735](#) § 1, 2015; Ord. [1696](#)§ 5, 2014; Ord. [1103](#) § 6, 1997).

[\(7\) Transportation impact fees assessed for single-family detached or attached new residential construction may be deferred in conformance with Section 3.63.075 of this Chapter.](#)

**Section Three.** OHMC Chapter 3.63 entitled “Impact Fees”, amended by Ord. No. 1735, in 2015, is hereby amended to add Section 3.63.075 to read as follows:

## Chapter 3.63 IMPACT FEES

### Sections:

- 3.63.010 Short title, authority and purpose.
- 3.63.020 Payment and amount of park impact fees by subdivider.
- 3.63.030 Payment and amount of park impact fees.
- 3.63.040 Basis for dedication or assessment of park impact fees.
- 3.63.050 Dedication suitability.
- 3.63.060 Dedication standards.
- 3.63.065 Payment and amount of transportation impact fees for development activities.
- 3.63.068 Credits for transportation impact fees.
- 3.63.070 Fund created – Use of funds.
- 3.63.075 **Deferral of Impact Fees**
- 3.63.080 Refunds.
- 3.63.085 Exemption or reduction for low-income housing.
- 3.63.090 Appeals.
- 3.63.100 Relationship to SEPA.

### **3.63.075 Deferral of Impact Fees.**

Impact fees assessed for single-family detached or attached new residential construction may be deferred at the election of an Applicant for impact fee deferral under the following terms and conditions:

(1) For each single-family residence for which any impact fee deferral is applied for, an administrative fee set in the Master Fee Schedule must simultaneously be paid to the city due to increased burden placed on city staff for processing and monitoring.

(2) A separate application must be submitted for each single-family residence being constructed. Only the first twenty (20) applications per calendar year (based upon date of submittal), by each applicant for impact fee deferral, are eligible for deferral under this section.

(3) The period of deferral expires at:

- (a) the time of final inspection by the city;
- (b) the time of issuance of a certificate of occupancy by the city; or,
- (c) eighteen months after the building permit is issued by the city.

(4) The Applicant for impact fee deferral must grant and record in favor of the City of Oak Harbor an impact fee lien in the amount of the deferred impact fee. The lien must be in a form approved by the city and must include:

- (a) a legal description, tax account number, and address of the property;
- (b) signatures by all owners of the property and persons or entities holding any interest in the property, with all signatures acknowledged as required for a deed and recorded in Island County;

(c) a statement that the lien is binding on all successors in title after the recordation;

(d) a statement that it is junior and subordinate to one mortgage for the purpose of construction upon the same real property granted by the person who applied for the deferral of impact fees.

(5) The amount of impact fees deferred shall be determined by the fees in effect at the time the Applicant applies for a deferral.

(6) If impact fees are not paid in accordance with the deferral, the city may initiate foreclosure proceedings in accordance with RCW Chapter 61.12.

(7) The City shall withhold final inspection or certificate of occupancy will not be issued until the impact fees have been paid in full. Upon receipt of final payment of impact fees deferred under this section, the City shall execute a release of deferred impact fee lien for each single-family attached or detached residence for which the impact fees have been received. The Applicant, or property owner at the time of release, shall be responsible for recording the lien release at his or her expense.

(8) For the purposes of this section the following definitions are applied:

(a) "Applicant for Impact Fee Deferral" means an applicant for a building permit that also makes application for impact fee deferral. It includes an entity that controls the applicant, is controlled by the applicant, or is under common control with the applicant.

(b) "Transfer" means sale as defined in RCW 82.45.010, forfeiture, foreclosure, trade, gift, receivership, bankruptcy or other change in ownership interest in real property or improvements.

**Section Four. Severability.** If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances is not affected.

**Section Five. Effective Date.** This Ordinance shall be in full force and effect five (5) days after publishing.

PASSED by the City Council this 3<sup>rd</sup> day of August, 2016.

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CITY OF OAK HARBOR

\_\_\_\_\_  
ROBERT SEVERNS, MAYOR

Attest:

Approved as to form:

By \_\_\_\_\_  
Anna Thompson, City Clerk

By \_\_\_\_\_  
Nikki Esparza, City Attorney

Date of Publication: \_\_\_\_\_

Effective Date: \_\_\_\_\_

DRAFT

**Oak Harbor Planning Commission  
Regular Meeting Minutes  
June 28, 2016**

**1. Call to Order**

**2. Roll Call**

Present:

Greg Wasinger  
Bruce Freeman  
Jes Walker-Wyse  
Cecil Pierce  
Hal Hovey  
Alyssa Merriman

Staff Present:

Steve Powers, Development Services Director  
Dennis Lefevre, Senior Planner

**3. Approval of Minutes – May 24, 2016**

**Motion:** Jes Walker-Wyse moved to approve the May 24, 2016 minutes as presented. Motion seconded by Bruce Freeman, majority approved.

**4. Public Comment**

No comments.

**5. IMPACT FEE DEFERRAL CODE AMENDMENT - Public Hearing**

The public hearing was opened at 7:34 p.m.

Mr. Lefevre explained that the Growth Management Act (GMA) authorizes impact fees for jurisdictions planning under the GMA. The City of Oak Harbor has parks and transportation impact fees. These impact fees are an assessment on new developments that help off-set cost impacts on public facilities such as parks, streets, schools and emergency services. The timing for impact fee collection is at the time the building permit is issued.

Mr. Lefevre reported that the Washington State Legislature passed Engrossed Senate Bill (ESB) 5923 requiring counties and cities administering an impact fee program to provide an option for impact fee deferment assessed on single-family detached and attached new residential construction. ESB 5923 allows the City certain discretion, including the time for deferral and the collection of an administrative fee. A deferral system must include one or more of the following timing options:

- Defer impact fee collection until final inspection;
- Defer impact fee collection until certificate of occupancy; and/or,
- Defer impact fee collection until the time of closing of the first sale of the property occurring after issuance of the building permit.

City staff met to discuss these options and included the first two options in the code amendment (final inspection and certificate of occupancy) Mr. Lefevre also summarized the impact fee lien process.

Mr. Lefevre concluded by asking the Planning Commission to forward a recommendation to the City Council to approve Ordinance No. 1772 amending Oak Harbor Municipal Code Chapter 3.63, Impact Fees and Resolution No. 16-20 amending the City of Oak Harbors' Schedule A, Master Fee Schedule.

Commissioners asked staff how the impact fee deferral process would be applied to a development that has infrastructure installed but no buildings are built for several years. Mr. Lefevre explained that once the developer proposes to build structures on the individual parcels if the developer applied for this deferral process the impact fee would be collected upon final inspection or certificate of occupancy of each individual building. Mr. Powers added that there is no impact to the park system or the transportation system until a building is occupied and the impact fee would only be collected at after a building permit was issued.

There being no public comment the public hearing was closed at 7:45 p.m.

**Motion:** Hal Hovey moved to forward a recommendation to the City Council to approve Ordinance No. 1772 amending Oak Harbor Municipal Code Chapter 3.63, Impact Fees. Motion seconded by Bruce Freeman, majority approved.

**Motion:** Hal Hovey moved to forward a recommendation to the City Council to approve Resolution No. 16-26 amending the City of Oak Harbor's Schedule A, Master Fee Schedule. Motion seconded by Councilmember Jes Walker-Wyse, majority approved.

## **6. MARIJUANA RELATED USES CODE AMENDMENT - Public Hearing**

Mr. Lefevre displayed a PowerPoint presentation (Attachment 1) and summarized the City's implementation of regulations for recreational marijuana since the State's passage of I-502 which legalized recreational marijuana. While waiting for the State to take action on medical marijuana the City passed a moratorium on the establishment of medical marijuana dispensaries and collective gardens for one year and extended it an additional on year. The one-year extension provided an opportunity to monitor amendments and new legislation pertaining to the Cannabis Patient Protection Act (CPPA) passed in April 2015.

Mr. Lefevre summarized the CPPA implementation steps taken by the Washington State Liquor and Cannabis Board (LCB) and Department of Health (DOH). Mr. Lefevre stated that the proposed code amendments to OHMC Chapter 19.22 are consistent with the State approach which parallels the framework established for recreational marijuana regulations and siting restrictions. Mr. Lefevre noted that Cannabis Patient Protection Act (CPPA) prohibits collective gardens as of July 1, 2016 and replaces them with cooperatives. All potential licensed cooperatives must be locally approved.

Mr. Lefevre reported that the proposed code amendments have no additional restrictions outside of the restrictions contained in the CPPA for cooperatives and medical marijuana producers, processors, and retailers are subject to the same restrictions required for recreational marijuana facilities.



# Workshop Item

## Pending Agenda Items

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**Item 3.b Medical Marijuana Facilities and Cooperatives -  
Code Amendment**

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**Steve Powers, Development Services Director**

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## Attachments

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Attachment A: Draft Agenda Bill

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# City of Oak Harbor City Council Agenda Bill

**Bill No.** \_\_\_\_\_  
**Date:** August 3, 2016  
**Subject:** Medical Marijuana Facilities  
and Cooperatives – Code  
Amendment

**FROM:** Steve Powers  
Development Services Director

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

\_\_\_\_\_ Bob Sevens, Mayor  
\_\_\_\_\_ Doug Merriman, City Administrator  
\_\_\_\_\_ Patricia Soule, Finance Director  
\_\_\_\_\_ Nikki, Esparza, City Attorney, as to form

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**RECOMMENDED ACTION**

Adopt Ordinance No. 1773 Amending Oak Harbor Municipal Code Chapter 19.22, Marijuana Related Uses.

**BACKGROUND / SUMMARY INFORMATION**

In response to the passage of Initiative 502 (legalization of recreational marijuana, November, 2012), the City of Oak Harbor established regulations and siting requirements to maintain the public health, safety, and welfare. These regulations and requirements were codified in Oak Harbor Municipal Code (OHMC) Chapter 19.22, Marijuana Related Uses.

Chapter 19.22 restricts the location of recreational marijuana producers and processors to the Planned Industrial Park and Industrial zoning districts and retailers to the Industrial and Highway Service Commercial (C-4) zoning districts. Further restrictions were placed within 1,000 feet of sensitive areas<sup>1</sup>. By Ordinance No. 1740 (passed September 1, 2015) the City Council extended the moratorium on the establishment of medical marijuana dispensaries and collective gardens for one year. The one-year extension was also intended to provide an opportunity to monitor amendments and new legislation pertaining to the Cannabis Patient Protection Act (CPPA) passed in April 2015.

Several implementing steps have been taken primarily by the Washington State Liquor and Cannabis Board (LCB) and Department of Health (DOH). A review of those steps is below:

- The LCB increases statewide marijuana retailer licenses from 334 to 556. One additional license (for a total of two) was allocated to Oak Harbor.

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<sup>1</sup> Sensitive areas include: elementary and secondary schools; playgrounds; recreation center or facility; child care center, public park; public transit center; library; or any game arcade venue featuring primarily video games, simulators, and/or other amusement devices where persons under 21 years of age are not restricted.

# City of Oak Harbor City Council Agenda Bill

- Based on a DOH study<sup>2</sup>, DOH does not support the establishment of specialty clinics.
- The DOH has established consultant certification requirements to allow recreational marijuana retailers to achieve certification as a medical marijuana retailer.
- A medical marijuana authorization database is created by the DOH.
- Four-member cooperatives have replaced collective gardens (July 1, 2016).
- No cooperative is permitted within 1,000 feet of sensitive areas<sup>3</sup> or within one mile of a licensed marijuana retailer.
- A cooperative must be in the domicile of one of the registered participants.
- All LCB marijuana license applications or cooperative registrations are provided to the local jurisdiction for review and comment.

The CPPA required the creation of a statewide regulatory framework paralleling the framework established for the recreational marijuana industry. Consistent with the state approach, staff is proposing the enhancement of OHMC Chapter 19.22 to include medical marijuana regulations and siting restrictions. Proposed Ordinance No. 1773 (Attachment 1) identifies OHMC Chapter 19.22 with the medical marijuana element incorporated. Restrictions for medical marijuana facilities are identical to the restrictions created for recreational marijuana in Chapter 19.22.

It is important to note that the two licenses allocated to the City of Oak Harbor by the LCB have been issued to marijuana retailers. Both retailers are located in conformance with OHMC Chapter 19.22 requirements and both have been certified as medical marijuana retailers. No additional licenses are available in the city at this time.

Proposed Ordinance No. 1773 also includes cooperatives. Smaller in scale than collective gardens, cooperatives must have four-or-less qualifying patients as participants. The cooperative must be at the domicile of one of the participants and be registered with the LCB. Through the registration process, the City of Oak Harbor (through the Office of the Mayor) will be notified. At this point, staff (police, fire, building, development services) will have an opportunity to review the application. Locational restrictions will be applied at this point. Statutory restrictions include the same 1,000 foot buffer from sensitive areas, but add a one mile restricted zone from a licensed retailer (RCW 69.51A.250(3)(a).

Under RCW 69.51A.250(3)(c), a city or county may prohibit the newly-authorized marijuana cooperatives in certain zones or, presumably, even entirely. Based on the statutory restrictions and the fact that the two licensed retailers have also been certified to sell medical marijuana, additional restrictions on cooperatives would be subjective and not centered on a sound rationale. It could be argued that a qualified patient, residing in an area that is eligible for a cooperative, may opt to purchase medical marijuana (tax-free) from the available medical retailers as opposed to engaging in the coordination, registration, and initial production costs involved in a cooperative. Draft Ordinance No. 1773 does not include any supplemental restrictions on cooperatives beyond that than what is required by state statute.

In conformance with the State Environmental Policy Act a non-project Determination of Non-Significance was issued on June 10, 2016. In addition, the ordinance was transmitted to the Washington

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<sup>2</sup> "Medical Marijuana Specialty Clinics", December, 2015.

# City of Oak Harbor City Council Agenda Bill

Department of Commerce on June 2, 2016 for the required 60-day Notice of Intent to Adopt Development Regulations.

OHMC Section 18.20.270(2)(b) identifies an amendment to regulation as a Type V review process. The Type V review process requires a public hearing before the Planning Commission. All actions taken by the Planning Commission take the form of a recommendation to the City Council. The Planning Commission held a public hearing at their June 28, 2016 meeting. At the conclusion of the public hearing, the Planning Commission moved to forward a recommendation of approval to the City Council. Minutes from that meeting are included as Attachment 2.

## **LEGAL AUTHORITY**

### **FISCAL IMPACT**

Funds Required: \$0

Appropriation Source: Not Applicable

### **PREVIOUS COUNCIL / BOARD / CITIZEN INPUT**

- 1) September 1, 2015: City Council adopts Ordinance No. 1740 (Extended medical marijuana dispensaries and collective gardens moratorium for one year).
- 2) May 10, 2016: Update to Planning Commission on Cannabis Patient Protection Act implementation status.
- 3) June 28, 2016: Planning Commission public hearing.

