



Mountlake Terrace City Council
Work Session Agenda
Thursday, November 13, 2025, 7:00 PM
City Hall and via Telephone or Teleconference

AGENDA

1. Call to Order
2. Attendance Roll Call
3. General Public Comment
4. Presentation on Draft Housing Action Plan
5. Review Resolution Adopting Community and Economic Development Fee Schedule
6. Review Resolution Adopting Recreation Fee Schedule
7. Review Resolution Adopting Engineering Fee Schedule
8. Presentation on 3rd Quarter Financial Report
9. Review Biennial Budget Amendment
10. Review Ordinance Adopting Property Tax Levy
11. City Manager's Report
12. Review November 20, 2025 Meeting Agenda
13. Council Comments
14. Adjournment

To listen to the meeting via telephone, call 1-253-215-8782. To watch the meeting online: 1) Go to <https://zoom.us/join>; 2) Enter meeting ID 810 1113 9518 and click "join". No passcode needed.

To make a public comment remotely (Zoom or telephone), in person, or in writing, please refer to the Public Comment and Public Hearing Testimony Protocol on the city website <https://www.cityofmlt.com/129/Agendas-and-Minutes>.

No person shall make personal attacks, or threatening remarks while addressing the Council which disrupts,

disturbs, or otherwise impedes the orderly conduct of the meeting. All hate speech will be construed as threatening remarks.



Mountlake Terrace **Draft Housing Action Plan**

City Council Work Session

November 2025



- Housing Action Plan overview
 - ◆ Housing Action Plan Context
 - ◆ Housing Needs & Opportunities
- Overview of HAP actions
 - ◆ HAP action sheet details
 - ◆ Summary of HAP actions by implementation timeframe
- Discussion on HAP draft
- Next steps

Housing Action Plan Overview

- Housing Action Plan Context
- Housing Needs And Opportunities
- Housing Action Plan Actions
- Appendices:
 - ◆ Comprehensive Plan Information Sources
 - ◆ Community Engagement Summary
 - ◆ Development Feasibility Analysis Findings
 - ◆ Policies And Actions Crosswalk

Translates the Housing Element into a set of concrete actions, including:

- Identifying steps the City can take to increase **housing options and affordability**.
- Building on recent zoning updates and ongoing work for **consistency between policy direction and implementation**.
- Identifying **programs, partnerships, and strategies** to support housing stability and choice.
- Helping the City make informed decisions about **what to implement first**, based on feasibility, capacity, and community priorities.

MOUNTLAKE TERRACE HOUSING ELEMENT GOALS

- » Promote **diverse and innovative housing types** to create more ownership and rental housing opportunities that are affordable to current and future residents.
- » Be an **active regional partner** in the education and collaboration of housing production.
- » Support housing options for **special needs** populations.
- » Protect the stability of existing residents through **anti-displacement** measures.
- » Promote housing development **near Town Center, mixed-use, and neighborhood centers** to increase access to jobs, goods, and services.

Housing Needs and Opportunities

Several inputs, including community engagement, feasibility analysis, and prior City analyses and planning documents, helped inform the HAP.

Across these sources, a few policy priorities emerged:

- ◆ **Supporting housing production**
- ◆ **Investing in centers**
- ◆ **Incentivizing affordable units**
- ◆ **Increasing housing diversity**
- ◆ **Preventing displacement**

These priorities helped to organize the actions into **implementation timeframes**, including which Housing Element policies offered the greatest potential for near-term implementation.

In the HAP, action sheets include:

- ◆ Implementation timeframe
- ◆ Action type
- ◆ Staff capacity needed for implementation and maintenance
- ◆ Rationale
- ◆ Supporting Housing Element policies
- ◆ Current policy or process
- ◆ Implementation considerations
- ◆ Additional context: relevant data, legislation, engagement themes, or analysis findings

2.3 UPDATE MOBILE HOME PARK REGULATIONS.

Action Type: Regulatory change

Goal: Anti-displacement

Staff Capacity: Low

Modernizing the City's regulations for manufactured home parks would help ensure they reflect current housing types and community needs. Current dimensional standards were written for smaller homes, making it difficult to replace older units with modern manufactured homes. Additionally, repair provisions and broader building code requirements can create added hurdles for substantial upgrades. Revising these standards could help preserve manufactured home parks as a source of affordable housing.

COMP PLAN POLICIES

- **HO-1.7:** Supporting alternative access to homeownership
- **HO-4.1:** Mitigating displacement risk
- **HO-4.2:** Preserving affordable housing

CURRENT POLICY

Standards for Mountlake Terrace's mobile home parks are primarily regulated by Chapter 15.30 in the City's building code. These regulations, last updated in 1994, include dimensional standards that do not align well with modern manufactured housing. For example, lot size, setback, and spacing requirements were designed for smaller homes, making it difficult to replace older units with modern, HUD-certified models. In the same chapter, repair provisions require homes to be maintained in a safe condition (§15.30.170). However, building code section §15.05.070 requires full compliance with new construction standards if repairs exceed 50 percent of a unit's assessed value. Because manufactured homes can have a relatively low assessed value, even minor repairs can exceed this threshold and require full compliance.

IMPLEMENTATION CONSIDERATIONS

Review the current code and draft revisions that balance reinvestment feasibility with health and safety protections, including:

- **Dimensional standards:** Reevaluate lot size, setback, spacing, and coverage requirements (§15.30.050) to ensure they accommodate modern HUD-certified manufactured homes. Consider providing flexibility if dimensional standards cannot be met, provided health and safety requirements are satisfied.
- **Building code requirements:** Examine how the "50 percent rule" in §15.05.070(C) affects manufactured home rehabilitation and consider amendments or exceptions for manufactured and mobile homes to reduce unintended barriers.

ADDITIONAL CONTEXT

Local data: Manufactured homes can be an opportunity for homeownership for lower-income households. In 2023, the majority of homes sold for less than \$300,000 in Mountlake Terrace were mobile or manufactured homes, while single-family home sales prices ranged from roughly \$400,000 to over \$1,000,000, with a median sales price of just under \$600,000.⁵

⁵ Mountlake Terrace Vision 2044 Comprehensive Plan, page 389.



Overview of HAP Actions by Implementation Timeframe

Completed Actions	Near-Term Actions	Mid-Term Actions	Long-Term Actions	Ongoing Actions
0.1 Update residential zones to support middle housing 0.2 Offer density bonuses for sustainability 0.3 Update land uses to plan for 2044 targets.	2.1 Update subarea plans 2.2 Review Town Center standards 2.3 Update the Mobile Home Park code 2.4 Update PSH and emergency housing allowances 2.5 Clarify definitions for alternative housing types 2.6 Amend building code to reduce barriers to home repairs 2.7 Adopt future state building code amendments 2.8 Update middle housing permitting processes 2.9 Amend affordable housing permit processes 2.10 Offer a property tax exemption for affordable ADUs	3.1 Waive or reduce impact fee for affordable housing 3.2 Offer density bonuses for affordable housing in Gateway and Neighborhood Mixed Use 3.3 Expand tenant protection strategies and resources 3.4 Adopt a 12-year MFTE program in R-2 3.5 Adopt an 8-year MFTE program in R-3 3.6 Adopt a 12-year MFTE program in R-3 3.7 Expand the 12-year Town Center MFTE program to Gateway and Neighborhood Mixed Use 3.8 Consider phasing out the 8-year MFTE program in Town Center	4.1 Encourage affordable homeownership units to be stewarded by a CLT 4.2 Consider transferring or leasing City-owned property to a mission-driven developer 4.3 Target public investments to attract development 4.4 Pursue funding for infrastructure improvements for at-risk affordable housing	5.1 Participate in regional housing efforts 5.2 Engage the County on affordable housing funding 5.3 Support applications for public affordable housing funds 5.4 Support development on religious properties 5.5 Establish relationships with CLTs 5.6 Host educational community workshops 5.7 Provide permitting assistance 5.8 Support opportunities to purchase manufactured home communities 5.9 Enforce maintenance of investment properties 5.10 Legislature advocacy 5.11 Monitor development trends 5.12 Monitor at-risk affordable housing units
In-Progress Actions 1.1 Update permitting forms for middle housing 1.2 Simplify ADU permitting requirements 1.3 Update impact fees to per-square-foot 1.4 Update Gateway and Neighborhood Mixed Use zones 1.5 Provide materials on the development process				

Completed Actions

#	Action	Goal
0.1	Update zoning and design standards in residential zones to promote middle housing in alignment with House Bill 1110 .	Housing diversity
0.2	Offer density bonuses for environmentally sustainable building practices.	Housing diversity
0.3	Review and update land use regulations to provide increased residential capacity to accommodate the City's 2044 housing targets.	Housing production

In-Progress Actions

#	Action	Goal
1.1	Update permitting forms to reflect recently updated allowances for middle housing types to clarify permitting procedures and better track development patterns.	Housing diversity
1.2	Simplify ADU permitting requirements by updating to a building-permit-only process (similar to single-family and duplex requirements) to make ADU development more accessible and reduce time and costs.	Housing diversity
1.3	Update impact fee assessments to a per-square-foot calculation to be proportional to unit sizes in alignment with state legislation and encourage smaller housing production.	Housing diversity
1.4	Update development regulations for zones in the Gateway and Neighborhood Mixed Use land use areas to promote residential and mixed-use development affordable at all income levels.	Investing in centers
1.5	Provide educational materials on the development process , including permits, building considerations, and financing to give residents and developers clearer guidance on how to navigate the City's requirements.	Housing production

Near-Term Actions

#	Action	Goal
2.1	Review and update subarea plans to reflect the Comprehensive Plan designations and support the City's housing goals.	Investing in centers
2.2	Review Town Center zoning and design standards and consider adjustments as needed to support residential development.	Investing in centers
2.3	Review and update Mobile Home Park standards to remove barriers to replacing and updating aging units.	Anti-displacement
2.4	Update permitted use tables for permanent supportive housing and emergency housing to expand where these uses are allowed, in alignment with state legislation.	Housing diversity
2.5	Clarify regulations and definitions for small and alternative housing types , such as tiny homes, modular units, and ADUs.	Housing diversity
2.6	Adopt building code amendments to reduce barriers to home repair and rehabilitation.	Anti-displacement
2.7	Monitor, support, and adopt future Washington building code amendments that could support more effective building practices, including the upcoming 2026 updates for multifamily housing.	Housing production
2.8	Simplify the permit review process for middle housing to be more intuitive for homeowners and reduce development time and costs.	Housing diversity
2.9	Amend the permit review process for projects with income-restricted affordable housing units to help expedite affordable housing production.	Affordable units
2.10	Offer a property tax exemption for ADUs rented to low-income households (below 60% AMI) to offer an incentive for ADU production and expand the supply of affordable rental options.	Affordable units

Mid-Term Regulatory Changes

#	Action	Goal
3.1	Waive or reduce impact fees for affordable housing.	Affordable units
3.2	Adopt density bonuses for income-restricted housing in the Gateway and Neighborhood Mixed Use zones to encourage affordable housing development near amenities and centers.	Investing in centers
3.3	Expand tenant protection strategies or provide information or resources (such as the Rental Safety Inspection Program) to support lower-income renters to reduce displacement risk and housing instability.	Anti-displacement
3.4	Adopt a 12-year MFTE program in R-2 for projects in alignment with the middle housing affordable housing density bonus requirements for projects building five or six units.	Affordable units
3.5	Adopt an 8-year MFTE program in R-3 for stacked housing development with at least ten units to incentivize accessible units.	Housing diversity
3.6	Adopt a 12-year MFTE program in R-3 in the middle housing affordable housing density bonus requirements to incentivize participation.	Affordable units
3.7	Expand the 12-year Town Center MFTE program to the Gateway and Neighborhood Mixed Use zones.	Investing in centers
3.8	Continue offering MFTE in Town Center, but consider phasing out the 8-year option to only offer the 12-year program.	Affordable units

Long-Term Actions

#	Action	Goal
4.1	Encourage any affordable homeownership units developed through the middle housing density bonus option or MFTE to be stewarded by a CLT to encourage long-term affordability.	Affordable units
4.2	Survey the City's existing real estate holdings and consider transferring property or providing a long-term lease to a mission-driven developer to support project feasibility and competitiveness for public funding.	Affordable units
4.3	Strategically target public investments to add amenities (such as sidewalks or parks) and improve infrastructure to incentivize development near transit and amenities and in the priority growth areas identified in the Comprehensive Plan.	Investing in centers
4.4	Pursue funding for infrastructure improvements, such as utility upgrades, that could improve feasibility for mission-driven organizations to acquire and preserve at-risk affordable housing .	Anti-displacement

Ongoing Partnerships

#	Action	Goal
5.1	Continue participating in regional housing efforts , including the Affordable Housing Alliance, Housing Consortium, and Snohomish County Tomorrow, and increase coordination between representatives.	Housing production
5.2	Proactively engage Snohomish County to clarify plans for distributing affordable housing funding (such as HOME funds or local sales tax revenues) and encourage investment in Mountlake Terrace to support housing development and related needs, such as infrastructure.	Affordable units
5.3	Support applications for public affordable housing funds (such as HOME or LIHTC) for projects that align with City priorities.	Affordable units
5.4	Pursue opportunities to support development on properties owned by religious organizations , which are eligible for density bonuses for affordable housing per state legislation.	Affordable units
5.5	Establish relationships with community land trusts (CLTs) or other organizations that support alternative homeownership models.	Affordable units
5.6	Host educational community workshops (such as information on permits, building requirements, or financing) to provide space for participants to ask questions and receive direct support, helping property owners and small developers feel more confident in pursuing housing projects.	Housing production
5.7	Provide assistance for navigating permitting procedures and requirements to make permitting more efficient and reduce barriers to development, especially for those less familiar with the process.	Housing production
5.8	Support opportunities to purchase manufactured home communities by facilitating access to technical assistance, outreach, or partnerships, to help support community stability and reduce displacement.	Anti-displacement
5.9	Enforce maintenance of investment properties to disincentivize vacant and/or deteriorating buildings in the Town Center and encourage housing occupation.	Invest in centers
5.10	When the City is providing public comment on proposed legislation, advocate for the state legislature to expand opportunities for home ownership of different housing types through condominiums.	Housing diversity
5.11	Monitor land capacity and development trends , and update development regulations if needed.	Housing production
5.12	Monitor regulated and naturally occurring affordable housing units that are at risk of redevelopment.	Housing production

Next Steps

- CC work session on HAP draft - **today**
- CC public hearing - 12/4



November 2025

DRAFT Mountlake Terrace Housing Action Plan

Prepared for: The City of Mountlake Terrace

ECOnorthwest

920 SW 6th Ave • Suite 1400 • Portland, OR 97204 • 503-222-6060



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Executive Summary

The City's updated Comprehensive Plan, adopted in 2024, sets goals and policies for several key areas, including housing, to guide future growth and development over the next two decades. In particular, the City's Housing Element includes 27 housing policies that together support five overarching goals: expanding housing diversity, supporting regional collaboration, addressing special needs housing, preventing displacement, and focusing growth near services and transit. **This Housing Action Plan (HAP) translates the Housing Element into a set of concrete actions, providing staff and elected officials with a clear roadmap for implementation.** In total, this HAP consists of 42 actions. Some actions may support multiple Housing Element policies, while multiple actions might be needed to address certain policies.

HOUSING ELEMENT GOALS

- » Promote **diverse and innovative housing types** to create more housing opportunities that are affordable to residents.
- » Be an **active regional partner** in the education and collaboration of housing production.
- » Support housing options for **special needs** populations.
- » Protect the **stability of existing residents**.
- » Promote housing development **near Town Center, mixed-use, and neighborhood centers**.

In addition to the policy direction from the Housing Element, additional engagement and analysis conducted as part of developing this HAP have helped inform the recommended actions and priorities. **Across these sources, a few clear priorities emerged:**

- ♦ **Supporting housing production:** By 2044, Mountlake Terrace will need to accommodate an additional 13,424 residents and 7,683 housing units.
- ♦ **Incentivizing affordable units:** While Mountlake Terrace will need housing units across the income spectrum to support its 2044 population, roughly one-third of new housing units will need to be affordable to households earning less than 50% of the area median income.
- ♦ **Increasing housing diversity:** Community members expressed strong interest in smaller and alternative housing types, such as accessory dwelling units and other forms of middle housing, which can be more attainable than traditional single-family homes. Residents also shared a need for housing types that can support the housing needs of different household types, including seniors and residents with disabilities.
- ♦ **Investing in centers:** As the City grows, continuing to focus growth in Town Center and other mixed-use areas can support walkability, amenity access, and efficient infrastructure use.
- ♦ **Preventing displacement:** As the City grows and continues to attract development, both homeowners and renters shared concerns about rising housing costs in the City.

The following pages contain the full list of HAP actions organized by implementation timeframe. The list includes recently completed and in-progress efforts to show the City's progress since adopting the Comprehensive Plan, as well as near-term, mid-term, long-term, and ongoing actions that outline the next steps Mountlake Terrace can take to meet its housing goals. Each action also indicates the primary housing priority it supports, demonstrating how



the actions collectively advance the City's overall housing strategy. For more details, each action number links to the corresponding action sheet with full information.

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Exhibit 1: Mountlake Terrace Housing Action Plan Actions

#	Action	Goal
Completed	0.1 Update zoning and design standards in residential zones to promote middle housing per House Bill 1110 .	Housing diversity
	0.2 Offer density bonuses for environmentally sustainable building practices.	Housing diversity
	0.3 Review and update land use regulations to provide increased residential capacity to accommodate the City's 2044 housing targets.	Housing production
In-Progress	1.1 Update permitting forms to reflect recently updated allowances for middle housing types to clarify permitting procedures and better track development patterns.	Housing diversity
	1.2 Simplify ADU permitting requirements by updating to a building-permit-only process (similar to single-family and duplex requirements) to make ADU development more accessible and reduce time and costs.	Housing diversity
	1.3 Update impact fee assessments to a per-square-foot calculation to be proportional to unit sizes in alignment with state legislation and encourage smaller housing production.	Housing diversity
	1.4 Update development regulations for zones in the Gateway and Neighborhood Mixed Use land use areas to promote residential and mixed-use development affordable at all income levels.	Investing in centers
	1.5 Provide educational materials on the development process , including permits, building considerations, and financing to give residents and developers clearer guidance on how to navigate the City's requirements.	Housing production
Near-Term	2.1 Review and update subarea plans to reflect the Vision 2044 designations and support the City's housing goals.	Investing in centers
	2.2 Review Town Center zoning and design standards and adjust as needed to support residential development.	Investing in centers
	2.3 Review and update Mobile Home Park standards to remove barriers to replacing and updating aging units.	Anti-displacement
	2.4 Update permitted use tables for permanent supportive housing and emergency housing to expand where these uses are allowed, in alignment with state legislation.	Housing diversity
	2.5 Clarify regulations and definitions for small and alternative housing types , such as tiny homes, modular units, and ADUs.	Housing diversity
	2.6 Adopt building code amendments to reduce barriers to home repair and rehabilitation.	Anti-displacement
	2.7 Monitor, support, and adopt future Washington building code amendments that could support more effective building practices, including the upcoming 2026 updates for multifamily housing.	Housing production



	#	Action	Goal
Near-Term	2.8	Simplify the permitting process for middle housing to be more intuitive for homeowners and reduce development time and costs.	Housing diversity
	2.9	Simplify the permit review process for projects with income-restricted housing units to help expedite affordable housing production.	Affordable units
	2.10	Offer a property tax exemption for ADUs rented to low-income households (below 60% AMI) to offer an incentive for ADU production and expand the supply of affordable rental options.	Affordable units
Mid-Term	3.1	Waive or reduce impact fees for affordable housing .	Affordable units
	3.2	Adopt density bonuses for income-restricted housing in the Gateway and Neighborhood Mixed Use zones to encourage affordable housing development near amenities and centers.	Investing in centers
	3.3	Expand tenant protection strategies or providing information or resources (such as the Rental Safety Inspection Program) to support lower-income renters to reduce the risk of displacement and housing instability.	Anti-displacement
	3.4	Adopt a 12-year MFTE program in R-2 for projects in alignment with the middle housing affordable housing density bonus requirements for projects building five or six units to incentivize mixed-income development.	Affordable units
	3.5	Adopt an 8-year MFTE program in R-3 for stacked housing development with at least ten units to incentivize accessible units.	Housing diversity
	3.6	Adopt a 12-year MFTE program in R-3 in alignment with the middle housing affordable housing density bonus requirements to incentivize mixed-income development.	Affordable units
	3.7	Expand the 12-year Town Center MFTE program to the Gateway and Neighborhood Mixed Use zones.	Investing in centers
	3.8	Continue offering MFTE in Town Center, but consider phasing out the 8-year option .	Affordable units
Long-Term	4.1	Encourage any affordable homeownership units developed through the middle housing density bonus option or MFTE to be stewarded by a CLT to encourage long-term affordability.	Affordable units
	4.2	Survey the City's existing real estate holdings and consider transferring property or providing a long-term lease to a mission-driven developer to support project feasibility and competitiveness for public funding.	Affordable units
	4.3	Strategically target public investments to add amenities (such as sidewalks or parks) and improve infrastructure to incentivize development near transit and amenities and in priority growth areas.	Investing in centers



#	Action	Goal
4.4	Pursue funding for infrastructure improvements, such as utility upgrades, that could improve feasibility for mission-driven organizations to acquire and preserve at-risk affordable housing .	Anti-displacement
Ongoing	5.1 Continue participating in regional housing efforts , including the Affordable Housing Alliance, Housing Consortium, and Snohomish County Tomorrow, and increase coordination between representatives of different groups.	Housing production
	5.2 Proactively engage Snohomish County to clarify plans for distributing affordable housing funding (such as HOME funds or local sales tax revenues) and encourage investment in Mountlake Terrace to support housing development and related needs, such as infrastructure.	Affordable units
	5.3 Support applications for public affordable housing funds (such as HOME or LIHTC) for projects that align with City priorities.	Affordable units
	5.4 Pursue opportunities to support development on properties owned by religious organizations , which are eligible for density bonuses for affordable housing per state legislation.	Affordable units
	5.5 Establish relationships with community land trusts (CLTs) or other organizations that support alternative homeownership models.	Affordable units
	5.6 Host educational community workshops (such as information on permits, building requirements, or financing) to provide space for participants to ask questions and receive direct support, helping property owners and small developers feel more confident in pursuing housing projects.	Housing production
	5.7 Provide assistance for navigating permitting procedures and requirements to make permitting more efficient and reduce barriers to development, especially for those less familiar with the development process.	Housing production
	5.8 Support opportunities to purchase manufactured home communities by facilitating access to technical assistance, outreach, or partnerships, to help support community stability and reduce the risk of displacement.	Anti-displacement
	5.9 Enforce maintenance of investment properties to disincentivize vacant and/or deteriorating buildings in the Town Center and encourage housing occupation.	Investing in centers
	5.10 When the City is providing public comment on proposed legislation, advocate for the state legislature to expand opportunities for home ownership of different housing types through condominiums.	Housing diversity
	5.11 Monitor land capacity and development trends , and update development regulations if needed.	Housing production
	5.12 Monitor both regulated and naturally occurring affordable housing units that are at risk of redevelopment.	Housing production



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1. Housing Action Plan Context

Housing Action Plan Purpose

The City's updated Comprehensive Plan, adopted in 2024, sets goals and policies for several key areas, including housing, to guide future growth and development over the next two decades. In particular, the City's Housing Element includes 27 housing policies that together support five overarching goals: expanding housing diversity, supporting regional collaboration, addressing special needs housing, preventing displacement, and focusing growth near services and transit. **This Housing Action Plan (HAP) translates the Housing Element into a set of concrete actions to provide staff and elected officials with a clear roadmap for implementation.**

Specifically, this HAP is intended to:

- ◆ Identify actionable steps the City can take to increase housing options and affordability.
- ◆ Build on recent zoning updates and ongoing work to ensure consistency between policy direction and implementation.
- ◆ Identify programs, partnerships, and strategies that go beyond land use regulations to support housing stability and choice.
- ◆ Help the City make informed decisions about what to implement first, based on feasibility, capacity, and community priorities.

In total, this HAP consists of 42 actions the City can take to implement its Housing Element. Each action identifies the primary Housing Element policies it supports. Some actions may support multiple policies, and multiple actions may be needed to address a given policy. The HAP actions are organized by implementation timeframe and include descriptions of the current policy or practice, supporting analysis findings, and implementation considerations.

MOUNTLAKE TERRACE HOUSING ELEMENT GOALS

- » Promote **diverse and innovative housing types** to create more ownership and rental housing opportunities that are affordable to current and future residents.
- » Be an **active regional partner** in the education and collaboration of housing production.
- » Support housing options for **special needs** populations.
- » Protect the stability of existing residents through **anti-displacement** measures.
- » Promote housing development **near Town Center, mixed-use, and neighborhood centers** to increase access to jobs, goods, and services.

» For a full crosswalk of policies and actions, see [Appendix D: Policies and Actions Crosswalk](#).



Developing the Housing Action Plan

This Housing Action Plan was developed through a structured process that connects engagement, analysis, policy priorities, and implementation.



This process included:

Comprehensive Plan Review: The project team began by thoroughly reviewing Mountlake Terrace's Comprehensive Plan and supporting materials, including the Housing Element Background Analysis.

» For a full description of Comprehensive Plan sources, see [Appendix A: Comprehensive Plan Sources](#).

Engagement and Analysis: The project team conducted a mix of qualitative and quantitative analyses, engaging with development professionals and the broader community, and performing a feasibility analysis to test the impact of certain incentives on development outcomes.

» For a full summary of engagement and analysis findings, see [Appendix B: Community Engagement Summary](#) and [Appendix C: Development Feasibility Analysis Findings](#).

Identifying Policy Priorities: Findings from the Comprehensive Plan review, community engagement, and feasibility analysis informed the identification of Mountlake Terrace's key housing needs and opportunities. The project team used these findings to determine which Comprehensive Plan housing policies offered the greatest potential for near-term implementation and used these priorities to help organize the Housing Action Plan actions by implementation timeframe.

» For a summary of policy priorities and key findings, see [Section 2. Housing Needs & Opportunities](#).

Developing and Refining HAP Actions: The project team identified specific actions the City can take to implement the Housing Element and organized them into a preliminary sequence for implementation, including in-progress, near-term, mid-term, long-term, and ongoing actions. Through discussions with City staff, the Planning Commission, and the City Council, the project team refined the draft actions and their implementation timeframes to align with available resources within the context of the broader HAP and other ongoing projects.

» For the full list of actions, see [Section 3. Housing Action Plan Actions](#).



2. Housing Needs & Opportunities

Housing Priorities

While the Housing Element is the basis for the HAP, several inputs, including community engagement, feasibility analysis, and prior City analyses and planning documents, also helped to inform, develop, and prioritize the HAP actions. **Across these sources, a few clear priorities emerged: supporting housing production, investing in centers, incentivizing affordable units, increasing housing diversity, and preventing displacement.** Each of these themes is discussed in greater detail below, including any relevant Housing Element policies.

Supporting Housing Production

- **HO-1.1 Encourage opportunities to accommodate a population of at least 34,710 by 2044 and meet the housing needs of all income levels.**
- **HO-2.5 Plan for and monitor housing needs at all income levels.**

As part of updating its Comprehensive Plan, Mountlake Terrace must plan to accommodate its 2044 growth targets, assigned by Snohomish County. By 2044, the City will need to plan for:

- ◆ An additional 7,683 housing units, for a total of 16,816 units.
- ◆ An additional 13,424 residents, for a total of 34,710 residents.

To support this growth, the City updated its land use designations in the Comprehensive Plan to allow for higher densities and greater housing capacity in appropriate areas. However, the City will likely need to take additional steps to encourage the development of various housing types and scales to ensure that the updated density allowances result in additional units.

Exhibit 2 shows the City's 2044 housing targets by income level served. While the City will need to plan for units across the income spectrum, roughly a third,

Exhibit 2: Mountlake Terrace 2044 Housing Targets

HOUSING TYPE OR INCOME LEVEL SERVED	ADDITIONAL UNITS NEEDED
Emergency Housing	475
Permanent Supportive Housing	764
0% to 30% AMI	1,224
30% to 50% AMI	1,265
50% to 80% AMI	375
80% to 100% AMI	226
100% to 120% AMI	1,171
Over 120% AMI	2,657
Total	7,682

Source: Mountlake Terrace Comprehensive Plan



or approximately 2,500 units, will need to be affordable to households earning below 50% of the area median income (AMI).

Investing in Centers

- **HO-5.1 Explore strategies to increase the ability of all residents to live in varied neighborhoods to reduce disparities in access to transit, open space, schools, jobs, and other amenities.**
- **HO-5.4 Facilitate housing opportunities in high amenity areas.**

As the City expands, focusing on growth in the Town Center and other mixed-use areas can promote walkability, access to amenities, and efficient infrastructure use. During community engagement, residents supported concentrating density near transit and amenities, and the Comprehensive Plan identifies centers as priority areas for new housing and investment, where infrastructure and services can most effectively support additional growth.

Incentivizing Affordable Units

There is a lack of affordable housing for lower-income households.

- **HO-2.3 Pursue opportunities for partnerships to develop affordable housing.**

As of 2023, roughly a third (34%) of Mountlake Terrace renters were earning below 50% of the AMI. However, only 16% of the City's housing units are affordable to households at this income level. As a result, nearly half (43%) of Mountlake Terrace renters were cost-burdened, spending more than 30% of their gross income on housing costs. This is exacerbated for lower-income households: over three-quarters (77%) of households earning under 30% are cost-burdened, and roughly 65% are severely cost-burdened, spending over 50% of their gross incomes on housing costs. During community engagement, residents raised concerns about housing affordability and the need for income-restricted housing units.

Housing choices are limited for many Mountlake Terrace employees.

- **HO-5.2 Promote workforce housing for people who live and work in the community.**

Many Mountlake Terrace employees, particularly those working in retail or service industries, may not be able to afford to live in the City. Workers in these sectors in Mountlake Terrace earn an annual wage equivalent to roughly 30% of the AMI. There are very few units available at this price, resulting in many employees commuting in from lower-cost areas outside the City.

Additional incentives may be needed to make affordable housing feasible.

- **HO-1.5 Implement creative solutions to encourage housing production at all income levels.**



For projects considering the Residential Affordability Program density bonus, feasibility analysis indicates that the additional units may not outweigh the cost of providing the units to households earning 60% of the AMI or below. For projects serving households earning below 30% of the AMI, traditional subsidies alone are often not enough to make housing financially feasible. Local governments can help close this gap through strategies like providing publicly owned or discounted land, offering long-term ground leases, and reducing or waiving development fees. Additional tools, like expedited permitting, utility connection discounts, infrastructure support, and partnerships with nonprofit or faith-based housing developers, can further lower costs and improve project viability.

Increasing Housing Diversity

Homeownership is increasingly out of reach for residents, but certain housing types can be more attainable.

- **HO-2.4 Advocate for the state legislature to expand opportunities for home ownership of different housing types through the condominium process.**

The median home sales price in Mountlake Terrace more than tripled from \$185,000 in 2012 to \$595,000 in 2023. As of 2023, a household would need to earn slightly above the area median income (\$146,500) to afford the median home price, qualifying less than 20% of Mountlake Terrace households.¹ Even fewer households would be able to afford a newly constructed home, which typically sells above the median home sales price.

However, while the median single-family home sales price was close to the overall median in 2023, condominiums (condos) and townhomes were less expensive. While single-family home prices in 2023 ranged from roughly \$400,000 to over \$1,000,000, townhome sale prices ranged from roughly \$500,000 to \$800,000, and condo sale prices ranged from approximately \$300,000 to \$500,000. Of the homes sold for less than \$300,000 in 2023, the majority were mobile or manufactured homes, and the remainder were condos.²

Residents advocated for a broader range of housing types in Mountlake Terrace.

- **HO-1.2 Update zoning and design standards to accommodate a diverse range of housing types.**
- **HO-1.3 Encourage innovative housing types to provide more housing variety.**
- **HO-5.3 Provide opportunities for diverse housing types to be integrated into existing neighborhoods.**

During community engagement, residents expressed strong support for increasing housing diversity in Mountlake Terrace. Many noted that the current housing stock is dominated by single-family homes, leaving few options for seniors, young adults, or families seeking smaller

¹ Mountlake Terrace Vision 2044 Comprehensive Plan, page 392.

² Mountlake Terrace Vision 2044 Comprehensive Plan, page 389.



or more affordable homes. Participants emphasized that offering a wider range of housing types could allow residents to stay in the community as their needs and incomes change.

Many residents are interested in adding an accessory dwelling unit (ADU) to their home.

- **HO-1.6 Implement processes to assist with the conversion of existing homes to middle housing.**

Residents are enthusiastic about ADUs, both as a tool to increase revenue for homeowners and as an opportunity to add more affordable housing in the City. They also identified ADUs as a good option for seniors wanting to downsize or move into a single-story home. Many residents shared that they were interested in adding at least one ADU to their properties and were excited about the updates to the middle housing code updates intended to reduce barriers to ADU development. However, since many interested residents did not have development experience, they indicated that additional guidance or resources would be helpful.

There is community interest in alternative homeownership models.

- **HO-1.7 Support alternative access to homeownership opportunities.**

Residents are interested in models that ensure long-term affordability through community ownership. Participants supported tools such as community land trusts, housing cooperatives, lease-purchase models, and affordability covenants that can offer more attainable, long-term opportunities for homeownership.

There is an increasing need for accessible housing and special housing types.

- **HO-3.4 Provide opportunities for a range of special housing types at various income levels.**
- **HO-3.5 Consider incentives for new developments to create accessible housing units.**

A quarter (26%) of Mountlake Terrace households include someone with a disability. The share of seniors in the community is also increasing, with roughly one in ten households being a senior living alone.³ Both residents and development professionals noted the need for increased housing options to support older residents as the community ages, including special housing types like assisted living and opportunities for aging in place.

Certain middle housing types are likely infeasible without additional incentives under current market conditions.

- **HO-1.5 Implement creative solutions to encourage housing production at all income levels.**

Feasibility analysis indicates that for-sale, fee-simple development types, such as duplexes or townhomes, are the most likely middle housing types to be developed in residential zones.

³ Mountlake Terrace Vision 2044 Comprehensive Plan, page 381.

Without additional incentives, stacked products like fourplexes, sixplexes, and small apartments or condos are likely infeasible under current market conditions.

Preventing Displacement

Residents are concerned about rising housing costs and displacement risk.

- **HO-4.1 Implement strategies to mitigate displacement risks.**
- **HO-4.4 Support efforts to retain residents during redevelopment.**

As the City grows and continues to attract new development, both homeowners and renters expressed concerns about rising housing costs. Residents noted that increasing demand, driven in part by regional growth and new amenities such as the Light Rail station, has made it more difficult for many households to afford to live in Mountlake Terrace. Participants emphasized the need for strategies that preserve affordability, support cost-burdened households, and provide a range of housing options to keep the community accessible to people of all income levels.

Home repairs and rehabilitation may be needed to preserve the City's older housing stock.

- **Explore strategies to preserve existing housing that is affordable to low- and moderate-income households.**

Just under three-quarters (69%) of Mountlake Terrace's housing stock was built prior to 1980, with over half (52%) of units built prior to 1970. In comparison, less than a quarter (22%) of the housing in Snohomish County overall was built during the same period.⁴ As the City's housing stock ages, it will likely need more frequent repairs to remain safe and habitable.

Connecting Needs to Implementation

The above priorities informed how the City organized and sequenced the HAP actions. Building on the needs and opportunities identified, the project team worked closely with City staff to evaluate how each action could address those priorities in practice. The team also collaborated with staff to assess the effort and resources required, including staff time, funding, and coordination requirements, and weighed these factors against each action's potential impact. Incorporating feedback from the Planning Commission and City Council, this process helped the City balance practicality with ambition, focusing first on actions that could be implemented relatively efficiently while laying the groundwork for larger, more complex initiatives. Near-term actions are intended to maintain momentum and deliver visible progress, while mid- and long-term actions address broader challenges that require additional planning or capacity. Mid-term actions generally represent strategies that can be advanced once current work is complete or additional capacity is available, whereas long-term actions are larger undertakings that will depend on new funding sources, partnerships, or policy

⁴ Mountlake Terrace Vision 2044 Comprehensive Plan, page 366.



development. For these longer-term efforts, the HAP also identifies initial steps the City can begin now to build momentum and position itself for successful implementation in the years ahead.

The following section presents the full list of actions, organized by timeframe, to guide Mountlake Terrace's phased and coordinated implementation of its Vision 2044 housing goals. This list includes recently completed and in-progress efforts to demonstrate the City's progress since adopting the Comprehensive Plan, as well as near-term, mid-term, long-term, and ongoing actions that outline the next steps the City can take to meet its housing goals.

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3. Housing Action Plan Actions

Overview of Actions

Overall, the Housing Action Plan includes 42 actions that the City can take over the next decade to achieve its housing goals, varying in scale, complexity, and resource requirements. Because City staff, funding, and capacity are limited, actions are organized by implementation timeframe to help decision-makers focus on what can be achieved first and plan for future efforts. Using the policy priorities identified in the previous section, we organized the actions into implementation timeframes:

1. **Completed Actions:** Actions taken since the 2024 Comprehensive Plan adoption.
2. **In-Progress Actions:** Efforts the City is currently undertaking.
3. **Near-Term Actions (1–3 years):** High-priority actions that can be implemented relatively quickly and leverage recent code updates and policy momentum.
4. **Mid-Term Actions (3–5 years):** More complex actions that require additional study or coordination.
5. **Long-Term Actions (5–10 years):** Forward-looking efforts that depend on additional resources or partnerships,
6. **Ongoing Actions:** Partnerships, monitoring, and advocacy activities that the City will continue regularly.

HOUSING ACTION PLAN NAVIGATION

Below, Exhibit 3 provides a brief description of each action and the primary housing priority it supports. **The corresponding action number links to the action's page with complete details, including:**

- ♦ **Action type:** The action's implementation category (e.g., "regulatory change").
- ♦ **Staff capacity:** A relative estimate of the staff time needed to implement and maintain the action.
- ♦ **Action rationale:** Why the action is important and how it advances the City's goals.
- ♦ **Supporting Housing Element policies:** The primary policies the action is implementing.
- ♦ **Current policy:** A summary of the City's current approach to provide context for how the action modifies or builds on current efforts.
- ♦ **Implementation considerations:** Recommended next steps for implementation. For mid-term, long-term, and ongoing actions, only immediate next steps are provided to account for changing conditions prior to full implementation.
- ♦ **Additional context:** Where applicable, relevant data, legislation, engagement themes, or analysis findings to support the action.



Exhibit 3: Mountlake Terrace Housing Action Plan Actions

#	Action	Goal
Completed	0.1 Update zoning and design standards in residential zones to promote middle housing per House Bill 1110 .	Housing diversity
	0.2 Offer density bonuses for environmentally sustainable building practices.	Housing diversity
	0.3 Review and update land use regulations to provide increased residential capacity to accommodate the City's 2044 housing targets.	Housing production
In-Progress	1.1 Update permitting forms to reflect recently updated allowances for middle housing types to clarify permitting procedures and better track development patterns.	Housing diversity
	1.2 Simplify ADU permitting requirements by updating to a building-permit-only process (similar to single-family and duplex requirements) to make ADU development more accessible and reduce time and costs.	Housing diversity
	1.3 Update impact fee assessments to a per-square-foot calculation to be proportional to unit sizes in alignment with state legislation and encourage smaller housing production.	Housing diversity
	1.4 Update development regulations for zones in the Gateway and Neighborhood Mixed Use land use areas to promote residential and mixed-use development affordable at all income levels.	Investing in centers
	1.5 Provide educational materials on the development process , including permits, building considerations, and financing to give residents and developers clearer guidance on how to navigate the City's requirements.	Housing production
Near-Term	2.1 Review and update subarea plans to reflect the Vision 2044 designations and support the City's housing goals.	Investing in centers
	2.2 Review Town Center zoning and design standards and adjust as needed to support residential development.	Investing in centers
	2.3 Review and update Mobile Home Park standards to remove barriers to replacing and updating aging units.	Anti-displacement
	2.4 Update permitted use tables for permanent supportive housing and emergency housing to expand where these uses are allowed, in alignment with state legislation.	Housing diversity
	2.5 Clarify regulations and definitions for small and alternative housing types , such as tiny homes, modular units, and ADUs.	Housing diversity
	2.6 Adopt building code amendments to reduce barriers to home repair and rehabilitation.	Anti-displacement
	2.7 Monitor, support, and adopt future Washington building code amendments that could support more effective building practices, including the upcoming 2026 updates for multifamily housing.	Housing production



	#	Action	Goal
Near-Term	2.8	Simplify the permitting process for middle housing to be more intuitive for homeowners and reduce development time and costs.	Housing diversity
	2.9	Simplify the permit review process for projects with income-restricted housing units to help expedite affordable housing production.	Affordable units
	2.10	Offer a property tax exemption for ADUs rented to low-income households (below 60% AMI) to offer an incentive for ADU production and expand the supply of affordable rental options.	Affordable units
Mid-Term	3.1	Waive or reduce impact fees for affordable housing .	Affordable units
	3.2	Adopt density bonuses for income-restricted housing in the Gateway and Neighborhood Mixed Use zones to encourage affordable housing development near amenities and centers.	Investing in centers
	3.3	Expand tenant protection strategies or providing information or resources (such as the Rental Safety Inspection Program) to support lower-income renters to reduce the risk of displacement and housing instability.	Anti-displacement
	3.4	Adopt a 12-year MFTE program in R-2 for projects in alignment with the middle housing affordable housing density bonus requirements for projects building five or six units to incentivize mixed-income development.	Affordable units
	3.5	Adopt an 8-year MFTE program in R-3 for stacked housing development with at least ten units to incentivize accessible units.	Housing diversity
	3.6	Adopt a 12-year MFTE program in R-3 in alignment with the middle housing affordable housing density bonus requirements to incentivize mixed-income development.	Affordable units
	3.7	Expand the 12-year Town Center MFTE program to the Gateway and Neighborhood Mixed Use zones.	Investing in centers
	3.8	Continue offering MFTE in Town Center, but consider phasing out the 8-year option .	Affordable units
Long-Term	4.1	Encourage any affordable homeownership units developed through the middle housing density bonus option or MFTE to be stewarded by a CLT to encourage long-term affordability.	Affordable units
	4.2	Survey the City's existing real estate holdings and consider transferring property or providing a long-term lease to a mission-driven developer to support project feasibility and competitiveness for public funding.	Affordable units
	4.3	Strategically target public investments to add amenities (such as sidewalks or parks) and improve infrastructure to incentivize development near transit and amenities and in priority growth areas.	Investing in centers



#	Action	Goal
4.4	Pursue funding for infrastructure improvements, such as utility upgrades, that could improve feasibility for mission-driven organizations to acquire and preserve at-risk affordable housing .	Anti-displacement
5.1	Continue participating in regional housing efforts , including the Affordable Housing Alliance, Housing Consortium, and Snohomish County Tomorrow, and increase coordination between representatives of different groups.	Housing production
5.2	Proactively engage Snohomish County to clarify plans for distributing affordable housing funding (such as HOME funds or local sales tax revenues) and encourage investment in Mountlake Terrace to support housing development and related needs, such as infrastructure.	Affordable units
5.3	Support applications for public affordable housing funds (such as HOME or LIHTC) for projects that align with City priorities.	Affordable units
5.4	Pursue opportunities to support development on properties owned by religious organizations , which are eligible for density bonuses for affordable housing per state legislation.	Affordable units
5.5	Establish relationships with community land trusts (CLTs) or other organizations that support alternative homeownership models.	Affordable units
5.6	Host educational community workshops (such as information on permits, building requirements, or financing) to provide space for participants to ask questions and receive direct support, helping property owners and small developers feel more confident in pursuing housing projects.	Housing production
5.7	Provide assistance for navigating permitting procedures and requirements to make permitting more efficient and reduce barriers to development, especially for those less familiar with the development process.	Housing production
5.8	Support opportunities to purchase manufactured home communities by facilitating access to technical assistance, outreach, or partnerships, to help support community stability and reduce the risk of displacement.	Anti-displacement
5.9	Enforce maintenance of investment properties to disincentivize vacant and/or deteriorating buildings in the Town Center and encourage housing occupation.	Investing in centers
5.10	When the City is providing public comment on proposed legislation, advocate for the state legislature to expand opportunities for home ownership of different housing types through condominiums.	Housing diversity
5.11	Monitor land capacity and development trends , and update development regulations if needed.	Housing production
5.12	Monitor both regulated and naturally occurring affordable housing units that are at risk of redevelopment.	Housing production

Ongoing



0. Completed Actions

0.1 UPDATE ZONING AND DESIGN STANDARDS IN RESIDENTIAL ZONES TO PROMOTE MIDDLE HOUSING.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: High

CURRENT POLICY

The 2025 residential code update supports a range of diverse housing types, with an emphasis on supporting middle housing, in alignment with House Bill 1110.

COMP PLAN POLICIES

- ◆ **HO-1.2:** Updating zoning standards to support diverse housing types
- ◆ **HO-1.3:** Encouraging innovative housing types
- ◆ **HO-1.5:** Implementing incentives for housing production at all income levels
- ◆ **HO-1.6:** Supporting conversion of homes to middle housing

0.2 OFFER DENSITY BONUSES FOR ENVIRONMENTALLY SUSTAINABLE BUILDING PRACTICES.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Low

CURRENT POLICY

The 2025 residential code update provides increased lot coverage, FAR, and height, as well as setback reductions, in exchange for sustainability certification and on-site tree retention.

COMP PLAN POLICIES

- ◆ **HO-1.4:** Encouraging innovative materials and environmentally sustainable building practices

0.3 REVIEW AND UPDATE LAND USE REGULATIONS TO INCREASE RESIDENTIAL CAPACITY TO ACCOMMODATE THE CITY'S 2044 HOUSING TARGETS.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: High

CURRENT POLICY

The 2024 Comprehensive Plan land use map updates increased allowed residential densities to provide enough development capacity to meet its 2044 housing allocation targets.

