

**CITY OF LYNNWOOD**

**RESOLUTION NO. 2012-06**

**A RESOLUTION OF THE CITY OF LYNNWOOD, WASHINGTON,  
REGARDING ADOPTION OF AN ECONOMIC DEVELOPMENT  
INFRASTRUCTURE POLICY**

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WHEREAS, on February 26, 2001, the Lynnwood City Council adopted Ordinance No. 2320, subsequently codified as LMC 2.45.010, creating the Office of Economic Development and describing the programs and activities thereof; and

WHEREAS, the programs and activities identified in Ordinance No. 2320 serve to foster public/private partnerships in commercial and regional commercial areas and with new business enterprises; assure that infrastructure is in place to accommodate orderly growth; plan and prioritize capital facilities needed for economic development; and establish funding priorities for infrastructure projects to further economic development; and

WHEREAS, on November 22, 2004, the Lynnwood City Council adopted by regular motion the City of Lynnwood Economic Development Action Plan as a balanced plan for economic growth and enhanced quality of life in Lynnwood to champion economic development policies adopted in Ordinance 2320; identify resources that support activities to achieve economic development; and recommend goals, action strategies, and implementation activities that pertain to infrastructure for economic development; and

WHEREAS, on November 28, 2005, the Lynnwood City Council adopted Ordinance No. 2594 incorporating the Lynnwood Economic Development Action Plan into the City of Lynnwood Comprehensive Plan; and

WHEREAS, the Lynnwood City Council has adopted various ordinances to implement economic development plans and policies, including Ordinance 2553 on March 15, 2005, adopting the City Center Sub-Area Plan, and Ordinance 2910 on September 12, 2011 adopting the Highway 99 Sub-Area Plan; and that these plans and policies provide guidance and direction regarding activities that the City should undertake to achieve economic development and provide for economic development infrastructure; and

WHEREAS, on January 26, 2009, the Lynnwood City Council adopted by regular motion the Lynnwood Moving Forward: Our Community Vision document which, in part, encourages economic development, a vibrant City Center, a broad business base in sector, size and related employment, and high quality development; and

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF LYNNWOOD HEREBY RESOLVES AS FOLLOWS:

Section 1. The City Council recognizes and accepts the Economic Development Implementation Policy (EDIP), attached as "Exhibit A."

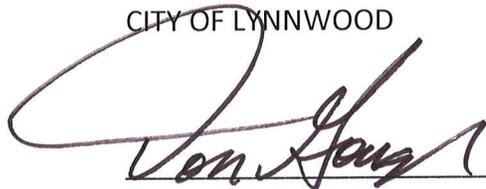
Section 2. The City Council finds that the EDIP provides the City with guidelines to evaluate and consider potential public-private or public-public partnerships opportunities for economic development.

Section 3. The City Council finds that the EDIP provides a framework for the consideration of provision and financing of public infrastructure and public facilities to fulfill economic development plans and policies adopted by City.

Section 4. If any section, sentence, clause or phrase of this resolution and the EDIP should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of the resolution and the EDIP.

RESOLVED BY THE CITY COUNCIL OF THE CITY OF LYNNWOOD, WASHINGTON, this 16<sup>th</sup> day of July, 2012.

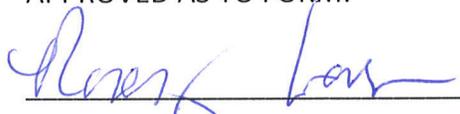
CITY OF LYNNWOOD

  
\_\_\_\_\_  
MAYOR, DON GOUGH

ATTEST:

  
\_\_\_\_\_  
CITY CLERK, LORENZO HINES

APPROVED AS TO FORM:

  
\_\_\_\_\_  
CITY ATTORNEY, ROSEMARY LARSEN

## **EXHIBIT A**

### **ECONOMIC DEVELOPMENT INFRASTRUCTURE POLICY**

The Economic Development Infrastructure Policy (EDIP) provides a framework and guidelines for the City of Lynnwood to participate in the funding of public infrastructure and public facilities that implement the City's economic development policies.

#### **General Principles**

Public infrastructure and public facilities help to enable private investment. Participation by the City in the cost of public infrastructure and public facilities should adhere to the following five principles:

1. Public participation should result in private investment that contributes to achieving Lynnwood's economic development goals and objectives as specified in City policies, including the Comprehensive Plan. These goals and objectives include enhancing the local tax base, job creation and retention, supporting targeted business sectors, redevelopment opportunities for targeted areas or sites, providing improvements to the public infrastructure system, and providing public facilities.
2. The quantification of public benefits should be measurable to determine the extent that these goals and objectives are addressed in relation to the public costs incurred and the private investment achieved. Participation by the City in providing public infrastructure associated with private investment shall maximize public benefit and minimize public costs. The City's return on investment (ROI) should be quantifiable, and the consideration for City participation clearly established. Public investments that have the potential to serve as a catalyst for multiple future private investments are considered to be particularly worthwhile.
3. Market viability of the private project should be determined. A market analysis shall be prepared by the developer to establish market support for the project. The market analysis shall be provided to the City for review, verification, and acceptance at the sole discretion of the City.
4. Financial feasibility of the project within the market should be determined. A financial feasibility analysis should be used to identify the financing "gap" to be addressed by public infrastructure funding. The financial feasibility shall be prepared by the Developer and provided to the City for review, verification, and acceptance at the sole discretion of City.
5. Various methods of public participation in specific projects should be considered. The City should determine what form of participation, if any, is the most appropriate, and what is the least amount of City participation required for project feasibility.