### **ATTACHMENTS**

- 1) Draft Ordinance No. 1773.
- 2) Minutes from the June 28, 2016 Planning Commission public hearing.

**ORDINANCE NO. 1773****AN ORDINANCE OF THE CITY OF OAK HARBOR, WASHINGTON, AMENDING OAK HARBOR MUNICIPAL CODE CHAPTER 19.22, MARIJUANA RELATED USES, TO INCORPORATE REGULATIONS FOR MEDICAL MARIJUANA PRODUCERS, PROCESSORS, RETAILERS, AND COOPERATIVES, PROVIDING FOR SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the voters of Washington State approved Initiative 502 (I-502) in November 2012 legalizing, under state law, the taxing and regulating recreational use of marijuana, codified in Chapter 69.50 RCW; and,

**WHEREAS**, the Oak Harbor City Council agreed that the establishment of marijuana related uses without appropriate regulations could lead to negative secondary impacts to the community; and,

**WHEREAS**, the Oak Harbor City Council adopted Ordinance No. 1685 in February 2014, amending Oak Harbor Municipal Code (OHMC) Title 19, Zoning, by adding Chapter 19.22, Marijuana Related Uses; and,

**WHEREAS**, the purpose and intent of OHMC Chapter 19.22 is to acknowledge I-502 and establish regulations and siting requirements for licensed recreational marijuana producers, processors, and retailers while maintaining the public health, safety, and welfare; and,

**WHEREAS**, legislation was introduced in the Washington State's 2014 Legislative session which would have merged the unregulated medical marijuana industry into the state-licensed recreational market; and,

**WHEREAS**, the Legislature failed to act on the bills, leaving the laws regarding medical marijuana regulations unchanged; and,

**WHEREAS**, in light of the potential for new legislation related to medical marijuana and in accordance with RCW 36.70A.390, Ordinance Nos. 1666, 1686, and 1692 adopted September, 2013; February, 2014; and September 2014, respectively, imposed a total of eighteen months of moratorium on the establishment of medical marijuana dispensaries and collective gardens because of the potential impact on the city's public health, safety, and welfare; and,

**WHEREAS**, the Washington State Legislature passed Second Substitute Senate Bill 5052 in April 2015, also known as the Cannabis Patient Protection Act (CPPA), which establishes guidance for a state regulatory framework for the medical marijuana industry paralleling the recreational framework; and,

**WHEREAS**, the CPPA creates a medical marijuana authorization database for qualifying patients; provides potential endorsement to a licensed recreational marijuana retailer to carry

products identified by the Washington Department of Health (DOH) as beneficial to medical marijuana patients effective July 1, 2016; and, authorizes the establishment of four-member cooperatives also effective July 1, 2016; and,

**WHEREAS**, discussion at the June 23, 2015 City of Oak Harbor Planning Commission meeting involved concerns about preparing local medical marijuana regulations while the state may refine and clarify uncertain sections of the CPPA possibly requiring supplemental local code amendments; and,

**WHEREAS**, the Planning Commission also reasoned that additional time would be valuable to solicit public comment and perception to this issue as well as provide an opportunity to monitor other communities; and,

**WHEREAS**, the Planning Commission continued their discussion on July 28, 2015 of local medical marijuana regulations and unanimously recommended to the City Council approval of Ordinance 1740, extending the duration of the moratorium extended under Ordinance 1692 an additional twelve months to September 1, 2016 along with a revised work plan; and,

**WHEREAS**, the Oak Harbor City Council adopted Ordinance No. 1740 on September 1, 2015; and,

**WHEREAS**, on May 10, 2016 the Planning Commission was briefed on the implementation status of the CPPA including the prohibition on collective gardens; creation of cooperatives; identification of sensitive area buffers; authorization database; medical marijuana certification; and, specialty clinic recommendation; and,

**WHEREAS**, under the CPPA, the Liquor and Cannabis Board (LCB), increased the number of licensed marijuana retailers to ensure the needs of medical marijuana qualifying patients were met; and,

**WHEREAS**, the statewide license increase resulted in one additional license for a total of two retail licenses available within the City of Oak Harbor; and,

**WHEREAS**, both licenses have been issued for the City, and under the authority of the CPPA and DOH requirements, both license recipients have been successfully certified as medical marijuana retailers; and,

**WHEREAS**, as the statewide medical marijuana regulatory framework has been patterned after the recreational framework a similar strategy was engaged for the creation of regulations and siting requirements for medical marijuana retailers in the city; and,

**WHEREAS**, Chapter 19.22, Marijuana Related Uses, was used as a point of departure for the regulation of the medical marijuana industry in the city; and,

**WHEREAS**, under the CPPA, cooperatives may be established whereby qualifying patient members are allowed to produce and process medical marijuana for use only by the cooperative members; and,

**WHEREAS**, these cooperatives must be located in the domicile of one of the members; and,

**WHEREAS**, the Washington State Attorney General issued an advisory opinion in January 2014, that states municipalities can prohibit state-licensed marijuana businesses and registered cooperatives within a city's boundaries or impose zoning and other land use regulations pertaining to such businesses and cooperatives; and,

**WHEREAS**, additional restrictions on cooperatives seem unnecessary and subjective and not centered on a sound rationale; and

**WHEREAS**, a State Environmental Policy Act (SEPA) Determination of Non-Significance was issued on June 10, 2016 in conformance with OHMC Chapter 20.04; and,

**WHEREAS**, procedural requirements have been met by providing a 60-day notice of intent to adopt development regulations with the Washington State Department of Commerce; and,

**WHEREAS**, the City of Oak Harbor Planning Commission held a public hearing on June 28, 2016 to consider this Ordinance and forwarded a recommendation of approval to the City Council; and,

**WHEREAS**, the City of Oak Harbor City Council held a public hearing on August 3, 2016 to consider this Ordinance; and,

**WHEREAS**, nothing in this Ordinance is intended, nor shall be construed, to authorize or approve violation of federal or state law;

**NOW, THEREFORE**, the City Council of the City of Oak Harbor, Washington do ordain as follows:

**Section One.** OHMC Chapter 19.22, entitled "Marijuana Related Uses", added by Ord. No. 1685, is hereby amended to read as follows:

**Chapter 19.22**  
**MARIJUANA RELATED USES**

Sections:

- 19.22.010 Purpose and intent.
- 19.22.020 Definitions.
- 19.22.030 Locations allowed.
- 19.22.040 Development standards.
- 19.22.050 Nonconforming uses.

**19.22.010 Purpose and intent.**

The production, processing and retailing of marijuana are and remain illegal under federal law. Nothing herein or as provided elsewhere in the ordinances of the city of Oak Harbor is an authorization to circumvent federal law or provide permission to any person or entity to violate federal law. Only state-licensed marijuana producers, marijuana processors, ~~and~~ marijuana retailers, and registered cooperatives may locate in the city of Oak Harbor and then only pursuant to a license issued by the state of Washington and only when in full compliance with the local regulations contained herein. These regulations are solely intended to acknowledge the enactment by Washington voters of Initiative 502 (recreational marijuana) and the State Legislature of Second Substitute Senate Bill 5052 (medical marijuana) and associated state licensing procedures and to permit, but only to the extent required by state law, marijuana producers, marijuana processors, ~~and~~ marijuana retailers, and registered marijuana cooperatives to operate in designated zones of the city. These provisions are intended to mitigate potential secondary impacts of marijuana related uses on nearby properties and the community and to promote the public health, safety and welfare through the application of appropriate locational criteria, zoning and development standards. (Ord. 1685 § 2, 2014).

**19.22.020 Definitions.**

(1) “Child care center” means an agency that regularly provides early childhood education and early learning services for a group of children for periods of less than twenty-four hours (Agency defined as in RCW 43.215.010).

(2) “Cooperative” means a group of no more than four registered, qualifying patients or designated providers where producing and processing of medical marijuana or marijuana-infused products are permitted. Cooperatives are only permitted within the domicile of one of the participants.

(3) “Domicile” means a person’s true, fixed, and permanent home and place of habitation for other than educational purposes. It is the place where he or she intends to remain, and to which he or she expects to return when he or she leaves without intending to establish a new domicile elsewhere (RCW 250-18-015(2)).

(24) “Elementary school” means a school for early education that provides the first four to eight years of basic education and recognized by the Washington State Superintendent of Public Instruction.

(35) “Game arcade” means an entertainment venue featuring primarily video games, simulators, and/or other amusement devices where persons under 21 years of age are not restricted.

(46) “Library” means an organized collection of resources made accessible to the public for reference or borrowing supported with money derived from taxation.

(57) “Marijuana” ~~or “marihuana”~~ means all parts of the plant Cannabis, whether growing or not, with a THC concentration greater than 0.3 percent on a dry weight basis; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative,

mixture, or preparation of the plant, its seeds or resin. The term does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seeds of the plant which are incapable of germination.

(8) “Marijuana concentrates” means products consisting wholly or in part of the resin extracted from any part of the plant cannabis and having a THC concentration greater than sixty percent.

(69) “Marijuana facility” means a state-licensed recreational or medical marijuana production, processing, or retail facility. Marijuana facilities shall not be a home occupation as defined in Chapter 19.08 OHMC, Definitions, and as authorized under Chapter 19.34 OHMC.

(710) “Marijuana-infused products” means products that contain marijuana or marijuana extracts, and are intended for human use, and have a THC concentration greater than 0.3 percent and no greater than sixty percent. The term “marijuana-infused products” does not include usable marijuana or marijuana concentrates.

(811) “Marijuana processing facility” means an entity licensed by the state of Washington to process, package, and label usable marijuana and marijuana-infused products for sale at wholesale to marijuana retailers. A marijuana processing facility shall not be a home occupation as defined in Chapter 19.08 OHMC, Definitions, and as authorized under Chapter 19.34 OHMC.

(912) “Marijuana processor” means a person licensed by the State Liquor ~~Control~~ and Cannabis Board to process marijuana into, marijuana concentrates, usable marijuana, and marijuana-infused products, package and label marijuana concentrates, usable marijuana and marijuana-infused products for sale in retail outlets, and sell marijuana concentrates, usable marijuana and marijuana-infused products at wholesale to marijuana retailers.

(1013) “Marijuana producer” means a person licensed by the State Liquor ~~Control~~ and Cannabis Board to produce and sell marijuana at wholesale to marijuana processors and other marijuana producers.

(1114) “Marijuana production facility” means an entity licensed by the state of Washington to produce marijuana for sale at wholesale to marijuana processor licensees and to other marijuana producers. A marijuana production facility shall not be a home occupation as defined in Chapter 19.08 OHMC, Definitions, and as authorized under Chapter 19.34 OHMC.

(1215) “Marijuana retailer” means a person licensed by the State Liquor ~~Control~~ and Cannabis Board to sell marijuana concentrates, usable marijuana, and marijuana-infused products in a retail outlet.

(1316) “Marijuana retail facility” means an entity licensed by the state of Washington to sell only usable marijuana, marijuana-infused products and marijuana paraphernalia to persons 21 years of age and older. A marijuana retail facility shall not be a home occupation as defined in Chapter 19.08 OHMC, Definitions, and as authorized under Chapter 19.34 OHMC.

(~~417~~) “Playground” means a public outdoor recreation area for children, usually equipped with swings, slides, and other playground equipment, owned and/or managed by a city, county, state, or federal government.

(~~4518~~) “Public park” means an area of land for the enjoyment of the public, having facilities for rest and/or recreation, such as a baseball diamond or basketball court, owned and/or managed by a city, county, state, federal government, or metropolitan park district. “Public park” does not include trails.

(~~4619~~) “Public transit center” means a facility located outside of the public right-of-way that is owned and managed by a transit agency or city, county, state, or federal government for the express purpose of staging people and vehicles where several bus or other transit routes converge. They serve as efficient hubs to allow bus riders from various locations to assemble at a central point to take advantage of express trips or other route-to-route transfers.

(~~4720~~) “Recreation center or facility” means a supervised center that provides a broad range of activities and events intended primarily for use by persons under 21 years of age, owned and/or managed by a charitable nonprofit organization, city, county, state, or federal government.

(~~4821~~) “Retail outlet” means a location licensed by the State Liquor ~~Control~~ and Cannabis Board for the retail sale of marijuana concentrates, usable marijuana, and marijuana-infused products.

(~~4922~~) “Secondary school” means a high and/or middle school; a school for students who have completed their primary education, usually attended by children in grades seven to 12 and recognized by the Washington State Superintendent of Public Instruction.

(~~2023~~) “Usable marijuana” means dried marijuana flowers. The term “usable marijuana” does not include marijuana-infused products or marijuana concentrates. (Ord. 1685 § 3, 2014).

#### **19.22.030 Locations allowed.**

(1) State-licensed marijuana producers and marijuana processors may locate in the city pursuant to the following restrictions:

(a) Marijuana producers and marijuana processors must comply with all requirements of state law and the Washington State Liquor ~~Control~~ and Cannabis Board’s regulations.

(b) Marijuana producers and marijuana processors may locate only in the planned industrial park or industrial district(s).

(c) Marijuana producers and marijuana processors shall not locate on a site or in a building in which nonconforming production or processing uses have been established in any zone other than the planned industrial park or industrial district(s).

(d) Marijuana producers and marijuana processors shall not operate as an accessory to a primary use or as a home occupation.

(e) Marijuana producers and marijuana processors shall not locate within 1,000 feet of the perimeter of the grounds of any elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, or library, or any game arcade venue featuring primarily video games, simulators, and/or other amusement devices where persons under 21 years of age are not restricted. The distance shall be measured as the shortest straight line distance from the property line of the proposed building/business location to the property line of the entities listed above.

(2) State-licensed marijuana retailers may locate in the city pursuant to the following restrictions:

(a) Marijuana retailers must comply with all requirements of state law and the Washington State Liquor ~~Control~~ and Cannabis Control Board's regulations.

(b) Marijuana retailers may locate only in the C-4 and industrial district(s).

(c) Marijuana retailers shall not locate in a building in which nonconforming retail uses have been established in any residential or office zone.

(d) Marijuana retailers shall not operate as an accessory to a primary use or as a home occupation.

(e) Marijuana retailers shall not locate within 1,000 feet of the perimeter of the grounds of any elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, or library, or any game arcade venue featuring primarily video games, simulators, and/or other amusement devices where persons under 21 years of age are not restricted. The distance shall be measured as the shortest straight line distance from the property line of the proposed building/business location to the property line of the entities listed above. (Ord. 1685 § 4, 2014).