COMP PLAN POLICIES

- ◆ **HO-1.1:** Accommodating population target
- ◆ **HO-2.5:** Planning for housing needs at all income levels



1. In-Progress Actions

1.1 UPDATE PERMITTING PROCEDURES TO REFLECT UPDATED HOUSING TYPES IN RESIDENTIAL ZONES.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Medium

Updating the permitting forms to include the newly allowed housing types will both help clarify permitting procedures and allow the City to better track development patterns.

CURRENT POLICY & IMMEDIATE NEXT STEPS

The 2025 middle housing code amendment (see Action 0.1) allowed new housing types in its residential zones. The City is currently updating its permit types and forms to reflect these changes to clarify permit requirements and better track development patterns.

COMP PLAN POLICIES

- ◆ **HO-1.3:** Encouraging innovative housing types
- ◆ **HO-2.1:** Providing resources on regulations and permitting

1.2 SIMPLIFY ADU PERMITTING REQUIREMENTS.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Low

Simplifying ADU permitting requirements would make it easier for homeowners to add an accessory dwelling unit by reducing confusion, lowering costs, and shortening review timelines. A clearer, more straightforward process would lower barriers for residents and support ADU production.

CURRENT POLICY & IMMEDIATE NEXT STEPS

Previously, ADU permitting was a Type B Administrative decision made by the Director, which required providing notice to nearby properties and could be appealed to the Hearing Examiner. The City is currently in the process of updating ADU permitting requirements to a building-permit-only process with no separate land use action, the same as SDUs and duplexes.

COMP PLAN POLICIES

- ◆ **HO-1.3:** Encouraging innovative housing types
- ◆ **HO-1.6:** Supporting conversion of homes to middle housing
- ◆ **HO-2.1:** Providing resources on regulations and permitting

ADDITIONAL CONTEXT

Community engagement: Many residents and development professionals were interested in building ADUs, but shared that permitting processes could be a barrier to development. In general, development professionals emphasized the importance of fast and predictable permitting for development feasibility.



1.3 UPDATE IMPACT FEE ASSESSMENTS TO A PER-SQUARE-FOOT OR PER-BEDROOM CALCULATION.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Low

Updating impact fee assessments to a per-square-foot or per-bedroom calculation could create a fairer system that better reflects the size and impact of different housing types. This impact fee update would comply with state legislation that requires local impact fees to reflect the proportionate impact of new units.

COMP PLAN POLICIES

- ◆ **HO-1.3:** Encouraging innovative housing types
- ◆ **HO-1.6:** Supporting conversion of homes to middle housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City currently imposes impact fees for parks and transportation. The City is currently updating its impact fee structure to a per-square-foot or per-bedroom model, to be completed by 2026.

ADDITIONAL CONTEXT

Relevant legislation: RCW 82.02.060 allows local governments to exempt or reduce impact fees for low-income housing (under 80% AMI). This statute also requires that local impact fee schedules reflect the proportionate impact of new housing units, including multifamily and condo units. This impact is based on the square footage, number of bedrooms, or trips generated by the housing unit, allowing for a proportionally lower impact fee for smaller units.

1.4 UPDATE DEVELOPMENT REGULATIONS IN THE GATEWAY AND NEIGHBORHOOD MIXED USE LAND USE AREAS.

Action Type: Regulatory change

Goal: Investing in centers

Staff Capacity: Medium

The Comprehensive Plan identifies these areas as important locations for accommodating future residential growth. Amending these regulations to better support a range of housing types and affordability levels would expand housing options near transit and amenities, advancing the City's long-term strategy of focusing density in mixed-use centers.

COMP PLAN POLICIES

- ◆ **HO-1.2:** Updating zoning standards to support diverse housing types
- ◆ **HO-5.1:** Supporting equitable access to varied neighborhoods

CURRENT POLICY & IMMEDIATE NEXT STEPS

The 2024 Comprehensive Plan established these new mixed-use land designations: the Gateway land use area is currently the Freeway/ Tourist zone, and the Neighborhood Mixed Use land use areas are primarily zoned as Commercial Business. The City is currently updating the zoning in these areas, with plans for adoption by 2026.



1.5 PROVIDE EDUCATIONAL MATERIALS ON THE DEVELOPMENT PROCESS AND REQUIREMENTS.

Action Type: Technical assistance

Goal: Housing production

Staff Capacity: Medium

Providing educational materials on the development process would give residents and developers clearer guidance on how to navigate the City's development requirements. Accessible information could help homeowners and small-scale developers understand requirements upfront, reduce uncertainty, and avoid delays or added costs during permitting and construction, supporting more successful housing projects in the community.

- COMP PLAN POLICIES
- ♦ **HO-1.6:** Supporting conversion of homes to middle housing
 - ♦ **HO-2.1:** Providing resources on regulations and permitting
 - ♦ **HO-2.2:** Coordinating with regional partners on informational materials

CURRENT POLICY & IMMEDIATE NEXT STEPS

Submittal checklists for different types of land use and building permits are available but are not yet updated to reflect the 2025 residential code updates (see Action 0.3). The City is currently updating these checklists and creating additional guidance for development.

ADDITIONAL CONTEXT

Community engagement: Both development professionals and residents, particularly those without much development experience, shared that additional guidance or resources would be helpful for navigating City requirements. As the City updates its code, developers shared that continuing to provide clear explanations and requirements would help save time and money in permitting, increasing development feasibility.

2. Near-Term Actions

2.1 REVIEW AND UPDATE SUBAREA PLANS TO ALIGN WITH AND SUPPORT THE CITY'S HOUSING GOALS.

Action Type: PlanningGoal: Invest in centersStaff Capacity: Medium

Establishing or updating subarea plans in alignment with the Comprehensive Plan would ensure they align with the City's housing goals and provide guidance for future zoning updates and investments. Without specific subarea plans, implementation of the Comprehensive Plan land use vision is limited to citywide policies and zoning, which may not capture the unique opportunities or challenges of each neighborhood.

COMP PLAN POLICIES

- HO-1.1: Accommodate 2044 population target
- HO-5.4: Facilitating housing opportunities near amenities

CURRENT POLICY

The 2024 Comprehensive Plan identified six subareas, establishing boundaries and intended land uses for each. Currently, the Gateway, Cascade View, Cedar Terrace, and Lake Ballinger subareas do not yet have specific subarea plans. Previous subarea plans for the Town Center (2019) and Melody Hill (2006) subareas may also need updates to reflect the new framework.

IMPLEMENTATION CONSIDERATIONS

The City is currently planning to begin reviewing individual subarea plans in 2026.

2.2 REVIEW TOWN CENTER ZONING AND DESIGN STANDARDS AND MAKE ADJUSTMENTS AS NEEDED TO SUPPORT DEVELOPMENT.

Action Type: Regulatory changeGoal: Invest in centersStaff Capacity: Medium

Reviewing Town Center zoning and design standards alongside development outcomes can help the City evaluate how well existing policies support the desired outcomes and make adjustments that reflect new opportunities created by Light Rail service, changing community needs, and ongoing investment.

COMP PLAN POLICIES

- HO-5.4: Facilitating housing opportunities near amenities

CURRENT POLICY

The Town Center subarea plan and regulations were last updated in 2019 to prepare for the Light Rail station, focusing on encouraging transit-oriented development, updating dimensional standards, and improving pedestrian connections in the station area.

IMPLEMENTATION CONSIDERATIONS

The City is currently planning to update the Town Center development regulations in 2026.



2.3 UPDATE MOBILE HOME PARK REGULATIONS.

Action Type: Regulatory change

Goal: Anti-displacement

Staff Capacity: Low

Modernizing the City's regulations for manufactured home parks would help ensure they reflect current housing types and community needs. Current dimensional standards were written for smaller homes, making it difficult to replace older units with modern manufactured homes. Additionally, repair provisions and broader building code requirements can create added hurdles for substantial upgrades. Revising these standards could help preserve manufactured home parks as a source of affordable housing.

COMP PLAN POLICIES

- ♦ **HO-1.7:** Supporting alternative access to homeownership
- ♦ **HO-4.1:** Mitigating displacement risk
- ♦ **HO-4.2:** Preserving affordable housing

CURRENT POLICY

Standards for Mountlake Terrace's mobile home parks are primarily regulated by Chapter 15.30 in the City's building code. These regulations, last updated in 1994, include dimensional standards that do not align well with modern manufactured housing. For example, lot size, setback, and spacing requirements were designed for smaller homes, making it difficult to replace older units with modern, HUD-certified models. In the same chapter, repair provisions require homes to be maintained in a safe condition (§15.30.170). However, building code section §15.05.070 requires full compliance with new construction standards if repairs exceed 50 percent of a unit's assessed value. Because manufactured homes can have a relatively low assessed value, even minor repairs can exceed this threshold and require full compliance.

IMPLEMENTATION CONSIDERATIONS

Review the current code and draft revisions that balance reinvestment feasibility with health and safety protections, including:

- ♦ **Dimensional standards:** Reevaluate lot size, setback, spacing, and coverage requirements (§15.30.050) to ensure they accommodate modern HUD-certified manufactured homes. Consider providing flexibility if dimensional standards cannot be met, provided health and safety requirements are satisfied.
- ♦ **Building code requirements:** Examine how the "50 percent rule" in §15.05.070(C) affects manufactured home rehabilitation and consider amendments or exceptions for manufactured and mobile homes to reduce unintended barriers.

ADDITIONAL CONTEXT

Local data: Manufactured homes can be an opportunity for homeownership for lower-income households. In 2023, the majority of homes sold for less than \$300,000 in Mountlake Terrace in 2023 were mobile or manufactured homes, while single-family home sales prices ranged



from roughly \$400,000 to over \$1,000,000, with a median sales price of just under \$600,000.⁵

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⁵ Mountlake Terrace Vision 2044 Comprehensive Plan, page 389.



2.4 UPDATE PERMITTED USE TABLES TO ALLOW PERMANENT SUPPORTIVE HOUSING AND EMERGENCY HOUSING TO COMPLY WITH STATE LEGISLATIVE REQUIREMENTS.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Low

The Growth Management Act requires cities to plan for permanent supportive housing and emergency housing targets, in part by allowing these housing types in designated zones. However, Mountlake Terrace's code does not currently list permanent supportive housing, transitional housing, or most forms of emergency housing in its permitted use tables.

COMP PLAN POLICIES

- ♦ **HO-3.1:** Supporting permanent supportive housing
- ♦ **HO-3.3:** Reducing barriers to emergency housing and shelters
- ♦ **HO-3.4:** Providing opportunities for special housing types

CURRENT POLICY

According to the Comprehensive Plan, Mountlake Terrace currently has no permanent supportive housing units or emergency housing units. To meet its 2044 housing targets, the City will need to plan for 764 permanent supportive housing units and 475 emergency housing units.⁶

Permanent supportive housing is not currently listed in the City's permitted uses tables; the closest equivalents are residential care facilities, group home institutions, and youth shelters. Emergency housing and shelters are also not listed in the City's permitted use tables, except for youth shelters, which are listed as conditional uses in residential zones.

IMPLEMENTATION CONSIDERATIONS

Update the City's permitted use tables to comply with state legislation by explicitly allowing emergency housing, emergency shelter, permanent supportive housing, and transitional housing in any zones where hotels are permitted, and by also allowing permanent supportive housing and transitional housing in any zones where residential dwelling units are permitted.

ADDITIONAL CONTEXT

Relevant legislation: Per [RCW 35.21.683](#) and [RCW 35A.21.430](#), city code must allow permanent supportive and transitional housing in any zones in which residential dwelling units or hotels are allowed, including traditional single-family detached housing zones. Cities may also not prohibit indoor emergency shelters and indoor emergency housing in any zones where hotels are permitted. Even if a jurisdiction does not permit hotels in any zone, it must still allow the siting of a sufficient number of indoor emergency shelter beds and/or emergency housing units to meet its 2044 housing targets.

⁶ Mountlake Terrace Vision 2044 Comprehensive Plan, page 395.



2.5 CLARIFY APPLICABLE REGULATIONS AND ENSURE CONSISTENT DEFINITIONS FOR SMALL AND ALTERNATIVE HOUSING TYPES.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Low

Clear and consistent definitions for small and alternative housing types, such as tiny homes, modular units, manufactured homes, and ADUs, will help residents, builders, and staff understand what is permitted and under what conditions. Clarifying requirements can encourage innovation in small-scale housing by supporting the development of creative, lower-cost housing options, which is especially important as new construction methods and housing models emerge that may not fit neatly into existing zoning or building code categories.

COMP PLAN POLICIES

- ♦ **HO-1.3:** Encourage innovative housing types
- ♦ **HO-1.6:** Support conversion of homes to middle housing
- ♦ **HO-1.7:** Support alternative access to homeownership

CURRENT POLICY

Tiny homes, modular housing, manufactured homes, and mobile homes fall under different state and federal regulatory frameworks depending on how they are constructed and placed. Currently, Mountlake Terrace code Chapter 19.15 Definitions defines "manufactured home", "factory-built/modular housing" and "accessory structure", and Chapter 15.30 Mobile Homes defines "mobile home". However, definitions could be updated to align zoning and building regulations, clearly distinguish between types, and ensure these definitions are reflected in the permitted use tables.

IMPLEMENTATION CONSIDERATIONS

Review zoning and building code provisions for tiny homes, modular housing, manufactured homes, and ADUs to identify gaps and inconsistencies. Following review, update code definitions to align with zoning and building regulations, clearly distinguish between movable units, modular homes on permanent foundations, and recreational vehicles, and ensure these definitions are reflected in the permitted use tables.

2.6 ADOPT BUILDING CODE AMENDMENTS TO REDUCE BARRIERS TO HOME REPAIR AND REHABILITATION.

Action Type: Regulatory change

Goal: Anti-displacement

Staff Capacity: Low

Many buildings in Mountlake Terrace, particularly those that are older and in the most need of repair, have relatively low assessed values. Because the building code requires full compliance with modern standards when repairs exceed 50 percent of a building's assessed value, even modest projects can cross the threshold. This can make essential repairs financially infeasible for property owners, discouraging reinvestment and leaving older homes vulnerable to continued deterioration or loss.

COMP PLAN POLICIES

- ♦ **HO-4.1:** Mitigating displacement risk
- ♦ **HO-4.2:** Preserving low-income housing

CURRENT POLICY

Per the City's building code section §15.05.070(C), any building that has additions, alterations, or repairs that exceed 50 percent of the assessed building value over a certain time period must be fully updated to comply with the life safety requirements of new buildings.

IMPLEMENTATION CONSIDERATIONS

Review the current code and draft revisions to balance the feasibility of repairs with health and safety protections. This could include developing alternatives to the current 50 percent rule, such as raising the threshold or capping required life-safety upgrades at no more than 10 percent of the total project costs. The City could also consider exempting certain project types from full code compliance, such as repairs to manufactured or mobile homes, energy-efficiency upgrades, accessibility improvements, weatherization projects, or health and safety repairs that do not involve expanding building size or changing occupancy.

ADDITIONAL CONTEXT

Local data: According to the Comprehensive Plan, just over half (52%) of Mountlake Terrace's housing was built before 1970, compared to less than a quarter (22%) of the housing in Snohomish County overall.⁷ As the City's housing stock ages, it will likely need more frequent repairs to remain safe and habitable.

⁷ Mountlake Terrace Vision 2044 Comprehensive Plan, page 366.



EXAMPLE

» **Seattle, WA:** In September 2025, Seattle updated its building code to help reactivate vacant storefronts by amending its substantial alterations threshold, which requires full building upgrades to meet current fire or life safety standards. These updates include exempting buildings of less than 7,000 square feet from these requirements.

2.7 MONITOR, SUPPORT, AND ADOPT FUTURE WASHINGTON BUILDING CODE AMENDMENTS THAT COULD SUPPORT MORE EFFECTIVE BUILDING PRACTICES.

Action Type: Regulatory change

Goal: Housing production

Staff Capacity: Low

Monitoring and considering the adoption of future state building code amendments passed by the State Building Code Council (SBCC) can help ensure that local building regulations support innovation, reduce unnecessary barriers, and align with the City's land use regulations. In particular, the SBCC is currently considering updates that could increase the feasibility of middle housing, which could pair with the City's recent land use and permitting updates to support its housing diversity goals.

COMP PLAN POLICIES

- ♦ **HO-1.3:** Encouraging innovative housing types
- ♦ **HO-1.5:** Implementing incentives for housing production at all income levels.
- ♦ **HO-5.3:** Supporting diverse infill housing

CURRENT POLICY

In Washington, the SBCC updates and modifies the State Building Code, which is based on international building codes. The code is revised every three years, and the legislature can direct the SBCC to add additional amendments. After the SBCC adopts a new code provision or optional amendment, local jurisdictions must adopt it through an ordinance for it to be effective locally. If local jurisdictions adopt alternatives to the state code, the local building codes must meet or exceed state code requirements.

IMPLEMENTATION CONSIDERATIONS

Monitor updates from the SBCC and proactively align local ordinances with new state code provisions, including the upcoming code adoptions in July and November 2026. Once the SBCC formally adopts these new code provisions, review the adopted text and draft an ordinance for City Council public hearing and adoption.

The City should continue tracking future SBCC amendments that support innovative, cost-effective, and efficient building practices, and revise local regulations as needed to meet or exceed state standards.



ADDITIONAL CONTEXT

Relevant legislation: Currently, the SBCC is considering updated building code amendments that could improve the feasibility of middle housing. In 2023, Senate Bill 5491 directed the SBCC to convene a technical advisory group (TAG) to recommend amendments to the Washington building code. These amendments would allow multifamily structures up to six stories to be served by a single exit stairway, with the goal of adoption by the SBCC by July 2026. In 2024, House Bill 2071 also directed the SBCC to form a TAG to recommend how to apply the Washington State Residential Code to multiplex housing up to six units, with the goal of adoption by November 2026.

2.8 SIMPLIFY THE PERMITTING PROCESS FOR MIDDLE HOUSING TO BE MORE INTUITIVE FOR HOMEOWNERS.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Medium

Homeowners and small-scale builders can encounter barriers when navigating the permitting process for middle housing. Simplifying review procedures and providing clearer guidance can reduce costs, shorten timelines, and make it easier for residents to build small-scale housing types.

COMP PLAN POLICIES

- ♦ **HO-1.5:** Implementing incentives for housing production at all income levels.
- ♦ **HO-2.1:** Providing resources on regulations and permitting

CURRENT POLICY

Currently, certain housing types, including single detached units (SDUs), duplexes, and ADUs, are reviewed through a building-permit-only process. Other small residential projects with fewer than 10 units require a Type A Ministerial land use permit procedure, and projects with at least 10 units require a Type C Quasi-judicial land use permit procedure.

IMPLEMENTATION CONSIDERATIONS

The City could evaluate opportunities to simplify middle housing permitting by expanding the use of a building-permit-only process for small-scale projects, similar to what is currently used for SDUs, duplexes, and ADUs (see Action 1.2). This could include consolidating review steps, limiting land use procedures, and clarifying which middle housing types qualify for ministerial review.

ADDITIONAL CONTEXT

Community engagement: Developers emphasized the importance of fast and predictable permitting for development feasibility.



EXAMPLES

- » [Seattle, WA](#): Launched citywide permitting reform via the introduction of PACT (a Permitting and Customer Trust Team). This team ensures that permits are completed within no more than two review cycles, provided basic safety/zoning conditions are met. They also make sure that there are no new corrections or interpretations post-initial approval, unless they involve life-safety concerns. This initiative aims to cut housing review times by approximately 50%.

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2.9 SIMPLIFY THE PERMIT REVIEW PROCESS FOR PROJECTS WITH INCOME-RESTRICTED HOUSING UNITS.

Action Type: Regulatory change

Goal: Affordable units

Staff Capacity: Low

By streamlining the permit review process, the City can make approvals for income-restricted housing more efficient and predictable. This could help developers stay on schedule, meet funding and construction deadlines, and deliver affordable housing more quickly.

COMP PLAN POLICIES

- ♦ **HO-1.5:** Implementing incentives for housing production at all income levels.
- ♦ **HO-4.1:** Mitigating displacement risk

CURRENT POLICY

Permitting procedure types are defined in Chapter 18.05. Currently, there is no difference in permitting procedures between income-restricted and market-rate housing. Development projects under ten units must follow a Type A ministerial procedure, while projects with ten units or more must follow a Type C quasi-judicial procedure, including a public hearing.

IMPLEMENTATION CONSIDERATIONS

The City could revise Chapter 18.05 to allow projects that include a qualifying share of income-restricted housing units to follow a simpler permitting process. For example, projects that reserve a certain portion of units for very low-income households (earning 50% or less of the area median income) could be eligible for a Type A land use decision, regardless of the total number of units.

ANALYSIS FINDINGS

Local data: During community engagement, residents emphasized the need for more affordable housing in the City. Nearly half of Mountlake Terrace renters (43%) are cost-burdened, and roughly a third (34%) are very low-income. To support its projected 2044 population, the City will need to add approximately 2,500 units affordable at 50% of the AMI and below.

EXAMPLES

- » **Tacoma Affordable Housing Permit Program:** Projects that provide 10 or more total housing units with 20% of the units reserved as affordable can join the program to receive priority review. Eligible projects are fast-tracked for site development and building permits, with a designated Affordable Housing Project Coordinator who helps coordinate review. Fee waivers are also available for nonprofit-led affordable housing projects.
- » **Kenmore Affordable Housing Special Permit Review Process:** Offers a special review process for developments including low-income or very-low-income housing. Developments of any size providing this type of housing will be eligible for expedited review. Development standards, for the most part, should not be waived with the special review process.



2.10 OFFER A PROPERTY TAX EXEMPTION FOR ADUS RENTED TO LOW-INCOME HOUSEHOLDS.

Action Type: Financial Incentive Goal: Affordable units Staff Capacity: High

Even when homeowners are interested in offering affordable rentals, development costs can make projects financially challenging and discourage the creation of ADUs that serve lower-income residents. A property tax exemption for ADUs rented to low-income households could both reduce barriers for homeowners and increase the availability of affordable ADUs.

- COMP PLAN POLICIES
- ♦ **HO-1.5:** Implementing incentives for housing production at all income levels.
 - ♦ **HO-1.6:** Develop process to convert homes to middle housing.

CURRENT POLICY

The City does not currently have any property tax incentive options associated with ADUs.

IMPLEMENTATION CONSIDERATIONS

To implement the ADU property tax exemption under SB 5529, the City would need to adopt an ordinance opting into the program, including defining local standards such as rent limits and minimum lease terms. The City would also need to coordinate with the Snohomish County Assessor to manage applications and reporting. Additionally, it would need to set up an approach for managing program compliance, such as working with a partner organization or establishing relationships with property management companies to screen and income-qualify applicants. To encourage participation, the City could provide educational materials to help homeowners understand program requirements and criteria.

ADDITIONAL CONTEXT

Community engagement: Residents shared enthusiasm for ADUs both as a tool for increasing revenue for homeowners and as an opportunity to add more attainable housing in the City.

Relevant legislation: Senate Bill 5529 (2025) created an optional exemption that allows cities to waive property taxes on the assessed value of detached ADU improvements when they are rented at or below 60% of AMI.

EXAMPLES

- » **King County and Pierce County, WA:** Both counties offer ADU property tax exemptions for ADUs that rent to low-income households.



3. Mid-Term Actions

3.1 WAIVE OR REDUCE IMPACT FEES FOR AFFORDABLE HOUSING.

Action Type: Financial incentive

Goal: Affordable units

Staff Capacity: Low

Reducing or eliminating impact fees can supplement the funding gap needed for developers to produce affordable housing.

COMP PLAN POLICIES

- ◆ **HO-4.1:** Mitigating displacement risk

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City does not currently offer impact fee exemptions or reductions for any type of residential development, but does offer them for low-income childcare facilities. The City could start by reviewing its existing residential impact fee structure and assessing the fiscal implications of providing full or partial waivers for affordable housing developments, coordinating with relevant departments to evaluate potential revenue impacts.

ADDITIONAL CONTEXT

Relevant legislation: RCW 82.02.060 allows local governments to reduce or waive impact fees for affordable housing.

3.2 OFFER DENSITY BONUSES FOR INCOME-RESTRICTED HOUSING IN THE GATEWAY AND NEIGHBORHOOD MIXED USE ZONES.

Action Type: Regulatory change

Goal: Invest in centers

Staff Capacity: Low

In Gateway and Neighborhood Mixed Use zones, where the Comprehensive Plan envisions new housing and mixed-use development near transit and services, density bonuses could help encourage affordable housing production in high-amenity areas. By increasing affordable units, the City can support more equitable access to these amenities.

COMP PLAN POLICIES

- ◆ **HO-1.5:** Implementing incentives for housing production at all incomes
- ◆ **HO-5.1:** Supporting equitable access to varied neighborhoods
- ◆ **HO-5.4:** Facilitating housing opportunities near amenities

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City currently does not offer density bonuses tied to affordable housing in Gateway or Neighborhood Mixed Use zones. Following the completion of the zoning update in these zones (see Action 1.4), staff should monitor development patterns and any feedback from developers interested in developing affordable units. Building on this information, staff should work with the Planning Commission and the City Council to calibrate a potential bonus with City goals and current market conditions. If the City is interested in offering MFTE in these zones, aligning this bonus with MFTE program requirements could create an additional incentive to participate.



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3.3 EXPAND TENANT PROTECTION STRATEGIES TO REDUCE THE RISK OF DISPLACEMENT AND HOUSING INSTABILITY FOR RENTERS.

Action Type: Technical Assistance

Goal: Anti-displacement

Staff Capacity: Medium

Mountlake Terrace renters can face pressures from rising costs, limited affordable options, and the risk of displacement due to redevelopment or rent increases. While state law provides baseline protections like just cause eviction and relocation assistance for manufactured home park closures, cities can also adopt local strategies to address community needs.

COMP PLAN POLICIES

- ♦ **HO-4.1:** Mitigating displacement risk
- ♦ **HO-4.3:** Promoting the Rental Housing Safety Inspection Program
- ♦ **HO-4.4:** Retaining existing residents

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City currently offers the Rental Housing Safety Inspection program. For additional tenant protections, the City could pursue a phased approach, beginning with more accessible steps and building toward stronger protections over time. These protections could include:

- ♦ **Tenant information and outreach:** Advertising existing City, County, and state tenant resources on the City's website, including the Rental Safety Inspection Program.
- ♦ **Relocation assistance:** Adopting a relocation assistance ordinance for tenants displaced by redevelopment or substantial rehabilitation.
- ♦ **Tenant organizing protections:** Adopting a local ordinance protecting tenant organizing to ensure renters can advocate for their rights without retaliation.
- ♦ **Phasing development:** Exploring opportunities for development agreements that phase development to minimize resident displacement.

ADDITIONAL CONTEXT

Community engagement: At the Community Workshop, there was broad support for anti-displacement strategies, including enhanced tenant protections, rental assistance, relocation support, and public acquisition of naturally occurring affordable housing.

EXAMPLES

- » **Notice Period:** The City of Woodinville extended the notice period to 120 days for rent increases greater than 3% and 180 days for increases greater than 10%.
- » **Relocation Assistance:** The City of Olympia passed a set of renter protections that includes a requirement for landlords to provide relocation assistance equal to two and a half months' rent if they are facing a rent increase of more than 7% within a 12-month period or if they must move due to habitability concerns.
- » **Late Fee Caps:** The City of Tacoma also passed a ballot initiative that lowers the cap on late fees from \$75 to \$10 and prohibits move-in fees that exceed the first month's rent.



3.4 ADOPT A 12-YEAR MFTE PROGRAM IN R-2 FOR PROJECTS USING THE RESIDENTIAL AFFORDABILITY PROGRAM DENSITY BONUS.

Action Type: Financial incentive

Goal: Affordable units

Staff Capacity: Medium

Under current market conditions, six-unit projects using the Residential Affordability Program density bonus are less financially viable than four-unit projects permitted by right. Combining this density bonus with a Multifamily Tax Exemption (MFTE) program could make these six-unit projects more feasible than four-unit projects. While townhomes and duplexes are still likely to be the most common middle housing types in R-2, MFTE could encourage developers to participate in the program.

COMP PLAN POLICIES

- ◆ **HO-1.5:** Implementing incentives for housing production at all incomes
- ◆ **HO-5.1:** Supporting equitable access to varied neighborhoods
- ◆ **HO-5.2:** Promoting workforce housing
- ◆ **HO-5.3:** Supporting diverse infill housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

Mountlake Terrace currently offers an MFTE program only in the Town Center, where rental units must be affordable at 80% AMI or below. In the R-2 zone, property owners may build up to four units by right, or up to six units if they provide affordable housing through the City's Residential Affordability Program, which requires income-restricted rental units to be affordable to households earning 60% of the AMI.

The City should consider eligibility criteria for the program, and align requirements with the Residential Affordability Program, including depth of affordability (60% AMI for rentals) and number of required units (five or six, with one or two being affordable).

ADDITIONAL CONTEXT

Feasibility and fiscal analysis results:

- ◆ **Tax exemption impact on development feasibility:** Under current market conditions, for-sale middle housing, such as duplexes or townhomes, is more likely to be developed than fourplexes or sixplexes in the R-2 zone. Additionally, under current market conditions, sixplexes with two bonus affordable units are less financially feasible than fourplexes (allowed by right in R-2). While still less feasible than duplexes or townhomes, sixplexes using the 12-year MFTE program (with 20% of units at 60% of the AMI) are more feasible than fourplexes, creating an incentive to add units.
- ◆ **Tax exemption impact on City revenues:** Among the housing types allowed in R-2, a sixplex not using MFTE would generate the highest revenue from property taxes and sales tax on construction over 20 years. However, after accounting for utility and sales tax revenues associated with additional households, sixplexes built with MFTE could still produce more revenue than other middle housing options, even with the tax exemption.

» For full analysis results, see [Appendix C: Development Feasibility Analysis Findings](#).



3.5 ADOPT AN 8-YEAR MFTE PROGRAM IN R-3 FOR STACKS WITH AT LEAST TEN UNITS TO INCENTIVIZE ACCESSIBLE UNITS.

Action Type: Financial incentive

Goal: Special needs housing

Staff Capacity: Medium

Stacked multiplex developments are required to set aside a certain share of units as accessible under the building code. However, without additional incentives, side-by-side development (such as townhomes) will generally be more feasible than stacked units. While townhomes would likely be more feasible than stacks, MFTE would still increase stacks' feasibility and offer an incentive.

COMP PLAN POLICIES

- ◆ **HO-1.5:** Implementing incentives for housing production at all incomes
- ◆ **HO-3.5:** Incentivizing accessible housing units
- ◆ **HO-5.1:** Supporting equitable access to varied neighborhoods

CURRENT POLICY & IMMEDIATE NEXT STEPS

For multifamily buildings with elevators, the Washington State Building Code requires 5% of units to be Type A accessible in buildings with more than ten dwellings and all units to be Type B accessible in buildings with more than four dwellings. For multifamily buildings without elevators, these requirements apply only to ground-floor units. These requirements do not apply to multistory units like townhomes.

The City should consider eligibility criteria for the program and set requirements to maximize accessible units in participating buildings. To ensure buildings include Type A accessible units, the City could limit eligibility to buildings with more than ten units or set a program requirement that all participating buildings must include a certain share of Type A units.

ADDITIONAL CONTEXT

Local data: There is likely demand for accessible units in the City: a quarter (26 percent) of Mountlake Terrace households include someone with a disability. The share of seniors in the community is also increasing, with roughly one in ten households being a senior living alone.

Feasibility and fiscal analysis results:

- ◆ **Tax exemption impact on development feasibility:** Townhomes are the most likely middle housing type to be developed in the R-3 zone, especially if MFTE is not offered.
- ◆ **Tax exemption impact on City revenues:** As previously noted, townhomes would likely generate the highest revenue over 20 years. Comparing a 12-unit townhome prototype to a 12-unit multiplex prototype (without MFTE), the multiplex prototype would generate roughly \$47,000 less revenue for the City over 20 years. If the same multiplex prototype uses the 8-year MFTE program, it will generate roughly \$73,000 less than the townhome prototype over the 20 years, or \$12,200 per accessible unit.

» For full analysis results, see [Appendix C: Development Feasibility Analysis Findings](#).



3.6 ADOPT A 12-YEAR MFTE PROGRAM IN R-3 IN ALIGNMENT WITH THE RESIDENTIAL AFFORDABILITY PROGRAM.

Action Type: Financial incentive **Goal:** Affordable units **Staff Capacity:** Medium

While townhomes would likely still be more feasible than stacked development, offering MFTE would increase the feasibility of stacks. In addition to the income-restricted units required for the 12-year program, stacks also tend to have smaller units than other forms of middle housing, often resulting in lower overall prices.

COMP PLAN POLICIES

- ♦ **HO-1.5:** Implementing incentives for housing production at all incomes
- ♦ **HO-5.1:** Supporting equitable access to varied neighborhoods
- ♦ **HO-5.2:** Promoting workforce housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

In the R-3 zone, the number of units allowed by right is primarily determined by floor area ratio (FAR). All buildings with at least six units are limited to an FAR of 1.4, with a bonus FAR of 0.5 for stacks. For projects opting into the Residential Affordability Program, buildings may have an FAR of 2.4 if at least 20% of units are affordable at 60% AMI (for rentals) for 50 years.

The City should consider eligibility criteria for the program and align requirements with the Residential Affordability program. The City could also consider combining this 12-year program with additional accessibility requirements (see Action 3.5).

ANALYSIS FINDINGS

Feasibility and fiscal analysis results:

- ♦ **Tax exemption impact on development feasibility:** Townhomes are the most likely middle housing type to be developed in the R-3 zone, especially if MFTE is not offered. However, both the 8-year and the 12-year program (with 20% of units affordable at 60% AMI) would improve development feasibility for stacked development, with a greater increase from the 12-year program.
- ♦ **Tax exemption impact on City revenues:** If stacked development used the Residential Affordability Program density bonus to include additional units, these units could potentially offset the costs of the tax exemption after accounting for other revenues linked to additional households (such as household sales and utility taxes). In the fiscal analysis, the multiplex prototype using the 12-year program would generate roughly \$23,000 less in revenue over a 20-year period, or \$7,700 per affordable unit, when compared to the 12-unit townhome prototype.

» For full analysis results, see [Appendix C: Development Feasibility Analysis Findings](#).



3.7 EXPAND THE 12-YEAR TOWN CENTER MFTE PROGRAM TO THE GATEWAY AND NEIGHBORHOOD MIXED USE ZONES.

Action Type: Financial incentive **Goal:** Invest in centers **Staff Capacity:** Medium

The updated mixed-use land use areas will provide more opportunities for residential development at higher densities. However, feasibility analysis suggests that under current market conditions, multifamily and mixed-use development may be infeasible in these areas without additional incentives.

COMP PLAN POLICIES

- ◆ **HO-5.1:** Support equitable access to varied neighborhoods
- ◆ **HO-5.2:** Promoting workforce housing
- ◆ **HO-5.4:** Facilitate housing opportunities in high amenity areas

CURRENT POLICY & IMMEDIATE NEXT STEPS

In 2022, the City Council re-established the City's MFTE program, adopting both an 8-year and a 12-year program (20% of units at 80% AMI) in the Town Center subarea. To date, five projects have used the 8-year program, and one is currently applying for the 12-year program, with potential interest from up to three other projects. In 2024, the Council authorized an optional 12-year extension for projects using the 12-year program.

The City should consider eligibility criteria for the potential program expansion, including the expanded target area, number and depth of affordable units, and any additional requirements for public benefits or considerations for development in these zones.

ADDITIONAL CONTEXT

Feasibility and fiscal analysis results:

- ◆ **Tax exemption impact on development feasibility:** Market-rate podium development is likely infeasible under current market conditions. However, development could be feasible with an 8-year or 12-year MFTE program, assuming the 12-year program required 20% of units to be affordable to households earning 80% of the AMI or below. For podium development, which typically has higher market rents per square foot than smaller middle housing development, a 60% AMI requirement for the 12-year program is likely too low to make development pencil. A 70% AMI requirement for the program could be enough to make development feasible under certain circumstances (e.g., if land could be acquired at a lower price), but would likely be less of an incentive than the 8-year program.
- ◆ **Tax exemption impact on City revenues:** If the podium development were feasible today, the City would earn the highest revenue by not offering a tax exemption. However, a 5-year delay in construction could cost the City more than an MFTE incentive over 20 years, after accounting for additional revenues such as construction and resident sales taxes, utility taxes, and shared state revenues. Because the Gateway and Neighborhood Mixed Use zones currently have fewer amenities than the Town Center zone, additional incentives may be needed in these zones to catalyze development.



» For full analysis results, see [Appendix C: Development Feasibility Analysis Findings](#).

3.8 CONTINUE OFFERING MFTE IN TOWN CENTER, BUT CONSIDER PHASING OUT THE 8-YEAR OPTION.

Action Type: Financial incentive

Goal: Affordable units

Staff Capacity: Medium

Feasibility analysis suggests that the 8-year and 12-year program (at 80% AMI) have an equivalent effect on feasibility, and focusing incentives on the 12-year program could help the City strengthen the incentive for affordable housing in Town Center. However, there are tradeoffs for both programs that the City should consider.

COMP PLAN POLICIES

- ♦ **HO-5.1:** Support equitable access to varied neighborhoods
- ♦ **HO-5.2:** Promoting workforce housing
- ♦ **HO-5.4:** Facilitate housing opportunities in high amenity areas

CURRENT POLICY & IMMEDIATE NEXT STEPS

In Town Center to date, five projects have used the 8-year program, and one is currently applying for the 12-year program, with potential interest from up to three other projects.

The City should consider the tradeoffs of both the 8-year and the 12-year program in the context of its policy goals. While the 8-year and 12-year programs have a similar impact on project feasibility, the 12-year program would generate less revenue for the City than the 8-year program. However, the 12-year program would include 20% affordable units. Current affordable units (at 80% AMI) are similar to current market rate rents but could limit rent increases for those units as market rents rise.

ADDITIONAL CONTEXT

Feasibility and fiscal analysis results:

- ♦ **Affordable and market-rate rents:** For podium development, rents affordable at 80% AMI are roughly 96% of current market-rate rents. Rents affordable at 70% AMI are roughly 84% of current market rates, while those at 60% AMI are about 71%.
- ♦ **Tax exemption impact on development feasibility:** Market-rate podium development is likely infeasible under current market conditions. However, the 8-year and 12-year MFTE programs have a similar positive impact on feasibility, assuming the 12-year program required 20% of units to be affordable to households earning 80% of the AMI or below. For podium development, which typically has higher market rents per square foot than smaller middle housing development, a 60% AMI requirement for the 12-year program is likely too low to make development pencil. A 70% AMI requirement for the program could be enough to make development feasible under certain circumstances (e.g., if land could be acquired at a lower price), but would likely be less of an incentive than the 8-year program.
- ♦ **Tax exemption impact on City revenues:** In the fiscal analysis, the City's revenue with the 12-year program would decrease by roughly \$13,500 total per affordable unit over the



program's duration, compared to development without MFTE (built in 2025), or \$4,700 per affordable unit compared to the 8-year program.

» For full analysis results, see [Appendix C: Development Feasibility Analysis Findings.](#)

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4. Long-Term Actions

4.1 ENCOURAGE ANY AFFORDABLE HOMEOWNERSHIP UNITS TO BE STEWARDED BY A COMMUNITY LAND TRUST (CLT).

Action Type: Partnership

Goal: Affordable units

Staff Capacity: Medium

Market-rate developers are generally not structured to manage the long-term administrative requirements of income-restricted homeownership. Partnering with a Community Land Trust (CLT) ensures these homes remain affordable for future buyers by providing ongoing stewardship, compliance monitoring, and homeowner support.

COMP PLAN POLICIES

- ♦ **HO-1.7:** Supporting alternative access to homeownership
- ♦ **HO-2.3:** Pursuing partnerships to support affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

There are not currently any income-restricted homeownership units in the City. Additionally, administering income-restricted homeownership programs requires long-term monitoring, compliance, and stewardship to ensure that affordability is maintained across resales. Developers are unlikely to take this on once they sell the unit, and this administration can take significant City staff time. However, if the units are not managed correctly, they can risk losing their affordability covenant.

The City could reach out to CLTs in the broader region to explore opportunities for developing or acquiring housing units in Mountlake Terrace (see Action 5.5). The City could also connect developers open to developing affordable homeownership units with any interested CLTs.

ANALYSIS FINDINGS

Local data: Homeownership is increasingly out of reach for many residents. The median home sales price in Mountlake Terrace more than tripled from 2012 to 2023. As of 2023, a household would need to earn slightly above the area median income (\$146,500) to afford the median home price, qualifying less than 20% of Mountlake Terrace households.⁸

Community engagement: Market-rate developers shared that they are unlikely to develop income-restricted homeownership units, even with incentives like MFTE, due to the additional complexity of financing and administering the units.

⁸ Mountlake Terrace Vision 2044 Comprehensive Plan, page 392.



4.2 TRANSFER OR LONG-TERM LEASE CITY REAL-ESTATE HOLDINGS TO A MISSION-DRIVEN DEVELOPER.

Action Type: Partnership

Goal: Affordable units

Staff Capacity: High

Removing the cost of land acquisition can make affordable housing significantly more feasible and strengthen mission-driven developers' competitiveness for public funding, since many state and federal programs prioritize applications with local contributions.

COMP PLAN POLICIES

- ♦ **HO-2.3:** Pursuing partnerships to support affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City has not previously contributed land to a development project and does not currently have a process for evaluating properties or making land use decisions for them. To begin, the City could prepare a baseline inventory of City-owned parcels, including zoning, size, and existing uses, and consider if any parcels could be appropriate for future use.

ANALYSIS FINDINGS

Community engagement: Mission-driven developers shared that providing land or publicly owned property can be an effective non-subsidy incentive, especially for producing deeply affordable housing. Because land costs are often one of the largest expenses in development, offering discounted or no-cost land can significantly reduce the total project cost to help make housing affordable for households earning below 30% AMI financially feasible.

4.3 STRATEGICALLY TARGET PUBLIC INVESTMENTS TO ADD AMENITIES AND ATTRACT DEVELOPMENT.

Action Type: Financial incentive

Goal: Invest in centers

Staff Capacity: High

Public investments in amenities and infrastructure, such as sidewalks, parks, and utility upgrades, can reduce development barriers and make key areas more attractive for housing. By focusing these investments in the priority growth areas identified in Vision 2044, the City can maximize the impact of its resources and help attract housing development near transit and amenities.

COMP PLAN POLICIES

- ♦ **HO-5.1:** Supporting equitable access to varied neighborhoods
- ♦ **HO-5.4:** Facilitating housing opportunities near amenities

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City invests in infrastructure and amenities primarily through its Capital Improvement Program (CIP) and transportation plans, which prioritize projects based on safety, capacity, and maintenance needs. While priority projects support health and safety, the City could add scoring criteria to consider the project's potential impact on development in Gateway, Neighborhood Mixed Use, or other planned growth areas. The City could begin this process during its upcoming Water, Sewer, Stormwater, and Transportation Plan updates.



4.4 PURSUE FUNDING FOR INFRASTRUCTURE IMPROVEMENTS THAT COULD ENABLE AT-RISK AFFORDABLE HOUSING PRESERVATION.

Action Type: Partnership

Goal: Anti-displacement

Staff Capacity: High

Many of Mountlake Terrace's affordable homes are in older buildings or manufactured home communities with aging public infrastructure (such as sewer lines), and the investment needed to update these properties can make it financially infeasible for the Housing Authority of Snohomish County (HASCO) or other mission-driven organizations to acquire and preserve these properties.

COMP PLAN POLICIES

- ♦ **HO-4.1:** Mitigating displacement risk
- ♦ **HO-4.2:** Preserving affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

Snohomish County distributes funding to cities that could potentially cover infrastructure upgrades or repairs, such as Community Development Block Grants (CDBG); however, Mountlake Terrace has not previously received this funding for a project of this type.

The City could coordinate with HASCO to create a shared list of older affordable properties and manufactured home communities where infrastructure upgrades are major barriers to reinvestment and preservation (see Action 5.12). For selected sites, the City could pursue funding for infrastructure improvements from County-managed funding streams, like CDBG or HB 1509 sales tax revenues, while HASCO pursues acquisition financing (see Action 5.2).

ANALYSIS FINDINGS

Community engagement: Mission-driven developers shared that aging infrastructure, including outdated sewer, water, and utility systems, can be a major barrier to preserving existing affordable housing in Mountlake Terrace. Many older multifamily and manufactured housing communities require substantial infrastructure investment before rehabilitation or acquisition can occur, making preservation projects financially infeasible without public support.



5. Ongoing Actions

5.1 CONTINUE PARTICIPATING IN REGIONAL HOUSING EFFORTS.

Action Type: Partnership

Goal: Housing production

Staff Capacity: Low

Participating in regional housing efforts, including the Affordable Housing Alliance, Housing Consortium, and Snohomish County Tomorrow, can strengthen Mountlake Terrace's role in shaping housing policy and accessing shared resources. These forums provide opportunities to collaborate with neighboring jurisdictions, align on regional strategies, and advocate for local priorities. Active participation would also help the City stay informed about funding opportunities, legislative changes, and best practices.

COMP PLAN POLICIES

- ◆ **HO-2.2:** Coordinating with regional partners on informational materials
- ◆ **HO-2.3:** Pursuing partnerships to support affordable housing
- ◆ **HO-4.5:** Building relationships for community development

CURRENT POLICY & IMMEDIATE NEXT STEPS

Mayor Matsumoto-Wright currently represents the City at the Affordable Housing Alliance, and the City has representatives at Snohomish County Tomorrow. However, coordination could be improved to maximize advocacy potential by sharing information and upcoming opportunities with other representatives and relevant City department heads.

