

UTILITIES COMMITTEE MINUTES

JUNE 7, 2021

12:00 P.M. – 12:14 P.M.

REMOTE ONLY

COUNCIL PRESENT: COUNCILMEMBERS KUNKEL (CHAIR), STEADMAN, AND MILLER

STAFF PRESENT: SCOTT SPENCE, SCOTT EGGER, SHANNON KELLEY-FONG, DAVE SCHNEIDER, TROY WOO, BRANDON CARTER, PERI EDMONDS

ACTION: APPROVE UTILITIES AGENDA

MOTION: MOTION MADE, SECONDED AND CARRIED BY COUNCILMEMBERS STEADMAN AND MILLER.

PAYMENT OF UTILITY CONNECTION CHARGES PROPOSAL

STAFF: SCOTT EGGER, PUBLIC WORKS DIRECTOR

ACTION: FORWARD STAFF'S RECOMMENDATIONS TO CHANGE TIMING OF PAYMENT OF CONNECTION FEES TO THE FULL CITY COUNCIL FOR APPROVAL

MOTION: MOVED AND SECONDED BY COUNCILMEMBERS STEADMAN AND MILLER.
MOTION CARRIED.

Payment for all connection fees is currently required when a building permit is issued. Staff recommends changing the timing of payment of LOTT Capacity Development Charges (CDC's), Lacey Sewer General Facility Charges (GFC's), Lacey Water General Facility Charges (GFC's), and the Storm and Surface Water Utility Charge from prior to issuance of the building permit to prior to Final Public Works Approval and issuance of the Certificate of Occupancy, applicable to multi-family, commercial, and industrial structures.

LOTT CDC's, Lacey Sewer GFC's, Lacey Water GFC's and Lacey Storm and Surface Water Utility Charges can cost several hundred thousand dollars, a large barrier at the beginning of projects. Shifting the requirement to pay these charges from prior to issuance of the building permit to prior to issuance of Final Public Works Approval could provide the developer relief related to cash-flow and interest. However, the developer will need to keep in mind that the connection charges are increased annually to keep up with inflation and the developer is required to pay the rate of the connection charges at the time of their payment.

In order to change the timing of payment of connection fees, Council would be required to approve an ordinance revising LMC 13.02.010, LMC 13.16.025, and LMC 13.32.005. LOTT's charter will also have to be reworded to align with the proposal, or the LOTT CDC's can be left out of the proposal.