(3) State-registered marijuana cooperatives may locate in the city pursuant to the following restrictions:

(a) Marijuana cooperatives must comply with all requirements of state law and the Washington State Liquor and Cannabis Board's regulations.

(b) Marijuana cooperatives shall be located in the domicile of one of the qualifying participants.

(c) Marijuana cooperatives shall not locate within 1,000 feet of the perimeter of the grounds of any elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, or library, or any game arcade venue featuring primarily video games, simulators, and/or other amusement devices where persons under 21 years of age are not restricted. The distance shall be measured as the shortest straight line distance from the property line of the proposed building/business location to the property line of the entities listed above.

(d) Marijuana cooperatives shall not locate within one mile of a marijuana retailer. The distance shall be measured as the shortest straight line distance from property line of the proposed building/business location to the property line of the entities listed above.

#### **19.22.040 Development standards.**

(1) Marijuana Retail, Processing and Production Facilities. In addition to the standards of the underlying zoning district and all other applicable municipal code regulations, all state-licensed marijuana facilities shall meet the following development standards:

- (a) All facilities must be state-licensed and comply with all of the standards for state-licensed marijuana facilities.
- (b) No marijuana facility shall be allowed as a home occupation.
- (c) The definitions set forth in RCW 69.50.101 through 69.50.102, WAC 314-55-010 and OHMC 19.22.020 shall control.
- (d) Location.
  - (i) No more than one facility shall be located on a single parcel.
  - (ii) Marijuana retail and processing facilities shall be located fully within a permanent structure designed to comply with the city building code and constructed under a building and/or tenant improvement permit from the city regardless of the size or configuration of the structure.
  - (iii) Marijuana production facilities shall be located:
    - (A) Within a permanent, fully enclosed structure designed to comply with the city building code and constructed under a building and/or a tenant improvement permit from the city regardless of the size or configuration of the structure; or
    - (B) In nonrigid greenhouses, other structures, or an expanse of open or clear ground fully enclosed by a physical barrier enclosed by a sight obscuring wall or fence eight feet high.
  - (iv) Marijuana facilities shall not be located in a mobile structure or vehicle.
  - (v) No state-licensed marijuana facility shall be located within 1,000 feet of the perimeter of the parcel on which any of the entities listed below are located. The distance shall be measured as the shortest straight line distance from property line of the proposed building/business location to the property line of the entities listed below:
    - (A) Elementary or secondary school (public or private);
    - (B) Playground;

- (C) Recreation center or facility;
- (D) Child care center;
- (E) Public park;
- (F) Public transit center;
- (G) Library;
- (H) Any game arcade venue featuring primarily video games, simulators, and/or other amusement devices where persons under 21 years of age are not restricted.

(vi) No state-licensed marijuana retail facility shall be located within 1,000 feet of the perimeter of a parcel on which a state-licensed marijuana production or processing facility is located. The distance shall be measured as the shortest straight line distance from property line of the marijuana retail facility to the property line of the marijuana production or processing facility.

(e) No production, processing or delivery of marijuana may be visible to the public nor may it be visible through windows.

(f) Marijuana retail uses shall not include drive-throughs, exterior, or off-site sales.

(g) All fertilizers, chemicals, gases and hazardous materials shall be handled in compliance with all applicable local, state and federal regulations. No fertilizers, chemicals, gases or hazardous materials shall be allowed to enter either a sanitary sewer or a storm water sewer system nor be released into the atmosphere outside of the structure where the facility is located.

(h) No odors resulting from the use of those substances noted in subsection (1)(g) of this section or from the activities conducted within the structure shall be allowed to migrate beyond the interior portion of the structure where a marijuana facility is located.

(i) A city of Oak Harbor business license pursuant to Chapter 5.03 OHMC and a state license pursuant to Chapter 314-55 WAC shall be obtained prior to the start of operations of the facility.

(j) All facilities shall comply with Chapter 19.27 RCW, State Building Code Act, and OHMC Title 17, Buildings. Appropriate permits shall be obtained for all changes of use, tenant improvements, mechanical system improvements, electrical upgrades and similar work. (Ord. 1685 § 5, 2014).

(2) Marijuana Cooperatives. In addition to the standards of the underlying zoning district and all other applicable municipal code regulations, all state-registered marijuana cooperatives shall meet the following development standards:

(a) Only one cooperative may be located per property tax parcel.

(b) A copy of each qualifying participant’s recognition card must be kept at the location at all times.

(c) No cooperative shall be allowed as a home occupation and qualifying participants may not sell, donate, or otherwise provide marijuana, marijuana concentrates, usable marijuana, or marijuana-infused products to a person who is not participating in the cooperative.

(d) Production, processing or storage of plants in a cooperative may not occur if any portion of such activity can be readily seen by normal unaided vision or readily smelled from a public place or the private property of another housing unit.

(e) Cooperatives are not permitted within an accessory use when the accessory use is detached from the domicile.

**19.22.050 Nonconforming uses.**

No use that constitutes or purports to be a marijuana producer, marijuana processor, or marijuana retailer, as those terms are defined in this chapter, that was engaged in that activity prior to the enactment of this chapter shall be deemed to have been a legally established use under the provisions of the Oak Harbor Municipal Code and that use shall not be entitled to claim legal nonconforming status. (Ord. 1685 § 5, 2014).

**Section Two. Severability.** If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances is not affected.

**Section Three. Effective Date.** This Ordinance shall be in full force and effect five (5) days after publishing.

PASSED by the City Council this 3<sup>rd</sup> day of August, 2016.

CITY OF OAK HARBOR

\_\_\_\_\_  
ROBERT SEVERNS, MAYOR

Attest:

Approved as to form:

By \_\_\_\_\_  
Anna Thompson, City Clerk

By \_\_\_\_\_  
Nikki Esparza, City Attorney

Date of Publication: \_\_\_\_\_

Effective Date: \_\_\_\_\_

DRAFT

City staff met to discuss these options and included the first two options in the code amendment (final inspection and certificate of occupancy) Mr. Lefevre also summarized the impact fee lien process.

Mr. Lefevre concluded by asking the Planning Commission to forward a recommendation to the City Council to approve Ordinance No. 1772 amending Oak Harbor Municipal Code Chapter 3.63, Impact Fees and Resolution No. 16-20 amending the City of Oak Harbors' Schedule A, Master Fee Schedule.

Commissioners asked staff how the impact fee deferral process would be applied to a development that has infrastructure installed but no buildings are built for several years. Mr. Lefevre explained that once the developer proposes to build structures on the individual parcels if the developer applied for this deferral process the impact fee would be collected upon final inspection or certificate of occupancy of each individual building. Mr. Powers added that there is no impact to the park system or the transportation system until a building is occupied and the impact fee would only be collected at after a building permit was issued.

There being no public comment the public hearing was closed at 7:45 p.m.

**Motion:** Hal Hovey moved to forward a recommendation to the City Council to approve Ordinance No. 1772 amending Oak Harbor Municipal Code Chapter 3.63, Impact Fees. Motion seconded by Bruce Freeman, majority approved.

**Motion:** Hal Hovey moved to forward a recommendation to the City Council to approve Resolution No. 16-26 amending the City of Oak Harbor's Schedule A, Master Fee Schedule. Motion seconded by Councilmember Jes Walker-Wyse, majority approved.

## **6. MARIJUANA RELATED USES CODE AMENDMENT - Public Hearing**

Mr. Lefevre displayed a PowerPoint presentation (Attachment 1) and summarized the City's implementation of regulations for recreational marijuana since the State's passage of I-502 which legalized recreational marijuana. While waiting for the State to take action on medical marijuana the City passed a moratorium on the establishment of medical marijuana dispensaries and collective gardens for one year and extended it an additional on year. The one-year extension provided an opportunity to monitor amendments and new legislation pertaining to the Cannabis Patient Protection Act (CPPA) passed in April 2015.

Mr. Lefevre summarized the CPPA implementation steps taken by the Washington State Liquor and Cannabis Board (LCB) and Department of Health (DOH). Mr. Lefevre stated that the proposed code amendments to OHMC Chapter 19.22 are consistent with the State approach which parallels the framework established for recreational marijuana regulations and siting restrictions. Mr. Lefevre noted that Cannabis Patient Protection Act (CPPA) prohibits collective gardens as of July 1, 2016 and replaces them with cooperatives. All potential licensed cooperatives must be locally approved.

Mr. Lefevre reported that the proposed code amendments have no additional restrictions outside of the restrictions contained in the CPPA for cooperatives and medical marijuana producers, processors, and retailers are subject to the same restrictions required for recreational marijuana facilities.

Mr. Lefevre asked the Planning Commission to recommend that the City Council approve Ordinance No. 1773 amending Oak Harbor Municipal Code Chapter 19.22, Marijuana Related Uses.

Planning Commission questioned staff about status of Oak Harbor's current marijuana retailers, whether there was enough area open for cooperatives, whether the State will change the restrictions, whether the distance requirements apply to private parks, and asked what would happen if a cooperative was established and a retailer wanted to locate in a commercial space near the cooperative would the retailer be denied occupying that space. Mr. Lefevre explained that the space available to cooperatives followed the State guidelines, the State has the option to change the restrictions, distance requirements do not apply to private parks and a marijuana retailer would not be denied occupying a commercial space near a cooperative, the distance rule only applies to cooperatives.

Public hearing was opened at 8:05. Seeing none the public hearing was closed.

**Motion:** Cecil Pierce moved to forward a recommendation to the City Council to approve Ordinance No. 1773 amending Oak Harbor Municipal Code Chapter 19.22 Marijuana Related Uses. Motion seconded by Hal Hovey, majority approved.

Meeting adjourned at 8:06 p.m.

Katherine Gifford,  
Development Services  
Administrative Assistant

# Medical Marijuana Regulations

## *Code Amendment*



Planning Commission

6/28/2016



### Background

- I-502 (Nov, 2012)
- OHMC Chapter 19.22 (Feb, 2014)
- COH (Ord Nos. 1666, 1686, 1692, 1740)
- 2SSB 5052 (CPPA) (Apr, 2015)



Planning Commission

6/28/2016

2



### CPPA Summary

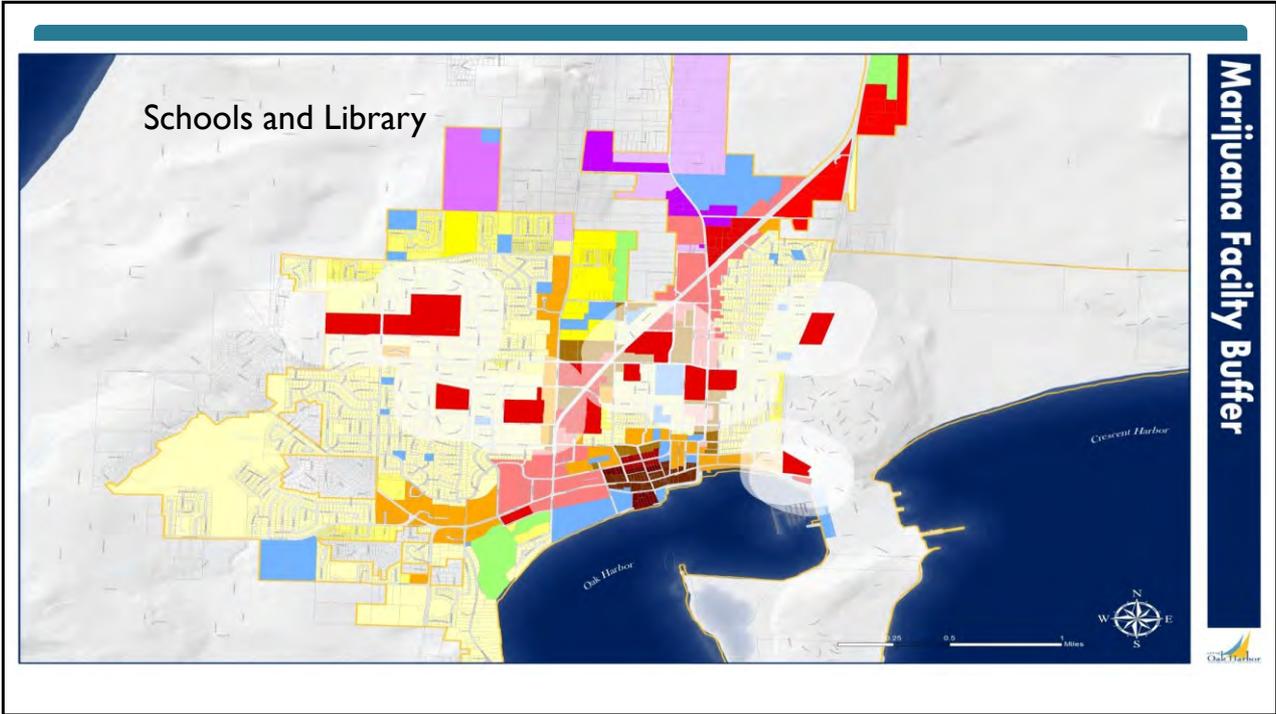
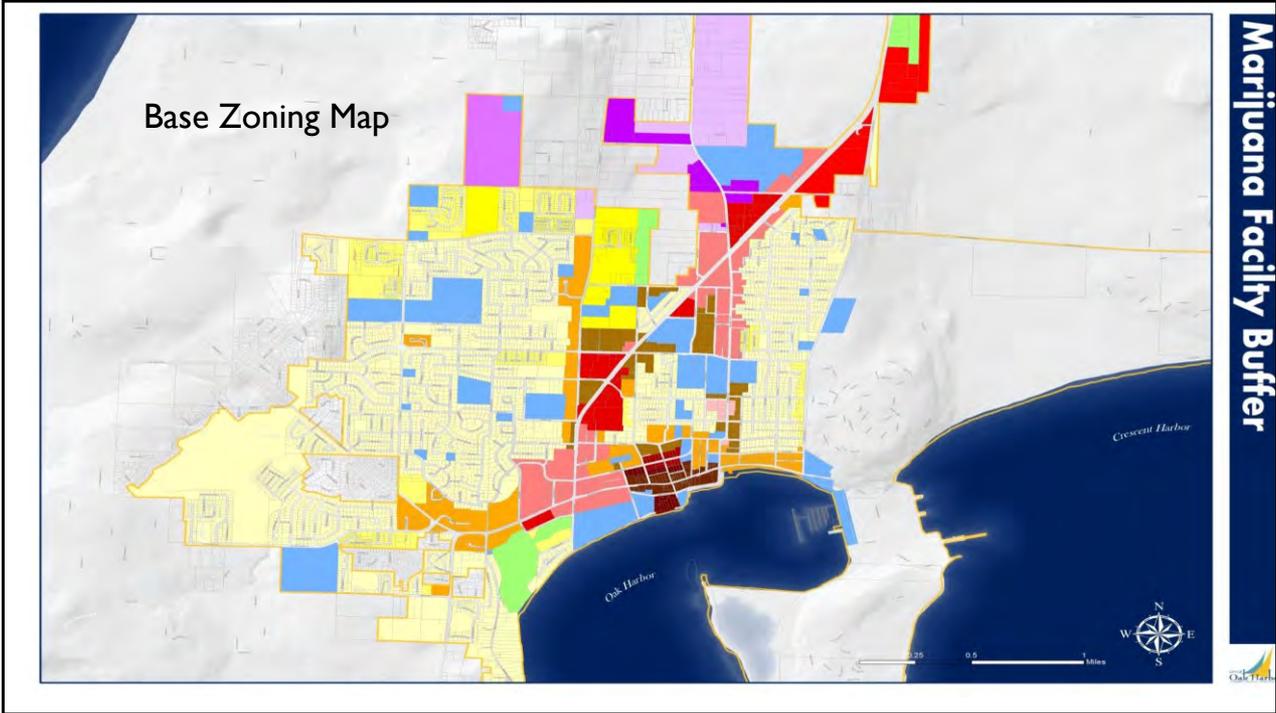
- Marijuana license increase
- Authorization database (qualifying patients)
- Collective gardens (out) Cooperatives (in) July 1
- DOH = process for medical endorsement
- DOH = specialty clinic recommendation