5.2 PROACTIVELY ENGAGE SNOHOMISH COUNTY TO CLARIFY PLANS FOR DISTRIBUTING AFFORDABLE HOUSING FUNDING SOURCES.

Action Type: Partnership

Goal: Affordable units

Staff Capacity: Medium

Snohomish County distributes a variety of funding sources to cities, including Mountlake Terrace. Proactively coordinating with the County to understand funding priorities and highlight local opportunities could help the City access resources that support both housing development and other needs, like infrastructure.

COMP PLAN POLICIES

- ◆ **HO-2.3:** Pursuing partnerships to support affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

Snohomish County Housing and Community Services Division collects and distributes funding to local cities, including Mountlake Terrace, through an interlocal agreement (the Snohomish County Consortia), including CDBG, CoC, ESG, HOME, NSP, CHG, AHTF, and EHP funds. The County also has two affordable housing funding sources from sales taxes: HB1509 and HB1406. In 2024, 12 jurisdictions in Snohomish County collected \$2.18 million through HB1406 sales tax credits, and Snohomish County collected \$22 million through HB1509 sales tax. Since its adoption in 2021, the County has not yet begun to distribute the HB1509 funds, which totaled over \$60 million as of 2025. City staff or elected officials could initiate coordination with Snohomish County Housing and Community Services staff to clarify timelines, eligibility criteria, and priorities for distributing available housing and infrastructure funds.



5.3 SUPPORT PUBLIC FUNDING APPLICATIONS FOR AFFORDABLE HOUSING PROJECTS THAT ALIGN WITH CITY PRIORITIES.

Action Type: Partnership

Goal: Affordable units

Staff Capacity: Low

Many public funding programs for affordable housing consider local government support as part of their evaluation criteria. Providing a letter of support and committing to helping remove local development barriers can signal project readiness and improve the competitiveness of funding applications.

COMP PLAN POLICIES

- ♦ **HO-2.3:** Pursuing partnerships to support affordable housing.

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City does not currently have a formal policy or mechanism for supporting publicly funded projects, though it has relationships with affordable housing developers. The City could begin by establishing and maintaining regular communication with mission-driven housing developers to anticipate upcoming funding applications and support needs.

ADDITIONAL CONTEXT

Community engagement: Mission-driven developers shared that demonstrating City support can be a significant asset for funding applications.

5.4 SUPPORT AFFORDABLE HOUSING DEVELOPMENT ON PROPERTIES OWNED BY RELIGIOUS ORGANIZATIONS.

Action Type: Partnership

Goal: Affordable units

Staff Capacity: Low

Religious organizations are eligible for affordable housing density bonuses under state legislation and often own well-located properties with existing infrastructure that can support affordable housing development.

COMP PLAN POLICIES

- ♦ **HO-2.3:** Pursuing partnerships to support affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

There has been some development interest by religious organizations in Mountlake Terrace, but no projects have been completed to date. To begin, the City could reach out to faith-based organizations to gauge interest in affordable housing development and share relevant development incentives that might apply.

ADDITIONAL CONTEXT

Relevant legislation: Under RCW 36.70A.545, cities must allow density bonuses for affordable housing developments by religious organizations.



5.5 PARTNER WITH COMMUNITY LAND TRUSTS (CLTS) OR OTHER ORGANIZATIONS THAT SUPPORT ALTERNATIVE HOMEOWNERSHIP MODELS.

Action Type: Partnership

Goal: Affordable units

Staff Capacity: Low

A community land trust (CLT) is a nonprofit organization that acquires and holds land for the long term to ensure that housing built on it remains permanently affordable, typically by separating ownership of the land from ownership of the home and limiting resale prices to keep units accessible for future income-qualified buyers. Building partnerships with CLTs could expand long-term affordable homeownership opportunities in the City while market home sales prices rise.

COMP PLAN POLICIES

- ♦ **HO-1.7:** Supporting alternative access to homeownership
- ♦ **HO-2.2:** Coordinating with regional partners on informational materials
- ♦ **HO-2.3:** Pursuing partnerships to support affordable housing.

CURRENT POLICY & IMMEDIATE NEXT STEPS

Currently, one CLT (Homes and Home Community Land Trust) is active in Snohomish County, but Mountlake Terrace does not currently have any projects engaged with a CLT.

The City could start by identifying active CLTs in the region and reaching out to explore opportunities and interest in expansion into Mountlake Terrace. The City could also explore whether there are federal resources (such as the HUD Self-Help Homeownership Opportunity Program) or local funding sources, such as an affordable housing fund, that the City could support the CLT in applying for (see Action 5.3). Barring funding availability, the City could consider selling or donating surplus or unused land to the CLT (see Action 4.2).

ANALYSIS FINDINGS

Community engagement: In community workshops, there was significant interest in models that ensure long-term affordability through community ownership. Residents referenced tools such as community land trusts, housing cooperatives, lease-purchase models, affordability covenants, and inclusionary zoning.

EXAMPLES

- » [The City of Chelan and Chelan County](#) built a collaborative relationship with the Chelan Valley Housing Trust and provide \$20,000 yearly to fund the CVHT's operations.
- » [The Olympic Housing Trust](#), located in Port Angeles, formed in 2008 in response to Port Angeles' need to revive and dispose of four vacant homes. OHT now partners with the City of Port Townsend and is building the Dundee Hill and Chimacum Commons projects.
- » [The Methow Valley Housing Trust](#) in Winthrop partnered with the Housing Authority of Okanogan County to create new permanent affordable development containing 40 homes and 22 rental units.



5.6 HOST REGULAR EDUCATIONAL COMMUNITY WORKSHOPS ABOUT DEVELOPMENT TO SHARE INFORMATION AND PROVIDE ASSISTANCE.

Action Type: Assistance

Goal: Housing production

Staff Capacity: Medium

Specific workshops could provide information on the development process, such as permit processes, building requirements, and financing. They could also offer space for participants to ask questions and receive direct support, helping property owners and small developers feel more confident in pursuing housing projects.

COMP PLAN POLICIES

- ♦ **HO-2.1:** Providing resources on regulations and permitting
- ♦ **HO-2.2:** Coordinating with regional partners on informational materials

CURRENT POLICY & IMPLEMENTATION STEPS

The City already regularly hosts community events on a variety of issues. The City could plan to focus a certain number of these meetings on the development process and reach out to City staff and professionals with a range of expertise to present on specific topics.

ANALYSIS FINDINGS

Community engagement: Both development professionals and residents, particularly those with limited development experience, shared that additional resources or information on topics across the development process would be helpful.

5.7 PROVIDE TECHNICAL ASSISTANCE FOR NAVIGATING PERMITTING PROCEDURES AND REQUIREMENTS.

Action Type: Assistance

Goal: Housing production

Staff Capacity: High

Permitting can be especially challenging for homeowners, small-scale builders, and nonprofit housing providers who may not be familiar with the City's processes. Offering guidance can make permitting more efficient and reduce barriers to development.

COMP PLAN POLICIES

- ♦ **HO-2.1:** Providing resources on regulations and permitting

CURRENT POLICY & IMMEDIATE NEXT STEPS

Currently, residents can schedule a 30-minute in-person or virtual meeting with a City planner. As the City updates its development code, processes, and informational materials, it should continue to allocate staff time for training on current requirements and resources.

ANALYSIS FINDINGS

Community engagement: Both development professionals and residents, particularly those with limited development experience, shared that assistance from City staff would help navigate City requirements. As the City updates its code, developers shared that staff availability could help save time and money in permitting, increasing development feasibility.



5.8 SUPPORT OPPORTUNITIES TO PURCHASE MANUFACTURED HOME COMMUNITIES.

Action Type: Assistance

Goal: Anti-displacement

Staff Capacity: Low

Helping residents and partners take advantage of purchase opportunities could help preserve an important source of naturally occurring affordable housing. Facilitating access to technical assistance, outreach, or partnerships would support community stability and reduce the risk of displacement when manufactured home parks are put up for sale.

COMP PLAN POLICIES

- ♦ **HO-2.2:** Coordinating with regional partners on informational materials
- ♦ **HO-2.3:** Pursuing partnerships to support affordable housing.
- ♦ **HO-4.2:** Preserving affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

Recent state legislation requires owners to give notice of the opportunity to compete to purchase when selling a manufactured/mobile home community. Notice needs to be provided to each tenant, tenant organizations, the Department of Commerce, the City, HASCO, and the Washington State Housing Finance Commission. Following notice, tenants have 70 days to form a qualified tenant organization to purchase the community.

The City could plan to provide letters of support, connecting residents with nonprofit housing organizations such as ROC Northwest, or offering technical guidance. The City could also consider adopting stronger protections, like tenant opportunity to purchase or right of first refusal policies (see Action 3.3).

ANALYSIS FINDINGS

Local data: Manufactured homes can be an opportunity for homeownership for lower-income households. In 2023, the majority of homes sold for less than \$300,000 in Mountlake Terrace in 2023 were mobile or manufactured homes, while single-family home sales prices ranged from roughly \$400,000 to over \$1,000,000, with a median sales price of just under \$600,000.⁹

EXAMPLES

» **Snohomish County:** In June 2024, 200 residents gathered for a forum to discuss rising rent, new rules and managerial conduct amidst the corporate acquisition of their mobile home parks. At this forum, several resource groups for manufactured-home owners were present to describe their work and the viability or non-viability of forming collective purchasing groups. For example, the Washington State Housing Finance Commission program and partnership with ROC (Resident Owned Community) Northwest and ROC USA offers financial tools and guidance for manufactured-housing communities to become self-owned cooperatives.

⁹ Mountlake Terrace Vision 2044 Comprehensive Plan, page 389.



5.9 ENFORCE MAINTENANCE OF INVESTMENT PROPERTIES TO DISINCENTIVIZE VACANT AND DETERIORATING BUILDINGS.

Action Type: Increase enforcement

Goal: Invest in centers

Staff Capacity: High

Some investors are purchasing older homes, delaying maintenance, and holding the properties in deteriorating condition while waiting for redevelopment value to increase, particularly in Town Center. When buildings fall into disrepair, it can discourage investment in nearby properties and lead to the loss of habitable housing. Strengthening code enforcement could discourage speculative disinvestment.

COMP PLAN POLICIES

- ◆ **HO-4.4** Retaining existing residents
- ◆ **HO-5.1:** Supporting equitable access to varied neighborhoods
- ◆ **HO-5.4:** Facilitating housing opportunities near amenities

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City has a property maintenance code that levies fees on deteriorating properties. To date, the City has only enforced this code for deteriorating commercial buildings in Town Center. The City should continue to facilitate code enforcement for vacant and deteriorating buildings, including residential development, that do not have active permits. The City should also ensure staff have the capacity and support to implement these efforts.

5.10 ADVOCATE FOR THE STATE LEGISLATURE TO EXPAND OPPORTUNITIES FOR HOME OWNERSHIP OF DIFFERENT HOUSING TYPES THROUGH THE CONDOMINIUM (CONDO) PROCESS.

Action Type: Advocacy

Goal: Housing diversity

Staff Capacity: Low

Condos can be one of the more attainable forms of homeownership for moderate-income households. However, Washington state legislative requirements for condos defect liability often impose barriers to their development. While the City cannot directly impact state legislators, it can provide public support for legislation addressing these barriers.

COMP PLAN POLICIES

- ◆ **HO-1.7:** Supporting alternative access to homeownership
- ◆ **HO-2.4:** Advocating for expanded homeownership opportunities

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City currently provides public comment on proposed legislation annually. During future legislative cycles, relevant staff or representatives should coordinate with regional advocates or organizations to monitor for and formally support legislation that could reduce barriers to condominium development.

ADDITIONAL CONTEXT

Local data: Condos can be a more attainable form of homeownership. While single-family home prices in 2023 ranged from roughly \$400,000 to over \$1,000,000, condo sales prices ranged from approximately \$300,000 to \$500,000.



5.11 MONITOR LAND CAPACITY AND DEVELOPMENT TRENDS, AND UPDATE DEVELOPMENT REGULATIONS IF NEEDED.

Action Type: Advocacy

Goal: Housing production

Staff Capacity: Low

Monitoring land capacity and development trends will ensure the City is on track to meet Vision 2044 housing targets. Tracking outcomes of recent and future code changes will also allow the City to be responsive in making any changes needed to support development goals.

COMP PLAN POLICIES

- ♦ **HO-2.5:** Planning for housing needs at all income levels
- ♦ **HO-2.6:** Monitoring and reporting on housing supply

CURRENT POLICY & IMMEDIATE NEXT STEPS

As a component of the Growth Management Act, the Buildable Lands program under RCW 36.70A.215 already requires Snohomish County and the cities within it to submit a report reviewing actual development and to determine that they have designated adequate amounts of residential, commercial, and industrial lands to meet the growth needs incorporated in their comprehensive plans.

5.12 MONITOR BOTH REGULATED AND NATURALLY OCCURRING AFFORDABLE HOUSING UNITS AT RISK FOR REDEVELOPMENT.

Identifying and monitoring both regulated and naturally occurring affordable housing units that are at risk of redevelopment could help the City take proactive steps to preserve these housing options. Tracking both regulated and unregulated units would allow the City to coordinate with property owners and housing partners and take actions for preservation and/or tenant support.

COMP PLAN POLICIES

- ♦ **HO-2.5:** Planning for housing needs at all income levels
- ♦ **HO-2.6:** Monitoring and reporting on housing supply
- ♦ **HO-4.2:** Preserving affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

PSRC maintains a database of income-restricted affordable housing; the City does not currently have a process for tracking regulated or unsubsidized affordable housing. To begin, the City could coordinate with HASCO and PSRC to create a shared list of older affordable properties and manufactured home communities where infrastructure upgrades are major barriers to reinvestment and preservation (see Action 4.4).

EXAMPLES

- » **Brooklyn Park, Minnesota:** In 2017, the City established the NOAH Preservation Program in 2017 to monitor older rental buildings that are still affordable but vulnerable. Working with data partners, the city regularly identifies aging buildings with below-market rents, tracks ownership changes, and proactively invests in preservation strategies.
- » **Bellevue:** The City provides an Affordable Housing Inventory map that identifies NOAH properties for prospective residents.



4. Appendix A: Comprehensive Plan Sources

This HAP is intended to implement the Comprehensive Plan's Housing Element. In addition to the goals and policies, the project team also reviewed:

Housing Element Implementation Strategies: As part of the Housing Element, the City Council selected several priority policies to identify potential implementation steps for. In addition to considering these Council priorities, the project team evaluated and incorporated many of these implementation steps into HAP actions.

Comprehensive Plan Land Use Element: While the HAP focuses on implementing the Housing Element policies, it is also closely linked to the Land Use Element, which establishes where and how future growth can occur by designating densities and development patterns.

Comprehensive Plan Community Engagement: The vision outlined in the Comprehensive Plan reflects the community's priorities, gathered through extensive engagement and analysis throughout the comprehensive planning process. The Comprehensive Plan project team used various methods to engage the community, including open houses, public meetings, surveys, interviews, and targeted outreach to groups that may not have been fully represented in previous planning efforts. These groups included people of color impacted by discriminatory housing practices, individuals with disabilities, those experiencing cost burdens, and people with lived experience of homelessness. The Comprehensive Plan also incorporated input from the City Council, the Planning Commission, a Comprehensive Plan Advisory Group, city staff, and other community partners to create a shared vision and build consensus around the Plan's goals and policies.

» For a full description of community engagement in the comprehensive planning process, see Appendix A in the [Mountlake Terrace Comprehensive Plan](#).

Housing Element Background Analysis: In addition to community engagement, the Comprehensive Plan's Housing Element goals and policies are informed by supplemental analyses, including a housing needs assessment, a residential land capacity analysis, and a policy analysis of potentially racially disparate impacts.

» For the full Housing Element Background Analysis, see Appendix C in the [Mountlake Terrace Comprehensive Plan](#).



5. Appendix B: Community Engagement Summary

Approach

The approach to developing the Mountlake Terrace Housing Action Plan (HAP) combined broad-based community engagement with targeted stakeholder interviews to ensure that recommendations are both equitable and implementable. Together, these activities provided a multidimensional understanding of local housing needs, development challenges, and community priorities.

Key Themes from Community Workshop

The in-person community workshop, held at Mountlake Terrace City Hall from 6–8 PM, was designed as an open house to:

- 1) Introduce the Housing Action Plan (HAP) and its objectives.
- 2) Present alternative zoning amendment scenarios and assumptions.
- 3) Collect community feedback on housing needs, challenges, and priorities.
- 4) Ensure transparency in the code amendment and policy development process.

The event featured informational boards and visual displays, sticky-note comment activities, and provided free food, drinks, and childcare to encourage broader participation. Feedback themes from residents, developers, and advocates included:

High Interest in ADUs	Anti-Displacement	Equity in Design Standards	Infrastructure Limitations	Walkability and Amenities
Residents shared enthusiasm for ADUs as affordable and income-generating options, but noted that regulations are confusing and overly restrictive.	Attendees voiced support for strategies such as tenant protections, rental assistance, and acquisition of naturally occurring affordable housing.	Some highlighted that design requirements for ADUs often do not reflect the existing housing variety in MLT.	Concerns were raised about whether aging roads and schools could support population growth.	Participants emphasized the need for walkable neighborhoods connected to libraries, groceries, and transit.

High Interest in ADUs: Community members expressed strong support for allowing more accessory dwelling units (ADUs), including the possibility of permitting two ADUs per lot. Residents see ADUs as both a tool for expanding affordable housing options and a means of generating household income. However, participants shared frustrations about existing regulations being overly complex and restrictive, particularly aesthetic design requirements



that are difficult to meet given Mountlake Terrace's diverse housing stock. Several attendees brought their own ADU design plans to the workshop, emphasizing the depth of local interest and readiness.

Anti-Displacement Concerns: Many attendees raised concerns about rising housing costs and the potential for displacement of renters and low-income residents. There was broad support for anti-displacement strategies, including enhanced tenant protections, rental assistance, relocation support, and public acquisition of naturally occurring affordable housing. Participants also emphasized the importance of equitable development and ensuring that housing policies protect the most vulnerable members of the community.

Equity in Design Standards: There was significant interest in models that ensure long-term affordability through community ownership. Participants supported tools such as community land trusts, housing cooperatives, lease-purchase models, affordability covenants, and inclusionary zoning. These strategies were seen as essential for keeping housing affordable and preventing speculation, with many attendees also calling for policies to limit investor ownership in residential neighborhoods.

Infrastructure Limitations: Participants questioned whether Mountlake Terrace's existing infrastructure could support additional housing development. Concerns were raised about the condition and capacity of older roads, stormwater systems, and public schools. While some welcomed growth, others expressed unease about the potential strain on local services and the risk of declining home values due to increased density.

Walkability and Amenities: Attendees shared a strong desire for neighborhoods that are walkable and close to key amenities such as grocery stores, libraries, parks, and transit. This feedback reflects a preference for compact, mixed-use development that supports everyday needs within walking distance. Walkability was viewed not only as a matter of convenience but also as a way to enhance livability and reduce reliance on cars.

Clarity and Transparency: Residents asked for clearer and more user-friendly development regulations, noting that current rules can be difficult to navigate. There was also a desire for greater transparency in how community input will shape zoning amendments and housing policy decisions. Some attendees expressed interest in learning from other jurisdictions that have successfully implemented similar housing strategies, suggesting that comparative examples could help build public understanding and trust.

Key Themes from Interviews

To complement community feedback with technical and implementation-oriented insight, the City and consultant team conducted a series of interviews with local developers, builders, and other real estate professionals. These conversations focused on zoning flexibility, design standards, financing barriers, and opportunities for regional coordination.



Zoning and Design Updates	Incentives	Partnerships	Advocacy
Developers emphasized the need for flexible zoning, clear design standards, and a streamlined, transparent permitting process.	Interviews brought to light a variety of potential incentives to produce more diverse and affordable housing, including MFTE and density bonuses.	Interviewees suggested different partnership pathways with regional and county organizations to support housing action.	Developers also suggested that the City engage in state and county-level advocacy for policy change and financial investments.

Zoning and Design Updates: Developers emphasized the need for flexible zoning, clear design standards, and a streamlined, transparent permitting process. Suggestions included higher lot coverage, expanded height flexibility, reduced setbacks, more allowances (garages, parking reductions, commercial space flexibility, ground floor human/community services), and optional tree preservation. Developers also called for form-based codes and clearer language on yards, setbacks, and roof pitch.

Incentives: Developers recommended a variety of incentives to produce more diverse and affordable housing, including using Multifamily Tax Exemption tools, providing density bonuses, supporting condo conversions, offering pre-approved ADU plans, and providing letters of support for housing project grant applications with City commitments toward land use flexibility and fast-track permitting. Developers pointed to policies in Edmonds and Everett as models for implementing these recommendations.

Partnerships: Developers discussed potential partnership pathways for the City to support housing production. One interviewee suggested a countywide partnership to lobby for a ballot measure and share revenues regionally. Others mentioned joining regional organizations like the Alliance for Housing Affordability, which convenes all Snohomish County cities to provide research, technical assistance, and political space to support local housing action. Snohomish County Tomorrow also provides a formal venue to coordinate on housing targets and land use.

Advocacy: Developers also suggested that the City engage in state and county-level advocacy. For example, the City could lobby for policy changes such as condominium reform to enable small ownership models. At the county level, the City could monitor Snohomish County's allocation of \$20 million in HB 1590 funding and advocate for the county to invest some of those dollars into activities that are aligned with the City's goals.

6. Appendix C: Development Feasibility Analysis Findings

The project team tested the impact of the 8-year and 12-year MFTE program in three scenarios:

1. **Middle housing development in the R-2 zone**, including duplexes, townhomes, fourplexes, and sixplexes.
2. **Middle housing development in the R-3 zone**, including townhomes and multiplexes.
3. **Podium development in mixed-use zones**.

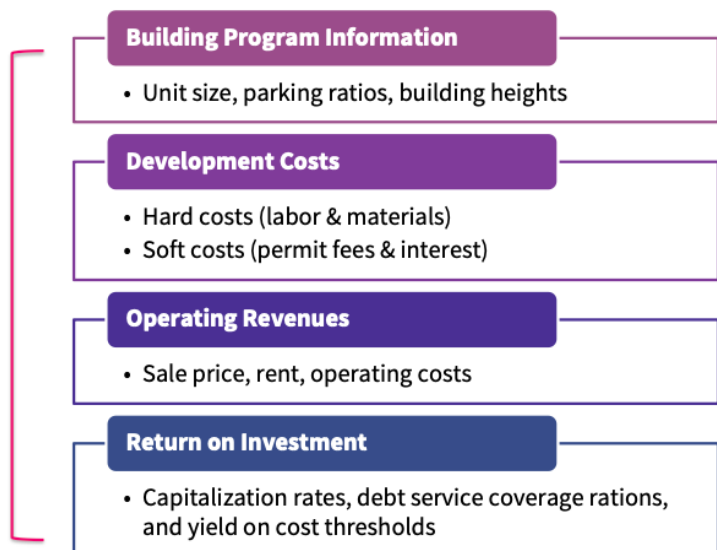
This analysis has two components: an assessment of the program's impact on development feasibility and the impact on City revenues.

Feasibility Analysis

To evaluate the financial viability of the proposed development prototypes, we used a range of inputs necessary for financial pro forma modeling (displayed on the right) to calculate the residual land value for each prototype.

Residual Land Value (RLV) is a strong indicator metric of the relative likelihood that development will occur for both rental and ownership products, demonstrating whether a developer can purchase land and whether there is a market incentive for investment. RLV is calculated as the remainder between a development's value and the cost it takes for development, as shown in the graphic below.

The value of a development project is projected somewhat differently for rental or ownership products. For rental properties, the value is reflected in its Net Operating Income (NOI), which is the property's annual rental income (from residential or commercial tenants), and any additional revenue after accounting for vacancy rates and operating costs (such as property management and maintenance). For ownership products, the value is the Net Sales Proceeds after broker fees.



Development costs are a combination of hard costs (like construction and labor for new construction) and soft costs (including impact fees, design, overhead expenses, and more). If the value of a development is higher than the total costs, this remainder is the RLV.

Feasibility Analysis Assumptions

ECO tested the impact of various MFTE program options across eight prototypical development types. A summary of development specifications for each prototype is shown in the table below.

Exhibit 4: Prototype Building Program Specifications

	Duplex	Town-homes (4)	Fourplex	Town-homes (6)	Sixplex	Market-rate stack	Stack w/ affordable units ¹⁰	Podium
Tenure	For-sale	For-sale	Rental	For-sale	Rental	Rental	Rental	Rental
Lot size (sf)	7,200	7,200	7,200	7,200	7,200	14,400	14,400	48,720
Units	2	4	4	6	6	12	15	240
Density (units/acre)	12	24	24	36	36	36	45	215
Floors	2	3	2	3	3	3	3	6
Parking ratio	2.0	1.0	1.0	1.0	1.0	1.0	0.8	0.8
Average net unit size (sf)	1,900	1,550	975	1,150	900	900	700	1,000
Unit mix	100% 3-bedroom	100% 3-bedroom	100% 2-bedroom	100% 2-bedroom	100% 2-bedroom	100% 2-bedroom	60% 1-bedrooms, 40% 2-bedrooms	10% studios, 30% 1-bedrooms, 50% 2-bedrooms, 10% 3-bedrooms

Source: ECOnorthwest

Cost and revenue assumptions for each prototype are shown below.

Exhibit 5: Development Cost and Operating Revenue Assumptions

	Duplex	Townhomes (4)	Fourplex	Townhomes (6)	Sixplex	Market-rate stack	Stack w/ affordable units	Podium
Construction costs psf	\$189	\$255	\$251	\$255	\$252	\$242	\$234	\$251
Total costs psf	\$265	\$360	\$375	\$349	\$376	\$361	\$345	\$383
Annual rents psf	..	..	\$18	..	\$18	\$20	\$20	\$22
Sales price	\$837,000	\$748,000	..	\$616,000	..	..	..	..

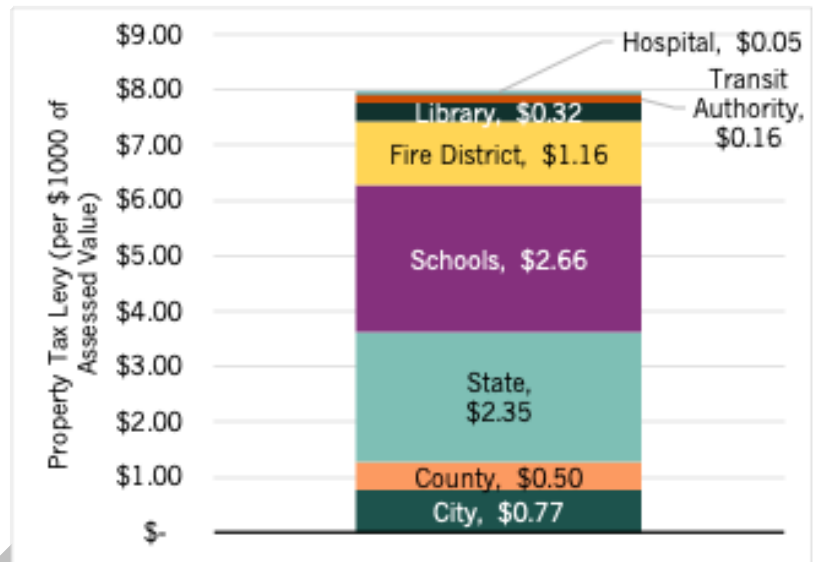
¹⁰ For the site and prototype modeled, the limiting factor for the number of units was the number of parking stalls that could fit on the site. While the site could fit a building with higher floor area ratio (which increases with the affordable housing density bonus), it could not accommodate additional parking stalls at the required 1:1 parking ratio for market-rate units. However, because there is no required parking for affordable units, a developer could theoretically add additional units with no dedicated off-street parking stalls. However, this would likely depend on the site's proximity to transit or on-street parking opportunities.



Fiscal Analysis Assumptions

In addition to understanding the feasibility of an MFTE program, the City is concerned with the fiscal impacts of offering a tax exemption. MFTE exempts the residential portion of the project's assessed value from property taxation for a period of eight or twelve years. At the end of the exemption period, the project's residential value returns to the tax rolls. When property taxes are paid, Mountlake Terrace retains only a portion (roughly 9.7%, or \$0.77 per \$1,000 of assessed property value) of property taxes paid, with the rest going to other overlapping taxing districts (shown in Exhibit 6 to the right). Additionally, the exemption interacts with the levy calculation process and there are two key issues that we highlight in the callout box on the next page.

Exhibit 6: Tax Districts in Mountlake Terrace



Source: Snohomish County Assessor's Office

We also accounted for other revenues generated for the City by development and additional households:

- ◆ **Sales tax on construction:** 1% of sales revenue goes to the City.¹¹
- ◆ **Utility taxes on additional customers:** Includes water, electric, gas, sewer, stormwater, solid waste, cable, and telephone. Estimated at roughly \$1,850 total per resident annually based on the Mountlake Terrace 2025-2026 municipal budget.¹²
- ◆ **Sales taxes on resident purchases:** 1% of sales revenue goes to the City.¹³
- ◆ **Shared state revenues based on total residents:** Estimated at ~\$35 per resident annually based on 2025-2026 municipal budget

These revenue sources come from the additional residents, not just additional units; MFTE will not change the City's growth projections, but it could make development more feasible or

¹¹ The project generates sales tax from one-time spending from the construction of the project (which is taxable as a retail event in Washington) and

¹² Utility taxes are technically a business and occupation tax paid by the utility provider, however, all providers collect the tax as part of utility bills to consumers.

¹³ This includes sales tax from e-commerce deliveries to households (since the retail event is recorded at the place of delivery).

allow different types or locations of development to occur earlier than the market might currently support.

DRAFT



PROPERTY TAX EXEMPTION INTERACTION WITH LEVY CALCULATIONS

Due to the exemption process interacting with the levy calculation process, there are two issues that should be highlighted.

Assessed Value Tax Exemption and Property Tax Burden Shift

The first is a well-known issue: the MFTE programs function like any other exemption or special valuation program in the state. Since the property tax is “budget-based” in Washington, the application of the MFTE shifts the property tax burden to other taxpayers. This is due to the budget-based property tax for regular levies being fixed by statute, specifically, the levy amount (i.e., the amount collected) being restrained by what is commonly known as the limit factor. The limit factor limits levy collection to the lesser of 1% or the implicit price deflator (which is almost always 1%), plus the addition of certain add-ons (the most prominent being the addition of the amount of new construction value times the levy rate in the preceding year). The result means that this “fixed” amount of the levy collection is distributed to a relatively smaller assessed value base because of the exempt MFTE valuation, resulting in a fractionally higher levy rate being applied to all other properties with non-exempt valuations.

New Construction Valuation and Maximum Allowable Levy

The second issue is less understood but also revolves around the state’s budget-based system for regular levies. As stated above, regular levies are governed by the limit factor of 1%. In practice, this means that almost all regular levies are growing at this 1% limit plus an amount of the new construction add-on value, as long as a jurisdiction is not bumping up against its statutory rate limit, something that rarely occurs.

The specific issue relates to the timing of when a county assessor assesses a project during construction to when a project is certified for MFTE exemption. Because the MFTE is recorded at the certificate of occupancy (when the project is complete), a county assessor will assess a project during construction based on a percent complete basis, resulting in a portion of a project’s new construction value making it onto the tax rolls, resulting in some impact to the city’s levy.

Some jurisdictions have elected not to take the limit factor-derived maximum allowable levy and have chosen to “bank” that capacity against their highest lawful levy. In these cases, the MFTE will not have an immediate impact on property tax collections since the jurisdiction has chosen not to include this amount in its annual budget. However, the long-term effect is a fractionally lower amount of banked capacity.



Analysis Findings

Findings for both feasibility and fiscal analyses are discussed by scenario below.

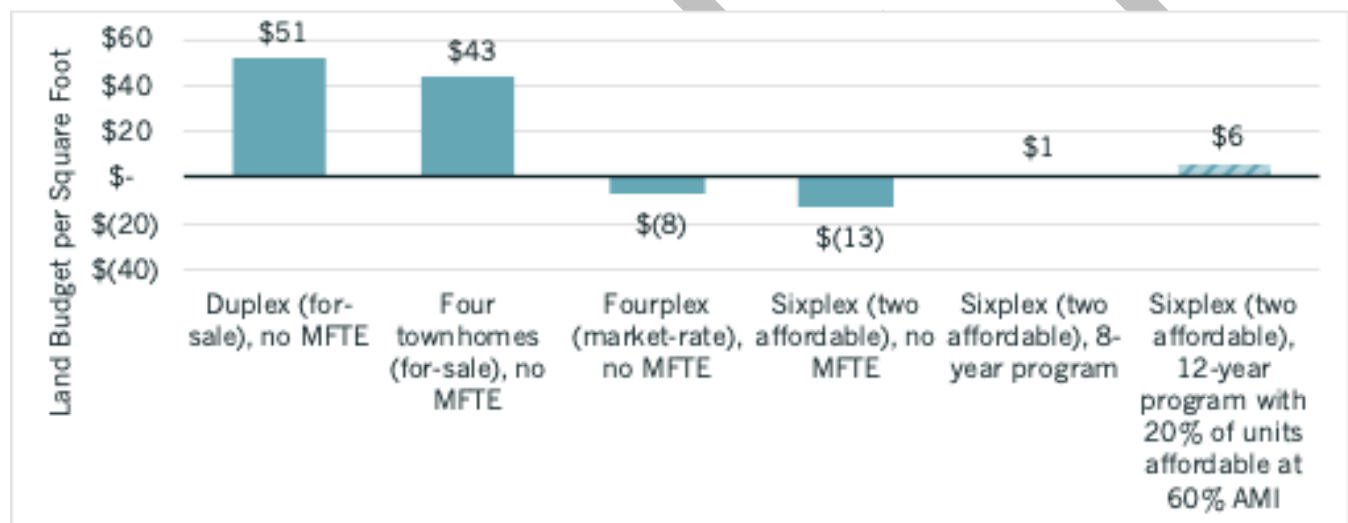
Middle Housing in R-2

FEASIBILITY ANALYSIS

For-sale middle housing, such as duplexes or townhomes, is more likely to be developed than fourplexes or sixplexes in R-2.

- ◆ Sixplexes (including two affordable units) are less feasible than fourplexes (allowed by right).
- ◆ With the 12-year MFTE program (with 20% of units at 60% of the AMI), sixplexes are more feasible than fourplexes, though still much less feasible than duplexes or townhomes.

Exhibit 7: Feasibility Results for Middle Housing in R-2, 2025



Source: EConorthwest

FISCAL ANALYSIS

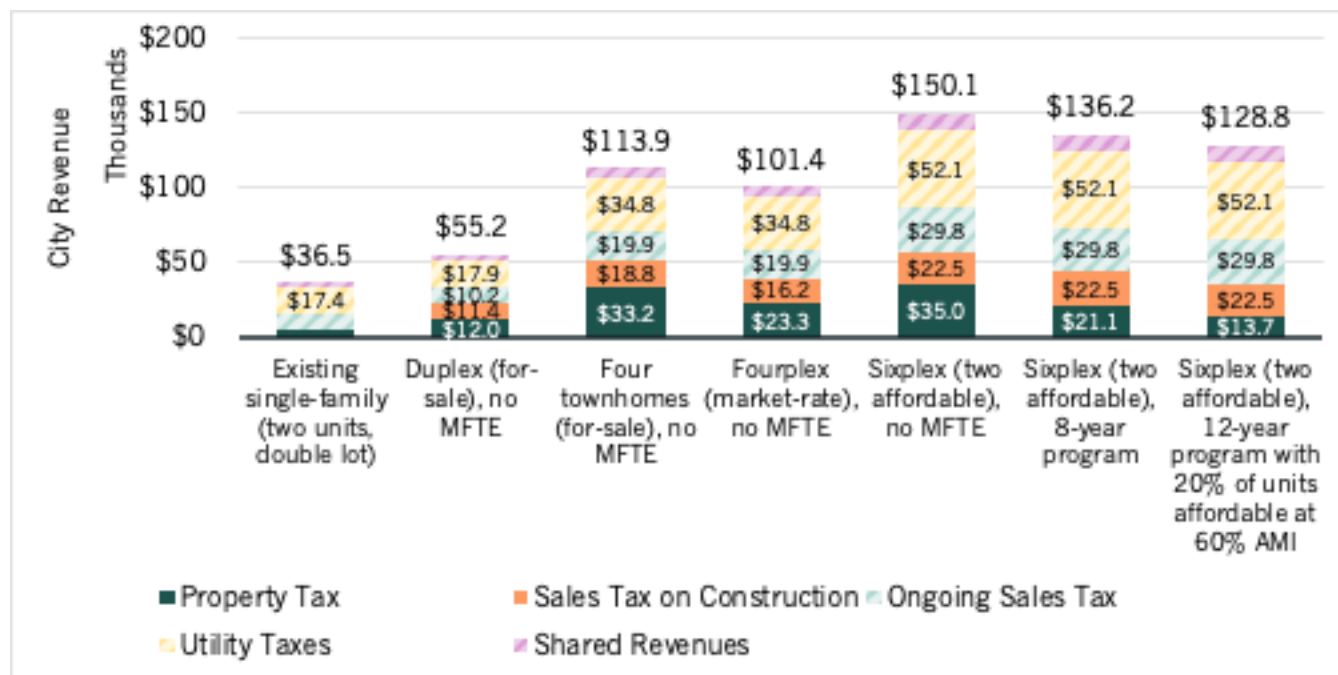
Over a 20-year period, a sixplex not using MFTE would result in the highest revenue from property taxes and sales tax on construction.

- ◆ When other revenues linked to households are accounted for, sixplexes could still produce more revenue than other middle housing options (even with MFTE) because they accommodate more households.
- ◆ Compared to a sixplex not using MFTE, a sixplex using the 12-year program would generate approximately \$21,300 less revenue over a 20-year period, or \$10,150 per affordable unit.
- ◆ If other revenues are not accounted for, a sixplex not using MFTE would still generate the highest revenues of the prototypes below, but a four-pack of townhomes would generate more revenue than a sixplex using either the 8-year or 12-year MFTE program.



- ◆ New middle housing construction would generate more revenue for the City than existing single-family dwellings.

Exhibit 8: 20-Year City Revenues for Middle Housing in R-2 by Source, 2025 to 2044



Source: EConorthwest

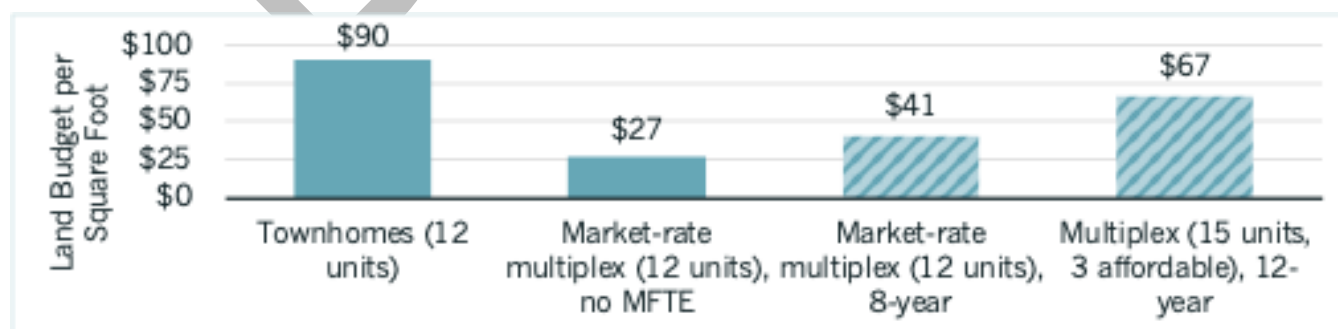
Middle Housing in R-3

FEASIBILITY ANALYSIS

Townhomes are the most likely middle housing type to be developed in the R-3 zone, especially if MFTE is not offered.

- ◆ Under current market conditions, the townhome prototype is much more feasible than the multiplex prototype.
- ◆ Both the 8-year and the 12-year program (with 20% of units affordable at 60% AMI) improve development feasibility, with a greater increase from the 12-year program including three additional affordable units.

Exhibit 9: Feasibility Results for Middle Housing in R-2, 2025



Source: EConorthwest

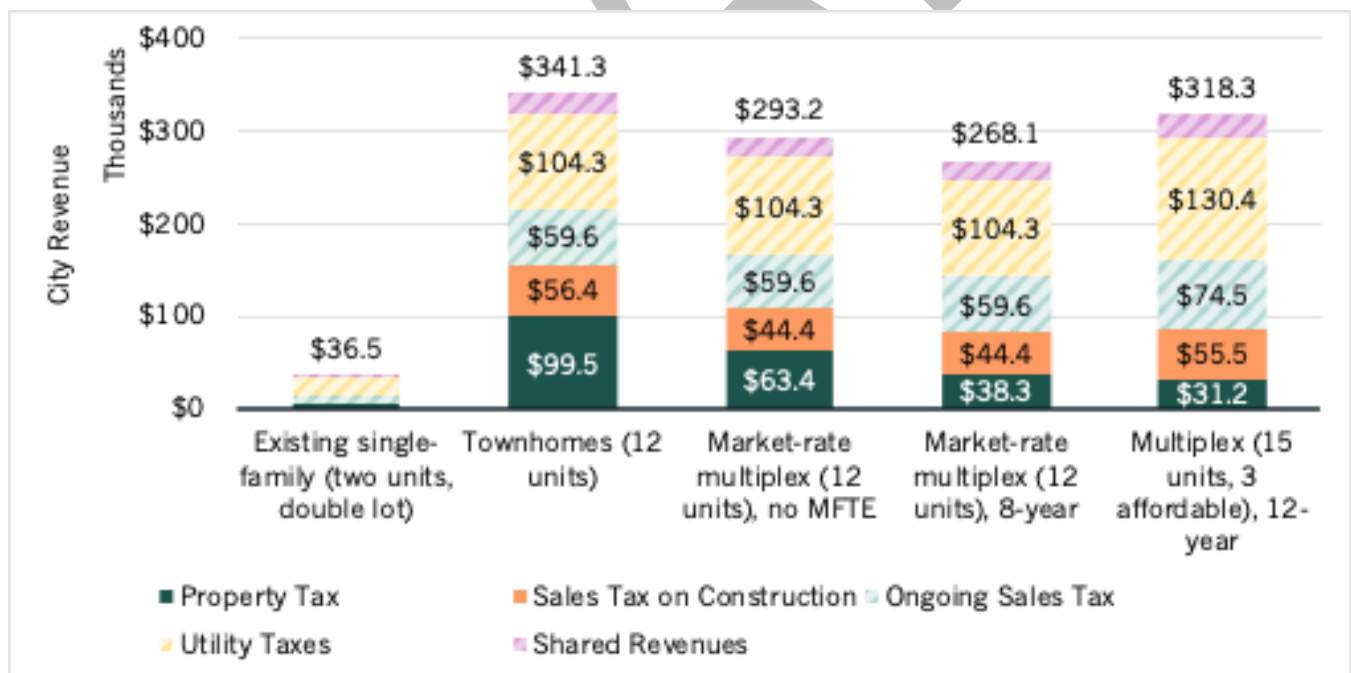


FISCAL ANALYSIS

Over a 20-year period, townhomes will likely produce the most revenue for the City on a per-unit basis compared to other housing types. However, either the 8-year or the 12-year program could have other associated public benefits (such as affordability or accessibility).

- Of the housing types allowed in R-3, townhomes will likely produce the highest revenue over a 20-year period due to generally having a higher per-unit assessed value than multiplexes.
- Comparing a 12-unit townhome prototype to a 12-unit multiplex prototype (without MFTE), the multiplex prototype would each generate roughly \$48,100 less revenue for the City than the townhome prototype over a 20-year period. If the multiplex prototype uses the 8-year MFTE program, it would generate roughly \$73,200 less than the townhome prototype over the 20-year period, or \$12,200 per accessible unit.
- If the multiplex prototype used the Residential Affordability Program density bonus to include three additional units, these units could potentially offset the costs of the tax exemption after accounting for other revenues linked to additional households (such as household sales and utility taxes). Compared to the 12-unit townhome prototype, the 15-unit multiplex prototype using the 12-year program would generate roughly \$23,000 less in revenue over a 20-year period, or \$7,700 per affordable unit.

Exhibit 10: 20-Year City Revenues for Middle Housing in R-3 by Source, 2025 to 2044



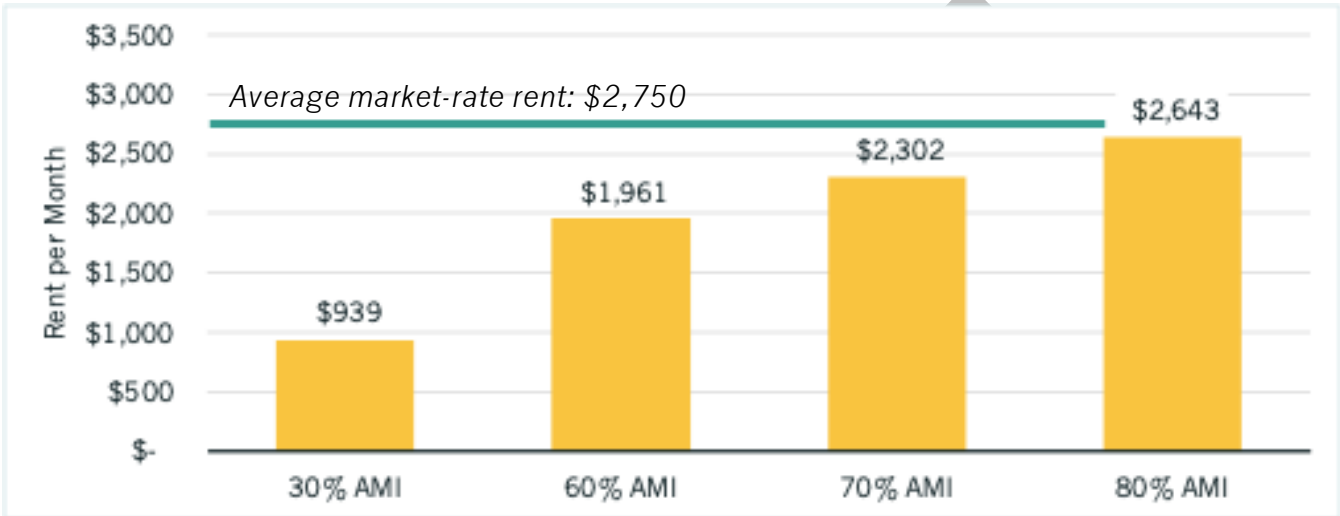
Source: ECONorthwest

Podium Development in Mixed Use Zones

Affordable rents at 80% AMI are similar to current market-rate rents.

