

**CITY OF MARYSVILLE**

**EXECUTIVE SUMMARY FOR ACTION**

**CITY COUNCIL MEETING DATE: December 9, 2019**

<b>AGENDA ITEM:</b> An Ordinance to amend Marysville Municipal Code Chapter 3.104 related to industrial and manufacturing property tax exemption eligibility.	<b>AGENDA SECTION:</b> New Business	
<b>PREPARED BY:</b> Jeff Thomas, Community Development Director	<b>APPROVED BY:</b>	
<b>ATTACHMENT:</b> 1. Ordinance		
	MAYOR	CAO
<b>BUDGET CODE:</b>	<b>AMOUNT:</b>	

**DESCRIPTION:**

On April 25, 2016, the City of Marysville adopted Ordinance 3020 authorizing a 10-year property tax exemption on the construction of new industrial and manufacturing facilities within the Cascade Industrial Center. This Ordinance adopted the provisions enacted in state law, Revised Code of Washington (RCW), Chapter 84.25 for eligibility and established a process for such requests.

Regarding eligibility, RCW 84.25.030 in part defines a “family living wage job” as one paying a minimum of \$18.00 per hour adjusted annually for inflation by the consumer price index and provides the local authority the ability to subsequently adjust such based on regional factors and wage conditions. With the cost of living continuing to increase in Marysville and Snohomish County as well as regular state wide increases in minimum wage, this family living wage is deemed insufficient.

The attached Ordinance proposes to adjust the family living wage to \$26.08 per hour by amending Marysville Municipal Code (MMC), Chapter 3.104 to add a definition of “family living wage job” to replace the RCW definition adopted by reference. The new MMC definition embeds the \$26.08 per hour rate in it with a similar annual adjustment for inflation by the consumer price index.

This increased hourly rate was derived from the published “Living Wage Calculator” at the Massachusetts Institute of Technology (MIT), Department of Urban Studies and Planning. MIT has published this calculator annually since 2004 for counties and metropolitan statistical areas across the country. Snohomish County data was used for this calculation by averaging all categories of family living wages for a family consisting of two adults and at least one child.

<b>RECOMMENDED ACTION:</b> Adopt Ordinance.
<b>RECOMMENDED MOTION:</b> I move to adopt the Ordinance as attached to amend Marysville Municipal Code chapter 3.104 related to industrial/ manufacturing property tax exemption eligibility.
<b>COUNCIL ACTION:</b>

**CITY OF MARYSVILLE**  
**Marysville, Washington**  
**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF MARYSVILLE, WASHINGTON, RELATING TO THE ELIGIBILITY FOR INDUSTRIAL / MANUFACTURING PROPERTY TAX EXEMPTION; AMENDING CERTAIN SECTIONS OF MARYSVILLE MUNICIPAL CODE CHAPTER 3.104.**

WHEREAS, Engrossed Senate Bill 5761 providing for property tax exemption for the value of new construction of industrial and manufacturing facilities in targeted urban areas was enacted as Chapter 84.25 RCW; and

WHEREAS, the City of Marysville has determined the targeting of an industrial and manufacturing area for property tax exemption will assist in the new construction of industrial and manufacturing facilities that will provide employment for family living wage jobs; and

WHEREAS, the City of Marysville is qualified to grant or deny this property tax exemption based on the act criteria, that it has planned under the Growth Management Act and has zoned lands for industrial and manufacturing uses that are undeveloped and/or underutilized; and

WHEREAS, the City of Marysville adopted Ordinance 3020 on April 25, 2016 making certain underdeveloped and/or underutilized lands zoned for industrial/manufacturing uses eligible for ad valorem tax relief and establishing a process regarding such relief; and

WHEREAS, Ordinance 3020 adopted Chapter 84.25 RCW by reference, including the establishment of a family living wage of \$18.00 per hour to be adjusted annually by the Consumer Price Index.

WHEREAS, Chapter 84.25 RCW provides for the local authority to increase the family living wage based on regional factors and wage conditions.

WHEREAS, continuing significant cost of living increases in Snohomish County as well as state-wide increases in minimum wage have rendered the established family living wage in Chapter 84.25 RCW to be insufficient.

WHEREAS, the City of Marysville desires to increase the family living wage for this property tax exemption to an averaged amount for two adults and one or more children; and

WHEREAS, the City Council of the City of Marysville finds that from time to time it is necessary and appropriate to review and revise provisions of the City's municipal code; and

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

Section 1. Amendment of Municipal Code. Chapter 3.104 of the municipal code is hereby amended as set forth in **Exhibit A**.

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

Section 3. Correction. Upon approval by the City Attorney, the City Clerk or the code reviser are authorized to make necessary corrections to this Ordinance, including scrivener's errors or clerical mistakes; references to other local, state, or federal laws, rules, or regulations; or numbering or referencing of ordinances or their sections and subsections.