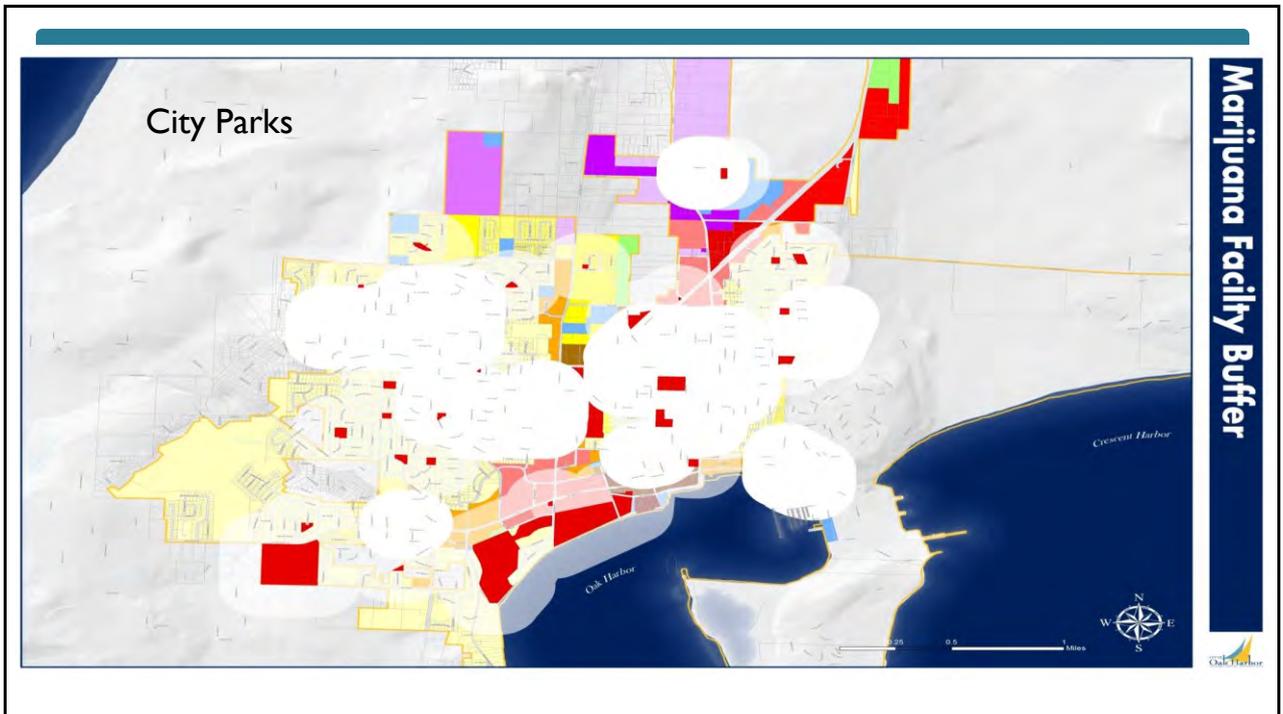
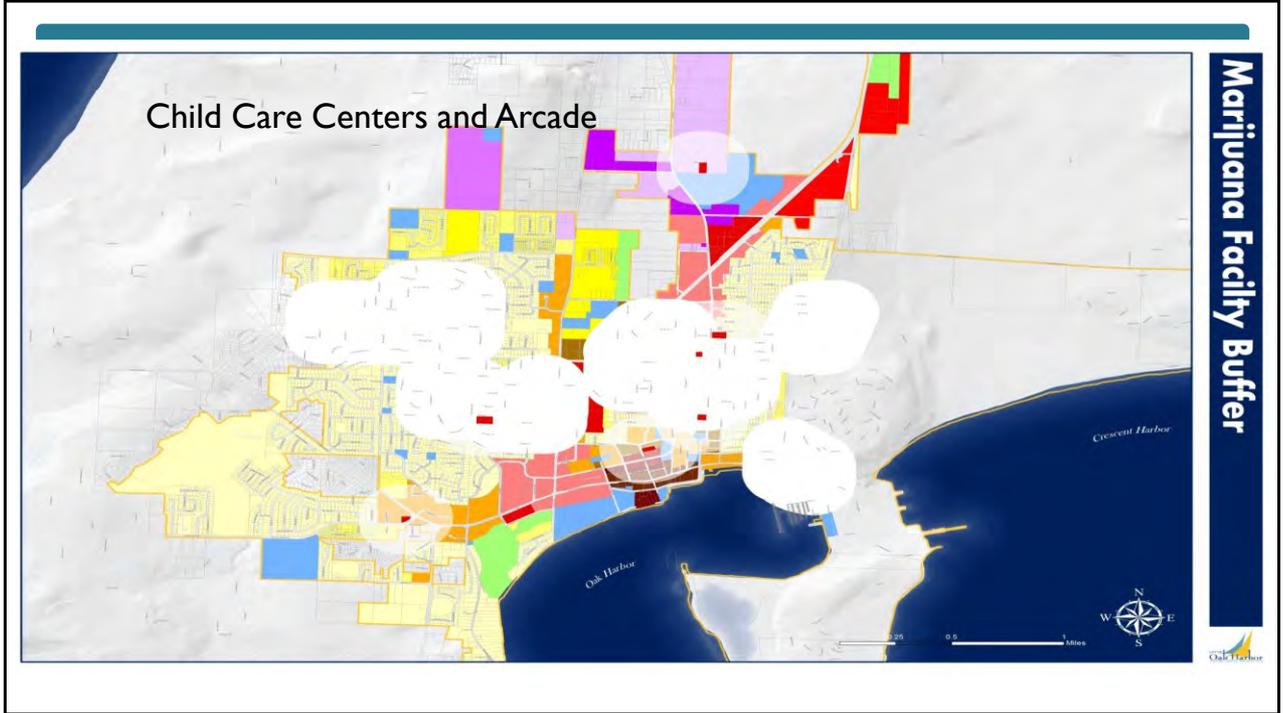


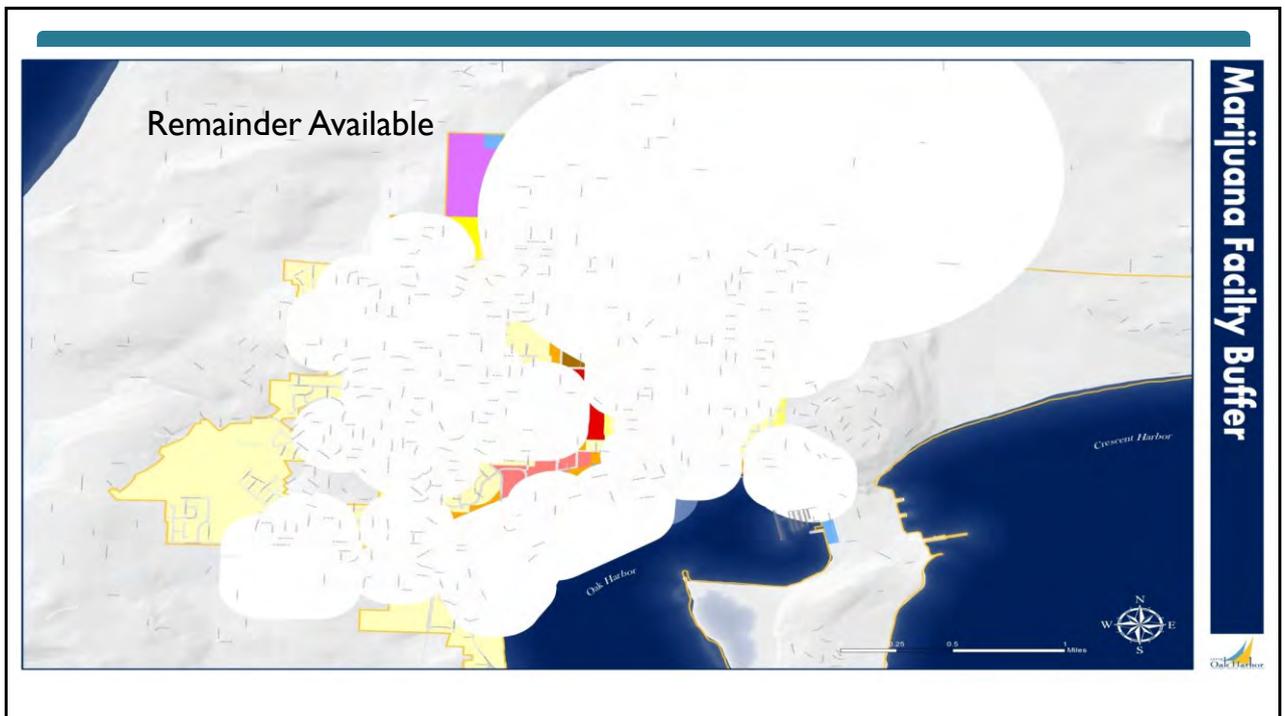
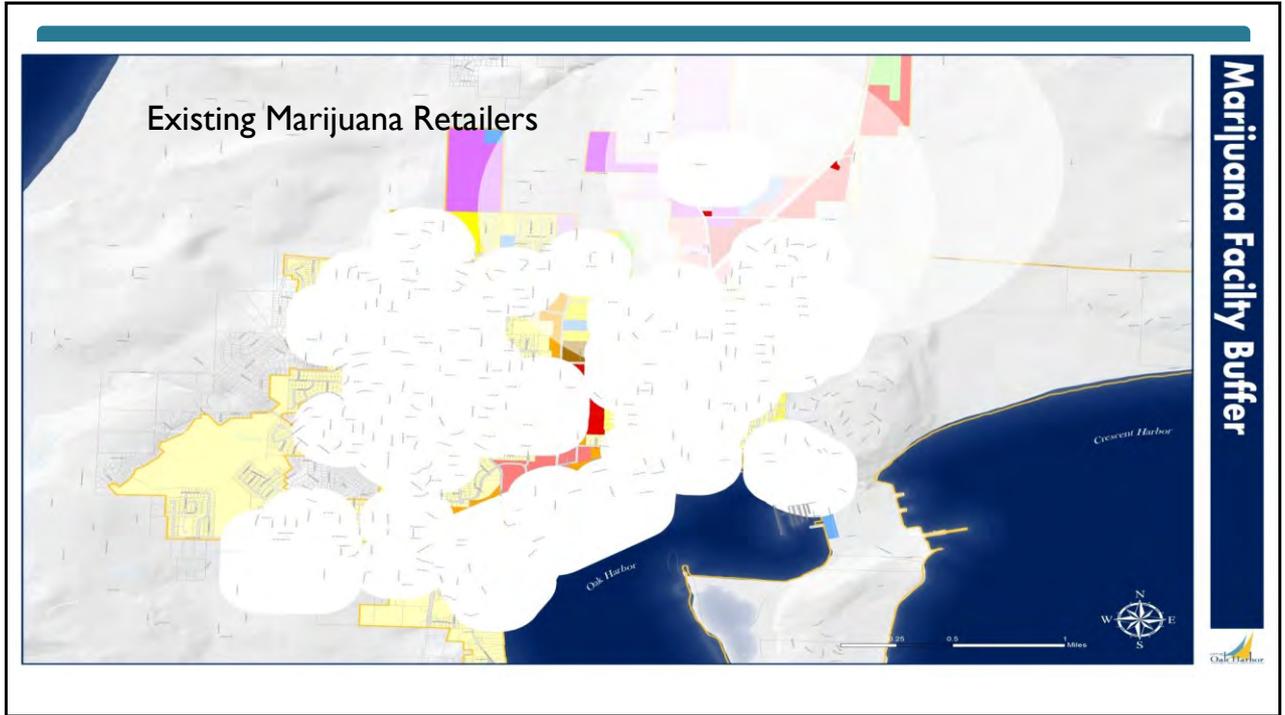
### Local Conditions

- Licenses allocated = 2 Retailers
- Both medically endorsed
- Medical locational restrictions = recreational
- **Cooperative restrictions (1,000'; 1 mile)**
- Cooperative application = local review











NEXT STEPS:

- Planning Commission questions
- Planning Commission recommendation
- City Council workshop: July 27
- City Council adoption: August 3





# Workshop Item

## **Pending Agenda Items**

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**Item 3.c Valley High Investments, Inc.  
Annexation Request**

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**Steve Powers, Development Services Director**

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## **Attachments**

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Attachment A: Draft Agenda Bill

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# City of Oak Harbor City Council Agenda Bill

**Bill No.** \_\_\_\_\_

**Date:** August 3, 2016

**Subject:** Valley High Investments –  
Intent to Commence  
Annexation Proceedings

**FROM:** Steve Powers  
Development Services Director

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

\_\_\_\_\_ Bob Severns, Mayor  
\_\_\_\_\_ Doug Merriman, City Administrator  
\_\_\_\_\_ Patricia Soule, Finance Director  
\_\_\_\_\_ Nikki Esparza, City Attorney, as to form

---

**RECOMMENDED ACTION**

Accept the geographic scope as proposed (Attachment 1); require the simultaneous zoning of the proposed annexation area as R1, single family residential; and, require the annexed properties to assume their proportionate share of City indebtedness.