- For podium development, rents affordable at 80% AMI are roughly 96% of current market-rate rents. Rents affordable at 70% AMI are roughly 84% of current market rates, while those at 60% AMI are about 71%.

Exhibit 11: Affordable and Market-Rate Rents, Mountlake Terrace, 2025



Source: Department of Housing and Urban Development (HUD), Seattle-Bellevue Metropolitan Area (includes MLT). Rents shown as a blended average of unit sizes consistent with recent Town Center developments: 10% studios, 30% 1-bedrooms, 50% 2-bedrooms, 10% 3-bedrooms.

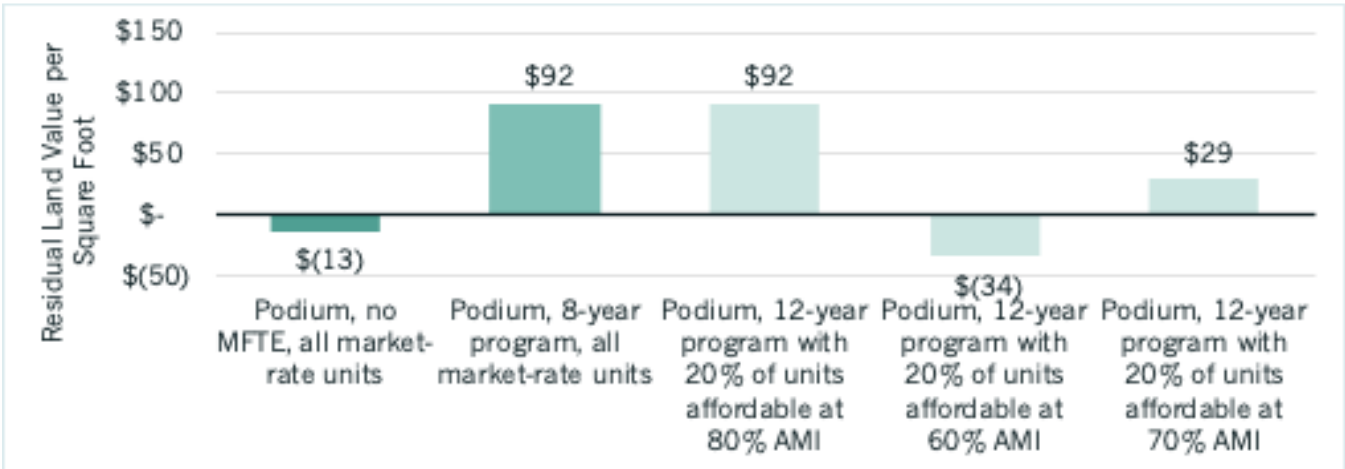
FEASIBILITY ANALYSIS

Without the MFTE program, larger podium development is likely not feasible under current market conditions.

- While the 240-unit podium prototype is likely infeasible under current market conditions, it likely would be with either the 8-year or 12-year MFTE program. The 8-year and 12-year MFTE programs have a similar impact on prototype feasibility.
- For podium development, which typically has higher market rents per square foot than smaller middle housing development, a 60% AMI requirement for the 12-year program is likely too low to make development pencil. A 70% AMI requirement for the program could be feasible under certain circumstances (e.g., if land could be acquired at a lower price), but would likely be less of an incentive than the 8-year program.



Exhibit 12: Feasibility Results for Podium Development Prototype, 2025



Source: EConorthwest

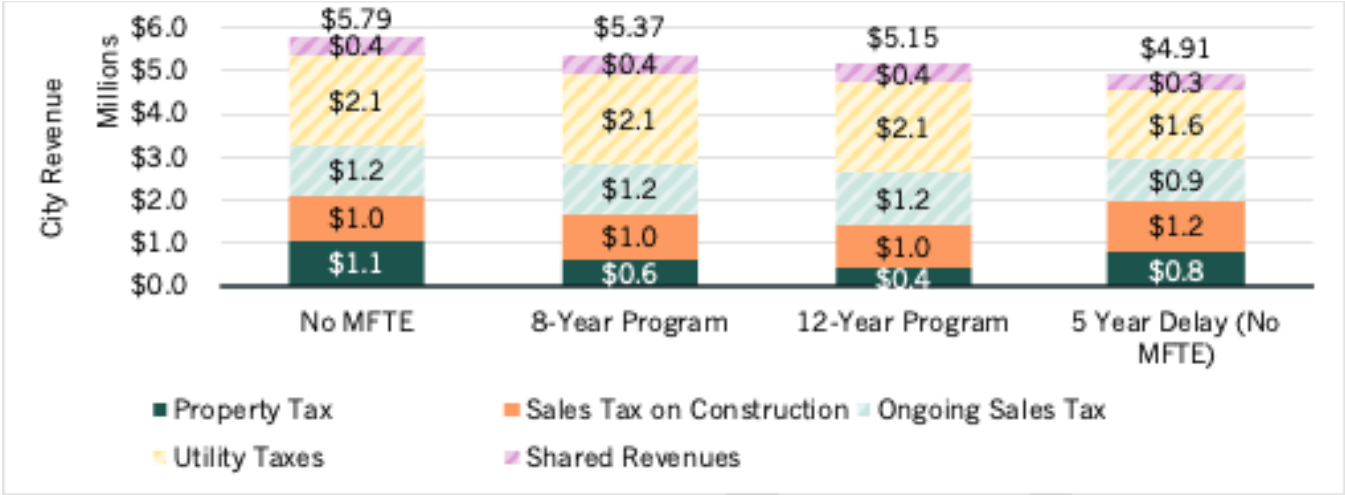
FISCAL ANALYSIS

If the development were feasible today, the City would earn the highest revenue by not offering a tax exemption. However, a 5-year delay in construction could cost the City more than an MFTE incentive over a 20-year period when all potential revenues are accounted for.

- ◆ Taking into account resident sales taxes, utility taxes, and shared revenues, a 5-year delay in construction could cost the City more than the 8-year or 12-year MFTE program over a 20-year period. Over a 20-year period, the 240-unit podium prototype with a 2030 start date would produce roughly \$88,000 less revenue than the prototype with a 2025 start date. The prototype with the 8-year program would generate \$42,000 less revenue, while the 12-year program would generate \$64,000 less revenue compared to the market-rate prototype with the 2025 start date.
- ◆ The 12-year program would result in 20% affordable units in the development. Compared to the prototype with the 8-year program, the City's revenue with the 12-year program would decrease by roughly \$13,500 total per affordable unit over the program's duration, compared to development without MFTE (built in 2025), or \$4,700 per affordable unit compared to the 8-year program.



Exhibit 13: 20-Year City Revenues for Middle Housing in R-3 by Source, 2025 to 2044



Source: EConorthwest

DRAFT



7. Appendix D: Policies and Actions Crosswalk

[illegible]

* Darker colors denote primary policies supported; lighter colors denote secondary policies supported.



STAFF REPORT

To: Mountlake Terrace City Council

From: Matthew Gisle, Building Official

Meeting Date: November 13, 2025

Subject: Review Resolution Adopting Community and Economic Development Fee Schedule

Required Reviews:

Jennifer Joki	Created/Initiated - 11/06/2025
Matthew Gisle	Approved - 11/07/2025
Sirke Salminen	Approved - 11/07/2025
Hillary Evans	Approved - 11/13/2025
Jeff Niten	Final Approval - 11/13/2025

Council Goal(s):

Responsible Governance to Ensure Desired Level of Service

Legislative History:

The current development and permit fee schedules for Building/Fire and Civil/Land Use were adopted by resolution in Dec 2024 with the provisions to adjust the fee schedules annually based on the Seattle Consumer Price Index (CPI). Based on some minor amendments proposed, the fees are being brought back before the City Council for consideration.

Subject Summary:

Information from a periodic evaluation of fees provides an opportunity to fine tune and adjust fees as warranted. The objective is to meet, as close as possible, the 5 year cost recovery goal the City Council has adopted for the development services portion of the Community & Economic Development Department, provide greater equity in permit fees for primarily homeowners to assure the work meets health and safety standards, and to be in line with industry standards.

The current fee schedule uses three general approaches to determine the permit fee: published valuation tables, fixed cost fees and cost for service fees. These methods have worked fairly well, although only the published valuation tables consistently cover all costs.

1. Published valuation tables are used to determine building permit fees for new construction. The fee is based on the value of the work as determined by the local building valuation data published by the International Code Council. The valuation tables account for different building types and construction materials used. The same valuation tables are used

throughout the state (adjusted for local factors), which provides a consistent and predictable permit fee and creates equitability. These fees generally cover the cost of staff services.

2. Fixed cost fees have been used when the intent is to be of service to the community and encourage application for the permit, with no expectation of full cost recovery. Side sewer permits, fence, and special event permits are fixed cost permits regardless of the actual value of the work or the amount of staff time required to administer, review and inspect the work.

3. The third approach to cost for a permit fee is to reflect the actual cost of service. The permit fee consists of a non-refundable base fee and also, in some cases, a trust deposit (refunded if not expended). The base fee is intended to cover the average hours of staff time needed to process that type of permit. Processing includes administration of the permit from pre-submittal to close-out, plan check, inspections, revisions, communications, public notices, memos and other services related to the permit. Staff hours are tracked for each application. Additional hours in excess of the number included in the base fee are invoiced at the adopted hourly rate; any remainder of a deposit is refunded.

The intent of adopted fees is to cover the service costs for most types of approvals and permits, with some fees reduced for home owners/“mom-and-pop” development activities where it is deemed better to have oversight of activity than cost recovery. The intent in 2024 was to come back before the City Council with any changes to the fee schedule in 2025, as city staff continues to work on streamlining the permitting process some fees and the cost of administrative time can be modified accordingly.

Proposed changes to the fee schedules in 2026 are:

- Adjusting some fees to more accurately reflect actual staff time required to process such as a decrease in administrative time for some permits;
- Removing the fees that are no longer needed, allowing us to be consistent with recent State legislation.
- Add fees for over-the-counter minor remodel permits not going beyond drywall removal (framing changes and modifications not included);
- Adding a re-inspection fee to the residential rental housing inspections;
- Lowering commercial low-voltage permits to be 50% of line voltage permits;

These actions should allow development services to improve our 5-year cost recovery plan for services while taking into consideration the economic climate, complexity of individual activities, and fees charged by neighboring jurisdictions. It also continues to reflect the City Council’s interest in subsidizing the costs of some minor permits for do-it-yourself property owners.

These permit fees are adopted by the City Council by resolution. two fee schedules have been

drafted (one for Building, Electrical, Fire and one for Land Use) in line with the recommended changes.

As in the past, the resolutions contain an adjustment clause authorizing the rates to be automatically changed, based on the CPI, in each of the following two years (2026 and 2027).

Financial/Budget Impacts:

Budget Amendment No
Required? _____

Budget and Sources:	N/A
Expenditure:	N/A
New Appropriation Required + Sources:	N/A

Additional Financial Information:

N/A

Community Notifications:

City Council Agenda

If "Other," please specify:

Board/Commission Recommendation:

N/A

Staff Recommendation:

Staff recommends the City Council vote to adopt the resolution adjusting Building and Land Use Development Fees based on the Seattle Consumer Price Index (CPI). This can be accomplished by adding it to the Consent Agenda for the November 20, 2025 council meeting..

Council Motion:

N/A

Attachments:

1. Building Electrical and Fire Fee Schedule 2026
2. Resolution Building Electrical Fire Fees for 2026 (Draft)
3. Land Use and Development Fee Schedule 2026
4. Resolution Land Use and Development Application Fees 2026 (Draft)

BUILDING, ELECTRICAL AND FIRE-RELATED PERMIT FEES
Effective January 1, 202~~6~~⁵

1. Adopting Building Permit Fees. All building permit fees consist of the following:

- a. Permit Fee is based on fair market project value determined by the applicable building valuation schedule.
- b. Plan Review Fee is 65% of the permit fee, except for expedited reviews (see Section 6 for Expedited Review) and except as otherwise provided under Section 5, in addition to any other fees required.
- c. Other permits related to building permit are subject to separate applications and fees (electrical, mechanical, plumbing, fire, backflow assemblies, shoring, retaining walls, etc.).
- d. New Construction - Valuation rates and fees are based on the International Code Council Building Valuation Data. New construction includes additions. For new mixed-use commercial shell space valuation, square foot construction cost valuations will be based on A-2 Assembly, restaurants, bars, banquet halls (25%), B Business (50%), and M Mercantile (25%).
- e. All Other Construction - Valuation is based on the valuation table below with value verified by the Building Official.
- f. The Building Official may, at their discretion, accept valuation from other sources.
- g. Washington State Building Code Council Surcharge Fee shall be assessed in the amount of \$6.50 for each residential building permit, plus an additional surcharge of \$2.00 for each residential unit after the first unit.
- h. For Commercial building permits, a \$25.00 fee is added for each building permit, plus an additional surcharge of \$2.00 for each residential unit after the first unit.

Regarding Building and Civil Permit Fee Refunds: MTMC 15.05.220

The Building Official may authorize the refunding of: (1) 100 percent of any fee erroneously paid or collected; (2) up to 75 percent of the permit fee paid when no work has been done under a permit issued in accordance with this code; and (3) up to 75 percent of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or canceled before any plan review is done. The Building Official shall not authorize refunding of any fee paid except on written application filed by the original permittee not later than 180 days after the date of fee payment. (Ord. 2453 § 1, 2007).

Administration, credit card processing, and technology fees are nonrefundable in all cases.

2025 Hourly Rate: \$200
Technology Fee: 5% of Total
Fees

Permit Fee Based on Valuation of New or Added Construction Value

Total Valuation	Fee Amount
\$1 to \$1,400	½-hour minimum
\$1,401.01 to \$2,000	½-hour minimum for the first \$1,400 plus \$4.25 for each additional \$100, or fraction thereof, up to and including \$2,000
\$2,000.01 to \$25,000	¾-hour minimum for the first \$2,000 plus \$17.50 for each additional \$1,000, or fraction thereof, up to and including \$25,000
\$25,000.01 to \$50,000	3 ¼-hour minimum for the first \$25,000 plus \$12.50 for each additional \$1,000, or fraction thereof, up to and including \$50,000
\$50,000.01 to \$100,000	5 ¼-hour minimum for the first \$50,000 plus \$9.25 for each additional \$1,000, or fraction thereof, up to and including \$100,000
\$100,000.01 to \$500,000	8 ½-hour minimum for the first \$100,000 plus \$7.25 for each additional \$1,000, or fraction thereof, up to and including \$500,000
\$500,000.01 to \$1,000,000	27 ¾-hour minimum for the first \$500,000 plus \$6.25 for each additional \$1,000, or fraction thereof, up to and including \$1,000,000
\$1,000,000.01 and greater	48 ½-hour minimum for the first \$1,000,000 plus \$5.25 for each additional \$1,000, or fraction thereof

2. Adopting Electrical, Mechanical and Plumbing Permit Fees (Single- Family Residential). Electrical, Mechanical and Plumbing Permit Fees (Residential and Commercial) are approved, adopted and established as follows:

Fixture Count Fee (Mechanical and Plumbing)

Unit Fee Schedule: For the installation, alteration, repair, addition, or relocation of mechanical and plumbing fixtures: \$200 (including 4 fixtures), \$12.00 per fixture over 4.

Electrical Permit Fees Remodel/Addition to Single Unit Dwelling – includes minor repair and replacement (2 inspections)	2.25 hour minimum
Remodel/Addition with Service Change/Panel Changes to Single Dwelling Unit – includes minor repair and replacement (3 inspections)	3.25 hour minimum
New Single Dwelling Unit (3 inspections)	3.25 hour minimum
Service Change/Panel Change/Temporary Service/Low Voltage (1 inspection)	1.25 hour minimum
Service Change with Added Circuit (2 inspections)	2.25 hour minimum
Add or Change a Circuits – <u>Up to 3 Circuits</u>	1.25 hour minimum
Inspections, additional	1 hour each

Non-Residential, Commercial and Multi-Family

All electrical, mechanical and plumbing permit fees consist of the following:

- a. Permit Fee is based on the project value determined by the applicable building valuation schedule.
- b. Plan Review Fee is 65% of permit fee, except for expedited reviews.
- c. All residential electrical, mechanical and plumbing permits are charged at a commercial rate.
- e.d. Plan review for commercial electrical low voltage not needed, except for industrial, hospitals, and schools.

Permit Fee Based on Valuation of Construction*

Total Valuation	Fee Amount
\$500 or less	1 hour minimum
\$500.01 to \$1000	1 hour minimum + 7.25% of total valuation excess over \$500
\$1000.01 to \$5000	1 ¼-hour minimum + 4.74% of total valuation excess over \$1000
\$5000.01 to \$10,000	2 ½-hour minimum + 2.23% of total valuation excess over \$5,000
\$10,000.01 to \$25,000	3 ½-hour minimum + 1.27% of total valuation excess over \$10,000
\$25,000.01 to \$50,000	4 ½-hour minimum + 0.83% of total valuation excess over \$25,000
\$50,000.01 and over	6 hour minimum + 0.60% of total valuation excess over \$50,000

***Low Voltage Permits are 50% cost of above fee schedule**

34. Adopting Investigation Fees. Investigation fees are approved, adopted and established as herein set forth. Whenever any work for which a permit is required by Chapter 15.05 MTMC has been commenced without first obtaining said permit, a special investigation can occur prior to permit issuance for such work. An investigation fee, in addition to the permit fee, may be collected whether or not

4. Costs Adopted for Outside Consultants and Applicant Requested Expedited

Review. Costs for use of outside consultants are approved, adopted and established as herein set forth. For use of outside consultants for plan checking, inspections or both, the cost shall be the actual cost to the City, in addition to the permit fees required by this resolution.

5. Adopting Other Types of Permits and Inspection Fees. Other inspections and fees are approved, adopted and established as herein set forth. All inspections and other services not explicitly mentioned, and which are provided by City staff, shall be charged at the current hourly rate, with the following minimum charges:

Certificate of Occupancy, Commercial	2 hours
Temporary Certificate of Occupancy, Commercial	\$3,000.00 \$1,500.00 for 180 day extension
Certificate of Occupancy, Residential (Included with Building Permit for New Construction)	N/A
<u>Minor Kitchen and/or Bathroom Remodels shall not include going beyond drywall removal (framing, changes, and modifications not permitted)</u>	<u>\$465 per space (max 3)</u>

Deferred Submittals	2 hour minimum
Expedited Plan Review (Fees are in Addition to Normal Permit Fees) - In-house - Consultant	4 hour min. + actual time 4 hour min. + City's actual cost for outside consultant
Fence, Residential - Fences under 6 feet in rear yard - Fences under 4 feet in front yard	N/A hour N/A N/A
Fence, Commercial and Multi-Family	3 hour minimum
Commercial Demolition, Single-Family Residential	3 hour minimum
Demolition, Garages, Sheds, etc.	2 hour minimum
<u>Demolition Interior - Residential</u>	<u>3 hour minimum</u>
<u>Demolition Interior - Commercial</u>	<u>6 hour minimum</u>
House Moving	3 hour minimum
Inspections, Additional	1 hour each
Inspections – For Which no Fee is Specifically Indicated	2 hour minimum
Inspection – Outside of Normal Business Hours	2 hour minimum
Re-inspection Fees	1 hour minimum
Residential Rental Unit Inspection - Single-family - Multi-family - Reinspections	\$62.50 \$62.50 + \$5.00 each unit \$100 each
Investigation Fees	See Investigation Fees, Section 4
Plan Review (Additional), Required by Changes, Additions or Revisions to Plans	2 hour minimum
<u>Site Plan Review for Modular Structures</u>	<u>2 hours minimum</u>
<u>Shed Permit (Less Than 200 Square Feet)</u>	<u>1 hour minimum</u>
Unusual, Phased or Permit not Individually Listed	2 hour minimum
Valuation Inspection Fee	2 hour minimum
Work Without a Permit	Investigation Fee + Permit fee
Reinstatement Fees (Commercial)	4 hours or ½ the permit price (the lesser of the two)
Reinstatement Fees (Residential)	2 hours or ½ the permit price (the lesser of the two)
Covering or concealing installations prior to inspection	First offense: \$250.00 Second offense: \$1,000.00 Each offense thereafter: \$2,000.00
Failure to make corrections within fifteen days of notification by the Electrical Inspector	First offense: \$250.00 Second offense: \$1,000.00

<i>Exception:</i> <i>Where an extension has been requested and granted, this penalty applies to corrections not completed within the extended time period.</i>	Each offense thereafter: \$2,000.00
Failure to get an inspection within 5 days of completion or to obtain a permit <i>Exception:</i> <i>In cases of emergency repairs, for owners, to existing systems, this penalty will not be charged if the permit is obtained and posted no later than the business day following beginning work on the emergency repair.</i>	First offense: \$250.00 Second offense: \$1,000.00 Each offense thereafter: \$2,000.00

6. Adopting Fire Code and Fire Protection System Permit Fees. Fire Code Permit Fees and Fire Protection System Fees are approved, adopted, and established herein set forth. Permit fee is based on the hourly rate of \$185.00 and includes one inspection.

Plan Review - Not Associated with a Building Permit - Associated with a Building Permit - Other	1 hour minimum 25% of the building permit fee 1 hour minimum
Inspection Fee - Inspection - Reinspection – Work concealed without inspection or work not ready at the time of inspection will be charged a reinspection fee - Inspection, Overtime-Weekday Call Back - Inspection, Overtime-Weekend/Holiday	1 hour minimum 1 st Reinspection: \$185 2 nd Reinspection: \$185 3 rd Reinspection +: \$385 2 hour minimum 4 hour minimum
Permit Fees - Alternative Automatic Fire Extinguishing Systems - Fire Alarm System 5 or less devices, communicator (Flat Fee) - Fire Alarm System, New and Greater than 25 devices, (Flat Fee) - Fire Alarm System, Each Additional Device Over 25 - Fire Sprinkler Systems, NFPA 13-D (One/Two Family and Townhomes) - Fire Sprinkler Systems, NFPA 13 or 13R, Tenant Improvements 5 or Less Heads (Flat Fee) - Fire Sprinkler Systems, New and Greater than 6 Head	\$536 \$298 \$991 \$8 \$214 \$298 \$905

Modifications to Permit Fees • Sprinkler Head (per unit) • Standpipe (per unit) • Fire Pump (per unit) • Underground Storage Tank Decommissioning, Commercial • Underground Storage Tank Decommissioning, Residential (per tank) • Operational Permits	\$8 \$536 \$571 \$536 \$238 \$370
Service and Other Charges • Appeal, Hearing Examiner (Deposit) • Preventable Alarms, After 3 Alarms Within 180 Days	\$1,500 \$1,000

CITY OF MOUNTLAKE TERRACE**RESOLUTION NO. XXX**

**A RESOLUTION OF THE CITY OF MOUNTLAKE TERRACE
ESTABLISHING FEES FOR PERMITS, PLAN CHECKS, INSPECTIONS
AND OTHER RELATED FEES FOR BUILDING, ELECTRICAL,
PLUMBING, MECHANICAL, AND FIRE PROTECTION; AND
REPEALING RESOLUTION NO. 910**

WHEREAS, the City has determined to set forth a schedule of fees to cover the costs of development services, including building construction and fire protection permits; and

WHEREAS, Chapter 3.150 MTMC authorizes fee schedules to be adopted by resolution; and

WHEREAS, pursuant to MTMC 3.150.090, changes to the fee schedule will be considered upon completion of a cost-of-service study every three years, and annual adjustments will be made to reflect the Seattle Area Consumer Price Index (CPI); and

WHEREAS, the City studied the cost of development services and the City Council considered new fee schedules at a work session on, November 13, 2025, and held a duly noticed public hearing on November 13, 2025 and then held a second duly noticed public hearing on November 20, 2025; and

WHEREAS, the City Council believes it is in the best interest of the City to adopt the proposed fees;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNTLAKE TERRACE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Adopting Building Permit Fees. All building permit fees consist of the following:

- a. Permit Fee is based on fair market project value determined by the applicable building valuation schedule.
- b. Plan Review Fee is 65% of the permit fee, except for expedited reviews (see Section 6 for Expedited Review) and except as otherwise provided under Section 5, in addition to any other fees required.
- c. Other permits related to building permit are subject to separate applications and fees (electrical, mechanical, plumbing, fire, backflow assemblies, shoring, retaining walls, etc.).
- d. New Construction - Valuation rates and fees are based on the International Code Council Building Valuation Data. New construction includes additions. For new mixed-use commercial shell space valuation, square foot construction cost valuations will be based on A-2 Assembly, restaurants, bars, banquet halls (25%), B Business (50%), and M Mercantile (25%).
- e. All Other Construction - Valuation is based on the valuation table below with value verified

by the Building Official.

- f. The Building Official may, at their discretion, accept valuation from other sources.
- g. Washington State Building Code Council Surcharge Fee shall be assessed in the amount of \$6.50 for each residential building permit, plus an additional surcharge of \$2.00 for each residential unit after the first unit.
- h. For Commercial building permits, a \$25.00 fee is added for each building permit, plus an additional surcharge of \$2.00 for each residential unit after the first unit.

2026 Hourly Rate: \$200
Technology Fee: 5% of Total Fees

Permit Fee Based on Valuation of New or Added Construction Value

Total Valuation	Fee Amount
\$1 to \$1,400	½-hour minimum
\$1,401.01 to \$2,000	½-hour minimum for the first \$1,400 plus \$4.25 for each additional \$100, or fraction thereof, up to and including \$2,000
\$2,000.01 to \$25,000	¾-hour minimum for the first \$2,000 plus \$17.50 for each additional \$1,000, or fraction thereof, up to and including \$25,000
\$25,000.01 to \$50,000	3 ¼-hour minimum for the first \$25,000 plus \$12.50 for each additional \$1,000, or fraction thereof, up to and including \$50,000
\$50,000.01 to \$100,000	5 ¼-hour minimum for the first \$50,000 plus \$9.25 for each additional \$1,000, or fraction thereof, up to and including \$100,000
\$100,000.01 to \$500,000	8 ½-hour minimum for the first \$100,000 plus \$7.25 for each additional \$1,000, or fraction thereof, up to and including \$500,000
\$500,000.01 to \$1,000,000	27 ¾-hour minimum for the first \$500,000 plus \$6.25 for each additional \$1,000, or fraction thereof, up to and including \$1,000,000
\$1,000,000.01 and greater	48 ½-hour minimum for the first \$1,000,000 plus \$5.25 for each additional \$1,000, or fraction thereof

Administration, credit card processing, and technology fees are nonrefundable in all cases.

Section 2. Adopting Electrical, Mechanical and Plumbing Permit Fees (Single- Family Residential). Electrical, Mechanical and Plumbing Permit Fees (Residential and Commercial) are approved, adopted and established as follows:

A. Fixture Count Fees for Mechanical and Plumbing:

Fixture Count Fee (Mechanical and Plumbing)

Unit Fee Schedule: For the installation, alteration, repair, addition, or relocation of mechanical and plumbing fixtures: \$200 (including 4 fixtures), \$12.00 per fixture over 4.

B: Residential Electrical:

Electrical Permit Fees Remodel/Addition to Single Unit Dwelling –	2.25 hour minimum
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includes minor repair and replacement (2 inspections)	
Remodel/Addition with Service Change/Panel Changes to Single Dwelling Unit – includes minor repair and replacement (3 inspections)	3.25 hour minimum
New Single Dwelling Unit (3 inspections)	3.25 hour minimum
Service Change/Panel Change/Temporary Service/Low Voltage (1 inspection)	1.25 hour minimum
Service Change with Added Circuit (2 inspections)	2.25 hour minimum
Add or Change a Circuits – Up to 3 Circuits	1.25 hour minimum
Inspections, additional	1 hour each

C. Non-Residential, Commercial and Multi-Family:

Non-Residential, Commercial and Multi-Family

All electrical, mechanical and plumbing permit fees consist of the following:

- Permit Fee is based on the project value determined by the applicable building valuation schedule.
- Plan Review Fee is 65% of permit fee, except for expedited reviews.
- All residential electrical, mechanical and plumbing permits are charged at a commercial rate.
- Plan review for commercial electrical low voltage not needed, except for industrial, hospitals, and schools.

D. Cost of Permit Fee Valuation Table:

Permit Fee Based on Valuation of Construction*

Total Valuation	Fee Amount
\$500 or less	1 hour minimum
\$500.01 to \$1000	1 hour minimum + 7.25% of total valuation excess over \$500
\$1000.01 to \$5000	1 ¼-hour minimum + 4.74% of total valuation excess over \$1000
\$5000.01 to \$10,000	2 ⅓-hour minimum + 2.23% of total valuation excess over \$5,000
\$10,000.01 to \$25,000	3 ⅓-hour minimum + 1.27% of total valuation excess over \$10,000
\$25,000.01 to \$50,000	4 ½-hour minimum + 0.83% of total valuation excess over \$25,000
\$50,000.01 and over	6 hour minimum + 0.60% of total valuation excess over \$50,000

*Low Voltage Permits are 50% cost of above fee schedule

Section 3. Adopting Investigation Fees. Investigation fees are approved, adopted and established as herein set forth. Whenever any work for which a permit is required by Chapter 15.05 MTMC has been commenced without first obtaining said permit, a special investigation can occur prior to permit issuance for such work. An investigation fee, in addition to the permit fee, may be collected whether or not

Section 4. Costs Adopted for Outside Consultants and Applicant Requested Expedited Review. Costs for use of outside consultants are approved, adopted and established as herein set forth. For use of outside consultants for plan checking, inspections or both, the cost shall be the actual cost to the City, in addition to the permit fees required by this resolution.

Section 5. Adopting Other Types of Permits and Inspection Fees. Other inspections and fees are approved, adopted and established as herein set forth. All inspections and other services not explicitly mentioned, and which are provided by City staff, shall be charged at the current hourly rate, with the following minimum charges:

Certificate of Occupancy, Commercial	2 hours
Temporary Certificate of Occupancy, Commercial	\$3,000.00 \$1,500 for 180 day extension
Certificate of Occupancy, Residential (Included with Building Permit for New Construction)	N/A
Minor Kitchen and/or Bathroom , Remodels shall not include going beyond drywall/insulation (framing, changes, and modifications not permitted)	\$465 per space (max 3)
Deferred Submittals	2 hour minimum
Expedited Plan Review (Fees are in Addition to Normal Permit Fees) - In-house - Consultant	4 hour min. + actual time 4 hour min. + City's actual cost for outside consultant
Fence, Residential - Fences under 6 feet in rear yard - Fences under 4 feet in front yard	N/A N/A N/A
Fence, Commercial and Multi-Family	3 hour minimum
Commercial Demolition, Single-Family Residential	3 hour minimum
Demolition, Garages, Sheds, etc.	2 hour minimum
Demolition Interior - Residential	3 hour minimum
Demolition Interior - Commercial	6 hour minimum
House Moving	3 hour minimum
Inspections, Additional	1 hour each
Inspections – For Which no Fee is Specifically Indicated	2 hour minimum
Inspection – Outside of Normal Business Hours	2 hour minimum
Re-inspection Fees	1 hour minimum
Residential Rental Unit Inspection - Single-family - Multi-family - Reinspections	\$62.50 \$62.50 + \$5.00 each unit \$100 each
Investigation Fees	See Investigation Fees, Section 4
Plan Review (Additional), Required by Changes, Additions or Revisions to Plans	2 hour minimum
Site Plan Review for Modular Structures	2 hours minimum
Unusual, Phased or Permit not Individually Listed	2 hour minimum

Valuation Inspection Fee	2 hour minimum
Work Without a Permit	Investigation Fee + Permit fee
Reinstatement Fees (Commercial)	4 hours or ½ the permit price (the lesser of the two)
Reinstatement Fees (Residential)	2 hours or ½ the permit price (the lesser of the two)
Covering or concealing installations prior to inspection	First offense: \$250.00 Second offense: \$1,000.00 Each offense thereafter: \$2,000.00
Failure to make corrections within fifteen days of notification by the Electrical Inspector <i>Exception:</i> <i>Where an extension has been requested and granted, this penalty applies to corrections not completed within the extended time period.</i>	First offense: \$250.00 Second offense: \$1,000.00 Each offense thereafter: \$2,000.00
Failure to get an inspection within 5 days of completion or to obtain a permit <i>Exception:</i> <i>In cases of emergency repairs, for owners, to existing systems, this penalty will not be charged if the permit is obtained and posted no later than the business day following beginning work on the emergency repair.</i>	First offense: \$250.00 Second offense: \$1,000.00 Each offense thereafter: \$2,000.00

Section 6. Adopting Fire Code and Fire Protection System Permit Fees. Fire Code Permit Fees and Fire Protection System Fees are approved, adopted, and established herein set forth. Permit fee is based on the hourly rate of \$185.00 and includes one inspection.

Plan Review - Not Associated with a Building Permit - Associated with a Building Permit - Other	1 hour minimum 25% of the building permit fee 1 hour minimum
Inspection Fee - Inspection - Reinspection – Work concealed without inspection or work not ready at the time of inspection will be charged a reinspection fee - Inspection, Overtime-Weekday Call Back - Inspection, Overtime-Weekend/Holiday	1 hour minimum 1 st Reinspection: \$185 2 nd Reinspection: \$185 3 rd Reinspection +: \$385 2 hour minimum 4 hour minimum
Permit Fees - Alternative Automatic Fire Extinguishing Systems - Fire Alarm System 5 or less devices,	\$536 \$298

communicator (Flat Fee) • Fire Alarm System, New and Greater than 25 devices, (Flat Fee) • Fire Alarm System, Each Additional Device Over 25 • Fire Sprinkler Systems, NFPA 13-D (One/Two Family and Townhomes) • Fire Sprinkler Systems, NFPA 13 or 13R, Tenant Improvements • 5 or Less Heads (Flat Fee)	\$991 \$8 \$214 \$298 \$905
Fire Sprinkler Systems, New and Greater than 6 Head	
Modifications to Permit Fees • Sprinkler Head (per unit) • Standpipe (per unit) • Fire Pump (per unit) • Underground Storage Tank Decommissioning, Commercial • Underground Storage Tank Decommissioning, Residential (per tank) • Operational Permits	\$8 \$536 \$571 \$536 \$238 \$370
Service and Other Charges • Appeal, Hearing Examiner (Deposit) • Preventable Alarms, After 3 Alarms Within 180 Days	\$1,500 \$1,000

Section 7. Hourly Rate. Effective January 1, 2026, the hourly rate on the fee schedule shall remain at \$200.

Section 8. Fees – Nonrefundable - Exception. All fees shall be non-refundable, except as allowed by the Building Official pursuant to refunding provisions of the City’s adopted building code.

Section 9. Repealer – Resolution. Resolution No. 910 of the City of Mountlake Terrace is hereby repealed effective Midnight, January 1, 2026

Section 10. Effective Date. The fee schedules herein shall take effect and be in force on and after Midnight, January 1, 2026, and shall remain in effect until amended, revised or repealed and replaced by a subsequent fee schedule(s).

PASSED by the City Council on November 20, 2025

SIGNED in authentication of its passage on XXXX XX, 2025

EFFECTIVE date January 1, 2026

AUTHENTICATION:

Kyoko Matsumoto Wright, Mayor

ATTEST:

Jennifer Joki, City Clerk

APPROVED AS TO FORM:

Hillary J. Evans, City Attorney

LAND USE AND DEVELOPMENT FEESEffective January 1, 202~~6~~⁵**Land Use and Development Application Fees and Deposits**

All application fees identified herein are minimums, based on the hourly rate in effect at the time of service.

Trust deposits, when applicable, are in addition to the application fee and payable at time of submission. Additional deposits may be required when the trust funds have been expended. Additional deposits are based on the City's estimate of the number of hours anticipated will be necessary to complete processing the application and must be submitted upon request by the City.

Fees – Nonrefundable – Exception. The minimum application fee is non-refundable, except when the Community and Economic Development Department Director ("Director") approves a refund under the following circumstances:

- a. The City receives a written request to withdraw the application with a request for a refund. The request must state the reasons for withdrawing the application.
- b. No more than 28 days have elapsed since the application was submitted and no determination of complete application has been made.
- c. The Director has determined that substantive staff review of the application has not begun.

The refunded amount is left to the Directors' discretion, but the maximum refund amount shall not exceed 80% of the application fee.

Note: Any administration, credit card processing, and technology fees are nonrefundable in all cases.

2025 Hourly Rate: \$200
Technology Fee: 5% of Total Fees

Land Use and Development Fees

Land Use and Development Type	Application Fee (Minimum)	Deposit	Total Due at Application
Accessory Dwelling Unit	10 hours	5 hours	15 hours
Annexation Petition	40 hours <u>Plus recording fees</u>	10 hours	50 hours
Appeal			
• A code interpretation	4 hours	100%	8 hours
• An Administrative Decision	10 hours, plus Hearing Examiner fees	100%	20 hours
• Hearing Examiner	20 hours (SEPA), plus separately billed Hearing Examiner fees	100%	40 hours
• SEPA Determination	10 hours	100%	20 hours
Comprehensive Plan Amendment			
• Text or Map Amendment (Excluding SEPA Review)	60 hours	50%	90 hours
Conditional Use			
• Accessory to primary use (no land use application)	20 hours	50%	30 hours
• Primary (associated with a land use application)	60 hours, plus Hearing Examiner fees	50%	90 hours
• Essential Public Facility	60 hours, plus Hearing Examiner fees	50%	90 hours
Environmental Review (SEPA)			
• DNS	510 hours	100%	1020 hours
• <u>DNS with Planned Action</u>	<u>10 hours</u>	<u>100%</u>	<u>20 hours</u>
• MDNS	20 hours	50%	30 hours
• EIS	40 hours	100%	80 hours
• Planned Action Ordinance:			
○ With Concurrent Site Plan	10 hours (w/o land use)	100%	20 hours
○ Without Concurrent Site Plan	30 hours, plus Hearing Examiner fees (w/o land use)	50%	45 hours
○ SEPA Appeal (see Appeal)	20 hours	100%	40 hours

Critical Areas			
• Critical Area preliminary assessment	4 hours	N/A	4 hours
• Critical Area Report	10 hours	100%	20 hours
• Reasonable Use Exception	20 hours	N/A	20 hours
• Restoration Plan	4 hours	N/A	4 hours
• Tree Evaluation Report	2 hours	N/A	2 hours
• Emergency Work (environmental)	2 hours	N/A	2 hours
• Variance	20 hours	N/A	20 hours
Home Occupation			
• Administrative	35 hours	100%	610 hours
• Conditional Use	25 hours, plus actual cost of Hearing Examiner	N/A	25 hours
Lot Line or Boundary Line Adjustment, or Lot Consolidation			
• Lot Consolidation by Same Owner in Single-Family Residential District, without a land use application	5 hours	100%	10 hours
• All Other	10 hours	100%	20 hours
Planned Unit Development (PUD)			
• Preliminary	60 hours	50%	90 hours
• Final (Includes Rezone)	30 hours	50%	45 hours
Pre-Application Conference			
• Minor	5 hours	N/A	5 hours
• Major (50% of fees can go to permit application for major pre-apps)	10 hours	N/A	10 hours
Shoreline Substantial Development Permit			
• Major	30 hours	N/A	30 hours
• Minor	15 hours	N/A	15 hours
• Letter of Exemption	3 hours	N/A	3 hours
Signs			
• On-Site (Wall, Freestanding or Monument type)	Building fee schedule applies	N/A	N/A
• Directional Sign	Building fee schedule applies	100%	20 hours
• Memorial Sign	4-hours, plus any additional cost to City to purchase and install	N/A	4 hours
• Temporary Signs (Grand Opening, New Business, or Special Event)	\$30 each per event, \$60 maximum Per Resolution No. 613	N/A	TBD
• Comprehensive Sign Design Plan	30 hours	50%	45 hours

Site Development Plan • Administrative Decision • Hearing Examiner Decision • Major Amendment • Minor Amendment/Minor Site Plan Amendment	60 hours	100%	120 hours
	60 hours, plus Hearing Examiner fees	100%	120 hours
	60 hours	100%	120 hours
	10 hours	N/A	10 hours
Special Event (Chapter 10.20 MTMC)	See Special Event Fee Schedule	N/A	N/A
Street Vacation	60 hours <u>Plus recording fees</u>	50%	90 hours
Subdivision • Preliminary (Plat, Fee Simple, Binding Site Plan) • Final (Plat, Fee Simple, Binding Site Plan) • Plat amendment/alteration/vacation • Short Plat: ○ Up to 9 lots preliminary ○ Final	60 hours	50%	90 hours
	30 hours	<u>N/A</u>	30 hours
	45 hours	50%	67.5 hours
	45 hours	50%	67.5 hour
	15 hours	N/A	15 hours
Tax Exemption - Multifamily	\$2,500 plus recording fees	N/A	\$2,500
Telecommunications (Wireless Communication) Facilities • Antenna Co-Location, Administrative • Monopole, Pole Replacement, or not Administrative • When a Franchise Agreement is Required	20 hours	100%	40 hours
	30 hours, plus Hearing Examiner fees	100%	60 hours
	See Resolution No. 647, as amended; contact the Administrative Department	\$5,000	TBD

Temporary Use			
• Accessory	1 hour (unless Special Event or otherwise exempt)	N/A	2 hours
• Temporary Shelter Encampment	10 hours	100%	20 hours
Time Extensions (To an Approved Land Use)	4 hours, per application or approval	N/A	4 hours
Tree Removal Fee in Lieu	\$781 per tree	N/A	N/A
Variance			
• Single Unit Dwelling-Family	20 hours	N/A	20 hours
• Commercial and Multi- Household Dwelling Unit-Family (f	30 hours, plus Hearing Examiner fees	100%	60 hours
• Reasonable Use Exception	See critical areas		
Verification Requests	4 hours	N/A	4 hours
Zoning Amendment			
• Text or Map (Rezone)	60 hours	50%	90 hours
Tree retention (outside of critical area)			
• Heritage tree designating a new tree	1 hours, plus arborists fees (if provided through the city)	N/A	1 hour
• Removing a Designation	2 hours	N/A	2 hours
• Tree inventory plan	4 hours	N/A	4 hours

Outside Consultants or Expedited Review. Fees for the use of outside consultants shall be the actual cost to the City in addition to the application fees and administration fee of 4 hours.

Adopting Costs for Outside Consultants and Applicant Requested Expedited Review.

Costs for use of outside consultants are approved, adopted and established as herein set forth. For use of outside consultants for plan checking, inspections or both, the cost shall be the actual cost to the City, in addition to the permit fees required by this resolution.

CITY OF MOUNTLAKE TERRACE

RESOLUTION NO. XXX

**A RESOLUTION OF THE CITY OF MOUNTLAKE TERRACE ESTABLISHING FEES
AND DEPOSITS APPLICABLE TO LAND USE AND DEVELOPMENT
APPLICATIONS, AND REPEALING RESOLUTION NO. 912**

WHEREAS, the City has determined to set forth a schedule of fees to cover the costs of development services, including engineering construction and land use and development fees; and

WHEREAS, Chapter 3.150 MTMC authorizes fee schedules to be adopted by resolution; and

WHEREAS, pursuant to MTMC 3.150.090, changes to the fee schedule will be considered upon completion of a cost-of-service study every three years, and annual adjustments will be made to reflect the Seattle Area Consumer Price Index (CPI); and

WHEREAS, the City studied the cost of development services and the City Council considered new fee schedules at a work session on November 13, 2025 and a duly noticed public hearing on November 20, 2025; and

WHEREAS, the City Council believes it is in the best interest of the City to adopt the proposed fees;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNTLAKE TERRACE,
WASHINGTON, HEREBY RESOLVES AS FOLLOWS:**

Section 1. Land Use and Development Application Fees and Deposits.

All application fees identified herein are minimums, based on the hourly rate in effect at the time of service.

Trust deposits, when applicable, are in addition to the application fee and payable at time of submission. Additional deposits may be required when the trust funds have been expended. Additional deposits are based on the City's estimate of the number of hours anticipated will be necessary to complete processing the application and must be submitted upon request by the City.

Section 2. Fees – Nonrefundable – Exception. The minimum application fee is non-refundable, except when the Community and Economic Development Department Director (“Director”) approves a refund under the following circumstances:

- a. The City receives a written request to withdraw the application with a request for a refund. The request must state the reasons for withdrawing the application.
- b. No more than 28 days have elapsed since the application was submitted and no determination of complete application has been made.
- c. The Director has determined that substantive staff review of the application has not begun.

The refunded amount is left to the Directors' discretion, but the maximum refund amount shall not exceed 80% of the application fee.

Note: Any administration, credit card processing, and technology fees are nonrefundable in all cases.

Hourly Rate: \$200**Technology Fee: 5% of Total Fees****Land Use and Development Fees**

Land Use and Development Type	Application Fee (Minimum)	Deposit	Total Due at Application
Annexation Petition	40 hours Plus recording fees	10 hours	50 hours
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	See Resolution No. 647, as amended; contact the Administrative Department	\$5,000	TBD

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Section 4. Hourly Rate. Effective January 1, 2026, the hourly rate on the fee schedule shall remain at \$200.