Section 4. Effective Date. This Ordinance shall become effective five days after the date of its publication by summary.

PASSED by the City Council and APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

CITY OF MARYSVILLE

By: \_\_\_\_\_  
JON NEHRING, MAYOR

Attest:

By: \_\_\_\_\_  
TINA BROCK, DEPUTY CITY CLERK

Approved as to form:

By: \_\_\_\_\_  
JON WALKER, CITY ATTORNEY

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

Effective Date: \_\_\_\_\_  
(5 days after publication)

# EXHIBIT A

## Chapter 3.104 INDUSTRIAL/MANUFACTURING PROPERTY TAX EXEMPTION

Sections:

- 3.104.010 Findings.**
- 3.104.020 Adoption by reference.**
- 3.104.030 Definitions.**
- 3.104.040 Application and fees.**
- 3.104.050 Certificate of tax exemption, approval, denial, termination, and appeal.**

### **3.104.010 Findings.**

There are insufficient family living wage jobs, as those jobs are defined by [MMC 3.104.030 RCW 84.25.030](#), for Marysville's wage earning population. It is the purpose of this chapter to encourage new manufacturing and industrial uses on undeveloped and underutilized lands zoned for industrial and manufacturing uses in the area identified in this chapter. (Ord. 3020 § 2 (Exh. A), 2016).

### **3.104.020 Adoption by reference.**

Chapter 84.25 RCW as currently enacted or subsequently amended is hereby adopted by reference, [except as modified herein](#). (Ord. 3020 § 2 (Exh. A), 2016).

### **3.104.030 Definitions.**

The following definitions shall apply to this chapter:

"Authorized representative" or "duly authorized representative" means the director of the community development department or his or her designee.

"City" means the city of Marysville. (Ord. 3020 § 2 (Exh. A), 2016).

["Family living wage job" means a job with a wage that is sufficient for raising a family consisting of two adults and at least one child. A family living wage job must have an average wage of twenty-six dollars and eight cents \(\\$26.08\) an hour or more, working two thousand eighty hours per year on the subject site, as adjusted annually commencing January 1, 2020 for inflation by the consumer price index.](#)

### **3.104.040 Application and fees.**

An owner of property seeking a tax exemption under this chapter shall submit an application to the director of community development prior to the application for any building permit for the project. The application shall be on a form established by the director, along with the required fees. The initial application fees to the city shall be \$500.00 plus any amount required by the county assessor in administering this chapter. If the application is approved, the city shall pay the application fee to the county assessor for deposit in the county current expense fund, after first deducting that portion of the fee attributable to the city's administrative costs in processing the application. If

the application shall result in a denial by the city, the city shall retain that portion of the fee attributable to its own administrative costs and refund the balance to the applicant. (Ord. 3020 § 2 (Exh. A), 2016).

**3.104.050 Certificate of tax exemption, approval, denial, termination, and appeal.**

(1) The director of community development or his or her designee shall make the determination whether a holder of a conditional acceptance of tax exemption qualifies for a certificate of tax exemption upon the completion of the new construction of a manufacturing/industrial facility and a certificate of occupancy issued. The director shall also review each certificate of tax exemption annually for compliance with this chapter.

(2) If the director determines that the property is not qualified for an exemption under this chapter or that it no longer meets the criteria of this chapter for eligibility for a tax exemption, he or she shall notify the owner of the property, as shown in the assessor's records, of the determination to deny or terminate the tax exemption. The notification shall be by certified mail, return receipt requested, and by regular first class mail. A recognized courier service may be substituted for first class mail. A copy shall also be sent to the Snohomish County assessor.

(3) The owner may appeal the determination by filing a written notice of appeal specifying the factual and legal basis on which the determination of termination is alleged to be erroneous. Such appeal must be served on the city clerk within 30 days of the date the notice was placed in the mail.

(4) The chief administrative officer of the city shall hold a hearing within 30 days of the notice of appeal. The parties may be heard at the hearing and the chief administrative officer may use the procedures set forth in Chapter 34.05 RCW to control the conduct of the hearing and admission of evidence.

(5) The chief administrative officer shall issue a decision affirming, modifying, or repealing the determination of termination based on the evidence admitted at the hearing. A copy of the decision shall be served on the owner within 30 days of the hearing by certified mail, return receipt requested, and by regular first class mail. A recognized courier service may be substituted for first class mail. A copy shall also be sent to the Snohomish County assessor.

(6) An aggrieved party may appeal the decision of the chief administrative officer to the superior court as provided in RCW 34.05.510 through 34.05.598. (Ord. 3020 § 2 (Exh. A), 2016).