**BACKGROUND / SUMMARY INFORMATION**

Specific authority for annexation is established in RCW 35A.14.010 which states “Any portion of a county not incorporated as part of a city or town but lying contiguous to a code city may become a part of the charter code city or non-charter code city by annexation”. Procedural requirements for the “Direct Petition” method, of annexation are established in RCW 35A.14.120-150. The Direct Petition method is commonly used for municipal annexations.

Prior to the circulation of a petition for annexation, the initiating party or parties, who must be the owners of not less than ten percent in assessed value of the property for which annexation is sought, shall notify the legislative body in writing of their intention to commence annexation proceedings (RCW 35A.14.120). On June 9, 2016, Mr. Colin Smith, representing Valley High Investments, Inc., submitted a notice of intent to commence annexation proceedings (Attachment 2). This notice of intent was for three parcels. The applicant amended this notice of intent by submitting a subsequent notice on June 16, 2016 (Attachment 3) including a fourth parcel. Please see Attachment 1 for the proposed annexation area. As shown in Table 1, the assessed value of the applicant’s parcel exceeds the required ten percent of the total assessed value necessary to commence annexation proceedings.

RCW 35A.14.120 requires the City Council to convene a meeting with the initiating party within 60 days after the filing of the notice of intent. The City Council must decide at this meeting: 1) whether it will accept, reject, or geographically modify the proposed annexation; 2) whether it will require adoption of zoning simultaneously with annexation; and, 3) whether it will require annexed properties to share City indebtedness.

# City of Oak Harbor City Council Agenda Bill

**Table 1.**

Owner	Parcel #	Acreage	Assessed Value (\$)	% of Total
Valley High Investments	R13209-495-1950	3.91	130,000	20%
Virginia Aos	R13209-495-2230	3.91	260,577	40%
Winnifred Kotschwar	R13209-495-2500	3.91	134,000	20%
Alan Lynn	R13209-446-2310	5.00	130,000	20%
4 Parcels	N/A	16.73	\$654,577	100%

The decision of the Council whether to move forward with the proposed annexation is entirely within its discretion. By accepting a proposed intent to annex at this stage, the Council is not committing itself to ultimately annexing the territory proposed. This acceptance authorizes the proponent to circulate a petition for signatories representing not less than sixty percent of the assessed value of the proposed annexation area.

If the Council rejects the proposed annexation at this stage, the initiating parties have no right of appeal.

**1) Whether to accept the annexation as proposed; reject the annexation; or geographically modify the proposed annexation.**

Goals and Policies

The City has adopted goals and policies in the Oak Harbor Comprehensive Plan (June 2016) for considering annexation requests. Goals 4 & 5 of the Urban Growth Area Element and their respective policies, address such issues as maintaining adopted levels of service, ensuring public services can be provided to the annexed area, funding of these services, potential future obligations by property owners, and confirming the annexation is a logical extension of the City’s municipal limits (please see Attachment 4 for these goals and policies). A review for consistency with all of the applicable Comprehensive Plan goals and policies will occur in preparation for the necessary public hearing, should the City Council authorize the annexation to proceed.

Geographic Options

The four parcels proposed for annexation are located within the City’s urban growth area (UGA) and are contiguous to the existing municipal limits located along the southern right-of-way line of Fort Nugent Road. At this phase of the annexation process, the City Council may accept the annexation as proposed or enlarge the geographic area. As shown on Attachment 1, the remaining portion of the UGA in this area, not included in the proposed annexation, encompasses four additional parcels, two of which are entirely within the UGA and two which are bisected by the UGA boundary. The City Council may enlarge the scope to include the two complete parcels, but may not include the parcels that extend outside of our UGA. The City would be in conflict with the Growth Management Act by annexing lands located outside of our UGA.

Annexation protocol allows the City Council this one opportunity to enlarge the geographic scope. If Council chooses to enlarge the scope and insufficient signatures are obtained to achieve the required 60% assessed value, the area may be reduced later in the process. However, if parcels are not included at

# City of Oak Harbor City Council Agenda Bill

this point, they may not be added later (RCW 35A.14.140). The remaining geographic option is to reject the annexation.

## City Services

In order to provide the Council with an overview of the potential issues associated with the annexation and subsequent development, staff contacted City departments which provided comments and thoughts on potential impacts.

Public Works responded with comments relating to sewer and water service, stormwater and streets. Sewer service may require a lift station from the subject properties to the existing line in Fort Nugent Road. The developer may be eligible for latecomer reimbursement agreements. Water service can be provided from the existing line in Fort Nugent Road. There is a possibility that a pressure boosting station may be necessary to achieve adequate fire flow. Stormwater may be addressed in the Golf Course Drainage Basin Study and Low Impact Development may be an effective method of dealing with stormwater. Street connections shall be aligned with existing street on the north side of Fort Nugent Road. If intersection alignment is not possible, sufficient distance should be provided to prevent the creation of turning movement conflicts.

The Oak Harbor Police Department indicated service and routine patrols exist in Fairway Point which is directly to the north of Fort Nugent Road. The Department also indicated that areas of incorporated lands bordered by unincorporated lands may present jurisdictional confusion for officers.

The Oak Harbor Fire Department noted that developments encompassing 30 or more dwelling units would require two separate fire apparatus access roads. The alternative to this requirement would be individual automatic sprinkler systems.

The City's Finance Department and Building Division did not have comments.

## **2) Whether to require the simultaneous adoption of proposed zoning.**

The City of Oak Harbor's Comprehensive Plan identifies proposed land use designations within the UGA. These designations provide guidance for the types of land uses and residential densities that may be anticipated in areas of the UGA located outside the city limits. This guidance assists in the cost effective and efficient sizing of infrastructure which may be extended into new city developments subsequent to annexation.

The proposed annexation area is identified on the Comprehensive Plan Land Use map as Low Intensity Residential. Residential densities in this designation range from a minimum of 3 dwelling units per acre to a maximum of 16 dwelling units per acre. This designation is implemented by three zoning districts: Single Family Residential (R1); Limited Multifamily Residential (R2); and, Multifamily Residential (R3).

Land to the north is zoned R1 and has been developed into a 140 single-family Planned Residential Development known as Fairway Point. Overall density in this development is 3.8 dwelling units per acre. The aforementioned parcels to the south, located within the UGA but not proposed for annexation

# City of Oak Harbor City Council Agenda Bill

are designated Low Intensity Residential. Land to the east and west, located in Island County, are zoned Rural. Single-family residential is a permitted use at 1 dwelling unit per five acres.

Recommended zoning for the parcels within this annexation is single family residential (R1) at a density of 3 to 6 dwelling units per acre.

### **3) Whether to require the assumption of all or any portion of existing city indebtedness by property owners within the area to be annexed.**

City indebtedness refers to existing or future bonds, the cost of which is shared by City taxpayers. It is logical for the City to require that properties in the proposed annexation to share in City indebtedness.

#### **LEGAL AUTHORITY**

Legal authority for municipal annexations are established under RCW 35A.14.010.

#### **FISCAL IMPACT**

Positive fiscal impacts to the City would be realized in additional property tax assessment and utility fee collection while additional costs may be incurred through the provision of police, fire, and other general city services. As noted in Attachment 4, Urban Growth Area Element policy 4.k indicates the City may require the preparation of a fiscal impact study which addresses long and short-term economic impacts to the City.

#### **PREVIOUS COUNCIL / BOARD / CITIZEN INPUT**

- September 1, 2015: City Council authorizes circulation of annexation petition for the identical area.

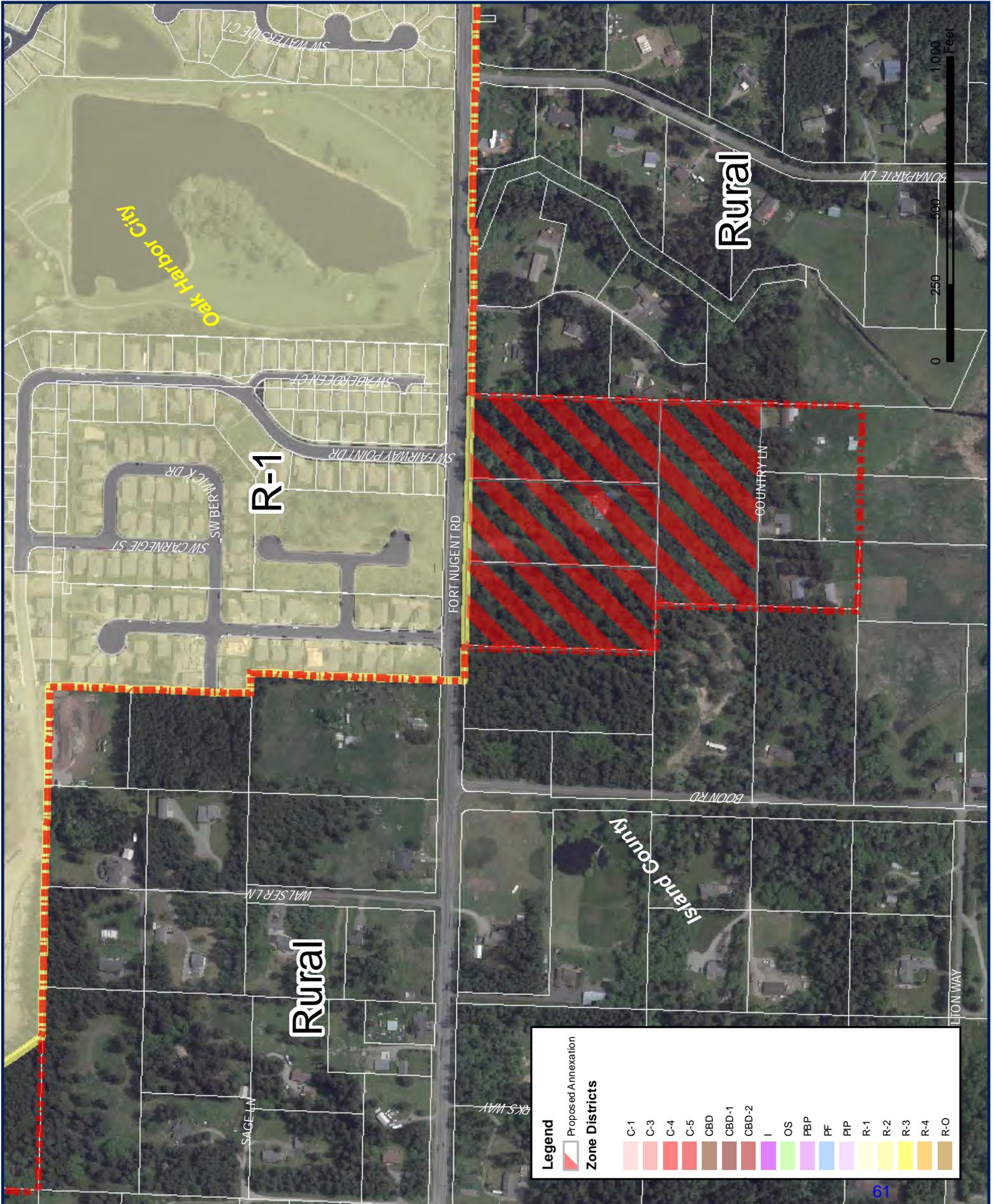
#### **ATTACHMENTS**

- 1) Proposed annexation area.
- 2) June 9, 2016 Notice of Intent to Commence Annexation Proceedings.
- 3) June 16, 2016 Notice of Intent amends June 9<sup>th</sup> Notice of Intent to include an additional parcel.
- 4) City of Oak Harbor Comprehensive Plan Urban Growth Area and Annexation goals and policies.



# Map 3 - Zoning

ATTACHMENT 1



# Valley High Investments, Inc.

ATTACHMENT 2 RECEIVED

41 NE Midway Blvd, #101  
Oak Harbor, WA 98277  
(360) 751-9866  
(360) 675-5341 fax

JUN 09 2016

CITY OF OAK HARBOR  
Development Services Department

## Notice of Intention to Commence Annexation Proceedings

The Honorable Mayor and City Council  
City of Oak Harbor  
865 SE Barrington Drive  
Oak Harbor WA 98277

June 9, 2016

Dear Mayor and City Council:

The undersigned, who represents the owners of not less than ten percent (10%) of the acreage for which annexation is sought, hereby advise the City Council of the City of Oak Harbor that it is the desire of the undersigned owners of the following area to commence annexation proceedings:

The three parcels; R13209-495-1950 (Parcel A), R13209-495-2500 (Parcel B) and R13209-446-2310 (Parcel C) for which annexation is sought herein referred to as "the property" is legally described on Exhibit "A" attached hereto and is geographically depicted on a Island County Assessor's parcel map on Exhibit "B" further attached hereto.

It is requested that the City Council of the City of Oak Harbor set a date, not later than sixty (60) days after the filing of this request, for a meeting with the undersigned to determine:

1. Whether the City Council will accept, reject, or geographically modify the proposed annexation;
2. Whether the City Council will require the simultaneous adoption of the zoning for the proposed area in substantial compliance with the proposed Comprehensive Plan as adopted by City of Oak Harbor; and
3. Whether the City Council will require the assumption of all or any portion of indebtedness by the area to be annexed.

Colin Smith  
Valley High Investments, Inc. Representative



Date: 6/9/2016

Parcel Number of Owner: R13209-495-1950

Cc: Steve Powers, AICP – Planning Services Director

**Exhibit A-**  
**Legal descriptions of Parcels Proposed to be Annexed**

**Parcel A.** R13209-495-1950:

Abbreviated: 30 - W275' OF E825' OF N/2 NE NW EX N40' FOR RD

Full: The West 275 feet of the East 825 feet of the North half of the Northeast Quarter of the Northwest Quarter of Section 9, Township 32 North, Range 1 East of the Willamette Meridian;

EXCEPT the North 40 feet of said premises as deeded to Island County for the right of way under Auditor's File Nos. 396312, 396313 and 396994.

ALSO EXCEPT that portion, if any, lying within Fort Nugent Road along the North line thereof.

Situate in the County of Island, State of Washington.

**Parcel B.** R13209-495-2500:

Abbreviated: 28 - E275' OF N/2 NE NW EX CORD

Full: Situate in the County of Island, State of Washington:

The East 275 feet of the North half of the Northeast Quarter of the Northwest Quarter of Section 9, Township 32 North, Range 1 E.W.M.;

Except that portion lying within Fort Nugent Road.