Section 5. Repealer – Resolution. Resolution No. 912 of the City of Mountlake Terrace is hereby repealed effective Midnight, January 1, 2026

Section 6. Effective Date. The fee schedules herein shall take effect and be in force on and after Midnight, January 1, 2026, and shall remain in effect until amended, revised or repealed and replaced by a subsequent fee schedule(s).

PASSED by the City Council on November 20, 2025

SIGNED in authentication of its passage on XXXX XX, 2025

EFFECTIVE date January 1, 2026

AUTHENTICATION:

Kyoko Matsumoto Wright, Mayor

ATTEST:

Jennifer Joki, City Clerk

APPROVED AS TO FORM:

Hillary J. Evans, City Attorney



STAFF REPORT

To: Mountlake Terrace City Council
From: Jeff Betz, Parks and Recreation Director
Meeting Date: November 13, 2025
Subject: Review Resolution Adopting Recreation Fee Schedule

Required Reviews:

Jennifer Joki	Created/Initiated - 10/31/2025
Jeff Betz	Approved - 10/31/2025
Sirke Salminen	Approved - 11/07/2025
Hillary Evans	Approved - 11/07/2025
Carolyn Hope	Final Approval - 11/07/2025

Council Goal(s):

Growing our Vibrant Community
Responsible Governance to Ensure Desired Level of Service

Legislative History:

This item is brought back annually in October or November to review the five-year fee schedule. Last year as part of the budget process it was reviewed on October 24 and approved on December 19.

Subject Summary:

In 2000, the City Council adopted an ordinance that enables Recreation and Parks fees to be set by resolution in a five-year schedule. Each year, an analysis is conducted to ensure the following year's fees are in alignment with current market conditions and reflective of the city's financial goals and policies. This annual fee review process also takes into consideration current economic conditions, program demand, costs and competition along with anticipating potential impacts associated with fee adjustments.

Recreation and Parks fee revenue in the 2025-2026 Biennial Budget is based, in part, upon these anticipated program fee adjustments to be in alignment with the Council's goals (Growing our Vibrant Community and Responsible Governance to Ensure Desired Level of Service). Additionally, this fee schedule is in compliance with city financial policies, which requires a robust cost recovery strategy for the recreation fund.

The recommended adjustments to the Recreation and Parks Fee Schedule were reviewed by the

Recreation and Park Advisory Commission (RPAC) at their regular meeting on Tuesday, October 14, 2025. RPAC concurred with the proposed fee adjustments and recommended the City Council consider adopting a resolution establishing Recreation and Parks fees for 2026-2030.

As a result of this review process, some program fees are identified to remain at the current scheduled 2025 fee. Additionally, some fees that were not scheduled to change are recommended to increase based on market comparisons and additional factors. An additional exercise for this comparison was conducted as well to show the relative difference with a 20% non-resident cost difference instead of the standard 10%. This is shown in the presentation in more detail. Staff are not recommending that we make a change to the resident/non-resident cost difference at this time as it is shown to put us out of the market in various programs.

Financial/Budget Impacts:

Budget Amendment No
Required? _____

Budget and Sources:	Recreation Fund
Expenditure:	N/A
New Appropriation Required + Sources:	N/A

Additional Financial Information:

N/A

Community Notifications:

City Council Agenda
Board/Commission Meeting
If "Other," please specify:

Board/Commission Recommendation:

Recreation and Park Advisory Commission recommended approval of the fee schedule as presented at its October 14, 2025 meeting.

Staff Recommendation:

Staff recommends the City Council vote to adopt the resolution setting Recreation and Park Fees for 2026-2030. This can be accomplished by adding it to the Consent Agenda on November 20, 2025.

Council Motion:

N/A

Attachments:

1. Recreation Fees Presentation

2. Recreation Fee Schedule Exhibit A DRAFT
3. Recreation Fees Resolution DRAFT



CITY OF
**MOUNTLAKE
TERRACE**



Recreation & Parks Fee Schedule 2026-2030

City Council Work Session

November 13, 2025

PURPOSE

- Review Five-year Recreation Program Fee schedule (2026-2030) set by resolution
- Proposed Adjustments to the Five-year Fee Schedule reviewed annually



AGENDA

- Background
- Fee Schedule
- Fee Comparisons
- Program Outlook
- Timeline for Approval
- Discussion & Questions
- Recommendation



BACKGROUND

Review and Approval Process

- Analysis of Fees
 - Demand
 - Cost per unit
 - Comparisons
 - Economy
 - Competition
- Set Fees to Achieve Financial Goals
- Maintain Customer Base AND Attract new Customers
- Analyze Resident Discount Rate



BACKGROUND

Review and Approval Process

- Council Goals
 - Growing our Vibrant Community
 - Responsible Governance to Ensure Desired Level of Service
 - An Informed and Engaged Community
- City Financial Policies
 - Cost Recovery of Recreation Fund



FEE SCHEDULE

AQUATICS	2025 Approved		2026 Approved		2026 Proposed Changes	
	RES	N-RES	RES	N-RES	RES	N-RES
Swim, Cardio, Therapy, Sauna - drop in						
Adult	\$7.25	\$8.00	\$7.25	\$8.00		
Senior/Disabled	\$6.00	\$6.75	\$6.00	\$6.75		
Youth	\$6.00	\$6.75	\$6.00	\$6.75		
Infants under 1 year			\$0.00	\$0.00		
Family	\$18.50	\$20.50	\$18.50	\$20.50		
Shower	\$3.25	\$3.75	\$3.25	\$3.75		
Leisure Pool only	\$5.75	\$6.25	\$5.75	\$6.25		
Punch Cards						
Adult	\$72.50	\$80.00	\$72.50	\$80.00		
Senior/Disabled	\$60.00	\$67.50	\$60.00	\$67.50		
Youth	\$60.00	\$67.50	\$60.00	\$67.50		
Leisure Pool Pass	\$57.50	\$62.50	\$57.50	\$62.50		
Monthly Pass - All drop in use						
Adult	\$87.00	\$96.00	\$87.00	\$96.00		
Senior/Disabled	\$70.00	\$77.00	\$70.00	\$77.00		
Youth	\$70.00	\$77.00	\$70.00	\$77.00		

FEE SCHEDULE

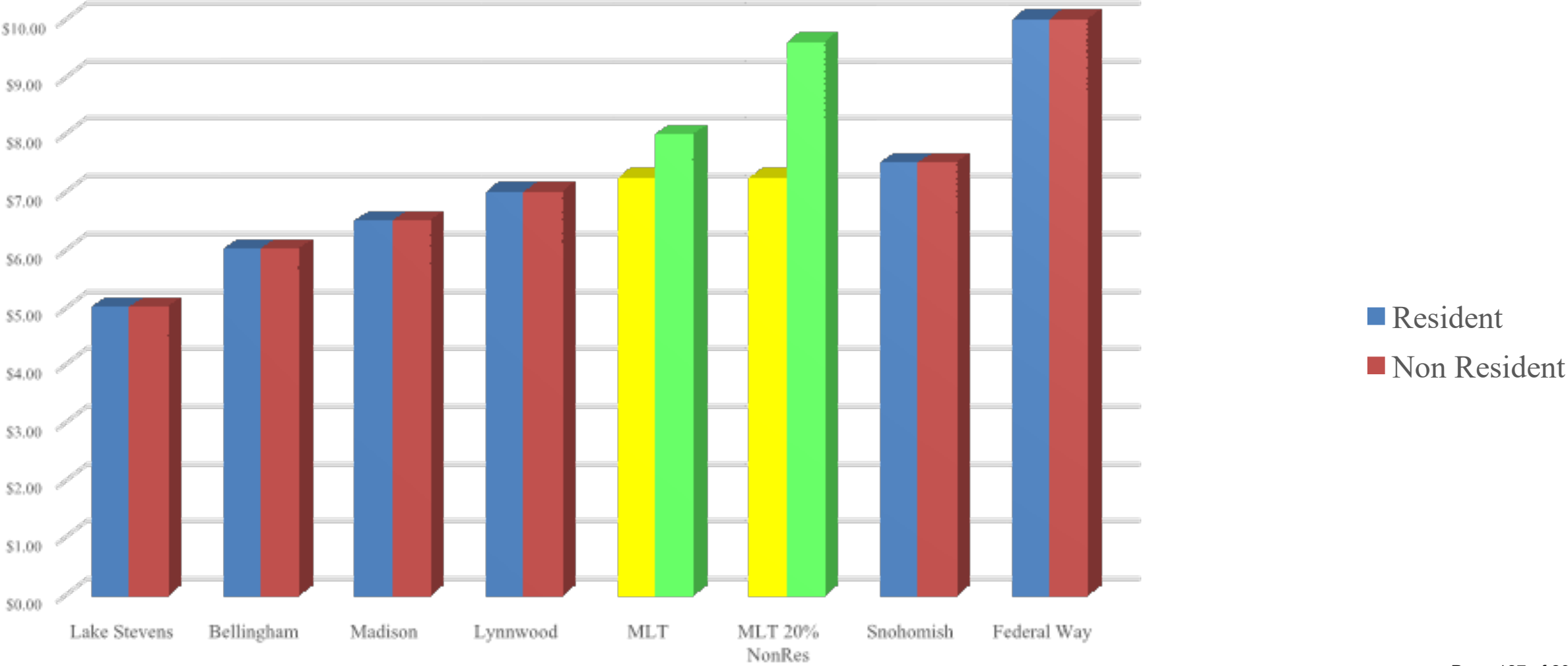
AQUATICS	2025 Approved		2026 Approved		2026 Proposed Changes	
	RES	N-RES	RES	N-RES	RES	N-RES
Annual Pass						
Adult	\$708	\$778	\$708	\$778		
Senior/Disabled	\$510	\$561	\$510	\$561		
Youth	\$510	\$561	\$510	\$561		
Aquatic Instruction						
Swim Lessons - Class (30 Min)	\$8.85	\$9.70	\$8.85	\$9.70		
Specialty - Class (45-min)	\$10.00	\$11.00	\$10.00	\$11.00		
Specialty - Class (60-min)	\$11.25	\$12.35	\$11.25	\$12.35		
Adaptive Swim lessons (30 min)	\$17.25	\$18.95	\$17.25	\$18.95		
Playtime Passport (per lesson)	\$1.25	\$1.35	\$1.25	\$1.35		
Swim Team (45 min practice)	\$7.80	\$8.60	\$7.80	\$8.60		
Swim Team Elite (60 min. practice)	\$8.70	\$9.60	\$8.70	\$9.60		
Adult Fitness (60 min) Class	\$9.30	\$10.25	\$9.30	\$10.25		
Senior/Disabled Fitness Class	\$7.25	\$7.95	\$7.25	\$7.95		
American Red Cross Courses (per hour)						
Lifeguard, CPR/AED, First Aid Training	\$11.25	\$12.35	\$11.25	\$12.35		
Junior Lifeguarding -	\$7.55	\$8.35	\$7.55	\$8.35		
Instructor Courses (LGI or WSI)	\$12.75	\$14.00	\$12.75	\$14.00		

FEE SCHEDULE

POOL RENTALS (per hour)	2025 Approved		2026 Approved		2026 Proposed Changes	
	RES	N-RES	RES	N-RES	RES	N-RES
Full Pool						
1-50 Participants	\$250	\$265	\$250	\$265		
51-120 Participants	\$275	\$290	\$275	\$290		
121-200 Participants	\$300	\$310	\$300	\$310		
Half Pool						
1-25 Participants	\$155	\$165	\$155	\$165		
26-50 Participants	\$170	\$180	\$170	\$180		
Lazy River Rental	\$42	\$46	\$42	\$46		
Rental per hour per lane/area	\$42	\$46	\$42	\$46		
After Hours Lifeguard Staff cost	\$35	\$40	\$35	\$40		

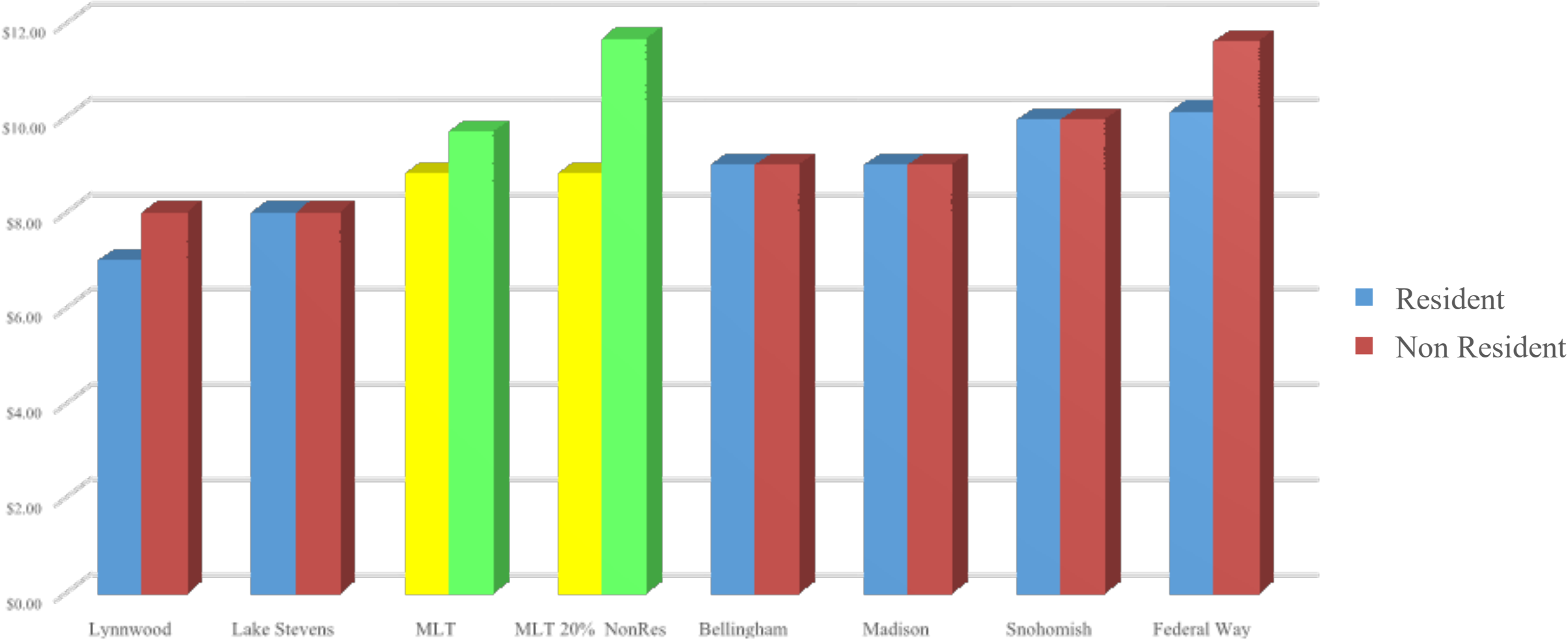
FEE COMPARISON

Public Swim Drop In



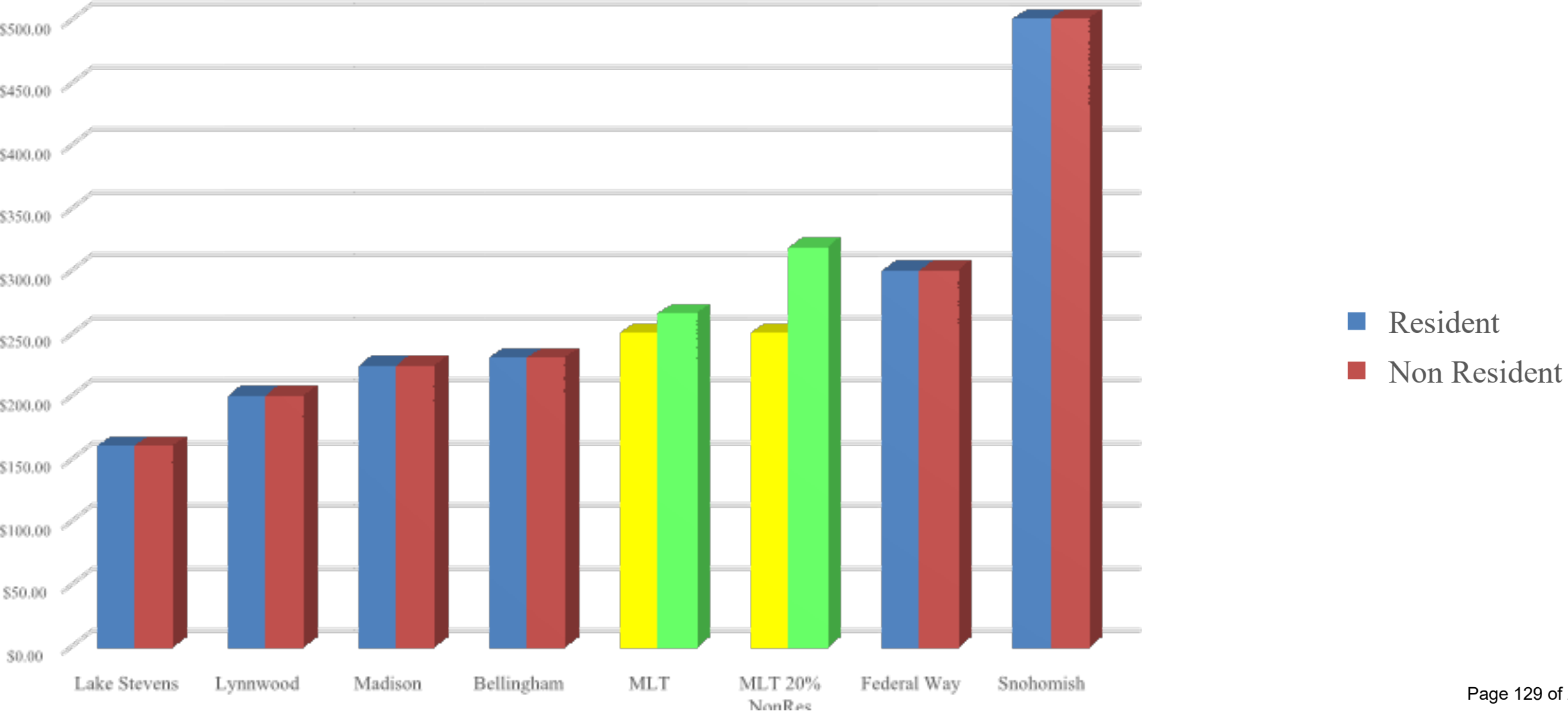
FEE COMPARISON

Swim Lessons



FEE COMPARISON

Pool Rental



FEE SCHEDULE

ROOM RENTALS (per hour)	2025 Approved		2026 Approved		2026 Proposed Changes	
	RES	N-RES	RES	N-RES	RES	N-RES
Mambo/Twilight Dance Rehearsal	\$20	\$23	\$20	\$23		
Arctic Room	\$75	\$83	\$75	\$83		
Center Court & Rec Rooms	\$80	\$88	\$80	\$88		
Riverview Room	\$85	\$94	\$85	\$94		
Arctic, Centr Ct, Rec Rm, Twilight Non-Prime	\$38	\$42	\$38	\$42		
Riverview Room Non-Prime	\$43	\$47	\$43	\$47		
Sport N Fun Party Pkg	\$80	\$88	\$80	\$88	\$90	\$99
Sport N fun Pkg w/ half pool < 20 People	\$175	\$192	\$175	\$192		
Sport N fun Pkg w/ half pool 20-40 People	\$210	\$230	\$210	\$230		

FEE SCHEDULE

RENTALS (per hour)	2025 Approved		2026 Approved		2026 Proposed Changes	
	RES	N-RES	RES	N-RES	RES	N-RES
Off the Wall Party Pkg	\$80	\$88	\$80	\$88		
Indoor Playground Rental	\$115	\$127	\$115	\$127		
Indoor Playground Rental - 1.5 Hr.	\$130	\$143	\$130	\$143		
Indoor Playground Rental - 2 Hr.	\$140	\$154	\$140	\$154		
Dance Party Rental 12-person Party -2 Hr.	\$200	\$220	\$200	\$220	\$212	\$233
Dance Party 24-person Party – 2 Hr.	\$280	\$310	\$280	\$310	\$297	\$327
PARK RENTAL						
Ballinger Park Half Day					\$99	\$99
Ballinger Park Full Day					\$144	\$144

FEE SCHEDULE

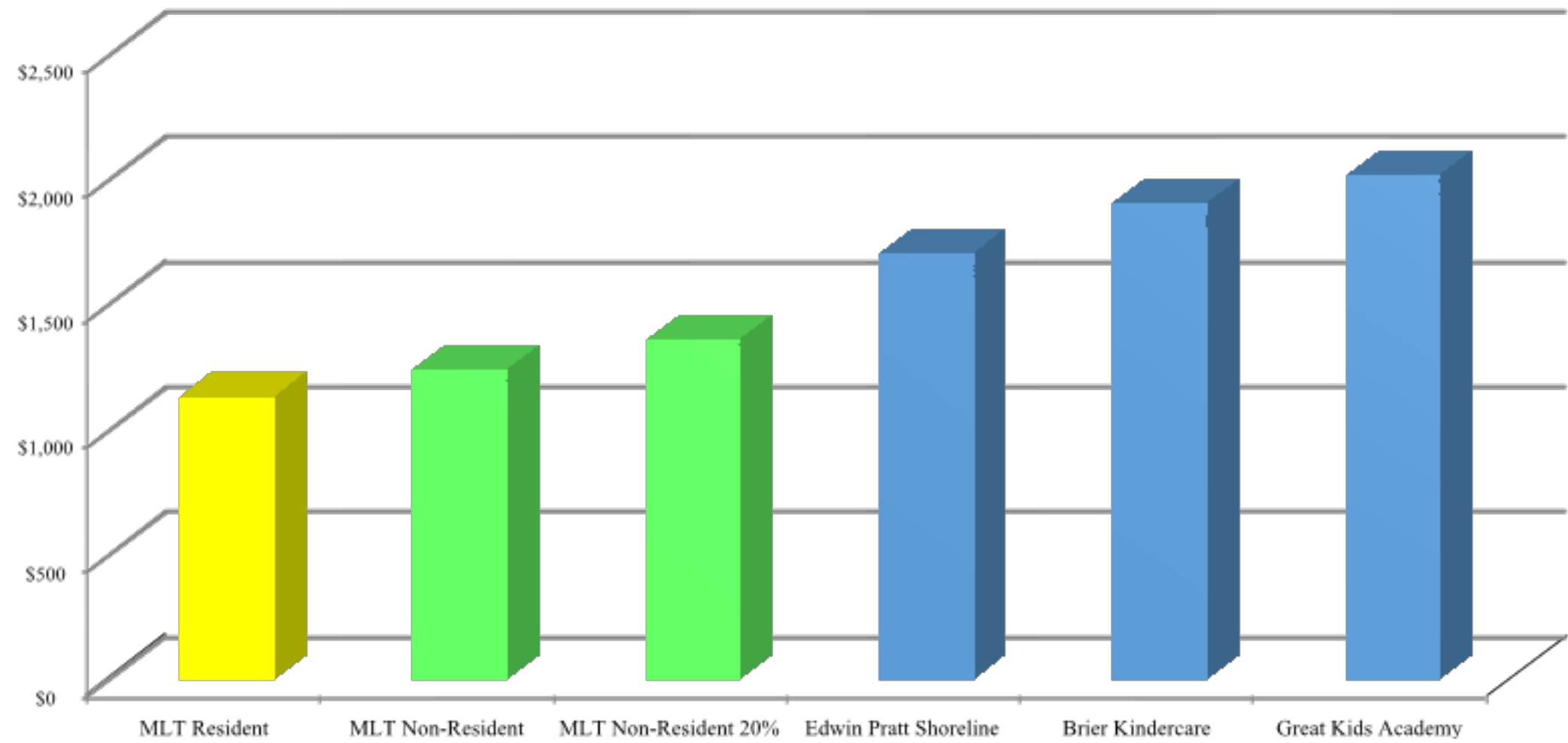
YOUTH PROGRAMS	2025 Approved		2026 Approved		2026 Proposed Changes	
	RES	N-RES	RES	N-RES	RES	N-RES
Youth Camps (per hour)						
School Age Camp	\$5.49	\$6.04	\$5.49	\$6.04		
Specialty Camp	\$8.80	\$9.68	\$8.80	\$9.68		
Before Camp Care	\$5.09	\$5.60	\$5.09	\$5.60		
After Camp Care	\$5.09	\$5.60	\$5.09	\$5.60		
Before & After Camp Care	\$5.15	\$5.67	\$5.15	\$5.67		
Tennis Camp	\$8.80	\$9.68	\$8.80	\$9.68		
Basketball Camp	\$8.80	\$9.68	\$8.80	\$9.68		
Aquatic Camps (per hour)						
Aqua Kids	\$9.25	\$10.25	\$9.25	\$10.25		
Youth Leagues (per hour)						
Tennis Team	\$2.88	\$3.17	\$2.88	\$3.17		

FEE SCHEDULE

YOUTH PROGRAMS	2025 Approved		2026 Approved		2026 Proposed Changes	
	RES	N-RES	RES	N-RES	RES	N-RES
Preschool (per hour)						
3 days 1/2 days	\$6.30	\$6.93	\$6.30	\$6.93		
2 days 1/2 day	\$7.19	\$7.91	\$7.19	\$7.91		
Jr. Kids Krew - less than 5 hrs	\$6.26	\$6.89	\$6.26	\$6.89		
Jr. Kids Krew - 5 to 7 hrs	\$5.93	\$6.52	\$5.93	\$6.52		
Jr. Kids Krew - 7 to 10 hrs	\$5.63	\$6.19	\$5.63	\$6.19		
Kids Krew Program (per hour)						
Before Care	\$6.12	\$6.73	\$6.12	\$6.73		
After Care	\$5.70	\$6.27	\$6.10	\$6.71		
Before & After Care	\$4.75	\$5.23	\$4.99	\$5.49		
Non School Day Care	\$4.75	\$5.23	\$4.99	\$5.49		
Early Release	\$5.70	\$6.27	\$6.10	\$6.71		
Drop In	\$9.21	\$10.13	\$9.49	\$10.44		
Parent's Night Out					\$10.00	\$11.66

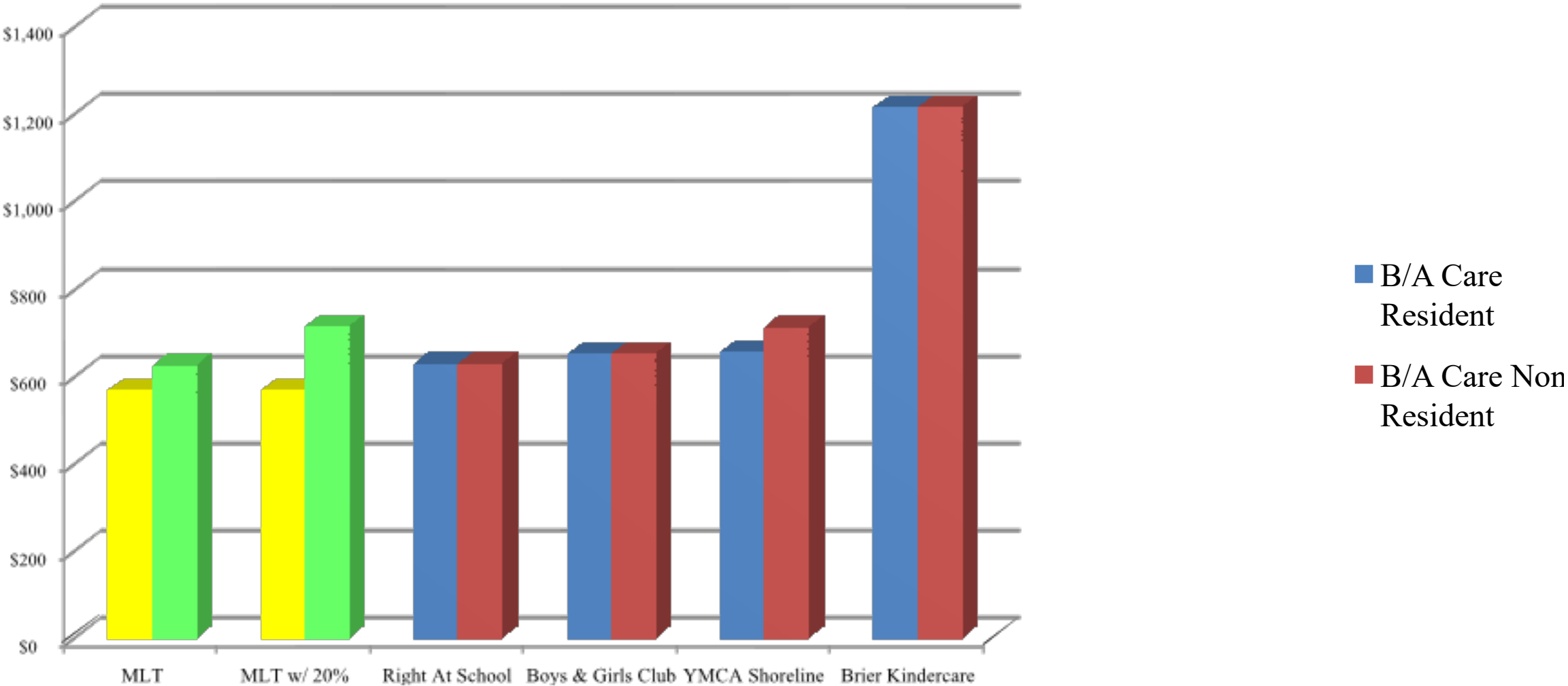
FEE COMPARISON

Childcare Rates



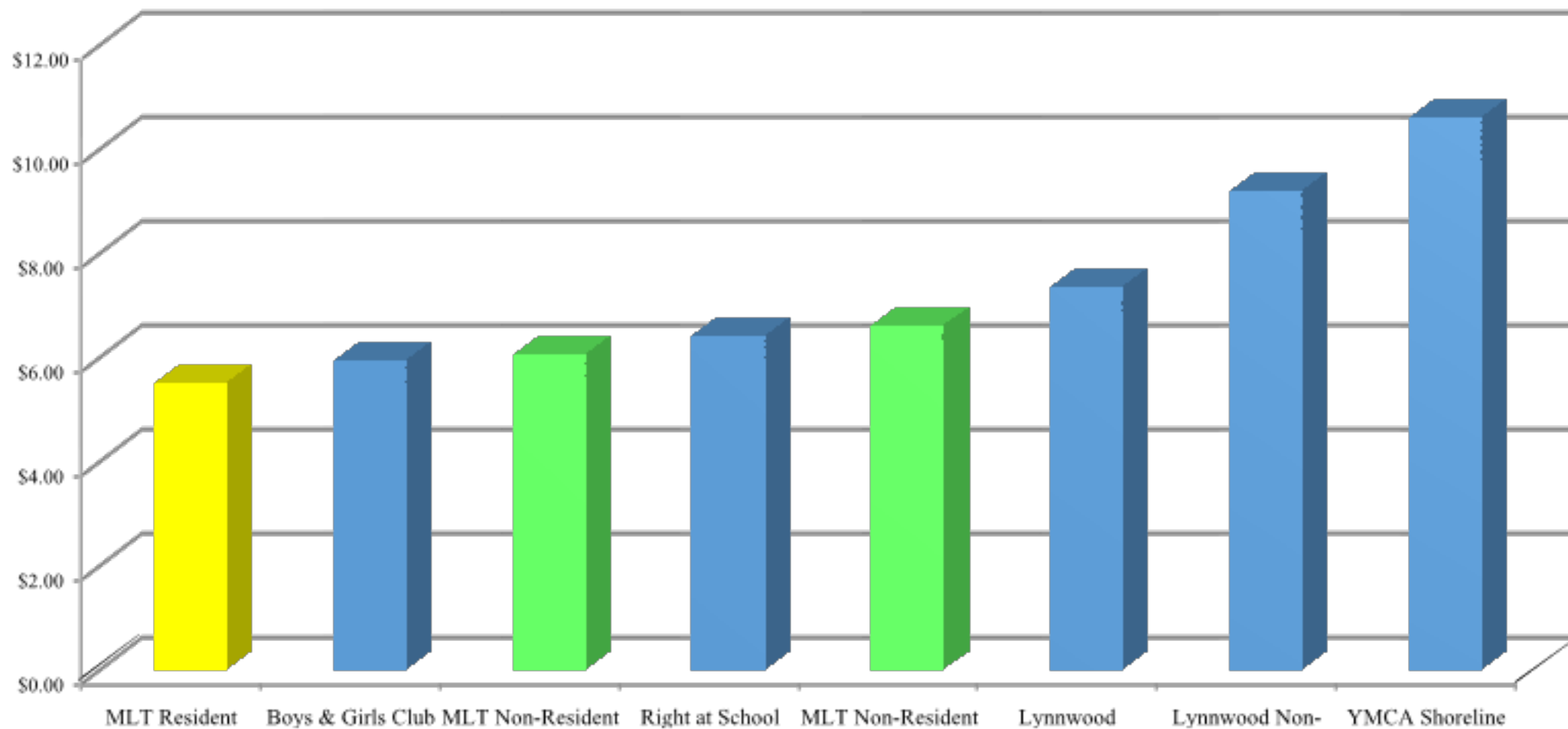
FEE COMPARISON

School Age Childcare Rates



FEE COMPARISON

Summer Day Camp

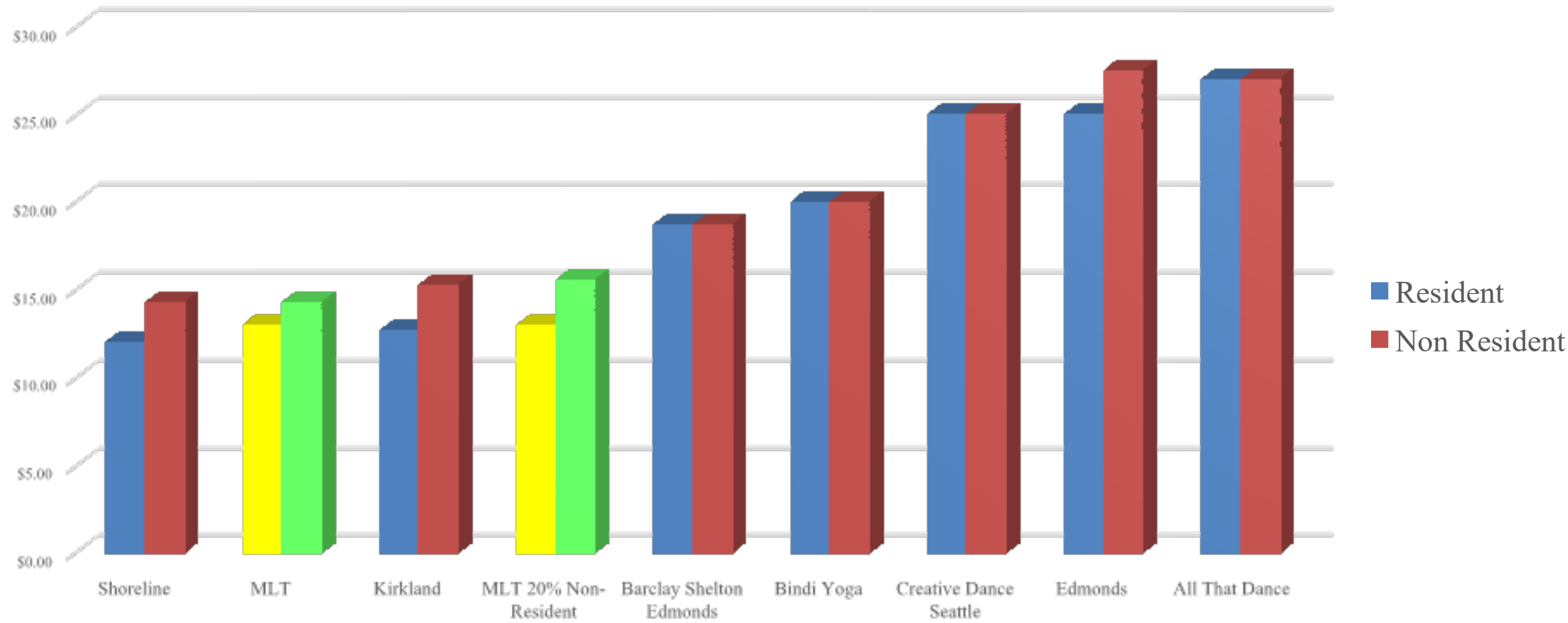


FEE SCHEDULE

YOUTH PROGRAMS	2025 Approved		2026 Approved		2026 Proposed Changes	
	RES	N-RES	RES	N-RES	RES	N-RES
Indoor Playground (per hour)						
Drop in	\$4.50	\$5.00	\$4.50	\$5.00		
Play Pass	\$45.00	\$50.00	\$45.00	\$50.00		
Drop in Add-on to Swim					\$2.50	\$2.50
Play Pass Dance/Swim	\$30.00	\$33.00	\$30.00	\$33.00		
Dance & Land Fitness (per class)						
45 min	\$12.50	\$13.75	\$13.00	\$14.30		
50 min	\$12.75	\$14.00	\$13.25	\$14.60		
60 min	\$13.00	\$14.30	\$13.50	\$14.85		
75 min	\$16.25	\$17.90	\$17.00	\$18.70		
90 min	\$19.50	\$21.50	\$20.25	\$22.30		
Drop-In 60 min					\$15.25	\$16.80
Drop-In 75 min					\$19.00	\$21.00
Drop-In 90 min					\$22.50	\$24.75
Dance Camp hourly rate	\$9.50	\$10.50	\$10.00	\$11.00		
Recital Fee - add to yearly	\$67.00	\$67.00	\$67.00	\$67.00		

FEE COMPARISON

Dance and Fitness Youth



FEE SCHEDULE

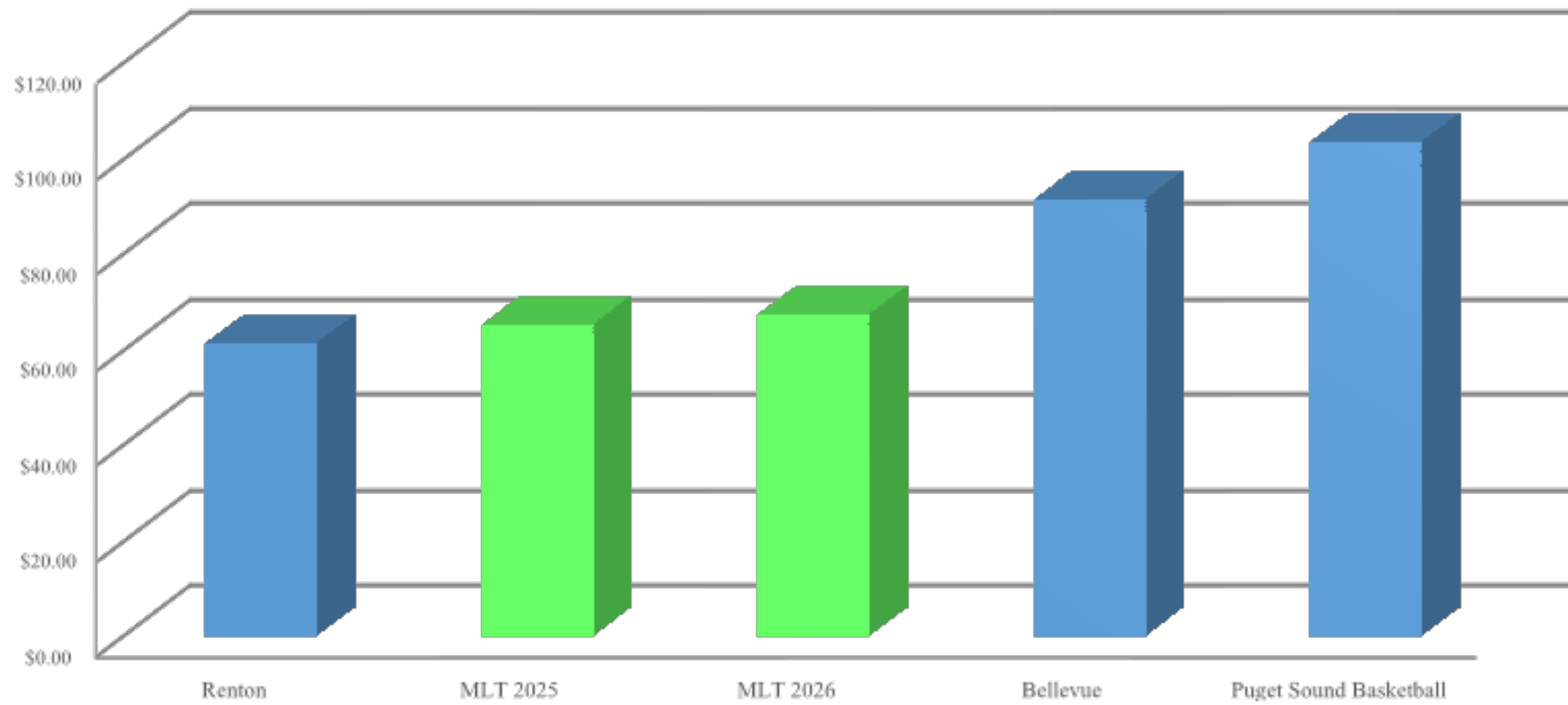
ATHLETICS	2025 Approved		2026 Approved		2026 Proposed Changes	
Open Gym (per drop in)	RES	N-RES	RES	N-RES	RES	N-RES
Adult	\$4.50	\$5.00	\$4.50	\$5.00		
Senior	\$3.75	\$4.25	\$3.75	\$4.25		
Cardio Room (per drop in)						
Drop in-Senior	\$3.25	\$3.50	\$3.25	\$3.50		
Drop in-Adult	\$3.50	\$3.75	\$3.50	\$3.75		
Silver Sneakers (per drop in)					\$6.00	\$7.00
Field Rentals (per hour)						
Youth Grass Fields	\$16.00	\$16.00	\$16.00	\$16.00		
Adult Grass Fields	\$25.00	\$25.00	\$25.00	\$25.00		
Youth Turf Field (Full Field)	\$43.00	\$43.00	\$43.00	\$43.00		
Youth Turf Ballfield	\$34.00	\$34.00	\$34.00	\$34.00		
Adult Turf Field (Full Field)	\$64.00	\$64.00	\$64.00	\$64.00		
Adult Turf Ballfield	\$50.00	\$50.00	\$50.00	\$50.00		
Lights	\$20.00	\$20.00	\$20.00	\$20.00		
Gymnasium Rental (per hour)						
Youth/hr	\$60.00	\$60.00	\$60.00	\$60.00		
Adult/hr	\$70.00	\$70.00	\$70.00	\$70.00		

FEE SCHEDULE

ATHLETICS	2025 Approved		2026 Approved		2026 Proposed Changes	
Racquetball						
Drop in/Reservations (per hour)	\$10.00	\$10.50	\$10.00	\$10.50		
Tournaments (per match)	\$17.00	\$17.00	\$17.00	\$17.00		
Leagues (per game)						
Basketball	\$65.00	\$65.00	\$67.00	\$67.00		
Softball	\$63.00	\$63.00	\$63.00	\$63.00		
Volleyball	\$37.00	\$37.00	\$39.00	\$39.00		
General Recreation Classes (per hour)						
Basic Dog Obedience	\$14.58	\$16.03	\$14.58	\$16.03		
Beyond Basic Dog Obedience	\$19.25	\$21.18	\$19.25	\$21.18		
Puppygarten/class	\$16.06	\$17.67	\$16.06	\$17.67		

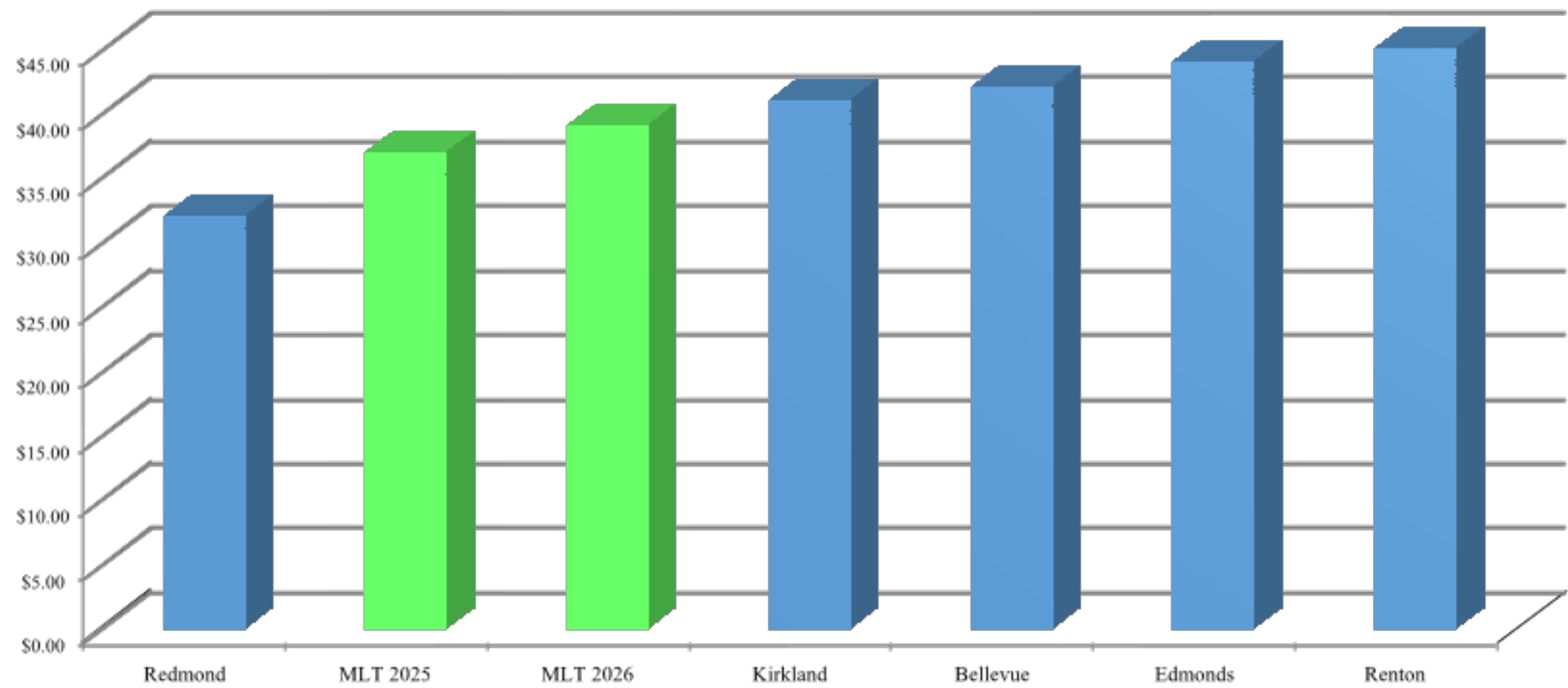
FEE COMPARISON

Basketball Leagues (per Game)



FEE COMPARISON

Volleyball Leagues per Match



PROGRAM OUTLOOK

2025-2026 Progress

- Recreation Revenues Growing
 - Expanded Childcare
 - Extending Weekend Lessons/Rentals
- Full Time Equivalents
 - 25-26 Budget was 35.56 and 36.61
 - Additional necessary for growth
 - Revenue dependent
- Agenda item back to you later this year requesting additional FTE's

PERSONNEL	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Proposed	2026 Proposed
Recreation & Parks Director	0.20	0.20	0.20	0.20	0.20	0.20
Recreation Supervisor	2.00	2.00	3.00	3.00	3.00	3.00
Events Coordinator	0.00	0.00	1.00	1.00	1.00	1.00
Recreation Programmer	1.70	1.70	2.75	2.75	2.75	2.75
Recreation Coordinator	4.00	4.00	3.00	3.00	3.00	3.00
Support Services Coordinator	1.00	1.00	1.00	1.00	1.00	1.00
Clerk II	1.00	1.00	1.75	1.75	2.00	2.00
Clerk I	3.30	3.30	2.10	2.10	2.05	2.05
Recreation Leader II	7.38	7.38	6.35	6.35	7.50	7.85
Recreation Leader I	12.67	12.89	7.97	7.97	11.28	11.98
Recreation Specialist II	0.00	0.00	0.00	0.00	0.27	0.27
Recreation Specialist I	2.26	2.87	2.08	2.08	1.51	1.51
PERSONNEL TOTALS	35.51	36.34	31.20	31.20	35.56	36.61

TIMELINE

- October 14, 2025 RPAC review and recommend proposed fee schedule.
- November 13, 2025 City Council review proposed fee schedule.
- November 20, 2025 City Council scheduled to adopt resolution setting recreation fees for 2026-2030.
- December 4, 2025 Staffing of Recreation Council Review.

