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**CITY OF LYNNWOOD**  
**ORDINANCE NO. 3382**

AN ORDINANCE OF THE CITY OF LYNNWOOD, WASHINGTON, AMENDING ORDINANCE NO. 3111 REGARDING THE ECONOMIC DEVELOPMENT INFRASTRUCTURE FUND, AMENDING LMC 3.106.030; AND PROVIDING FOR AN EFFECTIVE DATE, SEVERABILITY, AND SUMMARY PUBLICATION.

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WHEREAS, on July 16, 2012, the Lynnwood City Council adopted Resolution No. 2012-06 establishing an Economic Development Infrastructure Policy that provides the City with guidelines to evaluate and consider potential public-private and public-public partnership opportunities for economic development; provides a framework for the consideration of the provision and financing of public infrastructure and public facilities to fulfill economic development plans and policies adopted by the City; and authorizes establishing an Economic Development Infrastructure Policy Fund; and

WHEREAS, on February 24, 2015, the Lynnwood City Council adopted Ordinance No. 3110, authorizing the creation of an Economic Development Infrastructure Policy Fund as authorized by Resolution No. 2012-06; and

WHEREAS, Ordinance No. 3110 created Chapter 3.106 of the Lynnwood Municipal Code creating and establishing the Economic Development Infrastructure Fund and authorizing the City Council to accomplish the purposes of Resolution No. 2012-06 by depositing revenues into the fund; and

WHEREAS, Ordinance No 3110 identified revenue sources to fund the newly created Economic Development Infrastructure Fund; and

WHEREAS, on February 24, 2015, the City Council adopted Ordinance No. 3111 that established specific revenue sources for the Economic Development Infrastructure Fund; and

WHEREAS, the COVID-19 pandemic has negatively impacted City revenues during 2020, creating a shortfall in General Fund revenues during 2020; and

WHEREAS, on July 13, 2020 City Council adopted Resolution No. 2020-08 expressing interest in utilizing a portion of the Economic Development Infrastructure Fund balance to resolve the COVID-19 budget gap for 2020; and

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WHEREAS, pursuant to the COVID-19 emergency and City Council Resolution No. 2020-08, the City’s Administration has reviewed the revenue sources identified for the Economic Development Infrastructure Fund and prepared recommendations to address the intent of Resolution No. 2020-08; and

WHEREAS, after careful consideration of the Administration’s recommendation, the City Council has determined that the provisions of this Ordinance are in the best interests of the public health, safety and general welfare;

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

Section 1. Ordinance No. 3111, passed by the City Council on February 24, 2015, is hereby amended to revise the revenue sources for the Economic Development Infrastructure Fund (“EDIF”) as follows:

A. Construction Sale and Use Tax: The City construction sales and use tax revenues identified in Section 2 of Ordinance No. 3111 shall not be transferred to EDIF, for calendar year 2020 only.

B. Taxes and Fees Associated with Development: The city permit revenues identified in Section 2 of Ordinance No. 3111 shall no longer be transferred to EDIF beginning January 1, 2020.

~~((Taxes and Fees Associated with Development: New building construction requires issuance by the City of a building permit. The building permit fees include a plan review fee and a building permit fee that are calculated by the City and paid by the applicant. The city's share of the plan review fee and building permit fee for projects that have a value of \$10 million or greater shall be allocated to the EDIF. This revenue source for the Economic Development Infrastructure Fund is deleted as a revenue source effective January 1, 2020.))~~

Section 2. Section 3.106.030 of the Lynnwood Municipal Code is amended to read as follows:

**3.106.030 Source of monies.**

A. Revenues as may be authorized by the city council to accomplish the purposes of Resolution No. 2012-06, as may be amended, shall be deposited into the fund (EDIF).

76 B. Construction Sales and Use Tax. Sales and use tax revenues are collected based upon the  
77 costs incurred from construction activity. The city receives sales and use tax revenues from  
78 Washington State for the construction of buildings (account 236); heavy and civil construction  
79 (account 237); and specialty trade contractors (account 238) within the city. In addition to  
80 revenues authorized for deposit into the EDIF under paragraph A of this section, the city  
81 construction sales and use tax revenues from these accounts in excess of one million dollars  
82 annually shall be allocated and transferred to the EDIF; provided, that for the calendar year  
83 2020 only, these construction sales and tax revenues shall not be transferred to the EDIF.

84 Section 3. The Mayor shall have prepared an ordinance for the City Council’s consideration  
85 that amends the adopted 2019-2020 Budget as called for by Section 1 of this Ordinance.

86 Section 4. Severability. If any section, subsection, sentence, clause, phrase or word of this  
87 Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction,  
88 such invalidity or unconstitutionality thereof shall not affect the validity or constitutionality of  
89 any other section, sentence, clause, phrase or word of this Ordinance.

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91 Section 5. Effective Date and Summary Publication. This ordinance, being an exercise of a  
92 power specifically delegated to the City legislative body, is not subject to referendum and shall  
93 take effect and be in full force five (5) days after its passage, approval, and publication of an  
94 approved summary thereof consisting of the title.

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96 PASSED BY THE CITY COUNCIL, the 14<sup>th</sup> day of December, 2020.

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98 APPROVED:

99  
100 DocuSigned by:  
101 Nicola Smith 12/15/2020  
102 291B3CE70E384DA  
103 Nicola Smith, Mayor

104 ATTEST/AUTHENTICATED:

105 APPROVED AS TO FORM:

106  
107 DocuSigned by:  
108 Karen Fitzthum  
109 54958167EFC98133  
110 Karen Fitzthum, Interim City Clerk

107 DocuSigned by:  
108 Rosemary Larson  
109 784478E3B482499  
110 Rosemary Larson, City Attorney

111  
112 PASSED BY THE CITY COUNCIL: 12/14/2020  
113 PUBLISHED: 12/17/2020  
114 EFFECTIVE DATE: 12/22/2020  
115 ORDINANCE NUMBER: 3382