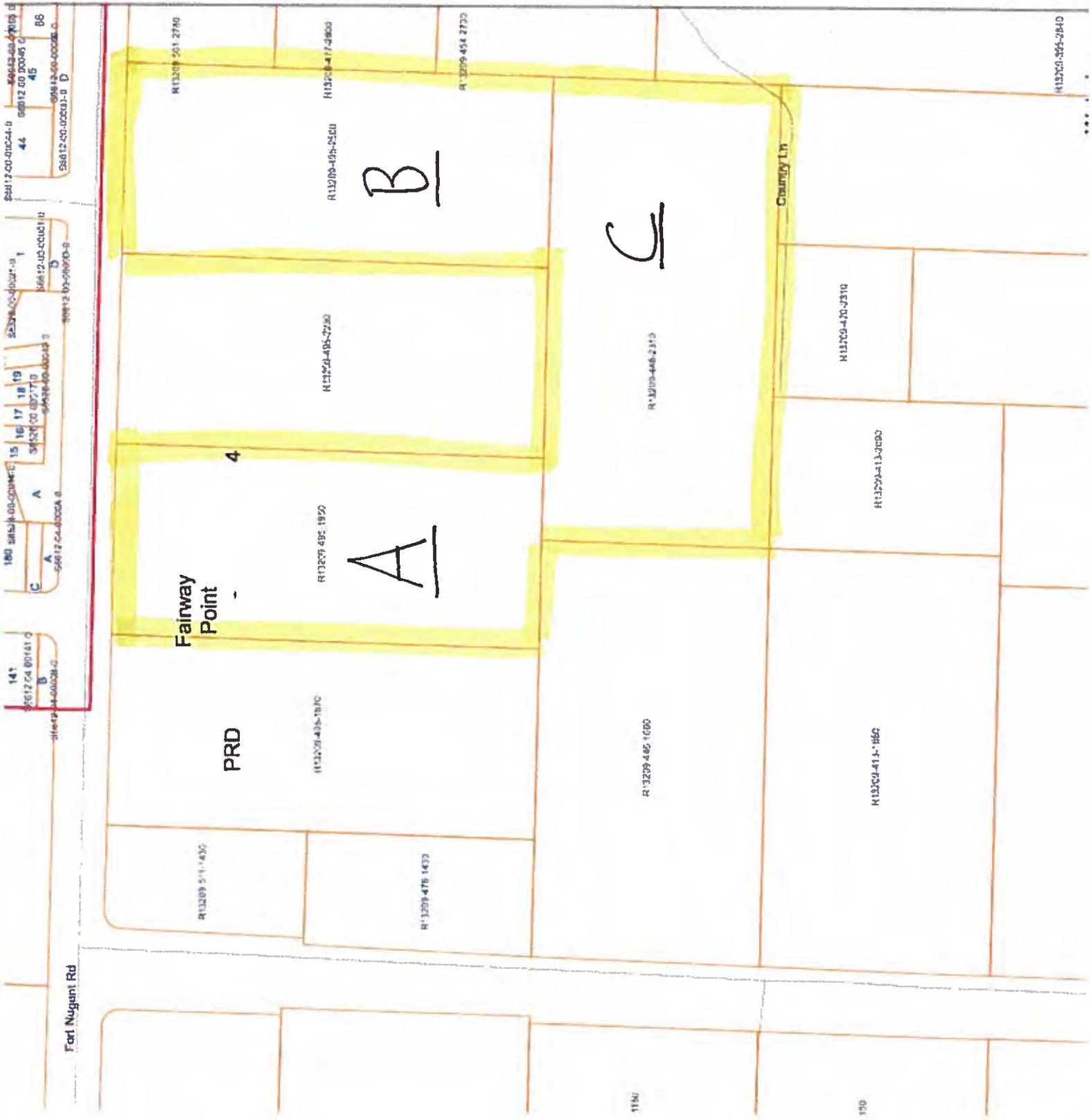
**Parcel C.** R13209-446-2310:

Abbreviated: 48 - N/2 SE NE NW TGW EAS AF#418785

Full: THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 32 NORTH, RANGE 1, EAST OF THE WILLAMETTE MERIDIAN.

TOGETHER WITH A 30 FOOT EASEMENT FOR INGREE, EGRESS AND THE INSTALLATION OF UTILITIES OVER, UNDER AND ACROSS AS DESCRIBED IN THAT INSTRUMENT RECORDED DECEMBER 14 1983, UNDER AUDITOR'S NO. 418785.

TOGETHER WITH A 60 FOOT EASEMENT FOR INGRESS, EGRESS AND THE CONSTRUCTION, OPERATION, AND MAINTENANCE OF OVERHEAD AND UNDERGROUND UTILITIES OVER AND ACROSS AS DESCRIBED IN THAT INSTRUMENT RECORDED DECEMBER 14, 1983, UNDER AUDITOR'S FILE NO. 418786.



# Valley High Investments, Inc.

41 NE Midway Blvd, #101  
Oak Harbor, WA 98277  
(360) 751-9866  
(360) 675-5341 fax

**RECEIVED**

JUN 16 2016

CITY OF OAK HARBOR  
Development Services Department

## Notice of Intention to Commence Annexation Proceedings

The Honorable Mayor and City Council  
City of Oak Harbor  
865 SE Barrington Drive  
Oak Harbor WA 98277

June 16, 2016

Dear Mayor and City Council:

The undersigned, who represents the owners of not less than ten percent (10%) of the acreage for which annexation is sought, hereby advise the City Council of the City of Oak Harbor that it is the desire of the undersigned owners of the following area to commence annexation proceedings:

The four parcels; R13209-495-1950 (Parcel A), R13209-495-2230 (Parcel B), R13209-495-2500 (Parcel C) and R13209-446-2310 (Parcel D) for which annexation is sought herein referred to as "the property" is legally described on Exhibit "A" attached hereto and is geographically depicted on a Island County Assessor's parcel map on Exhibit "B" further attached hereto.

It is requested that the City Council of the City of Oak Harbor set a date, not later than sixty (60) days after the filing of this request, for a meeting with the undersigned to determine:

1. Whether the City Council will accept, reject, or geographically modify the proposed annexation;
2. Whether the City Council will require the simultaneous adoption of the zoning for the proposed area in substantial compliance with the proposed Comprehensive Plan as adopted by City of Oak Harbor; and
3. Whether the City Council will require the assumption of all or any portion of indebtedness by the area to be annexed.

Colin Smith  
Valley High Investments, Inc. Representative

Date: 6/16/16

Parcel Number of Owner: R13209-495-1950

Cc: Steve Powers, AICP – Planning Services Director

RECEIVED

JUN 16 2016

CITY OF OAK HARBOR  
Development Services Department

**Exhibit A-  
Legal descriptions of Parcels Proposed to be Annexed**

**Parcel A.** R13209-495-1950:

Abbreviated: 30 - W275' OF E825' OF N/2 NE NW EX N40' FOR RD

Full: The West 275 feet of the East 825 feet of the North half of the Northeast Quarter of the Northwest Quarter of Section 9, Township 32 North, Range 1 East of the Willamette Meridian;

EXCEPT the North 40 feet of said premises as deeded to Island County for the right of way under Auditor's File Nos. 396312, 396313 and 396994.

ALSO EXCEPT that portion, if any, lying within Fort Nugent Road along the North line thereof.

Situate in the County of Island, State of Washington.

**Parcel B.** R13209-495-2230:

Abbreviated: 29 - W275' OF E550' OF N/2 NE NW EX N40' FOR RD

Full: The west 275 feet of the East 550 feet of the North half of the Northeast quarter of the Northwest quarter of Section 9, Township 32 North, Range E.W.M.

EXCEPT the North 40 feet conveyed to Island County, by Deed dated April 21, 1982, recorded under Auditor's File No. 396318, records of Island County, Washington.

Situate in the County of Island, State of Washington.

SUBJECT TO: Easements, Restrictions, Reservations and Provisions of record, if any.

**Parcel C.** R13209-495-2500:

Abbreviated: 28 - E275' OF N/2 NE NW EX CORD

JUN 16 2016

CITY OF OAK HARBOR  
Development Services Department

**Full:** Situate in the County of Island, State of Washington:

The East 275 feet of the North half of the Northeast Quarter of the Northwest Quarter of Section 9, Township 32 North, Range 1 E.W.M.;

Except that portion lying within Fort Nugent Road.

**Parcel D.** R13209-446-2310:

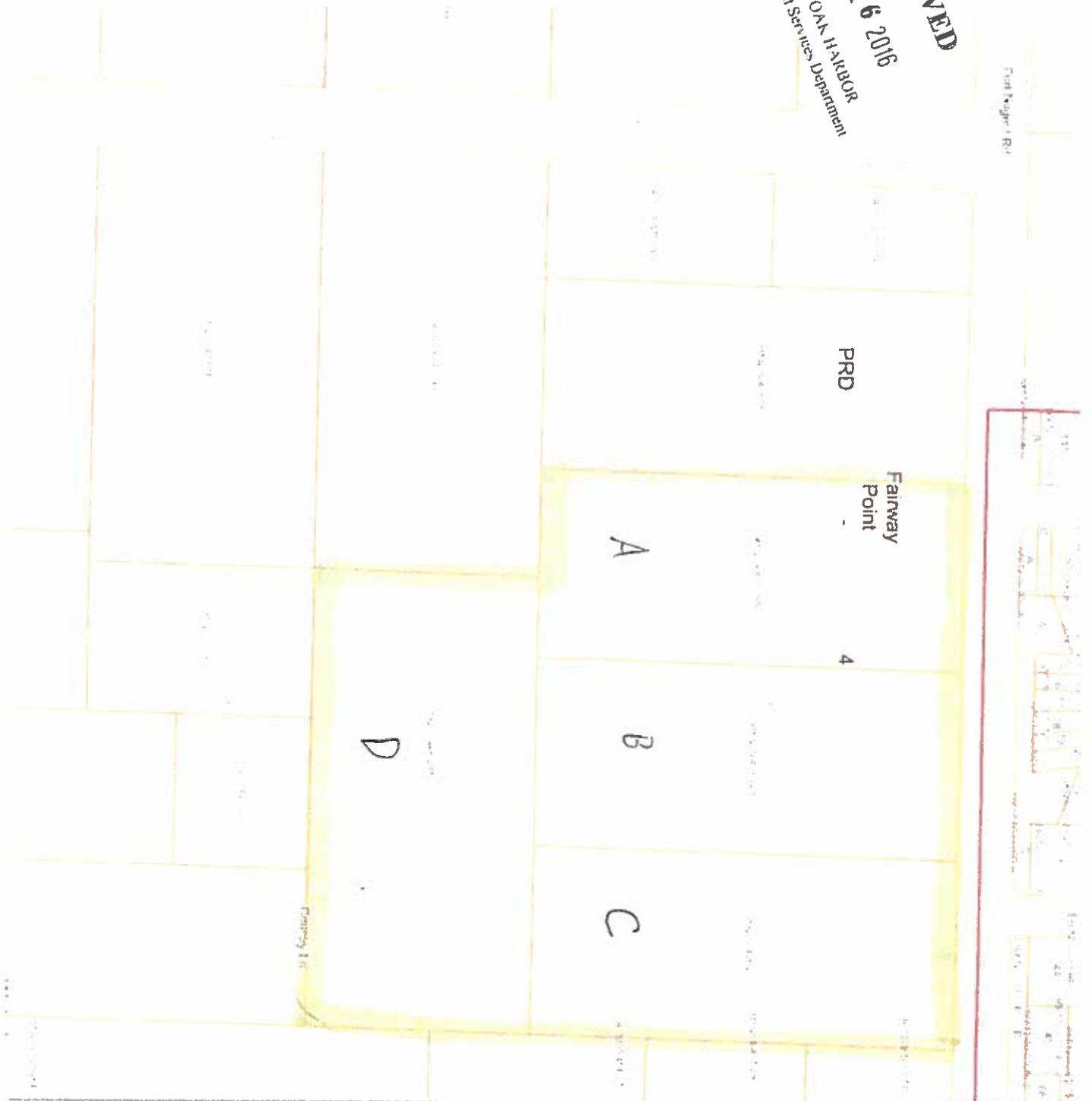
**Abbreviated:** 48 - N/2 SE NE NW TGW EAS AF#418785

**Full:** THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 32 NORTH, RANGE 1, EAST OF THE WILLAMETTE MERIDIAN.

TOGETHER WITH A 30 FOOT EASEMENT FOR INGREE, EGRESS AND THE INSTALLATION OF UTILITIES OVER, UNDER AND ACROSS AS DESCRIBED IN THAT INSTRUMENT RECORDED DECEMBER 14 1983, UNDER AUDITOR'S NO. 418785.

TOGETHER WITH A 60 FOOT EASEMENT FOR INGRESS, EGRESS AND THE CONSTRUCTION, OPERATION, AND MAINTENANCE OF OVERHEAD AND UNDERGROUND UTILITIES OVER AND ACROSS AS DESCRIBED IN THAT INSTRUMENT RECORDED DECEMBER 14, 1983, UNDER AUDITOR'S FILE NO. 418786.

**RECEIVED**  
**JUN 16 2016**  
CITY OF OAK HARBOR  
Development Services Department



**City of Oak Harbor Comprehensive Plan (June 2016)**  
**Urban Growth Area Element Goals/Policies**

**Goal 4 - Annexations to the City will occur in compliance with the Washington State Growth Management Act and the following policies:**

- 4.a. Land to be annexed should include only areas seen as logical extensions of the City, located adjacent to existing urban development.
- 4.b. The City should avoid annexations that would result in unincorporated enclaves within the UGA.
- 4.c. Annexations to the City should be based on evidence that public facilities and service capacities already exist or are planned for and can be efficiently, economically, and practically provided by either public or private sources.
- 4.d. Annexations should not diminish the present LOS or create an excessive financial burden to existing and prospective property owners in the City.
- 4.e. Ensure property owners within an annexing area are aware of foreseeable obligations or requirements that may be imposed upon them by the City at the time of annexation.
- 4.f. Require existing buildings, within annexed areas, to meet the City's fire and safety requirements.
- 4.g. Assure that the City's fire rating is not reduced because of annexation.
- 4.h. Maintain the existing level of police service when annexing new areas.
- 4.i. Annexation proposals should describe the method and level of funding for capital facilities needed to serve the annexed area.
- 4.j. Proponents of annexation in developed or partially developed areas should pay their fair share of the costs of urban services and public improvements required to meet the City's LOS standards.
- 4.k. The City may require the preparation of a fiscal impact study which addresses long and short-term economic impacts to the City.
- 4.l. Annex, when possible, areas of sufficient size that square off City boundaries and enhance circulation.
- 4.m. Proposed annexations shall not result in the long-term reduction of the City's established LOS standards.