RECOMMENDATION

- Staff recommend approval of the resolution for the Recreation and Park Fee Schedule.



DISCUSSION & QUESTIONS

Thank you



Recreation and Parks Fees and Charges 2026-2030
Exhibit A

AQUATICS	2026		2027		2028		2029		2030	
	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES
Swim, Cardio, Spa, Sauna										
Adult	\$7.25	\$8.00	\$7.50	\$8.25	\$7.50	\$8.25	\$8.00	\$8.75	\$8.00	\$8.75
Senior/Disability	\$6.00	\$6.75	\$6.50	\$7.00	\$6.50	\$7.00	\$6.75	\$7.25	\$6.75	\$7.25
Youth	\$6.00	\$6.75	\$6.50	\$7.00	\$6.50	\$7.00	\$6.75	\$7.25	\$6.75	\$7.25
Infants Under 1 Year	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Shower	\$3.25	\$3.75	\$3.50	\$3.75	\$3.50	\$3.75	\$3.75	\$4.00	\$3.75	\$4.00
Leisure Pool only	\$5.75	\$6.25	\$6.00	\$6.50	\$6.00	\$6.50	\$6.25	\$7.00	\$6.25	\$7.00
Punch Cards										
Adult	\$72.50	\$80.00	\$75.00	\$82.50	\$75.00	\$82.50	\$80.00	\$87.50	\$80.00	\$87.50
Senior/Disability	\$60.00	\$67.50	\$65.00	\$70.00	\$65.00	\$70.00	\$67.50	\$72.50	\$67.50	\$72.50
Youth	\$60.00	\$67.50	\$65.00	\$70.00	\$65.00	\$70.00	\$67.50	\$72.50	\$67.50	\$72.50
Leisure Pool Pass	\$57.50	\$62.50	\$60.00	\$65.00	\$60.00	\$65.00	\$62.50	\$70.00	\$62.50	\$70.00
Monthly Pass - All Drop In Use										
Adult	\$87.00	\$96.00	\$92.00	\$101.00	\$92.00	\$101.00	\$96.00	\$106.00	\$96.00	\$106.00
Senior/Disability	\$70.00	\$77.00	\$75.00	\$82.00	\$75.00	\$82.00	\$78.00	\$86.00	\$78.00	\$86.00
Youth	\$70.00	\$77.00	\$75.00	\$82.00	\$75.00	\$82.00	\$78.00	\$85.86	\$78.00	\$85.86
Annual Pass										
Adult	\$708	\$778	\$743	\$817	\$743	\$817	\$780	\$858	\$780	\$858
Senior/Disability	\$510	\$561	\$535	\$589	\$535	\$589	\$562	\$618	\$562	\$618
Youth	\$510	\$561	\$535	\$589	\$535	\$589	\$562	\$618	\$562	\$618
Aquatic Instruction										
Swim Lessons - Class (30 Min)	\$8.85	\$9.70	\$9.25	\$10.20	\$9.25	\$10.20	\$9.75	\$10.70	\$9.75	\$10.70
Specialty - Class (45 Min)	\$10.00	\$11.00	\$10.50	\$11.60	\$10.50	\$11.60	\$11.20	\$12.25	\$11.20	\$12.25
Specialty - Class (60 Min)	\$11.25	\$12.35	\$11.80	\$13.00	\$11.80	\$13.00	\$12.35	\$13.50	\$12.35	\$13.50
Adaptive Swim Lessons (30 Min/One-on-One)	\$17.25	\$18.95	\$18.10	\$19.90	\$18.10	\$19.90	\$19.00	\$20.85	\$19.00	\$20.85
Playtime Passport (Per Lesson)	\$1.25	\$1.35	\$1.35	\$1.40	\$1.45	\$1.40	\$1.45	\$1.50	\$1.45	\$1.50
Swim Team (45 Min Practice)	\$7.80	\$8.60	\$8.20	\$9.25	\$8.20	\$9.25	\$8.60	\$9.45	\$8.60	\$9.45
Swim Team Elite (1 Hr Practice)	\$8.70	\$9.60	\$9.25	\$10.05	\$9.25	\$10.05	\$9.60	\$10.55	\$9.60	\$10.55
Adult Fitness (1 Hr)	\$9.30	\$10.25	\$9.75	\$10.75	\$9.75	\$10.75	\$10.00	\$11.25	\$10.00	\$11.25
Senior/Disability Fitness	\$7.25	\$7.95	\$7.60	\$8.35	\$7.60	\$8.35	\$7.95	\$8.75	\$7.95	\$8.75
American Red Cross Courses (Per Hr)										
Lifeguard, CPR/AED, First Aid Training	\$11.25	\$12.35	\$11.80	\$13.00	\$11.80	\$13.00	\$12.25	\$13.50	\$12.25	\$13.50
Junior Lifeguarding	\$7.55	\$8.35	\$7.95	\$8.75	\$7.95	\$8.75	\$8.35	\$9.25	\$8.35	\$9.25
Instructor Courses (LGI or WSI)	\$12.75	\$14.00	\$13.50	\$14.75	\$13.50	\$14.75	\$14.00	\$15.50	\$14.00	\$15.50

Recreation and Parks Fees and Charges 2026-2030
Exhibit A

RENTALS	2026		2027		2028		2029		2030	
	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES
Full Pool										
1-50 Participants	\$250	\$265	\$255	\$281	\$255	\$281	\$260	\$286	\$260	\$286
51-120 Participants	\$275	\$290	\$280	\$308	\$280	\$308	\$308	\$339	\$308	\$339
121-200 Participants	\$300	\$310	\$305	\$336	\$305	\$336	\$335	\$369	\$335	\$369
1/2 Pool										
1-20 Participants	\$155	\$165	\$160	\$176	\$160	\$176	\$176	\$194	\$194	\$213
21-40 Participants	\$170	\$180	\$175	\$193	\$175	\$193	\$193	\$212	\$212	\$233
Lazy River Rental	\$42	\$46	\$46	\$51	\$46	\$51	\$50	\$55	\$50	\$55
Rental Per Hr Per Lane or Area	\$42	\$46	\$46	\$51	\$46	\$51	\$50	\$55	\$50	\$55
Hourly Lifeguard Staff Costs Per LG/Hr	\$35	\$40	\$40	\$44	\$40	\$44	\$45	\$50	\$45	\$50
Room Rentals										
Mambo/Twilight Room Dance Rehearsal - 1 Hr	\$20	\$23	\$23	\$26	\$23	\$26	\$25	\$28	\$25	\$28
Arctic Room - 1 Hr	\$75	\$83	\$80	\$88	\$80	\$88	\$85	\$94	\$85	\$94
Center Court & Rec Rm - 1 Hr	\$80	\$88	\$85	\$94	\$85	\$94	\$90	\$99	\$90	\$99
Riverview Room - 1 Hr	\$85	\$94	\$90	\$99	\$90	\$99	\$95	\$105	\$95	\$105
Twil, Arct, CC & Rec Rm Non Prime - 1 Hr	\$38	\$42	\$42	\$46	\$42	\$46	\$46	\$51	\$46	\$51
Riverview Room - Non Prime - 1 Hr	\$43	\$47	\$47	\$52	\$47	\$52	\$51	\$56	\$51	\$56
SportNFun Party Pkg - 1.5 Hr	\$90	\$99	\$90	\$99	\$90	\$99	\$105	\$115	\$105	\$115
SportNFun Pkg W/Half Pool <20 People	\$175	\$192	\$175	\$192	\$180	\$185	\$180	\$188	\$180	\$188
SportNFun Pkg W/Half Pool 20-40 People	\$210	\$230	\$210	\$230	\$215	\$235	\$215	\$235	\$215	\$235
Off the Wall Party Pkg - 1 Hr	\$80	\$88	\$80	\$88	\$85	\$90	\$85	\$94	\$85	\$94
Indoor Playground Rentals - 1 Hr	\$115	\$127	\$115	\$127	\$120	\$132	\$120	\$132	\$126	\$139
Indoor Playground Rentals - 1.5 Hr	\$130	\$143	\$130	\$143	\$140	\$154	\$140	\$154	\$147	\$162
Indoor Playground Rentals - 2 Hr	\$140	\$154	\$140	\$154	\$150	\$165	\$150	\$165	\$158	\$166
Dance Party 12 Person Party - 2 Hr	\$212	\$233	\$225	\$248	\$239	\$263	\$254	\$279	\$269	\$296
Dance Party 24 Person Party - 2 Hr	\$297	\$327	\$315	\$347	\$334	\$367	\$354	\$389	\$375	\$410
Park Rentals										
Ballinger Park Half Day	\$99	\$99	\$99	\$99	\$105	\$105	\$105	\$105	\$110	\$110
Ballinger Park Full Day	\$144	\$144	\$144	\$144	\$152	\$152	\$152	\$152	\$152	\$152

Recreation and Parks Fees and Charges 2026-2030
Exhibit A

YOUTH PROGRAMS	2026		2027		2028		2029		2030	
	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES
Youth Camps (Per Hour)										
School Age Camp	\$5.49	\$6.04	\$5.86	\$6.45	\$5.86	\$6.45	\$6.27	\$6.90	\$6.27	\$6.90
Specialty Camp	\$8.80	\$9.68	\$9.42	\$10.36	\$9.42	\$10.36	\$10.08	\$11.08	\$10.08	\$11.08
Before Camp Care	\$5.09	\$5.60	\$5.45	\$6.00	\$5.45	\$6.00	\$5.83	\$6.41	\$5.83	\$6.41
After Camp Care	\$5.09	\$5.60	\$5.45	\$6.00	\$5.45	\$6.00	\$5.83	\$6.41	\$5.83	\$6.41
Before & After Camp Care	\$5.15	\$5.67	\$5.15	\$5.67	\$5.15	\$5.67	\$5.15	\$5.67	\$5.15	\$5.67
Tennis Camp	\$8.80	\$9.68	\$9.42	\$10.36	\$9.42	\$10.36	\$10.28	\$11.31	\$10.28	\$11.31
Basketball Camp	\$8.80	\$9.68	\$9.42	\$10.36	\$9.42	\$10.36	\$10.28	\$11.31	\$10.28	\$11.31
Aquatic Camps (Per Hour)										
Aqua Kids	\$9.25	\$10.25	\$9.75	\$10.75	\$9.75	\$10.75	\$10.25	\$11.50	\$10.25	\$11.50
Youth Leagues (Per Hour)										
Tennis Team	\$2.88	\$3.17	\$2.88	\$3.17	\$3.31	\$3.50	\$3.31	\$3.50	\$3.97	\$4.37
Preschool (Per Hour)										
3 Days 1/2 Days	\$6.30	\$6.93	\$6.62	\$7.28	\$6.62	\$7.28	\$6.95	\$7.65	\$6.95	\$7.65
2 Days 1/2 Day	\$7.19	\$7.91	\$7.55	\$8.31	\$7.55	\$8.31	\$6.95	\$8.31	\$6.95	\$8.31
Jr. Kids Krew - Less Than 5 Hrs	\$6.26	\$6.89	\$6.57	\$7.23	\$6.57	\$7.23	\$6.90	\$7.59	\$6.90	\$7.59
Jr. Kids Krew - 5 to 7 Hrs	\$5.93	\$6.52	\$6.23	\$6.85	\$6.23	\$6.85	\$6.54	\$7.19	\$6.54	\$7.19
Jr. Kids Krew - 7 to 10 Hrs	\$5.63	\$6.19	\$5.91	\$6.50	\$5.91	\$6.50	\$6.21	\$6.83	\$6.21	\$6.83
Kids Krew Program (Per Hour)										
Before Care	\$6.12	\$6.73	\$6.43	\$7.07	\$6.43	\$7.07	\$6.69	\$7.35	\$6.69	\$7.35
After Care	\$6.10	\$6.71	\$6.43	\$7.07	\$6.43	\$7.07	\$6.69	\$7.35	\$6.69	\$7.35
Before & After Care	\$4.99	\$5.49	\$5.19	\$5.71	\$5.19	\$5.71	\$5.40	\$5.94	\$5.40	\$5.94
Non School Day/Camp	\$4.99	\$5.49	\$5.19	\$5.71	\$5.19	\$5.71	\$5.40	\$5.94	\$5.40	\$5.94
Early Release	\$6.10	\$6.71	\$6.43	\$7.07	\$6.43	\$7.07	\$6.69	\$7.35	\$6.69	\$7.35
Drop In	\$9.49	\$10.44	\$9.77	\$10.75	\$10.06	\$11.07	\$10.06	\$11.07	\$10.36	\$11.40
Parents Night Out	\$10.00	\$11.66	\$10.66	\$11.75	\$10.66	\$11.75	\$11.66	\$13.33	\$11.66	\$13.33

Recreation and Parks Fees and Charges 2026-2030

Exhibit A

YOUTH PROGRAMS	2026		2027		2028		2029		2030	
	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES
Indoor Playground										
Drop In	\$4.50	\$5.00	\$4.50	\$5.00	\$5.00	\$5.50	\$5.00	\$5.50	\$5.50	\$6.00
Play Pass	\$45.00	\$50.00	\$45.00	\$50.00	\$50.00	\$55.00	\$50.00	\$55.00	\$55.00	\$60.00
Drop In Add-on to Swim	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$3.00	\$3.00
Play Pass Dance/Swim	\$30.00	\$33.00	\$30.00	\$33.00	\$33.00	\$36.00	\$33.00	\$36.00	\$36.00	\$40.00
Dance & Land Fitness										
45 Min	\$13.25	\$14.60	\$14.00	\$14.85	\$14.75	\$16.25	\$15.50	\$17.05	\$16.45	\$18.10
60 Min	\$13.75	\$15.10	\$14.50	\$15.95	\$15.25	\$16.75	\$16.25	\$17.90	\$17.25	\$19.00
75 Min	\$17.25	\$19.00	\$18.25	\$20.00	\$19.00	\$20.90	\$20.25	\$22.00	\$21.50	\$23.65
90 Min	\$20.50	\$22.55	\$21.75	\$23.95	\$24.00	\$24.75	\$24.25	\$26.70	\$25.75	\$28.35
Dance Camp Hrly Rate	\$10.75	\$11.85	\$11.50	\$12.65	\$12.25	\$13.50	\$13.00	\$14.30	\$13.75	\$15.15
Recital Fee - add to yearly	\$67.00	\$67.00	\$67.00	\$67.00	\$67.00	\$67.00	\$67.00	\$67.00	\$67.00	\$67.00
Drop-In 60 min	\$15.25	\$16.80	\$16.00	\$17.60	\$16.75	\$18.40	\$17.75	\$19.55	\$19.00	\$20.90
Drop-In 75 min	\$19.00	\$21.00	\$20.00	\$22.00	\$21.00	\$23.10	\$22.00	\$24.00	\$23.75	\$26.15
Drop-In 90 min	\$22.50	\$24.75	\$24.00	\$26.40	\$25.00	\$27.50	\$26.50	\$29.15	\$25.50	\$28.00

Recreation and Parks Fees and Charges 2026-2030
Exhibit A

ATHLETICS	2026		2027		2028		2029		2030	
	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES
Open Gym (Per Visit)										
Adult	\$4.50	\$5.00	\$4.75	\$5.25	\$4.75	\$5.25	\$5.00	\$5.50	\$5.00	\$5.50
Senior	\$3.75	\$4.25	\$4.00	\$4.50	\$4.00	\$4.50	\$4.25	\$4.75	\$4.25	\$4.75
Cardio Room (Per Visit)										
Drop In-Senior	\$3.25	\$3.50	\$3.50	\$3.75	\$3.50	\$3.75	\$3.75	\$4.00	\$3.75	\$4.00
Drop In-Adult	\$3.50	\$3.75	\$3.75	\$4.00	\$3.75	\$4.00	\$4.00	\$4.25	\$4.00	\$4.25
Silver Sneakers (Per Visit)	\$6.00	\$7.00	\$6.00	\$7.00	\$6.70	\$7.40	\$6.70	\$7.40	\$7.00	\$7.70
Field Rentals (Per Hour)										
Youth Grass Fields	\$16.00	\$16.00	\$17.00	\$17.00	\$17.00	\$17.00	\$18.00	\$18.00	\$18.00	\$18.00
Adult Grass Fields	\$25.00	\$25.00	\$26.00	\$26.00	\$26.00	\$26.00	\$27.00	\$27.00	\$27.00	\$27.00
Youth Turf Field (Full Field)	\$43.00	\$43.00	\$44.00	\$44.00	\$45.00	\$45.00	\$45.00	\$45.00	\$47.00	\$47.00
Youth Turf Field (Half Field)	\$29.00	\$29.00	\$30.00	\$30.00	\$30.00	\$30.00	\$31.00	\$31.00	\$35.00	\$35.00
Youth Ballfield Turf	\$34.00	\$34.00	\$35.00	\$35.00	\$35.00	\$35.00	\$36.00	\$36.00	\$36.00	\$36.00
Adult Ballfield Turf	\$50.00	\$50.00	\$51.00	\$51.00	\$51.00	\$51.00	\$52.00	\$52.00	\$52.00	\$52.00
Adult Turf Field (Full Field)	\$64.00	\$64.00	\$65.00	\$65.00	\$66.00	\$66.00	\$66.00	\$66.00	\$68.00	\$68.00
Adult Turf Field (Half Field)	\$37.00	\$37.00	\$38.00	\$38.00	\$38.00	\$38.00	\$39.00	\$39.00	\$44.00	\$44.00
Lights	\$20.00	\$20.00	\$21.00	\$21.00	\$21.00	\$21.00	\$22.00	\$22.00	\$22.00	\$22.00
Gym Rental (Per Hour)										
Youth	\$60.00	\$60.00	\$65.00	\$65.00	\$65.00	\$65.00	\$70.00	\$70.00	\$70.00	\$70.00
Adult	\$70.00	\$70.00	\$75.00	\$75.00	\$75.00	\$75.00	\$80.00	\$80.00	\$80.00	\$80.00
Racquetball										
Drop In/Reserv (Per Hour)	\$10.00	\$10.50	\$10.00	\$10.50	\$10.00	\$10.50	\$10.00	\$10.50	\$10.00	\$10.50
Tournaments (Per Match)	\$17.00	\$17.00	\$17.00	\$17.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
Leagues (Per Game)										
Basketball	\$67.00	\$67.00	\$67.00	\$67.00	\$67.00	\$67.00	\$69.00	\$69.00	\$69.00	\$69.00
Softball	\$63.00	\$63.00	\$64.00	\$64.00	\$64.00	\$64.00	\$65.00	\$65.00	\$65.00	\$65.00
Volleyball	\$39.00	\$39.00	\$39.00	\$39.00	\$39.00	\$39.00	\$41.00	\$41.00	\$41.00	\$41.00
General Rec (Per 1 Hour)										
Basic Dog Obedience	\$14.58	\$16.03	\$16.03	\$17.64	\$16.03	\$17.64	\$17.64	\$19.40	\$17.64	\$19.40
Beyond Basic Dog Obedience	\$19.25	\$21.18	\$21.18	\$23.29	\$21.18	\$23.29	\$23.29	\$25.62	\$23.29	\$25.62
Puppygarten	\$16.06	\$17.67	\$17.67	\$19.43	\$17.67	\$19.43	\$19.43	\$21.38	\$19.43	\$21.38

CITY OF MOUNTLAKE TERRACE

RESOLUTION NO. XXXX

**A RESOLUTION OF THE CITY OF MOUNTLAKE TERRACE, WASHINGTON,
ESTABLISHING RECREATION AND PARKS FEES FOR 2026-2030, AND
REPEALING RESOLUTION NO. 909**

WHEREAS, the City of Mountlake Terrace is a non-charter optional municipal code city as provided in Title 35A RCW, incorporated under the laws of the State of Washington and is authorized by state law to impose fees to recuperate the costs of processing and/or providing services to the public, including but not limited to RCW 35A.11.020; and

WHEREAS, the City of Mountlake Terrace adopted Ordinance No. 2212, codified as Mountlake Terrace Municipal Code (“MTMC”) 3.150.070, establishing fees and charges applicable to parks, recreation, athletic, aquatic and other programs and services provided by the City; and

WHEREAS, MTMC 3.150.070 authorizes recreation and parks fees may be established annually by resolution; and

WHEREAS, the City of Mountlake Terrace has adopted the Five-Year Financial Plan, with a policy to maximize cost recovery on City services reflecting market rate pricing adjustments; and

WHEREAS, the Recreation and Park Advisory Commission reviewed and recommended the proposed fee schedule for approval at their October 14, 2025 regular meeting; and

WHEREAS, it is the intent of the City Council to revise and to set forth in a schedule, the fees and charges for Recreation and Parks programs and services.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNTLAKE
TERRACE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:**

Section 1. Fees Adopted. The City Council approves and adopts the fee schedule attached hereto as set forth in Exhibit A and incorporated herein by reference as the Recreation and Parks Fees and Charges.

Section 2. Effective Date. This Resolution together with the fee schedule herein adopted shall take effect and be in force on and after midnight December 31, 2025 and shall remain in effect until modified, revised or repealed by City Council action.

Section 3. Repealer. Mountlake Terrace Resolution No. 909 is hereby repealed in its entirety.

Section 4. **Savings Clause.** Resolution No. 909, which is repealed by this Resolution, shall remain in full force and effect until the Effective Date of this Resolution, and shall remain in full force and effect in the event this Resolution is invalidated in its entirety.

PASSED by the City Council on November 20, 2025

SIGNED in authentication of its passage on XXXX XX, 2025

EFFECTIVE date January 1, 2026

AUTHENTICATION:

Kyoko Matsumoto Wright, Mayor

ATTEST:

Jennifer Joki, City Clerk

APPROVED AS TO FORM:

Hillary J. Evans, City Attorney



STAFF REPORT

To: Mountlake Terrace City Council
From: Lucas Kragt, Civil Engineer II
Meeting Date: November 13, 2025
Subject: Review Resolution Adopting Engineering Fee Schedule

Required Reviews:

Jennifer Joki	Created/Initiated - 11/06/2025
Gary Schimek	Approved - 11/07/2025
Sirke Salminen	Approved - 11/07/2025
Hillary Evans	Approved - 11/13/2025
Carolyn Hope	Final Approval - 11/13/2025

Council Goal(s):

Responsible Governance to Ensure Desired Level of Service, Growing our Vibrant Community

Legislative History:

Permit Fees: Resolution 911 updated Civil Engineering Permit fees for 2025.
Utility Connection Fees: Ordinance 2855 repealed the connection fees from code and added provisions for adopting the utility fees by resolution.

Subject Summary:

Permit Fees: Staff proposes the attached Civil Engineering Construction Development Fee Schedule for 2026 to recover the costs of civil engineering construction permits. Staff do not propose changing the permit fees between 2025 and 2026. The current hourly review rate is sufficient to collect the required permitting fees to cover staff time.

Utility Connection Fees: This is an update to the utility connection fees to reflect the Seattle Area Consumer Price index (CPI) and Utility Comprehensive Plan recommendations. This to fulfill the City's direction in MTMC 13.05.110 and 13.05.180 and 13.05.250 to establish fee schedules annually to recover the costs of constructing capacity improvements and managing maintenance. The storm, sewer and water fees have been increased 5.9% from 2025 to 2026.

Financial/Budget Impacts:

Budget Amendment No
Required? _____

Budget and Sources:	N/A
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Expenditure:	N/A
New Appropriation Required + Sources:	N/A

Additional Financial Information:

N/A

Community Notifications:

City Council Agenda

If "Other," please specify:

Board/Commission Recommendation:

N/A

Staff Recommendation:

Staff recommends the City Council vote to adopt the resolution setting the 2026 Civil Engineering Construction Development Fees as well as the Utility Connection Fees. This can be accomplished by adding it to the Consent Agenda on November 20, 2025.

Council Motion:

N/A

Attachments:

1. Civil Fee Schedule 2026
2. Resolution Civil Fees (Draft)
3. Utility Connection Fees 2026
4. Resolution Utility Connection Fees (Draft)

CIVIL ENGINEERING CONSTRUCTION DEVELOPMENT FEES

(Effective January 1, 2026)

Engineering Construction Permit Application Deposits and Fees

All engineering construction deposits consist of the following:

1. The application deposit covers the costs of filing the permit application, plan checking, and construction inspection fees.
2. A base deposit is the minimum amount due at time of application. Hourly rates apply to plan review and inspections.
3. An additional deposit may need to be collected could include additional review and inspection fees based on actual number of hours used.
4. Deposits are intended to cover the estimated number of hours needed for permit review. Additional deposits may be required and must be submitted upon request by the City based on the City's estimate of the number of hours of the City staff time needed to finalize the permit.
5. All references to days shall be business days. All submittals received after 3:00 PM shall be considered to be submitted on the following day.

Deposit Refund Timelines

All deposits shall be non-refundable, except that the City Engineer may allow a refund based on the criteria below.

1. For withdrawn applications, 80% of the initial deposit may be refunded when the written request is received within 20 days, and 50% of the initial deposit may be refunded after 20 days. Refunds are subject to the following circumstances:
 - a. The applicant submits a written request for a refund, which includes the reasons for withdrawing the application, to the City Engineer and,
 - b. The City Engineer verifies that substantive staff review of the application has not begun for refunds requested within 20 days.
2. After the permit is Finaled, up to 50% of the initial deposit may be refunded when the following circumstances are present.
 - a. All work is completed and no punchlist work remains and,
 - b. All Performance Bonds are released and Maintenance Bonds are posted if required.

Note: Any administration, credit card processing, and technology fees are nonrefundable in all cases.

2026 Hourly Rate: \$200
Technology Fee: 5% of Total Fees

Development Engineering Permit

Construction Valuation	Application Deposit*
Up to \$25,000	10-hours
\$25,000.01-\$100,000	40-hours
\$100,000.01-\$200,000	80-hours
\$200,000.01 or more	Application Deposit per City Engineer **
* Hours are tracked and billed based on actual hours spent or as set forth in city code regulating civil permit plan check and inspections, Chapter 13.05 MTMC, whichever applies (see Other Permit Fees). ** City Engineer is authorized to make a determination on the estimated number of hours for plan review and inspection to establish initial application deposit to be paid. 2 Hours charged at time of application.	

Clearing and Grading Permit

A Clearing and Grading Permit is not required if the permit scope is wholly contained within a Development Engineering Permit.

Cubic Yards	Fee*
51 to 100 cubic yards (40 m ³ to 76.5 m ³)	2-hours
Up to 1,000 cubic yards (764.6 m ³)	2-hours for the first 100 cubic yards (76.5 m ³) + \$27 for each additional 100 cubic yards (76.5 m ³) or fraction thereof
Up to 10,000 cubic yards (7645.5 m ³)	4-hours for the first 1,000 cubic yards (764.6 m ³) + \$53 for each additional 1,000 cubic yards (764.6 m ³) or fraction thereof
Up to 100,000 cubic yards (76,455 m ³)	8-hours for the first 10,000 cubic yards (7645.5 m ³) + \$160 for each additional 10,000 cubic yards (7645.5 m ³) or fraction thereof
* The fee for a Clearing and Grading Permit authorizing additional work to a valid permit shall be the difference between the original permit fee and the amended fee.	

Other Permit Fees

Permit Type	Fees (Hourly Rate Applies, Unless Otherwise Noted)
Driveway, Residential*	1.5 hours*
Erosion Control (TESC)**	2-hour application deposit; hours in excess of 2-hours will be billed**
Construction Staging Area	4 hour deposit
Hydrant Use	1-hour + field crew actual time billed + \$2,131 deposit; actual water usage billed
Landscape and Irrigation Plans	4-hour application deposit; hours in excess of 4-hours will be billed
Memorial Road Sign Fee	\$307

Permit Type	Fees (Hourly Rate Applies, Unless Otherwise Noted)
Right-of-Way Use Permit - Type A - Type B - Type C	1-hour 2-hours 4-hours
Sanitary Sewer (Side Sewer) - New - Repair	1-hour + see Utility Connection Fee Schedule + field crew actual time billed. Connections not made at manholes will be videoed by crew and billed 2-hours minimum
Water Meter Installation - New	1-hour + capital improvement fee (see Utility Connection Fee Schedule) + Public Works crew installation & meter cost below 3/4" or 5/8" meter = \$400 1" meter = \$500 1.5" meter = \$900 2" meter = \$1,100 3" meter = 1-hour account setup & owner purchases-installs 4" meter = 1-hour account setup & owner purchases-installs
* A Driveway Residential Permit is not required if the driveway permit scope is wholly contained within a Building (Residential) permit. ** Erosion Control (TESC) Permit is not required if the erosion control (TESC) permit scope is wholly contained within a Clearing and Grading Permit or Driveway Permit.	

Performance Guarantees

Type	Deposit (Refundable When Not Used)
Erosion Control	\$1,000 for each acre of development site area or fraction thereof
Street Invasion	\$1,500 for each invasion of improved public right-of-way

Public and Privately Owned Utilities

Type of Utility Service	Fees
Overhead Services - Individual - Distribution line (with or without services)	1-hour 1-hour per installation, or 2.2% of value of construction, whichever is greater
Underground Services - Individual, disturbing an improved portion of the right-of-way - Individual, not disturbing an improved portion of the right-of-way - Distribution line (with or without services)	\$366 per installation (street invasion deposit not applicable to companies with city franchise) 2-hours per installation 2-hours per installation including extensions, repairs or modifications, or 4.4% of value of construction, whichever is greater

Other Civil Construction Permit Services and Fees

Type	Fee
Additional plan review required by changes, additions, revision to plans and supporting documents (for approved or issued permits)	Hourly, 2-hour minimum
Expedited Review request (fees are in addition to normal review and permit fees): - In-house - Consultant	Actual time + 4 hours 4 hours, plus City's actual cost for outside consultant
Expired permit application (in review)	2 hours and Application Deposit to be updated per City Engineer
Expired approved or issued permit	2 hours and Application Deposit to be updated per City Engineer
Inspections - for which no fee is specifically indicated	2 hours, minimum
Inspection (outside of normal business hours, 8:00 a.m.- 4:00 p.m.)	Double the hourly rate (2 hours, minimum)
Investigation Fees	Equal to permit fee
Re-inspection fees	2 hours minimum
Time Extensions for unexpired applications, approved or issued permits	2-hours
Variance – Stormwater	6 hours minimum
Work without a permit	Investigation fee + permit fee

Costs Adopted for Outside Consultants and Applicant Requested Expedited Review.

Costs for use of outside consultants are approved, adopted and established as herein set forth. For use of outside consultants for plan checking, inspections or both, the cost shall be the actual cost to the City, in addition to the permit fees required by this resolution.

CITY OF MOUNTLAKE TERRACE**RESOLUTION NO. ____****A RESOLUTION OF THE CITY OF MOUNTLAKE TERRACE
ESTABLISHING FEES FOR PERMITS, PLAN CHECKS, INSPECTIONS
AND OTHER RELATED FEES FOR CIVIL PROJECTS; AND
REPEALING RESOLUTION NO. 911**

WHEREAS, the City has determined to set forth a schedule of fees to cover the costs of development services, including building construction and fire protection permits; and

WHEREAS, Chapter 3.150 MTMC authorizes fee schedules to be adopted by resolution; and

WHEREAS, pursuant to MTMC 3.150.090, the City Council considers changes to the fee schedule every three years, upon completion of a cost-of-service study, and annual adjustments will be made to reflect the Seattle Area Consumer Price Index (CPI); and

WHEREAS, the City studied the cost of development services and the City Council considered new fee schedules at a work session on, November 13, 2025, and held a duly noticed public hearing on November 20, 2025; and

WHEREAS, the City Council believes it is in the best interest of the City to adopt the proposed fees;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNTLAKE TERRACE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Adopting Civil Permit Fees. The City hereby adopts the following fees:

CIVIL ENGINEERING CONSTRUCTION DEVELOPMENT FEES

Effective January 1, 2026

Engineering Construction Permit Application Deposits and Fees

All engineering construction deposits consist of the following:

- a. The application deposit covers the costs of filing the permit application, plan checking, and construction inspection fees.
- b. A base deposit amount is the minimum amount due at time of application. Hourly rates apply to plan check and inspections.
- c. An additional deposit amount may need to be collected could include additional review and inspection fees based on actual number of hours used.
- d. Deposits are intended to cover the estimated number of hours needed for permit review. Additional deposits may be required and must be submitted upon request by the City based on the City's estimate of the number of hours of the City staff time needed to finalize the permit.
- e. All references to days shall be business days. All submittals received after 3:00 PM shall be considered to be submitted on the following day.

Deposit Refund Timelines

All deposits shall be non-refundable, except that the City Engineer may allow a refund based on the criteria below.

1. For withdrawn applications, 80% of the initial deposit may be refunded when the written request is received within 20 days, and 50% of the initial deposit may be refunded after 20 days. Refunds are subject to the following circumstances:
 - a. The applicant submits a written request for a refund, which includes the reasons for withdrawing the application, to the City Engineer and,
 - b. The City Engineer verifies that substantive staff review of the application has not begun for refunds requested within 20 days.
2. After the permit is Finalized, up to 50% of the initial deposit may be refunded when the following circumstances are present.
 - a. All work is completed and no punchlist work remains and,
 - b. All Performance Bonds are released and Maintenance Bonds are posted if required.

Note: Any administration, credit card processing, and technology fees are nonrefundable in all cases.

2026 Hourly Rate: \$200
Technology Fee: 5% of Total Fees

Development Engineering Permit

Construction Valuation	Application Deposit*
Up to \$25,000	10-hours
\$25,000.01-\$100,000	40-hours
\$100,000.01-\$200,000	80-hours
\$200,000.01 or more	Application Deposit per City Engineer **
* Hours are tracked and billed based on actual hours spent or as set forth in city code regulating civil permit plan check and inspections, Chapter 13.05 MTMC, whichever applies (see Other Permit Fees). ** City Engineer is authorized to make a determination on the estimated number of hours for plan review and inspection to establish initial application deposit to be paid. 2 Hours charged at time of application.	

Clearing and Grading Permit

A Clearing and Grading Permit is not required if the grading permit scope is wholly contained within a Development Engineering Permit.

Cubic Yards	Fee*
51 to 100 cubic yards (40 m ³ to 76.5 m ³)	2-hours
Up to 1,000 cubic yards (764.6 m ³)	2-hours for the first 100 cubic yards (76.5 m ³) + \$27 for each additional 100 cubic yards (76.5 m ³) or fraction thereof
Up to 10,000 cubic yards (7645.5 m ³)	4-hours for the first 1,000 cubic yards (764.6 m ³) + \$53 for each additional 1,000 cubic yards (764.6 m ³) or fraction thereof
Up to 100,000 cubic yards (76,455 m ³)	8-hours for the first 10,000 cubic yards (7645.5 m ³) + \$160 for each additional 10,000 cubic yards (7645.5 m ³) or fraction thereof

* The fee for a Clearing and Grading permit authorizing additional work to a valid permit shall be the difference between the original permit fee and the amended fee.

Other Permit Fees

Permit Type	Fees (Hourly Rate Applies, Unless Otherwise Noted)
Driveway, Residential*	1.5 hours*
Erosion Control (TESC)**	2-hour application deposit; hours in excess of 2-hours will be billed**
Construction Staging Area	4-hour deposit
Hydrant Use	1-hour + field crew actual time billed + \$2,131 deposit; actual water usage billed
Landscape and Irrigation Plans	4-hour application deposit; hours in excess of 4-hours will be billed
Memorial Road Sign Fee	\$307
Right-of-Way Use Permit - Type A - Type B - Type C	1-hour 2-hours 4-hours minimum (When related to work under a civil permit, additional staff time will be added to that the permit. Other Type C permits to be billed hourly after 4-hours.
Sanitary Sewer (Side Sewer) - New - Repair	1-hour + see Utility Connection Fee Schedule + field crew actual time billed. Connections not made at manholes will be videoed by crew and billed 2-hours minimum
Water Meter Installation - New	1-hour + capital improvement fee (see Utility Connection Fee Schedule) + Public Works crew installation & meter cost below 3/4" or 5/8" meter = \$400 1" meter = \$500 1.5" meter = \$900 2" meter = \$1,100 3" meter = 1-hour account setup & owner purchases-installs 4" meter = 1-hour account setup & owner purchases-installs
* A Driveway Residential Permit is not required if the driveway permit scope is wholly contained within a Building (Residential) permit. **Erosion Control (TESC) Permit is not required if the erosion control (TESC) permit scope is wholly contained within a Clearing and Grading Permit or Driveway Permit.	

Performance Guarantees

Type	Deposit (Refundable When Not Used)
Erosion Control	\$1,000 for each acre of development site area or fraction thereof
Street Invasion	\$1,500 for each invasion of improved public right-of-way

Public and Privately Owned Utilities

Type of Utility Service	Fees
Overhead Services - Individual - Distribution line (with or without services)	1-hour 1-hour per installation, or 2.2% of value of construction, whichever is greater
Underground Services - Individual, disturbing an improved portion of the right-of-way - Individual, not disturbing an improved portion of the right-of-way - Distribution line (with or without services)	\$366 per installation (street invasion deposit not applicable to companies with city franchise) 2-hours per installation 2-hours per installation including extensions, repairs or modifications, or 4.4% of value of construction, whichever is greater

Other Civil Construction Permit Services and Fees

Type	Fee
Additional plan review required by changes, additions, revision to plans and supporting documents (for approved or issued permits)	Hourly, 2-hour minimum
Expedited Review request (fees are in addition to normal review and permit fees): - In-house - Consultant	Actual time + 4 hours 4 hours, plus City's actual cost for outside consultant
Expired permit application (in review)	2 Hours and Application Deposit to be updated per City Engineer
Expired approved or issued permit	2 Hours and Application Deposit to be updated per City Engineer
Inspections - for which no fee is specifically indicated	2 hours, minimum
Inspection (outside of normal business hours, 8:00 a.m.- 4:00 p.m.)	Double the hourly rate (2 hours, minimum)
Investigation Fees	Equal to permit fee
Re-inspection fees	2 hours minimum
Time Extensions for unexpired applications, approved or issued permits	2-hours
Variance – Stormwater	6 hours minimum
Work without a permit	Investigation fee + permit fee

Section 2. Adopting Costs for Outside Consultants and Applicant Requested Expedited Review.

Costs for use of outside consultants are approved, adopted and established as herein set forth. For use of outside consultants for plan checking, inspections or both, the cost shall be the actual cost to the City, in addition to the permit fees required by this resolution.

Section 3. Fees – Nonrefundable - Exception. All fees shall be non-refundable, except as allowed by the Building Official pursuant to refunding provisions of the City's adopted building code.

Section 4. Repealer – Resolution. Resolution No. 911 of the City of Mountlake Terrace is hereby repealed in its entirety effective Midnight, December 31, 2025.

Section 5. Effective Date – Resolution. The fee schedules herein shall take effect and be in force on and after Midnight, January 1, 2026, and shall remain in effect until amended, revised or repealed and replaced by a subsequent fee schedule(s).

PASSED by the City Council of the City of Mountlake Terrace this 20th day of November, 2025, and signed in authentication of its passage this 20th day of November, 2025.

Mayor Kyoko Matsumoto Wright

ATTEST: _____
City Clerk

APPROVED AS TO FORM: _____
Hillary Evans, City Attorney

UTILITY CONNECTION FEES DEVELOPER INSTALLATION

Water service capital improvement and installation fees: MTMC 13.05.110 (Effective January 1, 2026)

Meter Size	ERU Weighting Factor	Capital Improvement (Buy-In) Fee
5/8" x 3/4"	1	\$5,915
1"	2.5	\$14,786
1-1/2"	5	\$29,570
2"	8	\$47,313
3"	15	\$88,712
4"	25	\$147,854
6"	50	\$295,708

*City installation fee shall be based on the current Civil Engineering Construction Development Fees

Sanitary sewer capital facilities charge: MTMC 13.05.180 (Effective January 1, 2026)

Meter Size	ERU Weighting Factor	Capital Improvement (Buy-In) Fee
5/8" x 3/4"	1	\$4,450
1"	2.5	\$11,126
1-1/2"	5	\$22,252
2"	8	\$35,603
3"	17.5	\$77,881
4"	32.5	\$144,636

*City installation fee shall be based on the current Civil Engineering Construction Development Fees

Stormwater capital facilities charge: MTMC 13.05.250

Stormwater capital facilities charges shall be imposed on all new development. The equivalent residential unit (ERU) for stormwater (equal to 2,282 square feet of impervious surface in the City of Mountlake Terrace) shall be the unit for capital facilities charges. The charge for Stormwater capital facilities shall be \$3,275 per ERU.

- A. Single-Family Residential. Each single family residential lot will be assessed a capital facilities charge equal to \$3,275 (equal to one ERU.) The charge will be due when a lot is developed or redeveloped and new water and/or new sanitary sewer service is initiated for the parcel.
- B. Multi-Family, Industrial and Commercial. The total stormwater capital facility charge for a parcel will equal: Total impervious surface/2,282 x \$3,275. The charge will be due upon construction permit issuance for the parcel.

CITY OF MOUNTLAKE TERRACE**RESOLUTION NO. ____****A RESOLUTION OF THE CITY OF MOUNTLAKE TERRACE
ESTABLISHING FEES FOR UTILITY CONNECTIONS**

WHEREAS, the City has determined to set forth a schedule of fees to cover the costs of development services, including building construction and fire protection permits; and

WHEREAS, Chapter 3.150 MTMC authorizes fee schedules to be adopted by resolution; and

WHEREAS, pursuant to MTMC 13.05.110 AND 13.05.180 AND 13.05.250, the City Council considers changes to the fee schedule and annual adjustments will be made to reflect the Seattle Area Consumer Price Index (CPI) and Utility Comprehensive Plan Recommendations; and

WHEREAS, the City studied the cost of development services and the City Council considered new fee schedules at a work session on, November 13, 2025, and held a duly noticed public hearing on November 20, 2025; and

WHEREAS, the City Council believes it is in the best interest of the City to adopt the proposed fees;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNTLAKE TERRACE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Adopting Utility Connection Fees. The City hereby adopts the following fees:

UTILITY CONNECTION FEES DEVELOPER INSTALLATION

Water service capital improvement and installation fees: MTMC 13.05.110 (Effective January 1, 2026)

Meter Size	ERU Weighting Factor	Capital Improvement (Buy-In) Fee
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*City installation fee shall be based on the current Civil Engineering Construction Development Fees

Stormwater capital facilities charge: MTMC 13.05.250

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- B. Multi-Family, Industrial and Commercial. The total stormwater capital facility charge for a parcel will equal: Total impervious surface/2,282 x \$3,275. The charge will be due upon construction permit issuance for the parcel.

Section 2. Fees – Nonrefundable - Exception. All fees shall be non-refundable, except as allowed by the Public Works Director pursuant to refunding provisions of the City’s adopted code.

Section 3. Effective Date – Resolution. The fee schedules herein shall take effect and be in force on and after Midnight, January 1, 2026, and shall remain in effect until amended, revised or repealed and replaced by a subsequent fee schedule(s).

PASSED by the City Council of the City of Mountlake Terrace this 20th day of November, 2025, and signed in authentication of its passage this 20th day of November, 2025.