### **Policy Considerations**

The following economic development policy considerations are threshold determinations for project eligibility.

1. The proposed development is located within the City Center Sub-Area, and furthers specific goals and objectives of the City Center Plan.
2. The proposed development is located within a “node” as designated by the Highway 99 Sub-Area Plan, or a site along the Highway 99 Sub-Area Plan that is greater than 5 acres and eligible for mixed-use development through the City’s Planned Unit Development process.
3. The proposed project addresses goals and strategies identified within the Economic Development Action Plan, or Ordinance 2320.
4. EDIP may be available to address other economic development opportunities citywide for projects that address the general principles contained herein.

### **EDIP Project Information**

The following information will be used to evaluate public participation.

1. The private project proponent demonstrates a solid track record with similar private development projects, including experience in public-private partnerships.
2. The private project proponent quantifies the retention of existing jobs or the creation of additional full-time equivalent jobs. These jobs may provide variety of wage levels with benefits. The employment analysis should also quantify jobs supported by the construction of the project and the associated public infrastructure or public facility.
3. The private project proponent provides an economic impact cost-benefit analysis for the project based upon methodologies acceptable to the City. This analysis is to include the estimated direct economic impact from the project, including increased property, sales, and utility taxes that are generated; one-time only or on-going revenues; and indirect economic benefits such as multiplier effects generated to the local economy. The project proponent will also provide information related to the public infrastructure required, including the itemized total project cost; and information to estimate public service costs generated by the project.
4. The private project proponent will provide for a financial “gap” analysis based upon a methodology acceptable to the City. This analysis shall identify development costs,

projected revenues, disclosure of developer's desired capitalization rate, and the anticipated return on investment, etc., in order to help determine the necessity for, and appropriate level of, public participation.

5. For private development projects, priority consideration shall be given to those economic development projects that directly address adopted economic development policies of the City, and which minimize City costs while maximizing City benefits.
6. For public facility projects, priority consideration shall be given to those economic development projects that directly address adopted City economic development plans and policies.

### **EDIP Revenue Options**

Various City funding sources may be used to finance public infrastructure and public facilities associated with economic development. Revenue sources include the following:

1. One-time only City revenues, including but not limited to the sale of property; construction sales tax; real estate excise tax; and other taxes and fees associated with development.
2. Percentage of new City revenues estimated to be generated by new economic development projects.
3. Percentage of new City revenues estimated to be generated within a specific geographic area by new economic development projects.
4. Grants received for public infrastructure projects.
5. General Fund revenues subject to the normal budget process.

The City may use revenues from these sources to establish an EDIP Fund to be used to help finance public infrastructure and public facilities associated with economic development.

### **EDIP Use of Funds**

Based upon the parameters established herein, the following are eligible for EDIP funding:

1. Development fee payments, including traffic mitigation fees.
2. Percentage contributions to the cost of public infrastructure and public facilities.
3. Design and engineering of public infrastructure and public facilities.

4. Construction of public infrastructure and public facilities.
5. Matching funds for public infrastructure and public facility grants.
6. Property acquisition.
7. Public costs associated with public review and analysis of proposed projects.

### **Other Considerations**

1. Public facility projects should be identified in the City's Comprehensive Plan, Capital Facilities Plan, and budgeted within the Strategic Investment Plan. This consideration should not preclude economic development opportunities which may arise that were not anticipated as part of these planning activities.
2. Where the City is involved in public-public partnerships, public-private partnerships, and associated agreements involving the development or disposition of public real property assets for private development, the selection of the developer should be undertaken through a competitive public process. Selection of the developer should involve a two-step process involving an RFQ (request for qualifications) to solicit interest, and an RFP (request for proposal) for final developer selection.
3. Projects involving City participation will require binding development agreements between the parties that document project specifics, financial arrangements, and the roles and responsibilities of all parties involved in the project.
4. The costs and benefits of the project should be measurable. The City should review actual benefits achieved compared to project projections. Provisions should be included within the development agreement to refund City participation in those circumstances where projected benefits to the City do not achieve projections.
5. Final decision regarding the City's participation through the EDIP is at the sole discretion and action by the City Council. Discussions between the City and other parties prior to final decision by the City Council do not constitute a legally binding commitment.
6. The policies and procedures within the EDIP shall be undertaken in accordance with the laws of Washington State.