**Goal 5 - New neighborhoods annexed into the City should contribute in a positive manner to sustain and enhance the quality of life for all Whidbey Island citizens while promoting a strong sense of place for Oak Harbor.**

- 5.a Annexation agreements should include a preliminary plan for a transportation network that emphasizes connections to existing neighborhoods, streets and pedestrian facilities.
- 5.b Where topography allows, new annexation areas should develop in the traditional lot and block grid pattern that typified early Oak Harbor development and enhances the provision of public facilities and services.
- 5.c The City should consider the desirability of acquiring potential new public facilities, such as trails, parks or open space lands, during the annexation review process with the cooperation of the petitioners.
- 5.d In annexation requests where the surrounding land uses could be significantly affected by the potential land uses in the annexing area, the City should require a greenbelt designation of an appropriate width to ameliorate the negative impacts.
- 5.e The City should adopt standards that support the Comprehensive Plan annexation policies.



# Workshop Item

## **Pending Agenda Items**

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**Item 3.d Transportation Plan**

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**Arnie Peterschmidt and Dennis Lefevre**

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## **Attachments**

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Attachment A: Draft Agenda Bill

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# City of Oak Harbor City Council Agenda Bill

**Bill No.** \_\_\_\_\_

**Date:** August 3, 2016

**Subject:** 2016 Oak Harbor  
Transportation Plan

**FROM:** Steve Powers  
Development Services Director

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

\_\_\_\_\_ Bob Severns, Mayor  
\_\_\_\_\_ Doug Merriman, City Administrator  
\_\_\_\_\_ Patricia Soule, Finance Director  
\_\_\_\_\_ Nikki, Esparza, City Attorney, as to form

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**RECOMMENDED ACTION**

Approve Resolution No. 16-23.

**BACKGROUND / SUMMARY INFORMATION**

For the better part of a year, City staff has been working with Fehr & Peers to develop an updated City of Oak Harbor Transportation Plan (OHTP). This effort ran parallel to the more extensive Comprehensive Plan Update – 2016. The updated information from this plan was used to update the mandatory transportation element (RCW 36.70A.070(6)) of the Comprehensive Plan. The 2016 City of Oak Harbor Transportation Plan and adopting Resolution No. 16-23 are Attachments 1 and 2, respectively.

The Washington State Department of Commerce establishes several required components of the transportation element. These components are identified in Attachment 3 and all have been addressed in the OHTP.

Along with the requirements, this plan incorporated a substantial amount of public input. This was a key ingredient to ensure the transportation concerns and desires of the citizens were met. To reach a broad public profile, several methods of public engagement were utilized including:

- conducting local and regional stakeholder meetings;
- convening several City staff meetings;
- creating and distributing a public survey;
- participation at the Oak Harbor Farmers Market and Driftwood Days;
- providing plan information on the City's website;
- holding two public workshops; and,
- periodic updates at Planning Commission and City Council meetings.

# City of Oak Harbor City Council Agenda Bill

The OHTP identifies the goals, policies, projects, and programs necessary to implement the City's vision of future mobility in and throughout the City of Oak Harbor. The plan emphasizes a future transportation system that serves all users and modes of travel by offering a safe and robust network of walkways, bicycle facilities, intersections, and roadways.

A current inventory of local and regional transportation facilities, roadway classifications, and existing bicycle and pedestrian amenities was performed. Other local, regional, and state transportation planning efforts were reviewed. A total of 31 intersections were included in the traffic count analysis and recent accident data was assembled involving vehicles, bicyclists and pedestrians. This database created a point-of-departure for other phases of the plan.

Six concise goals, produced through stakeholder and public input, provided overarching priorities that serve the vision of this plan. A set of policies define the proposed methods to implement the goals. These goals and policies, coordinated with land use and demographic trends, regional influences, and additional public input produced a proposed project list. The 50+ proposed projects represented a broad-range of user needs located in all geographic areas of the city. A priority ranking matrix was prepared integrating the six goals into 14 criteria. A top-tier of projects representing the three travel modes (vehicle, bicycle, pedestrian) was identified.

The plan reviews the city's financial capacities for transportation maintenance and capital project development. A financially sustainable six and twenty-year project list was prepared, identifying an annual pavement maintenance and overlay program and NE 7<sup>th</sup> Avenue roadway and pedestrian improvements as top projects. Other high-ranking projects that met multiple scoring criteria in terms of effectiveness, benefit to the community, and ability to be implemented were classified as Tier 1 projects. Tier 1 projects further support the development of Oak Harbor's transportation network and are dependent upon available funding.

The OHTP was integrated into the State Environmental Policy Act (SEPA) checklist prepared for the Comprehensive Plan (SEPA No. 16-04). The checklist was submitted on March 29, 2016 with a determination of non-significance being issued April 15, 2016. The appeal window closed May 6, 2016.

The Type V review process requires a public hearing before the Planning Commission. All actions taken by the Planning Commission take the form of a recommendation to the City Council. The Planning Commission held a public hearing on July 26, 2016. Minutes from that meeting were not prepared in time for this packet. Staff will present the Planning Commission recommendation during this workshop.

## **LEGAL AUTHORITY**

### **FISCAL IMPACT**

Funds Required: \$0

Appropriation Source: N/A

# City of Oak Harbor City Council Agenda Bill

## **PREVIOUS COUNCIL / BOARD / CITIZEN INPUT**

1. November 10, 2015: Public Open House.
2. January 19, 2016: City Council meeting (Goals & Policies).
3. February 3, 2016: Public Open House.
4. February 24, 2016: City Council workshop (Draft Project List).
5. March 23, 2016: City Council workshop: (Project Ranking & Funding Concepts).
6. July 26, 2016: Planning Commission public hearing.

## **ATTACHMENTS**

1. 2016 City of Oak Harbor Transportation Plan. [..\..\Plan Drafts\Oak Harbor Trans Plan June 2016.pdf](#)
2. Resolution No. 16-23.
3. WA Department of Commerce transportation checklist.

DRAFT

RESOLUTION NO. 16-23

CITY OF OAK HARBOR

**A RESOLUTION ADOPTING THE 2016 OAK HARBOR TRANSPORTATION PLAN**

**WHEREAS**, in October 2007, the City of Oak Harbor, with consultant assistance, completed a Transportation Plan for the purposes of updating the transportation requirements of the City of Oak Harbor's Comprehensive Plan; and,

**WHEREAS**, RCW 36.70A.130(5)(b) required the City of Oak Harbor to review and, if needed, revise the city's Comprehensive Plan by June 30, 2016 and every eight years thereafter; and,

**WHEREAS**, as part of this 2016 Comprehensive Plan update process, the City Council authorized contracting with Fehr & Peers to assist with updating the transportation element of the Comprehensive Plan; and,

**WHEREAS**, the Washington State Department of Commerce has established a checklist to ensure comprehensive plan elements meet specific requirements for Growth Management Act (GMA) conformance; and,

**WHEREAS**, the 2016 City of Oak Harbor Transportation Plan has addressed all GMA transportation requirements; and,

**WHEREAS**, the 2016 City of Oak Harbor Transportation Plan establishes six goals emphasizing safety, efficient connections, multi-modal options, financial and environmental stability, coordination with other local plans, and regional integration; and,

**WHEREAS**, an important part of this process was to ensure a public participation process was developed providing several opportunities to engage the community; and,

**WHEREAS**, successful community outreach was achieved through the distribution of a survey; participation at the Oak Harbor Farmer's Market and Driftwood Days; two community workshops; and project updates on the City of Oak Harbor's website; and,

**WHEREAS**, additional public input and feedback was obtained through regular briefings of the Planning Commission and City Council; and,

**WHEREAS**, the City of Oak Harbor Planning Commission moved to forward a recommendation of approval to the City Council at their July 26, 2016 meeting; and,

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Oak Harbor, Washington that the 2016 City of Oak Harbor Transportation Plan is hereby adopted.

Passed by the City Council of the City of Oak Harbor this 3<sup>rd</sup> day of August, 2016

CITY OF OAK HARBOR

\_\_\_\_\_  
Bob Severns, Mayor

Approved as to Form:

\_\_\_\_\_  
Nikki Esparza, City Attorney

**ATTEST:**

\_\_\_\_\_  
Anna Thompson, City Clerk

DRAFT



## Periodic Update Checklist for Cities – Updated July 2014

*Covers laws through 2012*

This checklist is intended to help cities that are fully planning under the Growth Management Act (GMA) to conduct the “periodic review and update” of comprehensive plans and development regulations required by [RCW 36.70A.130\(4\)](#). Cities can use the checklist to identify components of their comprehensive plan and development regulations that may need to be updated to reflect the latest local conditions or to comply with changes to the GMA since their last update.

This checklist includes components of the comprehensive plan and development regulations that are specifically required by the GMA. **Statutory requirements adopted since 2003 are emphasized in highlighted text** to help identify new components of the GMA that may not have been addressed in annual updates or other amendments outside of the required periodic update process.

5. A <b>Transportation Element</b> which is consistent with relevant CWPPs and <a href="#">RCW 36.70A.070(6)</a> and includes:			
a. An <b>inventory</b> of air, water, and ground transportation facilities and services, including transit alignments, state-owned transportation facilities, and general aviation airports. <a href="#">RCW 36.70A.070(6)(a)(iii)(A)</a> and <a href="#">WAC 365-196-430(2)(c)</a> .	<input type="checkbox"/> No <input type="checkbox"/> Yes Location(s)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Further review needed	
b. Adopted <b>levels of service (LOS) standards</b> for all arterials, transit routes and highways. <a href="#">RCW 36.70A.070(6)(a)(iii)(B)</a> , New in 1997. <a href="#">WAC 365-196-430</a>	<input type="checkbox"/> No <input type="checkbox"/> Yes Location(s)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Further review needed	
c. <b>Identification of specific actions to bring locally-owned transportation facilities and services to established LOS.</b> <a href="#">RCW 36.70A.070(6)(a)(iii)(D)</a> , Amended in 2005. <a href="#">WAC 365-196-430</a>	<input type="checkbox"/> No <input type="checkbox"/> Yes Location(s)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Further review needed	
d. A <b>forecast of traffic for at least 10 years</b> , including land use assumptions used in estimating travel. <a href="#">RCW 36.70A.070(6)(a)(i)</a> , <a href="#">RCW 36.70A.070(6)(a)(iii)(E)</a> <a href="#">WAC 365-196-430(2)(f)</a> .	<input type="checkbox"/> No <input type="checkbox"/> Yes Location(s)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Further review needed	
e. A <b>projection of state and local system needs</b> to meet current and future demand. <a href="#">RCW 36.70A.070(6)(a)(iii)(F)</a> <a href="#">WAC 365-196-430(2)(f)</a>	<input type="checkbox"/> No <input type="checkbox"/> Yes Location(s)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Further review needed	

<p>f. A <b>pedestrian and bicycle component</b>.  <a href="#">RCW 36.70A.070(6)(a)(vii)</a>, <b>Amended 2005</b>  <a href="#">WAC 365-196-430(2)(j)</a></p>	<input type="checkbox"/> No <input type="checkbox"/> Yes Location(s)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Further review needed	
<p>g. A description of any existing and planned <b>transportation demand management (TDM) strategies</b>, such as HOV lanes or subsidy programs, parking policies, etc.  <a href="#">RCW 36.70A.070(6)(a)(vi)</a>  <a href="#">WAC 365-196-430(2)(i)</a></p>	<input type="checkbox"/> No <input type="checkbox"/> Yes Location(s)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Further review needed	
<p>h. An <b>analysis of future funding capability</b> to judge needs against probable funding resources.  <a href="#">RCW 36.70A.070(6)(a)(iv)(A)</a>  <a href="#">WAC 365.196-430(2)(k)(iv)</a></p>	<input type="checkbox"/> No <input type="checkbox"/> Yes Location(s)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Further review needed	
<p>i. A <b>multiyear financing plan</b> based on needs identified in the comprehensive plan, the appropriate parts of which serve as the basis for the 6-year street, road or transit program.  <a href="#">RCW 36.70A.070(6)(a)(iv)(B)</a> and <a href="#">RCW 35.77.010</a>  <a href="#">WAC 365-196-430(2)(k)(ii)</a></p>	<input type="checkbox"/> No <input type="checkbox"/> Yes Location(s)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Further review needed	
<p>j. <i>If</i> probable funding falls short of meeting identified needs: a <b>discussion of how additional funds will be raised</b>, or <b>how land use assumptions will be reassessed</b> to ensure that LOS standards will be met.  <a href="#">RCW 36.70A.070(6)(a)(iv)(C)</a>; <a href="#">WAC 365-196-430(2)(l)(ii)</a></p>	<input type="checkbox"/> No <input type="checkbox"/> Yes Location(s)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Further review needed	
<p>k. A <b>description of intergovernmental coordination efforts</b>, including an assessment of the impacts of the transportation plan and land use assumptions on the transportation systems of adjacent jurisdictions and how it is consistent with the regional transportation plan.  <a href="#">RCW 36.70A.070(6)(a)(v)</a>; <a href="#">WAC 365-196-430(2)(a)(iv)</a></p>	<input type="checkbox"/> No <input type="checkbox"/> Yes Location(s)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Further review needed	



# Workshop Item

## Pending Agenda Items

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**Item 3.e Transportation Improvement Program 2017-2022 (TIP)**

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**Arnie Peterschmidt**

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## Attachments

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Draft Agenda Bill, Attachment A, Attachment B, Attachment C

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**City of Oak Harbor  
City Council Agenda Bill**

Bill No. \_\_\_\_\_  
Date: August 3, 2016  
Subject: Transportation Improvement Program,  
2017 - 2022

**FROM:**

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

\_\_\_\_\_ Robert Severns, Mayor  
\_\_\_\_\_ Doug Merriman, City Administrator  
\_\_\_\_\_ Patricia Soule, Finance Director  
\_\_\_\_\_ Nikki Esparza, Interim City Attorney, as to form

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**PURPOSE**

The purpose of this agenda bill is to request adoption of the draft six-year Transportation Improvement Program for the years 2017 through 2022.

**FISCAL IMPACT DESCRIPTION**

Funds Required: none

Appropriation Source: \_\_\_\_\_

**SUMMARY STATEMENT**

The City is authorized and required to adopt a Six-Year Transportation Improvement Program (TIP) annually and forward the program to the State of Washington in accordance with RCW 35.77.010. The TIP is a list of planned transportation capital improvement projects that includes a schedule and basic cost information. The primary purpose of the TIP is to facilitate use of Federal transportation funds awarded to the City. Projects that have Federal funding must appear in the Six-Year TIP at the local and State level so that the City can obligate and eventually use the Federal funds to reimburse the City for specific projects.