Mayor Kyoko Matsumoto Wright

ATTEST: _____

City Clerk

APPROVED AS TO FORM: _____

Hillary Evans, City Attorney



CITY OF
**MOUNTLAKE
TERRACE**



Q3 Fiscal Year 2025 Financial Report

City Council Regular Meeting : November 13, 2025

Sirke Salminen, CPA, Finance Director

Artus Nemati, Senior Accountant

PURPOSE

Present update to the City's fiscal year 2025 position through the end of Quarter 3



AGENDA

- Fund by Fund Budget to Actuals



GENERAL BUDGET TO ACTUAL

GENERAL OPERATING

	<u>YTD Actual</u>	<u>Adopted Budget</u>	<u>% of Budget</u>		<u>Remaining</u>
Revenues and Other Sources					
Property Taxes	\$ 2,142,359	\$ 3,953,943	54%	A	1,811,584
Sales Taxes	3,243,803	4,977,760	65%		1,733,957
Utility Taxes	4,059,099	4,210,606	96%		151,507
Gambling Taxes	553,475	1,135,515	49%	B	582,040
Other Taxes	55,750	66,079	84%		10,329
Business, Animal and Other Licenses	132,616	173,415	76%		40,799
Development Service Fees	1,171,623	2,414,625	49%	C	1,243,002
Cable and Solid Waste Franchise Fee	381,856	315,634	121%		(66,222)
State Shared and Intergovernmental	544,244	687,681	79%		143,437
Fines and Forfeitures	96,732	92,381	105%		(4,351)
Other Fees and Charges	151,432	310,121	49%		158,689
Investment Interest	194,668	350,000	56%		155,332
Other Revenues	248,921	25,000	996%		(223,921)
Revenues and Other Sources Total	\$ 12,976,578	\$ 18,712,760	69%		
Expenditures and Other Uses					
Salaries and Benefits	\$ 10,044,675	\$ 12,673,887	79%		2,629,212
Supplies	225,435	404,272	56%		178,837
Services	5,030,108	8,880,717	57%		3,850,609
Capital Outlays	199,891	37,000	540%	D	(162,891)
Reimbursements from Other Funds	(2,489,450)	(3,662,930)	68%		(1,173,480)
Transfers to Other Funds	-	2,976,332	0%	E	2,976,332
Expenditures and Other Uses Total	\$ 13,010,659	\$ 21,309,278	61%		

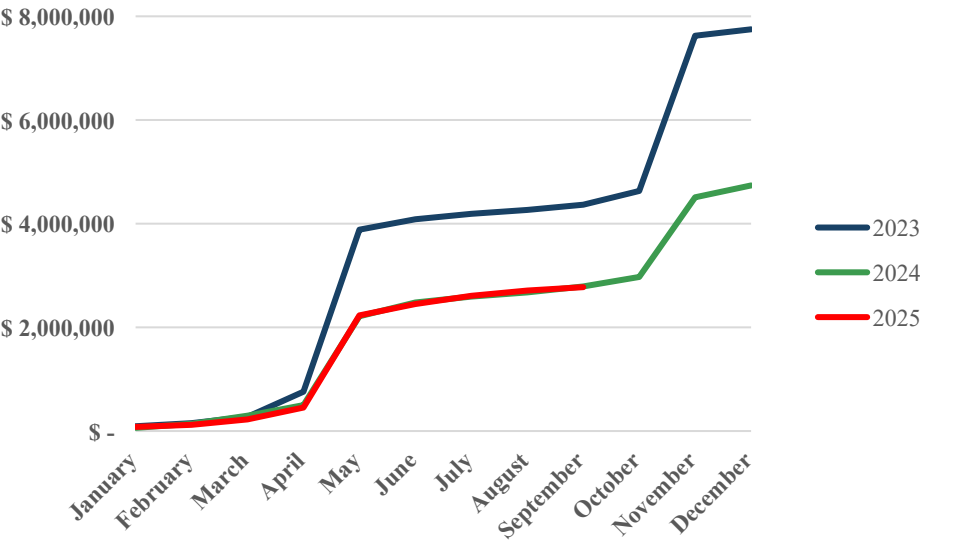
- A. Historically, we receive our largest collections in property taxes in May and November
- B. Gambling taxes are down due to the bankruptcy of local casino
- C. Permits and other CED are lower than anticipated
- D. Capital outlays are related to use of ARPA funds
- E. Transfers will be performed in quarter 4

MONTHLY PROPERTY AND REET TAXES

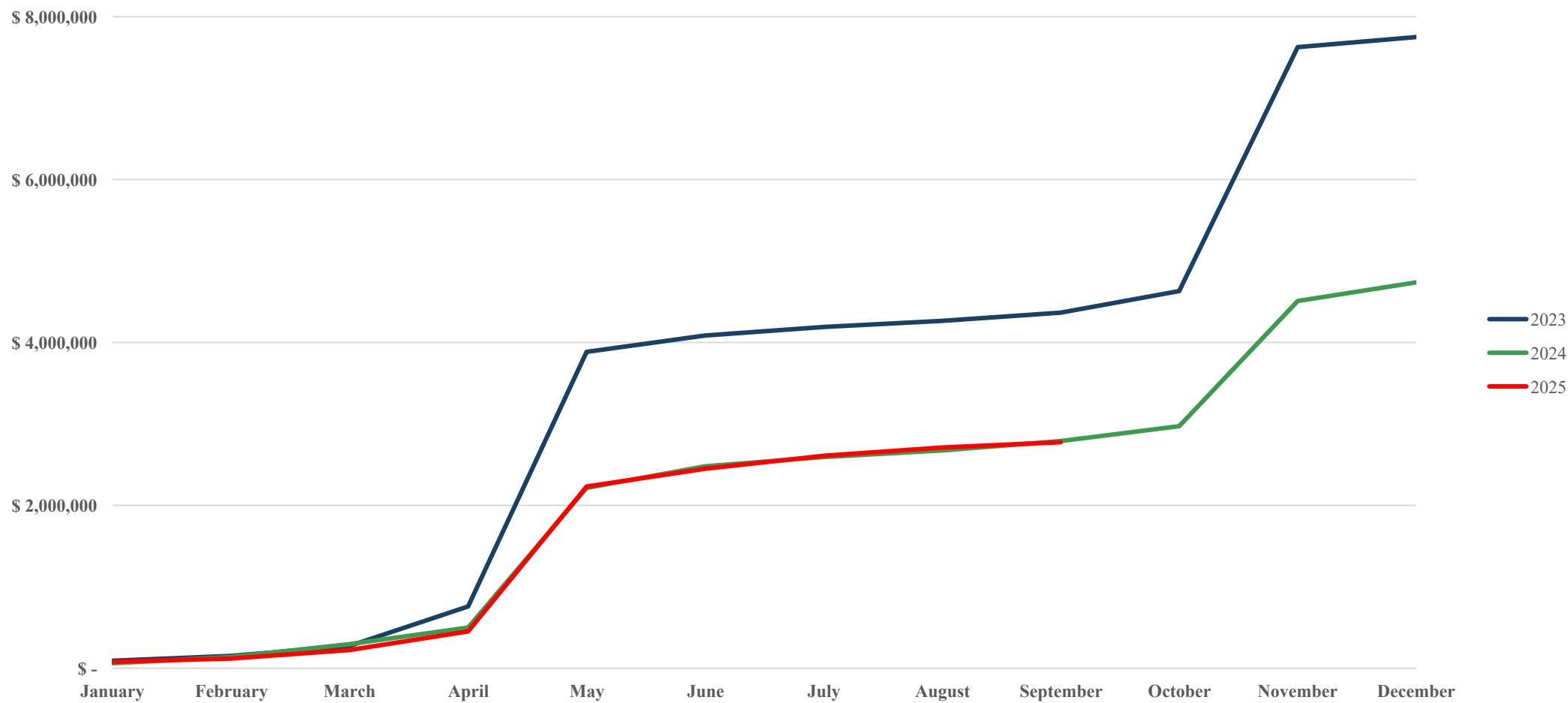
	2023		2024		2025
	YTD Collections	% of Total	YTD Collections	% of Total	YTD Collections
January	92,389	1.2%	61,421	1.3%	79,633
February	152,058	2.0%	138,492	2.9%	119,712
March	274,308	3.5%	296,320	6.3%	224,313
April	758,827	9.8%	499,574	10.5%	452,792
May	3,884,420	50.1%	2,213,863	46.7%	2,230,907
June	4,085,223	52.7%	2,479,787	52.3%	2,449,907
July	4,190,083	54.1%	2,593,255	54.7%	2,608,491
August	4,265,083	55.0%	2,674,101	56.4%	2,710,050
September	4,365,865	56.3%	2,789,303	58.9%	2,775,387
October	4,630,842	59.8%	2,971,926	62.7%	-
November	7,625,531	98.4%	4,508,902	95.2%	-
December	7,749,519	100.0%	4,737,739	100.0%	-
Quarter 4		43.7%	Quarter		41.1%

For the last two years, we have collected between 41 and 44 percent of Property and REET Taxes in the 4th Quarter.

	YTD Actual	Adopted Budget	% of Budget	Remaining
Property Taxes	2,142,359	3,953,943	54%	1,811,584
REET (1st 1/4%)	316,514	500,000	63%	183,486
REET (2nd 1/4%)	316,514	500,000	63%	183,486
	2,775,387	4,953,943	56%	2,178,556



MONTHLY PROPERTY AND REET TAXES



RECREATION BUDGET TO ACTUAL

GENERAL OPERATING

	<u>YTD Actual</u>	<u>Adopted Budget</u>	<u>% of Budget</u>		<u>Remaining</u>
Revenues and Other Sources					
Aquatics	\$ 499,168	\$ 992,000	50%	A	\$ 492,832
Athletic Fitness	122,820	173,300	71%		50,480
Youth Programs	1,339,142	1,353,560	99%		14,418
General Recreation	94,421	143,750	66%		49,329
Transfers from Other Funds	-	753,000	0%	B	753,000
Revenues and Other Sources Total	\$ 2,055,551	\$ 3,415,610	60%		
Expenditures and Other Uses					
Salaries and Benefits	\$ 2,163,726	\$ 2,894,128	75%		\$ 730,402
Supplies	86,332	120,175	72%		33,843
Services	448,503	597,872	75%		149,369
Capital Outlays	-	1,000	0%		1,000
Expenditures and Other Uses Total	\$ 2,698,560	\$ 3,613,175	75%		

- A. Pool closure for maintenance caused lower than forecasted aquatics revenue
- B. Transfers will be performed in quarter 4

STEET OPERATING BUDGET TO ACTUAL

GENERAL OPERATING

	YTD Actual	Adopted Budget	% of Budget	Remaining
Revenues and Other Sources				
MV Fuel Tax	\$ 224,357	\$ 417,818	54%	A \$ 193,461
Multi-Modal Distribution (ESSB 5987)	13,285	30,143	44%	A 16,858
Road Impact Fee - Solid Waste Provider	102,755	124,872	82%	22,117
Investment Interest	18,604	-	-	(18,604)
Other Revenues	140	10,609	1%	10,469
Transfers from Other Funds	-	690,000	0%	B 690,000
Revenues and Other Sources Total	\$ 359,141	\$ 1,273,442	28%	
Expenditures and Other Uses				
Salaries and Benefits	\$ 463,310	\$ 767,095	60%	\$ 303,785
Supplies	75,501	211,000	36%	135,499
Services	368,567	683,480	54%	314,913
Capital Outlays	-	20,400	0%	20,400
Expenditures and Other Uses Total	\$ 907,379	\$ 1,681,975	54%	

- A. Fuel tax and ESSB 5987 revenues are state shared tax revenues budgeted on estimates provided by the state each year
- B. Transfers will be performed in quarter 4

FLEET BUDGET TO ACTUAL

GENERAL OPERATING

	<u>YTD Actual</u>	<u>Adopted Budget</u>	<u>% of Budget</u>	<u>Remaining</u>
Revenues and Other Sources				
Internal Reimbursements	\$ 1,775,427	\$ 2,453,111	72%	\$ 677,684
Reimbursements from Other Governments	47,315	109,151	43% A	61,836
Investment Interest	87,786	-	-	(87,786)
Sale of Capital Assets	21,519	98,300	22%	76,782
Other Revenues	17,599	-	-	(17,599)
Revenues and Other Sources Total	\$ 1,949,646	\$ 2,660,562	73%	
Expenditures and Other Uses				
Salaries and Benefits	\$ 303,644	\$ 364,540	83%	\$ 60,896
Supplies	235,579	335,050	70%	99,471
Services	291,799	368,228	79%	76,429
Capital Outlays	225,000	1,359,950	17% B	1,134,950
Expenditures and Other Uses Total	\$ 1,056,023	\$ 2,427,768	43%	

- A.** Fleet reimbursements from the City of Shoreline based on use of assets
- B.** Capital Outlays budget includes replacement cost for future year expenditures

HOTEL/MOTEL TAX BUDGET TO ACTUAL

GENERAL OPERATING

	YTD Actual	Adopted Budget	% of Budget	Remaining	
Revenues and Other Sources					
Hotel/Motel Tax	\$ 38,285	\$ 55,000	70%	\$ 16,715	
Investment Interest	6,014	3,200	188%	(2,814)	
Revenues and Other Sources Total	\$ 44,299	\$ 58,200	76%		
Expenditures and Other Uses					
Services	\$ -	\$ 50,000	0%	A \$ 50,000	A. Invoice from LTAC recipient not yet received

DEBT SERVICE BUDGET TO ACTUAL

GENERAL OPERATING

	YTD Actual	Adopted Budget	% of Budget	Remaining
Revenues and Other Sources				
Investment Interest	\$ 359	\$ 11,570	3%	\$ 11,211
Transfers from Other Funds	-	711,475	0%	711,475
Revenues and Other Sources Total	\$ 359	\$ 723,045	0%	
Expenditures and Other Uses				
Debt Service	\$ 223,238	\$ 712,175	31%	A \$ 488,938

A. Remaining scheduled debt payments to be disbursed in the 4th Quarter

OTHER FUNDS BUDGET TO ACTUAL

GENERAL OPERATING

Housing Needs Fund

	<u>YTD Actual</u>	<u>Adopted Budget</u>	<u>% of Budget</u>	<u>Remaining</u>
Other Sources				
Investment Interest	\$ 7,085	\$ 8,000	89%	\$ 915
Expenditures				
Services	\$ 3,523	\$ 22,300	16%	\$ 18,777

A. Expenditures in Solid Waste Fund are for solid waste fee exemptions to lower income households

Solid Waste Service Fund

	<u>YTD Actual</u>	<u>Adopted Budget</u>	<u>% of Budget</u>	<u>Remaining</u>
Other Sources				
Solid Waste Utility Tax	\$ 32,667	\$ 49,000	67%	\$ 16,333
Investment Interest	1,088	-	-	(1,088)
Total Other Sources	\$ 33,754	\$ 49,000	69%	\$ 15,246
Expenditures				
Services	\$ 49,453	\$ 52,014	95% A	\$ 2,561

OTHER FUNDS BUDGET TO ACTUAL

GENERAL OPERATING

Strategic Reserve Fund

	YTD Actual	Adopted Budget	% of Budget	Remaining
Other Sources				
Investment Interest	\$ 23,152	\$ 23,000	101%	\$ (152)
Transfers from Other Funds	-	78,392	0% A	78,392

A. Transfers will be performed in quarter 4

Accumulated Leave Reserve Fund

Beginning Cash Balance	\$ 62,984			
	YTD Actual	Adopted Budget	% of Budget	Remaining
Other Sources				
Investment Interest	\$ 1,560	\$ 1,941	80%	\$ 381
Expenditures				
Salaries and Benefits	\$ -	\$ 46,000	0%	\$ 46,000

REAL ESTATE EXCISE TAX BUDGET TO ACTUAL

CAPITAL PROJECTS

	<u>YTD Actual</u>	<u>Adopted Budget</u>	<u>% of Budget</u>	<u>Remaining</u>
Revenues and Other Sources				
Real Estate Tax Revenue (1st 1/4%)	\$ 316,514	\$ 500,000	63%	\$ 183,486
Real Estate Tax Revenue (2nd 1/4%)	316,514	500,000	63%	183,486
Investment Interest	22,987	30,000	77%	7,013
Revenues and Other Sources Total	\$ 656,016	\$ 1,030,000		
Expenditures and Other Uses				
Transfers to Other Funds	\$ -	\$ 1,000,000	0%	A 1,000,000

A. Transfers will be performed in quarter 4

STREET CONSTRUCTION BUDGET TO ACTUAL

CAPITAL PROJECTS

	<u>YTD Actual</u>	<u>Adopted Budget</u>	<u>% of Budget</u>	<u>Remaining</u>
Revenues and Other Sources				
MV Fuel Tax and Multimodal	\$ 92,734	\$ 142,881	65%	\$ 50,147
TBD License Fee	259,005	315,601	82%	56,597
Road Impact Fee - Solid Waste Provider	102,755	126,097	81%	23,342
Investment Interest	188,005	16,771	1121%	(171,234)
Impact Fees	50,860	82,898	61%	32,038
Investment Interest - Impact Fees	35,385	10,011	353%	(25,374)
Grants	125,150	-	-	(125,150)
Transfers from Other Funds	-	645,000	0%	A 645,000
Revenues and Other Sources Total	\$ 853,893	\$ 1,339,259	64%	
Expenditures and Other Uses	\$ 2,506,176	\$ 1,595,000	157%	B \$ (911,176)

A. Transfers will be performed in quarter 4

B. Major projects in the fund include:

- I. Main Street Reconstruction
- II. 66th Ave Repaving
- III. Adaptive Signals
- IV. Street Signs.

CAPITAL IMPROVEMENTS BUDGET TO ACTUAL

CAPITAL PROJECTS

	<u>YTD Actual</u>	<u>Adopted Budget</u>	<u>% of Budget</u>	<u>Remaining</u>
Revenues and Other Sources				
Cable P.E.G. Fees	\$ 4,637	\$ -	-	\$ (4,637)
Park Impact Fees	46,513	948,906	5% A	902,393
Grants and Special Assessments	3,220,170	3,200,234	101%	(19,936)
Street Vacation	-	346,576	0%	346,576
Investment Interest	57,143	-	-	(57,143)
Other Revenues	86,604	711,922	12%	625,318
Transfers from Other Funds	-	1,952,172	0% B	1,952,172
Revenues and Other Sources Total	\$ 3,415,067	\$ 7,159,810	48%	
Expenditures and Other Uses	\$ 6,547,462	\$ 7,326,300	89% C	\$ 778,838

- A.** Impact fees are assessed based on incoming development
- B.** Transfers will be performed in quarter 4
- C.** Major projects in the fund include:
 - I.** Transit Connection Corridor
 - II.** Police Roof, HVAC, and Generator
 - III.** Ballinger Viewing Platform and Trails

STORMWATER UTILITY BUDGET TO ACTUAL

UTILITY

	<u>YTD Actual</u>	<u>Adopted Budget</u>	<u>% of Budget</u>	<u>Remaining</u>
Revenues and Other Sources				
Stormwater Service	\$ 4,119,257	\$ 5,003,623	82%	\$ 884,366
Investment Interest	163,802	120,000	137%	(43,802)
Capital Facility Charges (Buy-In Fees)	68,848	57,733	119%	(11,115)
Department of Ecology Grants	192,208	190,000	101%	(2,208)
Department of Natural Resources Grants	119,900	-	-	(119,900)
Other Revenues	181,777	-	-	(181,777)
Revenues and Other Sources Total	\$ 4,845,792	\$ 5,371,356	90%	
Expenditures and Other Uses				
Salaries and Benefits	\$ 719,285	\$ 1,115,790	64%	\$ 396,505
Supplies	16,400	71,838	23%	55,438
Services	1,850,542	2,086,193	89%	A 235,651
Capital Outlays	206,951	717,600	29%	510,649
Debt Service	60,172	558,979	11%	B 498,808
Expenditures and Other Uses Total	\$ 2,853,350	\$ 4,550,400	63%	

- A. Largest components of services are the City Utility Tax (which is tied directly to service revenue), reimbursements for general funds services, and charges to the fleet fund
- B. Remaining scheduled debt payments to be disbursed in the 4th Quarter

SEWER UTILITY BUDGET TO ACTUAL

UTILITY

	<u>YTD Actual</u>	<u>Adopted Budget</u>	<u>% of Budget</u>	<u>Remaining</u>
Revenues and Other Sources				
Sewer Service	\$ 6,940,667	\$ 8,479,474	82%	\$ 1,538,807
Investment Interest	169,880	130,000	131%	(39,880)
Capital Facility Charges (Buy-In Fees	24,105	247,980	10% A	223,875
Other Revenues	20,140	3,770	534%	(16,370)
Revenues and Other Sources Total	\$ 7,154,791	\$ 8,861,224	81%	
Expenditures and Other Uses				
Salaries and Benefits	\$ 685,933	\$ 1,034,206	66%	\$ 348,273
Supplies	44,693	180,438	25%	135,745
Services	5,210,018	6,980,776	75%	1,770,758
Capital Outlays	84,675	4,262,759	2% B	4,178,084
Debt Service	25,024	253,586	10%	228,562
Expenditures and Other Uses Total	\$ 6,050,344	\$ 12,711,765	48%	

- A.** Capital facility charges directly associated with development activity in the City.
- B.** Capital projects will be moving to FY26 budget

WATER UTILITY BUDGET TO ACTUAL

UTILITY

	<u>YTD Actual</u>	<u>Adopted Budget</u>	<u>% of Budget</u>	<u>Remaining</u>
Revenues and Other Sources				
Water Service	\$ 6,140,403	\$ 7,961,090	77%	\$ 1,820,687
Capital Facility Charges (Buy-In Fees)	128,126	639,069	20% A	510,943
Investment Interest	296,282	164,999	180%	(131,283)
Loan Proceeds	141,491	-	- B	(141,491)
Other Revenues	26,792	14,058	191%	(12,734)
Revenues and Other Sources Total	\$ 6,733,094	\$ 8,779,216	77%	
Expenditures and Other Uses				
Salaries and Benefits	\$ 816,850	\$ 1,040,841	78%	\$ 223,991
Supplies	104,381	285,430	37%	181,049
Services	3,588,640	5,943,090	60%	2,354,450
Capital Outlays	201,251	5,345,821	4% C	5,144,570
Debt Service	416,132	922,956	45%	506,824
Expenditures and Other Uses Total	\$ 5,127,255	\$ 13,538,138	38%	

- A.** Capital facility charges directly associated with development activity in the City
- B.** We have drawn on loan capacity as needed for the related projects
- C.** Capital projects will be moving to FY26 budget

DISCUSSION & QUESTIONS

Thank you





STAFF REPORT

To: Mountlake Terrace City Council
From: Sirke Salminen, Finance Director
Meeting Date: November 13, 2025
Subject: Review Biennial Budget Amendment

Required Reviews:

Jennifer Joki	Created/Initiated - 11/04/2025
Sirke Salminen	Approved - 11/04/2025
Sirke Salminen	Approved - 11/04/2025
Hillary Evans	Approved - 11/07/2025
Carolyn Hope	Final Approval - 11/07/2025

Council Goal(s):

Responsible Governance to Ensure Desired Level of Service

Legislative History:

The City prepared a biennial budget for 2025-2026 and the Council approved the budget on November 14, 2024. The City is required to provide a mid-biennial review and modification of the biennial budget between September 1 and December 31 of the odd numbered year of the biennium per RCW 35A.34.130. A public hearing is required for the mid-biennial review. A public hearing has been scheduled for November 20, 2025.

Subject Summary:

The modifications to the biennial budget include the following:

- Modification to the beginning fund balances — the original budget was prepared prior to the year-end close and the final beginning balance had not been finalized.
- Transfers to new funds — the City Council approved new funds and changes to existing funds on October 2, 2025. This budget amendment includes the transfers from existing funds to the new funds.
- Changes to capital project funds — Staff has revised the timing of capital projects to coincide with grant revenue and the timing of the completion of projects. Several projects are expected to be completed in 2026, instead of 2025. Many of the increases in expenditures are the result of transferring the project to a new fund. This creates an expenditure on paper, but not a reduction in cash.

Financial/Budget Impacts:

Budget Amendment
Required? Yes

Budget and Sources:	Explained in the summary and staff PowerPoint presentation
Expenditure:	N/A
New Appropriation Required + Sources:	N/A

Additional Financial Information:

N/A

Community Notifications:

City Council Agenda

Newspaper

If "Other," please specify:

Board/Commission Recommendation:

N/A

Staff Recommendation:

Staff recommends the City Council vote to adopt the Biennial Budget Amendment ordinance. This can be accomplished following a public hearing on this item at the council meeting on November 20, 2025.

Council Motion:

N/A

Attachments:

1. 2025 Budget Amendment Presentation
2. 2026 Budget Amendment Presentation
3. 2025-2026 Budget Amendment Ordinance



CITY OF
**MOUNTLAKE
TERRACE**



2025 Budget Amendment

City Council Work Session: November 13, 2025

Sirke Salminen, Finance Director, Finance

Caitland Reinke, Finance Technician, Finance

PURPOSE

- The City is required to provide a mid-biennial review and modification of the biennial budget between September 1 and December 31 of the odd numbered year of the biennium per RCW 35A.34.130.



AGENDA

- Council Goals
- Summary
- Fund Updates
- Budget Amendment Summary

COUNCIL GOALS

Responsible Governance to Ensure Desired Level of Service

- Adjusting the biennial budget allows the City to maintain the desired level of service through prudent allocation of resources, addressing unanticipated costs, and aligning expenditures with updated priorities.
- These amendments demonstrate the City's commitment to effective stewardship of public funds while sustaining service delivery and advancing strategic objectives.

SUBJECT SUMMARY

This is proposed to adjust the current biennial budget in response to changes in financial, operational, and capital projects that were not fully anticipated during the original budget adoption. Amendments ensure that budget allocations remain aligned with actual revenue projections, expenditure needs, and strategic priorities.

The modifications to the biennial budget include the following:

- Modification to the beginning fund balances — the original budget was prepared prior to the year-end close, and the final beginning balance had not been finalized.
- Transfers to new funds — the City Council approved new funds and changes to existing funds on October 2, 2025. This budget amendment includes the transfers from existing funds to the new funds.
- Changes to capital project funds — Staff has revised the timing of capital projects to coincide with grant revenue and the timing of the completion of projects. Several projects are expected to be completed in 2026, instead of 2025. Many of the increases in expenditures are the result of transferring the project to a new fund. This creates an expenditure on paper, but not a reduction in cash.

GENERAL FUND 011

2025 Budget Amendment

General Fund 011				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 12,536,018	\$ (4,317,446)	\$ 8,218,572	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	18,712,760		18,712,760	
Expenditure Budget	21,309,278		21,309,278	
Void transfer to Capital Imp Fund F322		(550,000)	(550,000)	Moved project from Capital Imp Fund to Facilites Construction
Transfer to Fac Const F333		550,000	550,000	Moved project from Capital Imp Fund to Facilites Construction
Void transfer to Street Const F312		(145,000)	(145,000)	Transfer changed from Street Const to Capital Improv
Transfer to Capital Imp Fund F322		145,000	145,000	Transfer changed from Street Const to Capital Improv
Transfer to F141		330,070	330,070	Transfer to new fund-Opioid Settlement
Transfer to F116		27,274	27,274	Beginning balance of Art Fund - not included in original budget
Total Expenditures		357,344	357,344	
Ending Fund Balance	\$ 9,939,500	\$ (4,674,790)	\$ 5,264,710	
		Total BA		

HOUSING NEEDS FUND 018

2025 Budget Amendment

Housing Needs Fund 018				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 262,464	\$ 31,103	\$ 293,567	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	8,000		8,000	
Expenditure Budget	22,300		22,300	
Ending Fund Balance	<u>\$ 248,164</u>	<u>\$ 31,103</u>	<u>\$ 279,267</u>	
		Total BA		

STRATEGIC RESERVE FUND 022

2025 Budget Amendment

Strategic Fund 022				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 922,979	\$ 11,447	\$ 934,426	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	101,392		101,392	
Expenditure Budget	0		0	
Ending Fund Balance	\$ 1,024,371	\$ 11,447	\$ 1,035,818	
		Total BA		

ACCUMULATED LEAVE 023

2025 Budget Amendment

Accum Leave Reserve 023					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 60,510	\$ 2,474	\$ 62,984		Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	1,941		1,941		
Expenditure Budget	46,000		46,000		
Ending Fund Balance	\$ 16,451	\$ 2,474	\$ 18,925		
		Total BA			

RECREATION PROGRAM 033

2025 Budget Amendment

Recreation Program 033					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 42,342	\$ 243,426	\$ 285,768		Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	3,415,610		3,415,610		
Expenditure Budget	3,613,175		3,613,175		
Ending Fund Balance	\$ (155,223)	\$ 243,426	\$ 88,203		
		Total BA			

SOLID WASTE SERVICES FUND 064

2025 Budget Amendment

Solid Waste SVC 064					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 114,903	\$ (3,309)	\$ 111,594		Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	49,000		49,000		
Expenditure Budget	52,014		52,014		
Ending Fund Balance	\$ 111,889	\$ (3,309)	\$ 108,580		
		Total BA			

STREET FUND 111

2025 Budget Amendment

Street Fund 111				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 1,361,341	\$ (687,375)	\$ 673,966	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	1,273,442		1,273,442	
TBD License Fees		315,601	315,601	TBD license fees moved from Street Construction fund
Total Revenues		315,601	315,601	
Expenditure Budget	1,681,975		1,681,975	
Ending Fund Balance	\$ 952,808	\$ (371,774)	\$ 581,034	
		Total BA		

ART FUND 116

2025 Budget Amendment

Art Fund 116				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -	The Art Fund was not included in the original budget.
Revenue Budget		0		
Revenues		92,356	92,356	1% for the arts from capital projects
Transfer from GF 011		27,274	27,274	Transfer 1% for the arts from previous capital projects
Total Revenues		119,630	119,630	
Expenditure Budget				
Expenditures		73,000	73,000	TCCP Plaza Public Art
Total Expenditures		73,000	73,000	
Ending Fund Balance	\$ -	\$ 46,630	\$ 46,630	
		Total BA		

TREE FUND 117 **2025 Budget Amendment**

Tree Fund 117						
	2025 Original Budget		Budget Amendment		Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -		\$ -		\$ -	The Tree Fund was not included in the original budget.
Revenue Budget	0					
Revenues			20,000		20,000	Tree replacement-fee in lieu
Total Revenues			20,000		20,000	
Expenditure Budget	0					
Expenditures			20,000		20,000	Tree mitigation projects
Total Expenditures			20,000		20,000	
Ending Fund Balance	\$ -		\$ -		\$ -	
			Total BA			

AMERICAN RESCUE PLAN ACT 140

2025 Budget Amendment

American Rescue Plan Act 140				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ 105,175	\$ 105,175	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	0		0	
Expenditure Budget	0		0	
Transfer to Capital F322		105,175	105,175	Transfer to Facilities Fund 333
Total Expenditures	0	105,175	105,175	
Ending Fund Balance	\$ -	\$ -	\$ -	
		Total BA		

OPIOID SETTLEMENT FUND 141

2025 Budget Amendment

Opioid Settlement Fund 141					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -		
Revenue Budget	0				
Transfer from F011		330,070	330,070		Transfer from General Fund to separate restricted opioid settlement funds
Total Revenues		330,070	330,070		
Expenditure Budget	0				
Ending Fund Balance	\$ -	\$ 330,070	\$ 330,070		
		Total BA			

HOTEL/MOTEL FUND 162

2025 Budget Amendment

Hotel/ Motel Fund 162					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 184,982	\$ 7,143	\$ 192,125		Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	58,200		58,200		
Expenditure Budget	50,000		50,000		
Ending Fund Balance	\$ 193,182	\$ 7,143	\$ 200,325		
		Total BA			

DEBT SERVICE FUND 215

2025 Budget Amendment

Debt Service Fund 215					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 296,428	\$ 9,702	\$ 306,130		Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	723,045		723,045		
Expenditure Budget	712,175		712,175		
Ending Fund Balance	\$ 307,298	\$ 9,702	\$ 317,000		
		Total BA			

STREET CONSTRUCTION FUND 312

2025 Budget Amendment

Street Construction Fund 312				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 2,454,714	\$ 5,986,407	\$ 8,441,121	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	1,339,259		1,339,259	
Revenues		(315,601)	(315,601)	TBD License Fees-moved to street operating fund
Transfer from REET		(500,000)	(500,000)	REET funds not needed in 2025
Transfer from GF 011		(145,000)	(145,000)	Transfer from GF to Parks Capital Fund instead
Total Revenues		(960,601)	(960,601)	
Expenditure Budget	1,595,000		1,595,000	
Reduce Expenditures		(1,470,000)	(1,470,000)	Asphalt Overlay & Main Street Phase II & III-moved to 2026
Capital Project		4,120,370	4,120,370	Main Street Phase I
Transfer to Debt F428		2,070	2,070	Move debt payment to new debt service fund
Reduce Expenditures		(2,070)	(2,070)	
Total Expenditures		2,650,370	2,650,370	
Ending Fund Balance	\$ 2,198,973	\$ 2,375,436	\$ 4,574,409	
		Total BA		

PARKS CAPITAL IMPROVEMENT FUND 322

2025 Budget Amendment

Parks Capital Improv Fund 322					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 341,928	\$ 1,772,365	\$ 2,114,293		Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	7,159,810		7,159,810		
Revenues		2,122,910	2,122,910		Miscellaneous Revenues
Revenues		(970,298)	(970,298)		FHWA Grant - receive additional grant in 2026
Transfer from REET 330		(500,000)	(500,000)		Changed transfer to Facilities Construction fund
Transfer from General Fund 011		(150,000)	(150,000)		Zoning code update project moved to General Fund
Transfer from General Fund 011		145,000	145,000		Changed GF transfer from Street Construction to Parks Capital
Transfer from General Fund 011		(550,000)	(550,000)		Changed transfer to Facilities Construction fund
Total Revenues		97,612	97,612		
Expenditure Budget	7,326,300		7,326,300		
Expenditures		1,427,339	1,427,339		Increase to Ballinger Park Trails and Viewing Platform
Expenditures		(1,036,412)	(1,036,412)		Move projects to Facilities Construction-reduction in expenditures
Transfer to Facilities F333		1,367,422	1,367,422		Move to Facilities Construction Fund - Police Roof
Expenditures		(1,654,193)	(1,654,193)		Reduction in capital projects -Evergreen playfield
Total Expenditures		104,156	104,156		
Ending Fund Balance	\$ 175,438	\$ 1,765,821	\$ 1,941,259		
		Total BA			

REAL ESTATE EXCISE TAX 330

2025 Budget Amendment

Real Estate Excise Tax 330				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 605,910	\$ 123,972	\$ 729,882	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	1,030,000		1,030,000	
Expenditure Budget	1,000,000		1,000,000	
Expenditures		(500,000)	(500,000)	Void transfer to Street Construction
Expenditures		500,000	500,000	Transfer to Facilities Construction
Expenditures		(500,000)	(500,000)	Void Transfer to parks CIP
Total Expenditures		(500,000)	(500,000)	
Ending Fund Balance	\$ 635,910	\$ 623,972	\$ 1,259,882	
		Total BA		

FACILITIES CONSTRUCTION FUND 333

2025 Budget Amendment

Facilities Construction 333				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -	New fund-separated facilities capital from parks capital fund
Revenue Budget	0			
Revenue		370,489	370,489	Special Revenue Fund-Fire Department
Transfer from REET		500,000	500,000	Transferred revenues from CIP fund
Transfer from General Fund		550,000	550,000	Transferred revenues from CIP fund
Transfer from Parks CIPF322		90,000	90,000	Grant for EV Charging Stations
Transfer from CIP		1,367,422	1,367,422	Transfer from CIPF322 - Police roof
Transfer from ARPA F140		105,175	105,175	Transfer from ARPA fund
Total Revenues		2,983,086	2,983,086	
Expenditure Budget	0			
Expenditures		215,053	215,053	Pool Liner-original budget in 2026
Expenditures		945,489	945,489	Police generator
Expenditures		50,000	50,000	Clubhouse HVAC
Expenditures		1,367,422	1,367,422	Police Roof
Expenditures		243,342	243,342	EV Charging Stations
Total Expenditures		2,821,306	2,821,306	
Ending Fund Balance	\$ -	\$ 161,780	\$ 161,780	
		Total BA		

SEWER UTILITY FUND 410

2025 Budget Amendment

Sewer Utility 410				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 6,355,395	\$ (34,708)	\$ 6,320,687	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	8,861,224		8,861,224	
Expenditure Budget	12,711,765		12,711,765	
Transfer to Capital F420		755,000	755,000	Move to capital fund F420
Reduce Expenditures		(755,000)	(755,000)	
Forecast reduction		(3,500,000)	(3,500,000)	Sewer system capital project budget -project moved to 2026
Transfer to Debt 426		196,713	196,713	Separated debt service from sewer operating funds-move funds to pay for principal & interest
Transfer to Debt F426		60,005	60,005	Separated debt service from sewer operating funds-move funds to pay for principal & interest
Reduce Expenditures		(136,708)	(136,708)	Debt paid from debt service funds
Total Expenditures		(3,379,990)	(3,379,990)	
Ending Fund Balance	\$ 2,504,854	\$ 3,345,282	\$ 5,850,136	
		Total BA		

WATER UTILITY FUND 411

2025 Budget Amendment

Water Utility 411				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 9,356,443	\$ 1,337,064	\$ 10,693,507	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	8,779,216		8,779,216	
Expenditure Budget	13,538,138		13,538,138	
Transfer to capital project F421		1,030,821	1,030,821	Move to capital F421
Reduce Expenditures		(1,030,821)	(1,030,821)	Reduce expenditures
Forecast reduction		(4,315,000)	(4,315,000)	Water system capital project budget -move to 2026
Transfer to Debt F425		284,580	284,580	Separated debt service from water operating funds-move funds to pay for principal & interest
Transfer to Debt F428		2,724	2,724	Separated debt service from water operating funds-move funds to pay for principal & interest
Transfer to Debt F427		348,973	348,973	Separated debt service from water operating funds-move funds to pay for principal & interest
Transfer to Debt F426		150,010	150,010	Separated debt service from water operating funds-move funds to pay for principal & interest
Transfer to Debt F422		108,000	108,000	Separated debt service from water operating funds-move funds to pay for principal & interest
Transfer to Debt Res.F424		394,052	394,052	Separated debt service from water operating funds-move funds to pay for principal & interest
Reduce Expenditures		(1,288,039)	(1,288,039)	Debt paid from debt service funds
Total Expenditures		(4,314,701)	(4,314,701)	
Ending Fund Balance	\$ 4,597,521	\$ 5,651,765	\$ 10,249,286	
		Total BA		

STORMWATER UTILITY FUND 412

2025 Budget Amendment

Stormwater Utility 412					
	2025 Original Budget		Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 5,747,856		\$ 186,375	\$ 5,934,231	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	5,371,356			5,371,356	
Expenditure Budget	4,550,400			4,550,400	
Transfer to capital project F419			447,600	447,600	Move to capital F419
Reduce Expenditures			(447,600)	(447,600)	
Forecast reduction			(270,000)	(270,000)	Moved to capital project 2026
Transfer to Debt F425			167,830	167,830	Separated debt service from stormwater operating funds-move funds to pay for principal & interest
Transfer to Debt F428			654	654	Separated debt service from stormwater operating funds-move funds to pay for principal & interest
Transfer to Debt F426			150,010	150,010	Separated debt service from stormwater operating funds-move funds to pay for principal & interest
Transfer to Debt Res. F424			405,373	405,373	Separated debt service from stormwater operating funds-move funds to pay for principal & interest
Transfer to Debt F422			235,500	235,500	Separated debt service from stormwater operating funds-move funds to pay for principal & interest
Reduce Expenditures			(959,367)	(959,367)	Debt paid from debt service funds
Total Expenditures			(270,000)	(270,000)	
Ending Fund Balance	\$ 6,568,812		\$ 456,375	\$ 7,025,187	
			Total BA		

STORMWATER CONSTRUCTION FUND 419

2025 Budget Amendment

Stormwater Construction 419				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -	
Revenue Budget	0		0	
Transfer from Storm Ops F412		447,600	447,600	Moved from Storm ops F412
Total Revenues		447,600	447,600	
Expenditure Budget	0			
Expenditures		447,600	447,600	220th Water Quality & Deep Pipe Repair
Total Expenditures		447,600	447,600	
Ending Fund Balance	\$ -	\$ -	\$ -	
		Total BA		

SEWER CONSTRUCTION FUND 420

2025 Budget Amendment

Sewer Construction 420				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -	
Revenue Budget	0		0	
Transfer from Sewer Op F410		755,000	755,000	Moved from Sewer Ops F410
Total Revenues		755,000	755,000	
Expenditure Budget	0			
Expenditures		753,138	753,138	Cedar Grove & Edmonds WWTP
Total Expenditures		753,138	753,138	
Ending Fund Balance	\$ -	\$ 1,862	\$ 1,862	
		Total BA		

WATER CONSTRUCTION FUND 421

2025 Budget Amendment

Water Construction 421				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -	
Revenue Budget	0		0	
Transfer from Water Op F411		1,030,821	1,030,821	Moved from Water Ops F411
Total Revenues		1,030,821	1,030,821	
Expenditure Budget	0			
Expenditures		1,026,321	1,026,321	Westwater Main & Reservoir Recoating & Seismic Retrofit
Total Expenditures		1,026,321	1,026,321	
Ending Fund Balance	\$ -	\$ 4,500	\$ 4,500	
		Total BA		

W/S 2012 REVENUE BOND 422

2025 Budget Amendment

W/ S 2012 Revenue Bond 422					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -		
Revenue Budget	0				
Transfer from Water F411		108,000	108,000		Separated debt service from water operating fund
Transfer from Storm F412		235,500	235,500		Separated debt service from stormwater operating fund
Total Revenues		343,500	343,500		
Expenditure Budget	0				
Debt payment		343,150	343,150		Debt Service payment
Total Expenditures		343,150	343,150		
Ending Fund Balance	\$ -	\$ 350	\$ 350		
		Total BA			

W/S REVENUE BOND RESERVE 424

2025 Budget Amendment

W/ S Rev Bond Reserve 424					
	2025 Original Budget	Budget Amendment		Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -		\$ -	
Revenue Budget	0				
Transfer from Water F411		394,052		394,052	Separated debt service from water operating funds
Transfer from Storm F412		405,373		405,373	Separated debt service from stormwater operating funds
Total Revenues		799,425	0	799,425	
Expenditure Budget	0				
Ending Fund Balance	\$ -	\$ 799,425		\$ 799,425	
		Total BA			

W/S 2014 REVENUE BOND 425

2025 Budget Amendment

W/ S 2014 Rev Bond 425				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -	
Revenue Budget	0			
Transfer from Water F411		284,580	284,580	Separated debt service from water operating funds
Transfer from Storm F412		167,830	167,830	Separated debt service from stormwater operating funds
Total Revenues		452,410	452,410	
Expenditure Budget	0			
Debt payment		452,400	452,400	Debt payment
Total Expenditures		452,400	452,400	
Ending Fund Balance	\$ -	\$ 10	\$ 10	
		Total BA		

W/S 2020 REVENUE BOND 426

2025 Budget Amendment

W/S 2020 Rev Bond 426				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -	
Revenue Budget	0			
Transfer from Sewer F410		196,713	196,713	Separated debt service from sewer operating funds
Transfer from Sewer F410		60,005	60,005	Separated debt service from sewer operating funds
Transfer from Water F411		150,010	150,010	Separated debt service from water operating funds
Transfer from Storm F412		150,010	150,010	Separated debt service from stormwater operating funds
Total Revenues		556,738	556,738	
Expenditure Budget	0			
Debt payment		556,730	556,730	Debt payment
Total Expenditures		556,730	556,730	
Ending Fund Balance	\$ -	\$ 7	\$ 7	
		Total BA		

PWTFNT FUND 427

2025 Budget Amendment

PWTFNT Fund 427					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -		
Revenue Budget	0				
Transfer from Water F411		348,973	348,973		Separated debt service from water operating funds
Total Revenues		348,973	348,973		
Expenditure Budget	0				
Debt payment		348,973	348,973		Debt payment
Total Expenditures		348,973	348,973		
Ending Fund Balance	\$ -	\$ 0	\$ 0		
		Total BA			

PWAF FUND 428

2025 Budget Amendment

PWAF Fund 428				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -	
Revenue Budget	0			
Transfer from Water F411		2,724	2,724	Separated debt from operating funds
Transfer from Streets F111		2,070	2,070	Separated debt from operating funds
Transfer from Storm F412		654	654	Separated debt from operating funds
Total Revenues		5,447	5,447	
Expenditure Budget	0			
Interest payment		5,447	5,447	Interest payment
Total Expenditures		5,447	5,447	
Ending Fund Balance	\$ -	\$ -	\$ -	
		Total BA		

BUDGET AMENDMENT SUMMARY

2025 BUDGET SUMMARY BY FUND						
BUDGET AMENDMENT						
FUND	BEGINNING FUND BALANCE	REVENUES & OTHER SOURCES	TOTAL BEGINNING FUND BALANCE & REVENUES & OTHER SOURCES	EXPENDITURES & OTHER USES	ENDING FUND BALANCE	TOTAL EXPENDITURES & ENDING FUND BALANCE
GENERAL OPERATING FUNDS						
General Fund	\$ 8,218,572	\$ 18,712,760	\$ 26,931,332	\$ 21,666,622	5,264,710	\$ 26,931,332
Housing Needs Fund	293,567	8,000	301,567	22,300	279,267	301,567
Strategic Reserve Fund	934,426	101,392	1,035,818	-	1,035,818	1,035,818
Accumulated Leave Reserve Fund	62,984	1,941	64,925	46,000	18,925	64,925
Recreation Fund	285,768	3,415,610	3,701,378	3,613,175	88,203	3,701,378
Solid Waste Service Fund	111,594	49,000	160,594	52,014	108,580	160,594
Street Operating Fund	673,966	1,589,043	2,263,009	1,681,975	581,034	2,263,009
Art Fund	-	119,630	119,630	73,000	46,630	119,630
Tree Fund	-	20,000	20,000	20,000	-	20,000
American Rescue Plan Act Fund	105,175	-	105,175	105,175	-	105,175
Opioid Settlement fund	-	330,070	330,070	-	330,070	330,070
Hotel/Motel Tax Fund	192,125	58,200	250,325	50,000	200,325	250,325
Debt Service Fund	306,130	723,045	1,029,175	712,175	317,000	1,029,175
Fleet Management Fund	1,877,647	2,660,562	4,538,209	2,427,769	2,110,440	4,538,209
Information Technology Fund	-	1,693,323	1,693,323	1,693,323	-	1,693,323
Total General Operating Funds	\$ 13,061,954	\$ 29,482,576	\$ 42,544,530	\$ 32,163,528	\$ 10,381,002	\$ 42,544,530
UTILITY FUNDS						
Sewer Utility Fund	\$6,320,687	\$8,861,224	\$15,181,911	\$9,331,775	\$5,850,136	\$15,181,911
Water Utility Fund	10,693,507	8,779,216	19,472,723	9,223,437	10,249,286	19,472,723
Stormwater Utility Fund	5,934,231	5,371,356	11,305,587	4,280,400	7,025,187	11,305,587
Debt Service Funds	-	2,506,493	2,506,493	1,706,700	799,793	2,506,493
Total Utility Funds	\$ 22,948,425	\$ 25,518,289	\$ 48,466,714	\$ 24,542,312	\$ 23,924,402	\$ 48,466,714
CAPITAL FUNDS						
Street Construction Fund	\$8,441,121	\$378,658	\$8,819,779	\$4,245,370	\$4,574,409	\$8,819,779
Parks Capital Improvement Fund	2,114,293	7,257,422	9,371,715	7,430,456	1,941,259	9,371,715
Real Estate Excise Tax Fund	729,882	1,030,000	1,759,882	500,000	1,259,882	1,759,882
Facilities Construction	-	2,983,086	2,983,086	2,771,306	211,780	2,983,086
Stormwater Construction Fund	-	447,600	447,600	447,600	-	447,600
Sewer Construction Fund	-	755,000	755,000	753,138	1,862	755,000
Water Construction Fund	-	1,030,821	1,030,821	1,026,321	4,500	1,030,821
Total Capital Funds	\$ 11,285,296	\$ 13,882,587	\$ 25,167,883	\$ 17,174,191	\$ 7,993,692	\$ 25,167,883
TOTAL 2025 BUDGET	\$ 47,295,675	\$ 68,883,452	\$ 116,179,127	\$ 73,880,031	\$ 42,299,096	\$ 116,179,127

FINANCIAL/BUDGET IMPACTS

- Transparent budget amendments ensure that residents, council members, and staff clearly understand how and why public funds are being adjusted. While this approach enhances trust and accountability, it also carries operational and financial impacts that cities must plan for.
 - The original budget was prepared prior to the year end close, the beginning balances for all funds are approximately \$4.7 million more than forecasted in the original adopted budget.
 - Transfers to the new funds approved by Council do not have a financial impact.
 - Several capital projects were not completed in 2025 but are forecasted to be completed in 2026. Resulting in a higher ending fund balance in 2025.