The projects listed on the TIP are coordinated with those listed in the Transportation Element of the Comprehensive Plan. A new Transportation Element of the Comprehensive Plan was adopted on June 15, 2016. Coordinating projects among the Transportation Comprehensive Plan, the Six-Year TIP, and the Capital Facilities Plan facilitates our collaboration with other agencies, work with utility companies, and our communication with the public on planned transportation projects. It also helps the City remain focused on a manageable list of transportation projects. The new Transportation Element includes a reduced list of capital transportation projects. This is reflected in the reduction of projects listed in the TIP from eight to two.

The projects in the 2017 – 2022 TIP are; the NE 7<sup>th</sup> Avenue Reconstruction Project and the NW Heller Street Overlay Project. The project to reconstruct NE 7<sup>th</sup> Avenue adding sidewalks, illumination, bike lanes and transit facilities was assessed as the highest priority capital street project during the process of updating the Transportation Element. Overlaying NW Heller Street is a priority maintenance project for which federal funding has been secured.

The Six-Year TIP form includes a number of codes and symbols used in the statewide management of the regional TIP documents. A copy of the TIP code key is attached. A symbol in the status column of “S” means funding is secured while a symbol of “P” indicates the project is not currently funded. The form of the Six-Year TIP includes a priority number associated with each project. Please note that the priority numbering in the TIP is not intended to supersede or be superimposed into the citywide effort of overall capital project prioritization.

### **CITY PLANNING COMMISSION**

The Oak Harbor Planning Commission held a Public Hearing regarding the TIP on July 26, 2016 and has recommended that the City Council adopt the 2017 - 2022 TIP.

### **CITY COUNCIL WORKSHOPS**

This item was presented at the July 27, 2016 workshop.

### **CITY COUNCIL PREVIOUS ACTIONS**

September 2, 2015 Council adopted the 2016-2021 TIP

### **RECOMMENDED ACTION**

Adoption of Resolution 16-XX

### **ATTACHMENTS**

- Resolution 16-XX
- TIP 2017 - 2022
- TIP Project Location Map

**RESOLUTION NO. 16-XX**

**RESOLUTION** adopting the 2017-2022 Six-Year Transportation Improvement Program.

**WHEREAS**, the City of Oak Harbor has reviewed the work accomplished under the prior Six-Year Transportation Improvement Program (2016-2021); and

**WHEREAS**, after an extensive public involvement process the City of Oak Harbor adopted a Comprehensive Plan Transportation Element on June 15, 2016 which established the six-year and long term transportation needs for the community; and

**WHEREAS**, the Planning Commission reviewed the proposed 2017-2022 Transportation Improvement Program (TIP) on July 26, 2016 and recommended approval; and

**WHEREAS**, with respect to the provisions of RCW 35.77.010(2) the City Council finds that the City has identified non-motorized transportation projects in the form of trail projects and street projects which include pedestrian and bicycling facilities; and

**WHEREAS**, with respect to the provisions of RCW 35.77.010(3) the City Council finds that the City is not served by rail transportation and therefore need not plan to preserve railroad right-of-way; and

**WHEREAS**, proper notice has been given; and

**WHEREAS**, a public hearing was held at the Oak Harbor Planning Commission meeting held on July 26, 2016, at the hour of 7:30 p.m. and at said hearing, the Six-Year Transportation Improvement Program 2017-2022 was presented.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Oak Harbor, Washington that the Six-Year Transportation Improvement Program 2017-2022, a copy of which is attached hereto, is hereby adopted as the Six-Year Transportation Improvement Program 2017-2022 for the City of Oak Harbor for the ensuing year, and previous plans are amended accordingly.

**PASSED** by the City Council of the City of Oak Harbor and approved by its Mayor this 3rd day of August, 2016.

THE CITY OF OAK HARBOR

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MAYOR

Attest:

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City Clerk

Approved as to Form:

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City Attorney

# Six Year Transportation Improvement Program From 2017 to 2022

Agency: Oak Harbor

County: Island

MPO/RTPO: Island

N Inside

Y Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID  G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
17	1	NE 7th Ave. Reconstruction NE 7th Ave. N. Oak Harbor St. to SR-20 Street reconstruction, non-motorized facilities, & illumination	WA-09192					03	C G O P S T W	0.480	CE	Yes

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	PE	2017	STP(R)	65,322	TIB	39,440	18,487	123,249
P	PE	2018	STP(R)	195,966	TIB	118,319	55,462	369,747
P	RW	2019	STP(R)	319,958	TIB	193,182	90,554	603,694
P	CN	2020	STP(R)	1,897,450	TIB	1,145,631	537,015	3,580,096
<b>Totals</b>				<b>2,478,696</b>		<b>1,496,572</b>	<b>701,518</b>	<b>4,676,786</b>

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
PE	0	123,249	369,747	0	0
RW	0	0	0	603,694	0
CN	0	0	0	0	3,580,096
<b>Totals</b>	<b>0</b>	<b>123,249</b>	<b>369,747</b>	<b>603,694</b>	<b>3,580,096</b>

# Six Year Transportation Improvement Program From 2017 to 2022

Agency: Oak Harbor

County: Island

MPO/RTPO: Island

N Inside

Y Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID  G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
16	2	NW Heller Street Overlay NW Heller St. W. Whidbey Ave. to NW Crosby Ave. Overlay surface for maintenance; replace curb ramps; striping.	WA-07425					06	C G P S T W	0.600	CE	No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
S	PE	2017	STP(R)	31,192		0	4,868	36,060
S	CN	2017	STP(R)	280,727		0	43,813	324,540
<b>Totals</b>				<b>311,919</b>		<b>0</b>	<b>48,681</b>	<b>360,600</b>

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
PE	36,060	0	0	0	0
CN	324,540	0	0	0	0
<b>Totals</b>	<b>360,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	Federal Funds	State Funds	Local Funds	Total Funds
<b>Grand Totals for Oak Harbor</b>	<b>2,790,615</b>	<b>1,496,572</b>	<b>750,199</b>	<b>5,037,386</b>

## **APPENDIX A**

### **IMPROVEMENT TYPE CODES**

- 01 – New Construction Roadway
- 03 – Reconstruction, Added Capacity
- 04 – Reconstruction, No Added Capacity
- 05 – 4R Maintenance Resurfacing
- 06 – 4R Maintenance – Restoration & Rehabilitation
- 07 – 4R Maintenance – Relocation
- 08 – Bridge, New Construction
- 10 – Bridge Replacement, Added Capacity
- 11 – Bridge Replacement, No Added Capacity
- 13 – Bridge Rehabilitation, Added Capacity
- 14 – Bridge Rehabilitation, No Added Capacity
- 15 – Preliminary Engineering
- 16 – Right of Way
- 17 – Construction Engineering
- 18 – Planning
- 19 – Research
- 20 – Environmental Only
- 21 – Safety
- 22 – Rail/Highway Crossing
- 23 – Transit
- 24 – Traffic Management/Engineering – HOV

## **APPENDIX A (continued)**

### **IMPROVEMENT TYPE CODES**

- 25 – Vehicle Weight Enforcement Program
- 26 – Ferry Boats
- 27 – Administration
- 28 – Facilities for Pedestrians and Bicycles
- 29 – Acquisition of Scenic Easements and Scenic or Historic Sites
- 30 – Scenic or Historic Highway Programs
- 31 – Landscaping and Other Scenic Beautification
- 32 – Historic Preservation
- 33 – Rehab & Operation of Historic Transp. Buildings, Structures, Facilities
- 34 – Preservation of Abandoned Railway Corridors
- 35 – Control and Removal of Outdoor Advertising
- 36 – Archaeological Planning & Research
- 37 – Mitigation of Water Pollution due to Highway Runoff
- 38 – Safety and Education for Pedestrians/Bicyclists
- 39 – Establishment of Transportation Museums
- 40 – Special Bridge
- 41 – Youth Conservation Service
- 42 – Training
- 43 – Utilities
- 44 – Other
- 45 – Debt Service
- 47 – Systematic Preventive Maintenance

## APPENDIX B

### FEDERAL FUNCTIONAL CLASSIFICATIONS

#### No Functional Classification

##### < 5,000 Population

Interstate Rural  
Principal Arterial Rural  
Minor Arterial Rural  
Major Collector Rural  
Minor Collector Rural  
Local Access Rural

##### > 5,000 Population

Interstate Urban  
Freeways & Expressways Urban  
Other Principal Arterials Urban  
Minor Arterial Urban  
Collector Urban  
Local Access Urban

## APPENDIX C

### FEDERAL FUND CODES

5307	FTA Urbanized Area Formula Program
5309(Bus)	FTA Bus and Bus Facilities
5309(FG)	FTA Fixed Guideway Modernization
5309(NS)	FTA New Starts
5310	FTA Elderly Persons and Persons with Disabilities
5311	FTA Rural Area Formula Grants
5316	FTA Job Access & Reverse Commute Program (JARC)
5317	FTA New Freedom Program
FTA Discretionary	Discretionary Programs such as Alternatives Analysis (5339) and TIGGER Program
BIA	Bureau of Indian Affairs
BR	Bridge Replacement/Rehabilitation Program
CBI	Coordinated Border Infrastructure
CDBG	Community Development Block Grant (Dept. of Commerce)
CMAQ	Congestion Mitigation and Air Quality
DEMO	Demonstration Projects (High Priority, Sect. 112, 115, 117, 125 and 129)
Discretionary – FBD	Ferry Boat Discretionary
Discretionary – IMD	Interstate Maintenance Discretionary
Discretionary – ITS	intelligent Transportation Systems
Discretionary – PLH	Public Lands Highways (Federal Lands)
Discretionary – SB	Scenic Byways
Discretionary – STP	Surface Transportation Priorities

## APPENDIX C (continued)

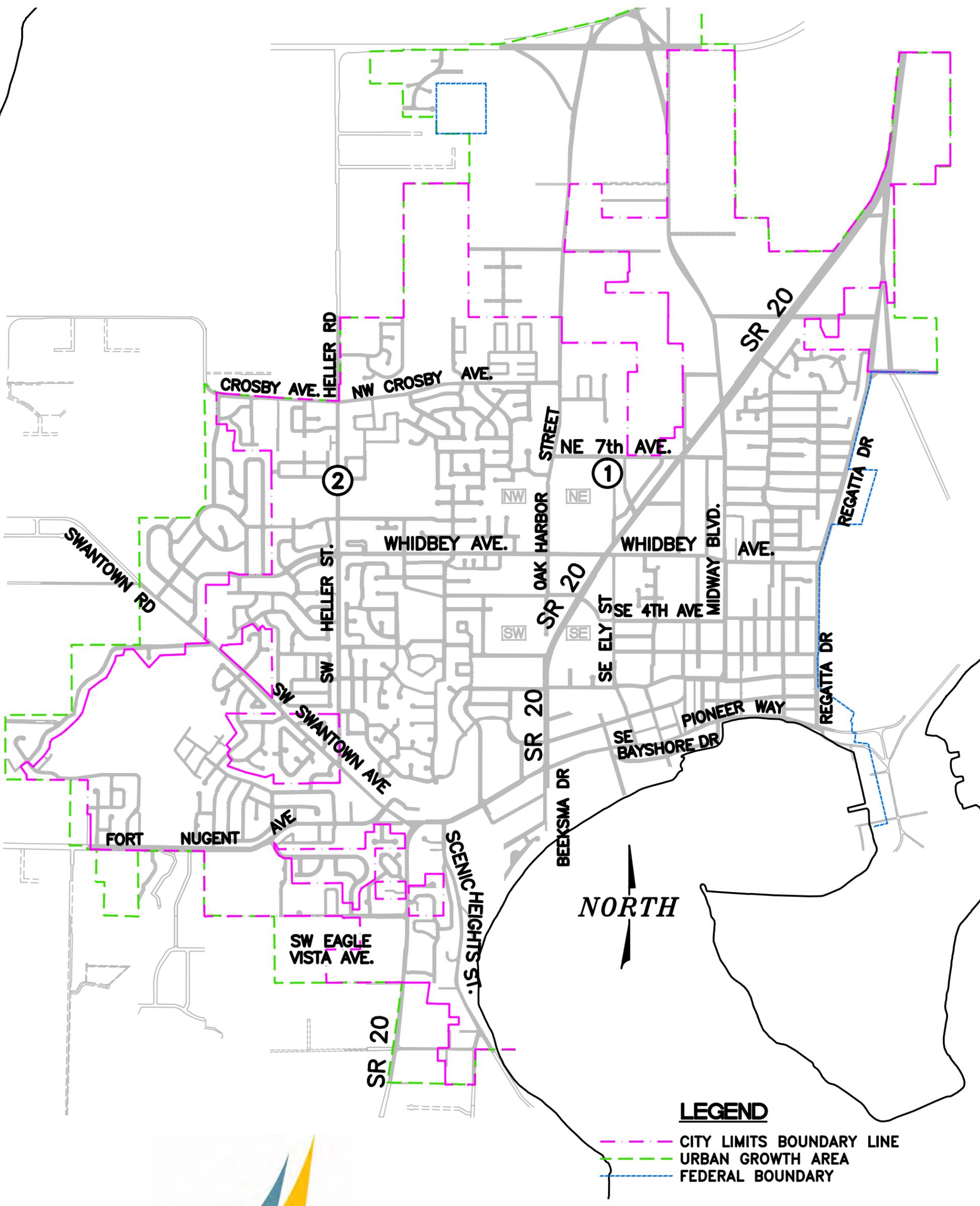
### FEDERAL FUND CODES

Discretionary – TCSP	Transportation, Community & System Preservation Program
DOD	Department of Defense
FMSIB	Freight Mobility Strategic Investment Board
IM	Interstate Maintenance
IRR	Indian Reservation Roads
NHS	National Highway System
SRTS	Safe Routes to Schools
STP	Surface Transportation Program (WSDOT Use Only)
STP(E)	Surface Trans. Program - Enhancements
STP(L)	Surface Trans. Program – Legislative Earmarks
STP(S)	Surface Trans. Program – Safety (Includes Highway Safety Improvement Program, Hazard Elimination, Railway/Highway Crossing Program and 2010-15 County Road Safety Program)
STP(R)	Surface Trans. Program – Rural Regionally Selected
STP(U)	Surface Trans. Program – Urban Regionally Selected

## **APPENDIX C (continued)**

### **STATE FUND CODES**

CRAB	County Road Administration Board
FMSIB	Freight Mobility Strategic Investment Board
PWTF	Public Works Trust Fund
SRTS	Safe Routes to Schools
TIB	Transportation Improvement Board
TPP	Transportation Partnerships Program
WSDOT	WSDOT funds
OTHER	Any other state funds not listed a



# SIX YEAR TRANSPORTATION IMPROVEMENT PLAN 2017-2022