COMMUNITY NOTIFICATION

- A public hearing has been scheduled for November 20, 2025.



STAFF RECOMMENDATION

Staff recommends the City Council vote to adopt the Biennial Budget Amendment ordinance. This can be accomplished following a public hearing on this item at the Council meeting on November 20, 2025.

DISCUSSION & QUESTIONS

Thank you





CITY OF
**MOUNTLAKE
TERRACE**



2026 Budget Amendment

City Council Working Session: November 13, 2025

Sirke Salminen, Finance Director, Finance

Caitland Reinke, Finance Technician, Finance

PURPOSE

- The City is required to provide a mid-biennial review and modification of the biennial budget between September 1 and December 31 of the odd numbered year of the biennium per RCW 35A.34.130.



AGENDA

- Council Goals
- Summary
- Fund Updates
- Budget Amendment Summary

COUNCIL GOALS

Responsible Governance to Ensure Desired Level of Service

- Adjusting the biennial budget allows the City to maintain the desired level of service through prudent allocation of resources, addressing unanticipated costs, and aligning expenditures with updated priorities.
- These amendments demonstrate the City's commitment to effective stewardship of public funds while sustaining service delivery and advancing strategic objectives.

SUBJECT SUMMARY

This is proposed to adjust the current biennial budget in response to changes in financial, operational, and capital projects that were not fully anticipated during the original budget adoption. Amendments ensure that budget allocations remain aligned with actual revenue projections, expenditure needs, and strategic priorities.

The modifications to the biennial budget include the following:

- Modification to the beginning fund balances — the original budget was prepared prior to the year-end close, and the final beginning balance had not been finalized.
- Transfers to new funds — the City Council approved new funds and changes to existing funds on October 2, 2025. This budget amendment includes the transfers from existing funds to the new funds.
- Changes to capital project funds — Staff has revised the timing of capital projects to coincide with grant revenue and the timing of the completion of projects. Several projects are expected to be completed in 2026, instead of 2025. Many of the increases in expenditures are the result of transferring the project to a new fund. This creates an expenditure on paper, but not a reduction in cash.

GENERAL FUND 011

2026 Budget Amendment

General Fund 011					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 9,939,500	\$ (4,674,790)	\$ 5,264,710		Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	19,041,496		19,041,496		
Expenditure Budget	21,313,533		21,313,533		
Expenditures		(145,000)	(145,000)		Void transfer to Street Construction F312
Transfer to F033		115,000	115,000		Transfer to Recreation Fund 033
Total Expenditures		(30,000)	(30,000)		
Ending Fund Balance	\$ 7,667,463	\$ (4,644,790)	\$ 3,022,673		
		Total BA			

HOUSING NEEDS FUND 018

2026 Budget Amendment

Housing Needs Fund 018					
	2026 Original Budget		Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 248,164		\$ 31,103	\$ 279,267	Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Revenue Budget	7,000			7,000	
Expenditure Budget	22,300			22,300	
Ending Fund Balance	\$ 232,864		\$ 31,103	\$ 263,967	
			Total BA		

STRATEGIC RESERVE FUND 022

2026 Budget Amendment

Strategic Fund 022					
	2026 Original Budget		Budget Amendment		Revised Budget
					Reason for Amendment
Beginning Fund Balance	\$ 1,024,371		\$ 11,447		\$ 1,035,818
Revenue Budget	27,466				27,466
Expenditure Budget	0				0
Ending Fund Balance	\$ 1,051,837		\$ 11,447		\$ 1,063,284
			Total BA		

ACCUMULATED LEAVE 023

2026 Budget Amendment

Accum Leave Reserve 023					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 16,451	\$ 2,474	\$ 18,925		Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Revenue Budget	1,999		1,999		
Expenditure Budget	0		0		
Ending Fund Balance	\$ 18,450	\$ 2,474	\$ 20,924		
		Total BA			

RECREATION PROGRAM 033

2026 Budget Amendment

Recreation Program 033					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ (155,223)	\$ 243,426	\$ 88,203		Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Revenue Budget	3,566,710		3,566,710		
Transfer from General Fund		115,000	115,000		Transfer from General Fund 011
Total Revenues		115,000	115,000		
Expenditure Budget	3,767,183		3,767,183		
Ending Fund Balance	\$ (355,696)	\$ 358,426	\$ 2,730		
		Total BA			

SOLID WASTE SERVICES FUND 064

2026 Budget Amendment

Solid Waste SVC 064					
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment	
Beginning Fund Balance	\$ 111,889	\$ (3,309)	\$ 108,580	Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.	
Revenue Budget	49,000		49,000		
Expenditure Budget	53,574		53,574		
Ending Fund Balance	\$ 107,315	\$ (3,309)	\$ 104,006		
		Total BA			

STREET FUND 111

2026 Budget Amendment

Street Fund 111					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 952,808	\$ (371,774)	\$ 581,034		Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Revenue Budget	1,282,383		1,282,383		
Expenditure Budget	1,820,488		1,820,488		
Ending Fund Balance	\$ 414,703	\$ (371,774)	\$ 42,929		
		Total BA			

ART FUND 116

2026 Budget Amendment

Art Fund 116					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ -	\$ 46,630	\$ 46,630		The Art Fund was not included in the original budget.
Revenue Budget	0	0			
Expenditure Budget	0				
Ending Fund Balance	\$ -	\$ 46,630	\$ 46,630		
		Total BA			

TREE FUND 117 2026 Budget Amendment

Tree Fund 117					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -		The Tree Fund was not included in the original budget.
Revenue Budget	20,000				
Expenditure Budget	20,000				
Ending Fund Balance	\$ -	\$ -	\$ -		
		Total BA			

OPIOID SETTLEMENT FUND 141

2026 Budget Amendment

Opioid Settlement Fund 141				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ 330,070	\$ 330,070	
Revenue Budget	0			
Revenues		40,000	40,000	Opioid settlement
Total Revenues		40,000	40,000	
Expenditure Budget	0			
SCOUT program		150,000	150,000	Scout program
Total Expenditures		150,000	150,000	
Ending Fund Balance	\$ -	\$ 220,070	\$ 220,070	
		Total BA		

HOTEL/MOTEL FUND 162

2026 Budget Amendment

Hotel/ Motel Fund 162					
	2026 Original Budget		Budget Amendment	Revised Budget	Reason for Amendment
					Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Beginning Fund Balance	\$ 193,182	\$	7,143	\$ 200,325	
Revenue Budget	58,000			58,000	
Expenditure Budget	50,000			50,000	
Ending Fund Balance	<u>\$ 201,182</u>	<u>\$</u>	<u>7,143</u>	<u>\$ 208,325</u>	
			Total BA		

DEBT SERVICE FUND 215

2026 Budget Amendment

Debt Service Fund 215					
	2026 Original Budget		Budget Amendment		Revised Budget
					Reason for Amendment
Beginning Fund Balance	\$ 307,298		\$ 9,702		\$ 317,000
Revenue Budget	736,542				736,542
Expenditure Budget	707,900				707,900
Ending Fund Balance	\$ 335,940		\$ 9,702		\$ 345,642
			Total BA		

STREET CONSTRUCTION FUND 312

2026 Budget Amendment

Street Construction Fund 312					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 2,198,973	\$ 2,375,436	\$ 4,574,409		Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Revenue Budget	9,162,913		9,162,913		
Transfer from General Fund 011		(145,000)	(145,000)		Void transfer
Total Revenues		(145,000)	(145,000)		
Expenditure Budget	9,039,000		9,039,000		
Reduce Cap Projects		(9,039,000)	(9,039,000)		Original budget for capital projects
Capital Project		14,377,242	14,377,242		Main Street & Asphalt Overlay
Reduce Cap Projects		(2,493,000)	(2,493,000)		Main St utility portion moved to utility construction funds
Transfer to Debt F428		27,122	27,122		Move debt payment to new debt service fund
Total Expenditures		2,872,364	2,872,364		
Ending Fund Balance	\$ 2,322,886	\$ (641,928)	\$ 1,680,958		
		Total BA			

PARKS CAPITAL IMPROVEMENT FUND 322

2026 Budget Amendment

Parks Capital Improv Fund 322					
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment	
Beginning Fund Balance	\$ 175,438	\$ 1,765,821	\$ 1,941,259	Original budget forecast was prepared before the actual beginning cash was available after year end close.	
Revenue Budget	1,703,295		1,703,295		
Revenues		1,570,079	1,570,079	Miscellaneous Revenues	
Revenues		550,000	550,000	Transfer from REET	
Total Revenues		2,120,079	2,120,079		
Expenditure Budget	2,870,000		2,870,000		
Expenditures		1,700,000	1,700,000	Transfer to Facilities Construction	
Expenditures		(1,700,000)	(1,700,000)	Library roof-moved to Facilities Construction	
Total Expenditures		0	0		
Ending Fund Balance	\$ (991,267)	\$ 3,885,900	\$ 2,894,633		
		Total BA			

REAL ESTATE EXCISE TAX 330

2026 Budget Amendment

Real Estate Excise Tax 330				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 635,910	\$ 623,972	\$ 1,259,882	Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Revenue Budget	1,025,000		1,025,000	
Expenditure Budget	1,000,000		1,000,000	
Expenditures		550,000	550,000	Transfer to Parks Capital Fund
Expenditures		100,000	100,000	Transfer to Facilities Construction
Total Expenditures		650,000	650,000	
Ending Fund Balance	\$ 660,910	\$ (26,028)	\$ 634,882	
		Total BA		

FACILITIES CONSTRUCTION FUND 333

2026 Budget Amendment

Facilities Construction 333				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ 161,780	New Fund
Revenue Budget	-			
Revenues		850,000	850,000	Federal Grant - Library
Revenues		300,000	300,000	State Grant - Library
Revenues		100,000	100,000	Transfer from REET
Total Revenues		1,250,000	1,250,000	
Expenditure Budget	-			
Expenditures			-	
Expenditures		1,250,000	1,250,000	Library Roof
Total Expenditures		1,250,000	1,250,000	
Ending Fund Balance	\$ -	\$ -	\$ 161,780	
		Total BA		

SEWER UTILITY FUND 410

2026 Budget Amendment

Sewer Utility 410					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
					Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Beginning Fund Balance	\$ 2,504,854	\$ 3,345,282	\$ 5,850,136		
Revenue Budget	8,858,537		8,858,537		
Expenditure Budget	10,701,074		10,701,074		
Transfer to Capital F420		200,000	200,000		Sewer portion of Main Street capital project
Transfer to Capital F420		3,370,715	3,370,715		Move to capital project F420
Reduction in Sewer Ops		(2,376,641)	(2,376,641)		Reduction in Sewer Ops budget from move of capital funds-original cap budget
Transfer to Debt 426		195,451	195,451		Separated debt service from sewer operating funds-move funds to pay for principal & interest
Transfer to Debt F426		59,904	59,904		Separated debt service from sewer operating funds-move funds to pay for principal & interest
Reduce Expenditures		(255,355)	(255,355)		
Total Expenditures		1,194,074	1,194,074		
Ending Fund Balance	\$ 662,317	\$ 2,151,208	\$ 2,813,525		
		Total BA			

WATER UTILITY FUND 411

2026 Budget Amendment

Water Utility 411					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 4,597,521	\$ 5,651,765	\$ 10,249,286		Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Revenue Budget	8,938,768		8,938,768		
Expenditure Budget	12,263,333		12,263,333		
Transfer to capital project F421		4,148,752	4,148,752		Move to capital F421-budgeted capital project total
Reduction in Expenditures		(4,148,752)	(4,148,752)		Reduction in Capital Expenditures
Transfer to capital project F421		1,000,000	1,000,000		Water portion of Main Street capital project
Transfer to capital project F421		2,500,000	2,500,000		Move to capital F421-Carryover from 2025 capital project
Transfer to Debt F425		286,336	286,336		Separated debt service from water operating funds-move funds to pay for principal & interest
Transfer to Debt F428		35,687	35,687		Separated debt service from water operating funds-move funds to pay for principal & interest
Transfer to Debt F427		348,155	348,155		Separated debt service from water operating funds-move funds to pay for principal & interest
Transfer to Debt F426		149,754	149,754		Separated debt service from water operating funds-move funds to pay for principal & interest
Transfer to Debt F422		108,032	108,032		Separated debt service from water operating funds-move funds to pay for principal & interest
Reduce Expenditures		(927,964)	(927,964)		
Total Expenditures		3,500,000	3,500,000		
Ending Fund Balance	\$ 1,272,956	\$ 2,151,765	\$ 3,424,721		
		Total BA			

STORMWATER UTILITY FUND 412

2026 Budget Amendment

Stormwater Utility 412

	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 6,568,812	\$ 456,375	\$ 7,025,187	Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Revenue Budget	5,443,486		5,443,486	
Expenditure Budget	5,138,900		5,138,900	
Transfer to capital project F419		3,755,000	3,755,000	Move to capital F419
Reduction to Stormwater Ops		(1,280,000)	(1,280,000)	Reduction to Stormwater Ops budget-original capital budget
Transfer to capital project F419		1,293,000	1,293,000	Stormwater portion of Main Street capital project
Transfer to Debt F425		168,865	168,865	Separated debt service from stormwater operating funds-move funds to pay for principal & interest
Transfer to Debt F428		8,565	8,565	Separated debt service from stormwater operating funds-move funds to pay for principal & interest
Transfer to Debt F426		149,754	149,754	Separated debt service from stormwater operating funds-move funds to pay for principal & interest
Transfer to Debt F422		236,319	236,319	Separated debt service from stormwater operating funds-move funds to pay for principal & interest
Reduce Expenditures		(563,503)	(563,503)	
Total Expenditures		3,768,000	3,768,000	
Ending Fund Balance	\$ 6,873,398	\$ (3,311,625)	\$ 3,561,773	
		Total BA		

STORMWATER CONSTRUCTION FUND 419

2026 Budget Amendment

Stormwater Construction 419				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -	
Revenue Budget	0		0	
Transfer from Storm Ops F412		1,293,000	1,293,000	Moved from Storm ops F412
Transfer from Storm Ops F412		3,755,000	3,755,000	Moved from Storm ops F412
Total Revenues		5,048,000	5,048,000	
Expenditure Budget	0			
Expenditures		3,755,000	3,755,000	220th Water Quality & Deep Pipe Repair
Expenditures		1,293,000	1,293,000	Stormwater portion of Main Street capital project
Total Expenditures		5,048,000	5,048,000	
Ending Fund Balance	\$ -	\$ -	\$ -	
		Total BA		

SEWER CONSTRUCTION FUND 420

2026 Budget Amendment

Sewer Construction 420				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ 1,862	\$ 1,862	2025 Ending fund balance brought forward
Revenue Budget	0		0	
Transfer from Sewer Op F410		200,000	200,000	Moved from Sewer Ops F410
Transfer from Sewer Op F410		3,370,715	3,370,715	Moved from Sewer Ops F410
Total Revenues		3,570,715	3,570,715	
Expenditure Budget	0			
Expenditures		3,370,713	3,370,713	Cedar Grove & Edmonds WWTP & Sewer Replacement
Expenditures		200,000	200,000	Sewer portion of Main Street capital project
Total Expenditures		3,570,713	3,570,713	
Ending Fund Balance	\$ -	\$ 1,864	\$ 1,864	
		Total BA		

WATER CONSTRUCTION FUND 421

2026 Budget Amendment

Water Construction 421				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ 4,500	\$ 4,500	2025 Ending fund balance brought forward
Revenue Budget	0		0	
Transfer from Water Op F411		1,000,000	1,000,000	Moved from Water Ops F411
Transfer from Water Op F411		2,500,000	2,500,000	Moved from Water Ops F411
Transfer from Water Op F411		4,148,752	4,148,752	Moved from Water Ops F411
Total Revenues		7,648,752	7,648,752	
Expenditure Budget	0		0	
Expenditures		6,479,891	6,479,891	Westwater Main & Reservoir Recoating & Seismic Retrofit
Expenditures		1,000,000	1,000,000	Water portion of Main Street capital project
Total Expenditures		7,479,891	7,479,891	
Ending Fund Balance	\$ -	\$ 173,361	\$ 173,361	
		Total BA		

W/S 2012 REVENUE BOND 422

2026 Budget Amendment

W/S 2012 Revenue Bond 422					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ -	\$ 350	\$ 350		
Revenue Budget	0				
Transfer from Water F411		108,032	108,032		Separated debt service from water operating funds
Transfer from Storm F412		236,319	236,319		Separated debt service from stormwater operating funds
Total Revenues		344,351	344,351		
Expenditure Budget	0				
Debt service payment		344,350	344,350		Debt Service Payment
Debt Admin costs		350	350		
Total Expenditures		344,700	344,700		
Ending Fund Balance	\$ -	\$ 1	\$ 1		
		Total BA			

W/S REVENUE BOND RESERVE 424

2026 Budget Amendment

W/ S Rev Bond Reserve 424					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ -	\$ 799,425	\$ 799,425		
Revenue Budget	0				
Expenditure Budget	0				
Ending Fund Balance	\$ -	\$ 799,425	\$ 799,425		
		Total BA			

W/S 2014 REVENUE BOND 425

2026 Budget Amendment

W/ S 2014 Rev Bond 425				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ 10	\$ 10	New Fund
Revenue Budget	0			
Transfer from Water F411		286,336	286,336	Separated debt service from water operating funds
Transfer from Storm F412		168,865	168,865	Separated debt service from stormwater operating funds
Total Revenues		455,201	455,201	
Expenditure Budget	0			
Debt Service payment		455,200	455,200	Debt Service payment
Total Expenditures		455,200	455,200	
Ending Fund Balance	\$ -	\$ 11	\$ 11	
		Total BA		

W/S 2020 REVENUE BOND 426

2026 Budget Amendment

W/ S 2020 Rev Bond 426				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ 7	\$ 7	New Fund
Revenue Budget	0			
Transfer from Sewer F410		195,451	195,451	Separated debt service from sewer operating funds
Transfer from Sewer F410		59,904	59,904	Separated debt service from sewer operating funds
Transfer from Water F411		149,754	149,754	Separated debt service from water operating funds
Transfer from Storm F412		149,754	149,754	Separated debt service from stormwater operating funds
Total Revenues		554,863	554,863	
Expenditure Budget	0			
Debt Service payment		359,412	359,412	Debt Service payment
Debt Service payment		195,451	195,451	Debt Service payment
Total Expenditures		554,863	554,863	
Ending Fund Balance	\$ -	\$ 7	\$ 7	
		Total BA		

PWTFNT FUND 427

2026 Budget Amendment

PWTFNT Fund 427				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ 0	\$ 0	New Fund
Revenue Budget	0			
Transfer from Water F411		348,155	348,155	Separated debt service from water operating funds
Total Revenues		348,155	348,155	
Expenditure Budget	0			
Principal payment		348,155	348,155	Debt Service payment
Total Expenditures		348,155	348,155	
Ending Fund Balance	\$ -	\$ 0	\$ 0	
		Total BA		

PWAF FUND 428

2026 Budget Amendment

PWAF Fund 428					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -		
Revenue Budget	0				
Transfer from Water F411		35,687	35,687		Separated debt from operating funds
Transfer from Streets F111		27,122	27,122		Separated debt from operating funds
Transfer from Storm F412		8,565	8,565		Separated debt from operating funds
Total Revenues		71,374	71,374		
Expenditure Budget	0				
Debt Service payment		71,374	71,374		Debt Service payment
Total Expenditures		71,374	71,374		
Ending Fund Balance	\$ -	\$ -	\$ -		
		Total BA			

BUDGET AMENDMENT SUMMARY

2026 BUDGET SUMMARY BY FUND						
BUDGET AMENDMENT						
FUND	BEGINNING FUND BALANCE	REVENUES & OTHER SOURCES	TOTAL BEGINNING FUND BALANCE & REVENUES & OTHER SOURCES	EXPENDITURES & OTHER USES	ENDING FUND BALANCE	TOTAL EXPENDITURES & ENDING FUND BALANCE
GENERAL OPERATING FUNDS						
General Fund	\$ 5,264,710	\$ 19,041,496	\$ 24,306,206	\$ 21,283,533	\$ 3,022,673	\$ 24,306,206
Housing Needs Fund	279,267	7,000	286,267	22,300	263,967	286,267
Strategic Reserve Fund	1,035,818	27,466	1,063,284	-	1,063,284	1,063,284
Accumulated Leave Reserve Fund	18,925	1,999	20,924	-	20,924	20,924
Recreation Fund	88,203	3,681,710	3,769,913	3,767,183	2,730	3,769,913
Solid Waste Service Fund	108,580	49,000	157,580	53,574	104,006	157,580
Street Operating Fund	581,034	1,282,383	1,863,417	1,820,488	42,929	1,863,417
Art Fund	46,630	-	46,630	-	46,630	46,630
Tree Fund	-	20,000	20,000	20,000	-	20,000
American Rescue Plan Act Fund	-	-	-	-	-	-
Opioid Settlement fund	330,070	40,000	370,070	150,000	220,070	370,070
Hotel/Motel Tax Fund	200,325	58,000	258,325	50,000	208,325	258,325
Debt Service Fund	317,000	736,542	1,053,542	707,900	345,642	1,053,542
Fleet Management Fund	2,110,440	2,660,562	4,771,002	2,427,769	2,343,233	4,771,002
Information Technology Fund	-	1,530,458	1,530,458	1,530,458	-	1,530,458
Total General Operating Funds	\$ 10,381,002	\$ 29,136,615	\$ 39,517,617	\$ 31,833,205	\$ 7,684,412	\$ 39,517,617
UTILITY FUNDS						
Sewer Utility Fund	5,850,136	8,858,537	14,708,673	11,895,148	2,813,525	14,708,673
Water Utility Fund	10,249,286	8,938,768	19,188,054	15,763,333	3,424,721	19,188,054
Stormwater Utility Fund	7,025,187	5,443,486	12,468,673	8,906,900	3,561,773	12,468,673
Debt Service Funds	799,793	1,773,944	2,573,737	1,774,292	799,445	2,573,737
Total Utility Funds	\$ 23,924,402	\$ 25,014,735	\$ 48,939,137	\$ 38,339,673	\$ 10,599,464	\$ 48,939,137
CAPITAL FUNDS						
Street Construction Fund	4,574,409	9,017,913	13,592,322	11,911,364	1,680,958	13,592,322
Parks Capital Improvement Fund	1,941,259	3,823,374	5,764,633	2,870,000	2,894,633	5,764,633
Real Estate Excise Tax Fund	1,259,882	1,025,000	2,284,882	1,550,000	734,882	2,284,882
Facilities Construction	211,780	1,250,000	1,461,780	1,250,000	211,780	1,461,780
Stormwater Construction Fund	-	5,048,000	5,048,000	5,048,000	-	5,048,000
Sewer Construction Fund	1,862	3,570,715	3,572,577	3,570,713	1,864	3,572,577
Water Construction Fund	4,500	7,648,752	7,653,252	7,479,891	173,361	7,653,252
Total Capital Funds	\$ 7,993,692	\$ 31,383,754	\$ 39,377,446	\$ 33,679,968	\$ 5,697,478	\$ 39,377,446
TOTAL 2026 BUDGET	\$ 42,299,096	\$ 85,535,104	\$ 127,834,200	\$ 103,852,846	\$ 23,981,354	\$ 127,834,200

FINANCIAL/BUDGET IMPACTS

- Transparent budget amendments ensure that residents, council members, and staff clearly understand how and why public funds are being adjusted. While this approach enhances trust and accountability, it also carries operational and financial impacts that cities must plan for.
 - Transfers to the new funds approved by Council do not have a financial impact.
 - Several capital projects were not completed in 2025 but are forecasted to be completed in 2026.
 - The ending fund balance for 2026 is approximately \$206,000 higher than the 2026 adopted budget.

COMMUNITY NOTIFICATION

- A public hearing has been scheduled for November 20, 2025.



STAFF RECOMMENDATION

Staff recommends the City Council vote to adopt the Biennial Budget Amendment ordinance. This can be accomplished following a public hearing on this item at the Council meeting on November 20, 2025.

DISCUSSION & QUESTIONS

Thank you



CITY OF MOUNTLAKE TERRACE

ORDINANCE NO. ____

**AN ORDINANCE OF THE CITY OF MOUNTLAKE TERRACE,
WASHINGTON AMENDING THE 2025-2026 BIENNIAL BUDGET;
PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN
EFFECTIVE DATE**

WHEREAS, On November 21, 2024, the City adopted the 2025-2026 biennial budget by Ordinance No. 2870; and

WHEREAS, the City Council approved the opening of several new funds and transfers to the new funds are necessary; and

WHEREAS, the budget was adopted prior to the close of the year and beginning fund balances have changed; and

WHEREAS, capital project revenues and expenditures have been revised to align with grant revenues and project timing; and

WHEREAS, a public hearing on the 2025-2026 Biennial Budget Amendment was held on November 20, 2025; and

WHEREAS, the City Council has made adjustments and changes as it deemed necessary or proper, and has determined the allowance in each item, department, classification, and fund, and desires to adopt the 2025-2026 Biennial Budget Amendment; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNTLAKE TERRACE, WASHINGTON DOES ORDAIN AS FOLLOWS:

Section 1. Amending the 2025-2026 Biennial Budget. The City hereby amends its 2025-2026 Biennial Budget of the City of Mountlake Terrace, originally adopted in Ordinance No. 2870, as shown in Exhibits A-1 and B-1 which are attached hereto and incorporated herein by this reference.

Section 2. Administration. The City Manager shall administer the Biennial Budget Amendment approved herein.

Section 4. Transmittal. The City Clerk is directed to transmit a certified copy of the budget hereby adopted to the Division of Municipal Corporations of the Office of the State Auditor and to the Association of Washington Cities.

Section 5. Severability. The provisions of this ordinance are declared separate and this ordinance or the invalidity of the application thereof to any person or circumstance, shall not

affect the validity of the remainder of the ordinance, or the validity of its application to other persons or circumstances.

Section 6. Publication and Effective Date. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after the date of publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF MOUNTLAKE TERRACE this 20th day of November 2025 and signed in authentication of its passage this 20th day of November 2025.

Mayor Kyoko Matsumoto Wright

ATTEST: _____
City Clerk

APPROVED AS TO FORM: _____
Hillary Evans, City Attorney

EXHIBIT A
CITY OF MOUNTLAKE TERRACE
2025 Adopted Budget

2025 BUDGET SUMMARY BY FUND						
FUND	BEGINNING FUND BALANCE	REVENUES & OTHER SOURCES	TOTAL BEGINNING FUND BALANCE & REVENUES & OTHER SOURCES	EXPENDITURES & OTHER USES	ENDING FUND BALANCE	TOTAL EXPENDITURES & ENDING FUND BALANCE
GENERAL GOVERNMENT FUNDS						
General Fund	\$ 12,536,018	\$ 18,712,760	\$ 31,248,778	\$ 21,309,278	\$ 9,939,500	\$ 31,248,778
Street Operating Fund	1,361,341	1,273,442	2,634,783	1,681,975	952,808	2,634,783
Recreation Fund	42,342	3,415,610	3,457,952	3,613,175	(155,223)	3,457,952
American Rescue Plan Act Fund	-	-	-	-	-	-
Housing Needs Fund	262,464	8,000	270,464	22,300	248,164	270,464
Debt Service Fund	296,428	723,045	1,019,473	712,175	307,298	1,019,473
Strategic Reserve Fund	922,979	101,392	1,024,371	-	1,024,371	1,024,371
Fleet Management Fund	1,877,647	2,660,562	4,538,209	2,427,768	2,110,441	4,538,209
Hotel/Motel Tax Fund	184,982	58,200	243,182	50,000	193,182	243,182
Solid Waste Service Fund	114,903	49,000	163,903	52,014	111,889	163,903
Accumulated Leave Reserve Fund	60,510	1,941	62,451	46,000	16,451	62,451
Total General Governmental Funds	\$ 17,659,614	\$ 27,003,951	\$ 44,663,565	\$ 29,914,685	\$ 14,748,880	\$ 44,663,565
UTILITY FUNDS						
Storm Water Utility Fund	5,747,856	5,371,356	11,119,212	4,550,400	6,568,812	11,119,212
Sewer Utility Fund	6,355,395	8,861,224	15,216,619	12,711,765	2,504,854	15,216,619
Water Utility Fund	9,356,443	8,779,216	18,135,659	13,538,138	4,597,521	18,135,659
Total Utility Funds	\$ 21,459,694	\$ 23,011,796	\$ 44,471,490	\$ 30,800,303	\$ 13,671,187	\$ 44,471,490
CAPITAL FUNDS						
Real Estate Excise Tax Fund	605,910	1,030,000	1,635,910	1,000,000	635,910	1,635,910
Street Construction Fund	2,454,714	1,339,259	3,793,973	1,595,000	2,198,973	3,793,973
Capital Improvement Fund	341,928	7,159,810	7,501,738	7,326,300	175,438	7,501,738
Total Capital Funds	\$ 3,402,552	\$ 9,529,069	\$ 12,931,621	\$ 9,921,300	\$ 3,010,321	\$ 12,931,621
TOTAL 2025 BUDGET	\$ 42,521,859	\$ 59,544,816	\$ 102,066,676	\$ 70,636,289	\$ 31,430,387	\$ 102,066,676

EXHIBIT B
CITY OF MOUNTLAKE TERRACE
2026 Adopted Budget

2026 BUDGET SUMMARY BY FUND						
FUND	BEGINNING FUND BALANCE	REVENUES & OTHER SOURCES	TOTAL BEGINNING FUND BALANCE & REVENUES & OTHER SOURCES	EXPENDITURES & OTHER USES	ENDING FUND BALANCE	TOTAL EXPENDITURES & ENDING FUND BALANCE
GENERAL GOVERNMENT FUNDS						
General Fund	\$ 9,939,500	\$ 19,041,496	\$ 28,980,996	\$ 21,313,533	\$ 7,667,462	\$ 28,980,996
Street Operating Fund	952,808	1,282,383	2,235,191	1,820,488	414,703	2,235,191
Recreation Fund	(155,223)	3,566,710	3,411,487	3,767,183	(355,696)	3,411,487
American Rescue Plan Act Fund	-	-	-	-	-	-
Housing Needs Fund	248,164	7,000	255,164	22,300	232,864	255,164
Debt Service Fund	307,298	736,542	1,043,840	707,900	335,940	1,043,840
Strategic Reserve Fund	1,024,371	27,466	1,051,837	-	1,051,837	1,051,837
Fleet Management Fund	2,110,441	2,717,315	4,827,756	1,578,435	3,249,321	4,827,756
Hotel/Motel Tax Fund	193,182	58,000	251,182	50,000	201,182	251,182
Solid Waste Service Fund	111,889	49,000	160,889	53,574	107,315	160,889
Accumulated Leave Reserve Fund	16,451	1,999	18,449	-	18,449	18,449
Total General Governmental Funds	\$ 14,748,880	\$ 27,487,910	\$ 42,236,790	\$ 29,313,413	\$ 12,923,377	\$ 42,236,790
UTILITY FUNDS						
Storm Water Utility Fund	6,568,812	5,443,486	12,012,298	5,138,900	6,873,398	12,012,298
Sewer Utility Fund	2,504,854	8,858,537	11,363,391	10,701,074	662,317	11,363,391
Water Utility Fund	4,597,521	8,938,768	13,536,289	12,263,333	1,272,955	13,536,289
Total Utility Funds	\$ 13,671,187	\$ 23,240,791	\$ 36,911,978	\$ 28,103,307	\$ 8,808,670	\$ 36,911,978
CAPITAL FUNDS						
Real Estate Excise Tax Fund	635,910	1,025,000	1,660,910	1,000,000	660,910	1,660,910
Street Construction Fund	2,198,973	9,162,913	11,361,886	9,039,000	2,322,886	11,361,886
Capital Improvement Fund	175,438	1,703,295	1,878,733	2,870,000	(991,267)	1,878,733
Total Capital Funds	\$ 3,010,321	\$ 11,891,208	\$ 14,901,529	\$ 12,909,000	\$ 1,992,529	\$ 14,901,529
TOTAL 2026 BUDGET	\$ 31,430,387	\$ 62,619,909	\$ 94,050,296	\$ 70,325,721	\$ 23,724,576	\$ 94,050,296

EXHIBIT A-1
CITY OF MOUNTLAKE TERRACE
2025 Budget Amendment

2025 BUDGET SUMMARY BY FUND						
BUDGET AMENDMENT						
FUND	BEGINNING FUND BALANCE	REVENUES & OTHER SOURCES	TOTAL BEGINNING FUND BALANCE & REVENUES & OTHER SOURCES	EXPENDITURES & OTHER USES	ENDING FUND BALANCE	TOTAL EXPENDITURES & ENDING FUND BALANCE
GENERAL OPERATING FUNDS						
General Fund	\$ 8,218,572	\$ 18,712,760	\$ 26,931,332	\$ 21,666,622	5,264,710	\$ 26,931,332
Housing Needs Fund	293,567	8,000	301,567	22,300	279,267	301,567
Strategic Reserve Fund	934,426	101,392	1,035,818	-	1,035,818	1,035,818
Accumulated Leave Reserve Fund	62,984	1,941	64,925	46,000	18,925	64,925
Recreation Fund	285,768	3,415,610	3,701,378	3,613,175	88,203	3,701,378
Solid Waste Service Fund	111,594	49,000	160,594	52,014	108,580	160,594
Street Operating Fund	673,966	1,589,043	2,263,009	1,681,975	581,034	2,263,009
Art Fund	-	119,630	119,630	73,000	46,630	119,630
Tree Fund	-	20,000	20,000	20,000	-	20,000
American Rescue Plan Act Fund	105,175	-	105,175	105,175	-	105,175
Opioid Settlement fund	-	330,070	330,070	-	330,070	330,070
Hotel/Motel Tax Fund	192,125	58,200	250,325	50,000	200,325	250,325
Debt Service Fund	306,130	723,045	1,029,175	712,175	317,000	1,029,175
Fleet Management Fund	1,877,647	2,660,562	4,538,209	2,427,769	2,110,440	4,538,209
Information Technology Fund	-	1,693,323	1,693,323	1,693,323	-	1,693,323
Total General Operating Funds	\$ 13,061,954	\$ 29,482,576	\$ 42,544,530	\$ 32,163,528	\$ 10,381,002	\$ 42,544,530
UTILITY FUNDS						
Sewer Utility Fund	\$6,320,687	\$8,861,224	\$15,181,911	\$9,331,775	\$5,850,136	\$15,181,911
Water Utility Fund	10,693,507	8,779,216	19,472,723	9,223,437	10,249,286	19,472,723
Stormwater Utility Fund	5,934,231	5,371,356	11,305,587	4,280,400	7,025,187	11,305,587
Debt Service Funds	-	2,506,493	2,506,493	1,706,700	799,793	2,506,493
Total Utility Funds	\$ 22,948,425	\$ 25,518,289	\$ 48,466,714	\$ 24,542,312	\$ 23,924,402	\$ 48,466,714
CAPITAL FUNDS						
Street Construction Fund	\$8,441,121	\$378,658	\$8,819,779	\$4,245,370	\$4,574,409	\$8,819,779
Parks Capital Improvement Fund	2,114,293	7,257,422	9,371,715	7,430,456	1,941,259	9,371,715
Real Estate Excise Tax Fund	729,882	1,030,000	1,759,882	500,000	1,259,882	1,759,882
Facilities Construction	-	2,983,086	2,983,086	2,821,306	161,780	2,983,086
Stormwater Construction Fund	-	447,600	447,600	447,600	-	447,600
Sewer Construction Fund	-	755,000	755,000	753,138	1,862	755,000
Water Construction Fund	-	1,030,821	1,030,821	1,026,321	4,500	1,030,821
Total Capital Funds	\$ 11,285,296	\$ 13,882,587	\$ 25,167,883	\$ 17,224,191	\$ 7,943,692	\$ 25,167,883
TOTAL 2025 BUDGET	\$ 47,295,675	\$ 68,883,452	\$ 116,179,127	\$ 73,930,031	\$ 42,249,096	\$ 116,179,127

EXHIBIT B-1
CITY OF MOUNTLAKE TERRACE
2026 Budget Amendment

2026 BUDGET SUMMARY BY FUND						
BUDGET AMENDMENT						
FUND	BEGINNING FUND BALANCE	REVENUES & OTHER SOURCES	TOTAL BEGINNING FUND BALANCE & REVENUES & OTHER SOURCES	EXPENDITURES & OTHER USES	ENDING FUND BALANCE	TOTAL EXPENDITURES & ENDING FUND BALANCE
GENERAL OPERATING FUNDS						
General Fund	\$ 5,264,710	\$ 19,041,496	\$ 24,306,206	\$ 21,283,533	\$ 3,022,673	\$ 24,306,206
Housing Needs Fund	279,267	7,000	286,267	22,300	263,967	286,267
Strategic Reserve Fund	1,035,818	27,466	1,063,284	-	1,063,284	1,063,284
Accumulated Leave Reserve Fund	18,925	1,999	20,924	-	20,924	20,924
Recreation Fund	88,203	3,681,710	3,769,913	3,767,183	2,730	3,769,913
Solid Waste Service Fund	108,580	49,000	157,580	53,574	104,006	157,580
Street Operating Fund	581,034	1,282,383	1,863,417	1,820,488	42,929	1,863,417
Art Fund	46,630	-	46,630	-	46,630	46,630
Tree Fund	-	20,000	20,000	20,000	-	20,000
American Rescue Plan Act Fund	-	-	-	-	-	-
Opioid Settlement fund	330,070	40,000	370,070	150,000	220,070	370,070
Hotel/Motel Tax Fund	200,325	58,000	258,325	50,000	208,325	258,325
Debt Service Fund	317,000	736,542	1,053,542	707,900	345,642	1,053,542
Fleet Management Fund	2,110,440	2,660,562	4,771,002	2,427,769	2,343,233	4,771,002
Information Technology Fund	-	1,530,458	1,530,458	1,530,458	-	1,530,458
Total General Operating Funds	\$ 10,381,002	\$ 29,136,615	\$ 39,517,617	\$ 31,833,205	\$ 7,684,412	\$ 39,517,617
UTILITY FUNDS						
Sewer Utility Fund	5,850,136	8,858,537	14,708,673	11,895,148	2,813,525	14,708,673
Water Utility Fund	10,249,286	8,938,768	19,188,054	15,763,333	3,424,721	19,188,054
Stormwater Utility Fund	7,025,187	5,443,486	12,468,673	8,906,900	3,561,773	12,468,673
Debt Service Funds	799,793	1,773,944	2,573,737	1,774,292	799,445	2,573,737
Total Utility Funds	\$ 23,924,402	\$ 25,014,735	\$ 48,939,137	\$ 38,339,673	\$ 10,599,464	\$ 48,939,137
CAPITAL FUNDS						
Street Construction Fund	4,574,409	9,017,913	13,592,322	11,911,364	1,680,958	13,592,322
Parks Capital Improvement Fund	1,941,259	3,823,374	5,764,633	2,870,000	2,894,633	5,764,633
Real Estate Excise Tax Fund	1,259,882	1,025,000	2,284,882	1,550,000	734,882	2,284,882
Facilities Construction	161,780	1,250,000	1,411,780	1,250,000	161,780	1,411,780
Stormwater Construction Fund	-	5,048,000	5,048,000	5,048,000	-	5,048,000
Sewer Construction Fund	1,862	3,570,715	3,572,577	3,570,713	1,864	3,572,577
Water Construction Fund	4,500	7,648,752	7,653,252	7,479,891	173,361	7,653,252
Total Capital Funds	\$ 7,943,692	\$ 31,383,754	\$ 39,327,446	\$ 33,679,968	\$ 5,647,478	\$ 39,327,446
TOTAL 2026 BUDGET	\$ 42,249,096	\$ 85,535,104	\$ 127,784,200	\$ 103,852,846	\$ 23,931,354	\$ 127,784,200



STAFF REPORT

To: Mountlake Terrace City Council
From: Sirke Salminen, Finance Director
Meeting Date: November 13, 2025
Subject: Review Ordinance Adopting Property Tax Levy

Required Reviews:

Jennifer Joki	Created/Initiated - 11/04/2025
Sirke Salminen	Approved - 11/04/2025
Sirke Salminen	Approved - 11/04/2025
Hillary Evans	Approved - 11/05/2025
Carolyn Hope	Final Approval - 11/06/2025

Council Goal(s):

Responsible Governance to Ensure Desired Level of Service

Legislative History:

Cities hold a public hearing on revenue sources including consideration of possible increase in property tax revenues. The hearing and adoption must be held no later than November 25, 2025 in order to provide the county with information by the November 26, 2025 deadline for the 2025 tax levy to be implemented for collection in 2026. A public hearing has been scheduled for November 20, 2025 for this purpose, along with the adoption of the property tax levy ordinance.

Subject Summary:

The city is allowed to increase its property tax annually up to the Implicit Price Deflator (IPD) or one percent, whichever is lower. The IPD for 2025 tax purposes is 2.44%, so the maximum a city can increase its property tax levy for 2026 is 1% without using banked capacity.

According to the Snohomish County Assessor's office, the City's total assessed value for taxes in 2026 is estimated to be \$5,483,120,742. The estimated assessed value for new construction is \$16,887,331. A 1% increase in the regular property tax levy for 2025 collections is \$33,235.

Financial/Budget Impacts:

Budget Amendment	No
Required?	_____

Budget and Sources:	N/A
Expenditure:	N/A
New Appropriation Required + Sources:	N/A

Additional Financial Information:

N/A

Community Notifications:

City Council Agenda

Newspaper

If "Other," please specify:

Board/Commission Recommendation:

N/A

Staff Recommendation:

Staff recommends the City Council vote to adopt the Property Tax Levy ordinance adopting a one percent levy increase. This can be accomplished following a public hearing on this item at the council meeting on November 20, 2025.

Council Motion:

N/A

Attachments:

1. 2025 Property Tax Levy for 2026 Presentation
2. Property Tax Ordinance



CITY OF
**MOUNTLAKE
TERRACE**



2026 PROPERTY TAX LEVY

City Council Work Session: November 13, 2025

Sirke Salminen, Finance Director

Caitland Reinke, Finance Technician

PURPOSE

- To set the 2025 property tax levy amount to be collected in 2026.



AGENDA

- Background
- Property Tax Allocation for City of Mountlake Terrace residents
- Typical Levy Rates by City
- Total Taxable Assessed Value over time
- 2025 Average Residence Value for Snohomish County Cities
- 2025 Typical Total Property Tax Paid per average residence for Snohomish County cities
- 2025 Typical Total Levy Rate Per Residence for Snohomish County Cities
- General Operating Levy Options
- Questions and Discussion

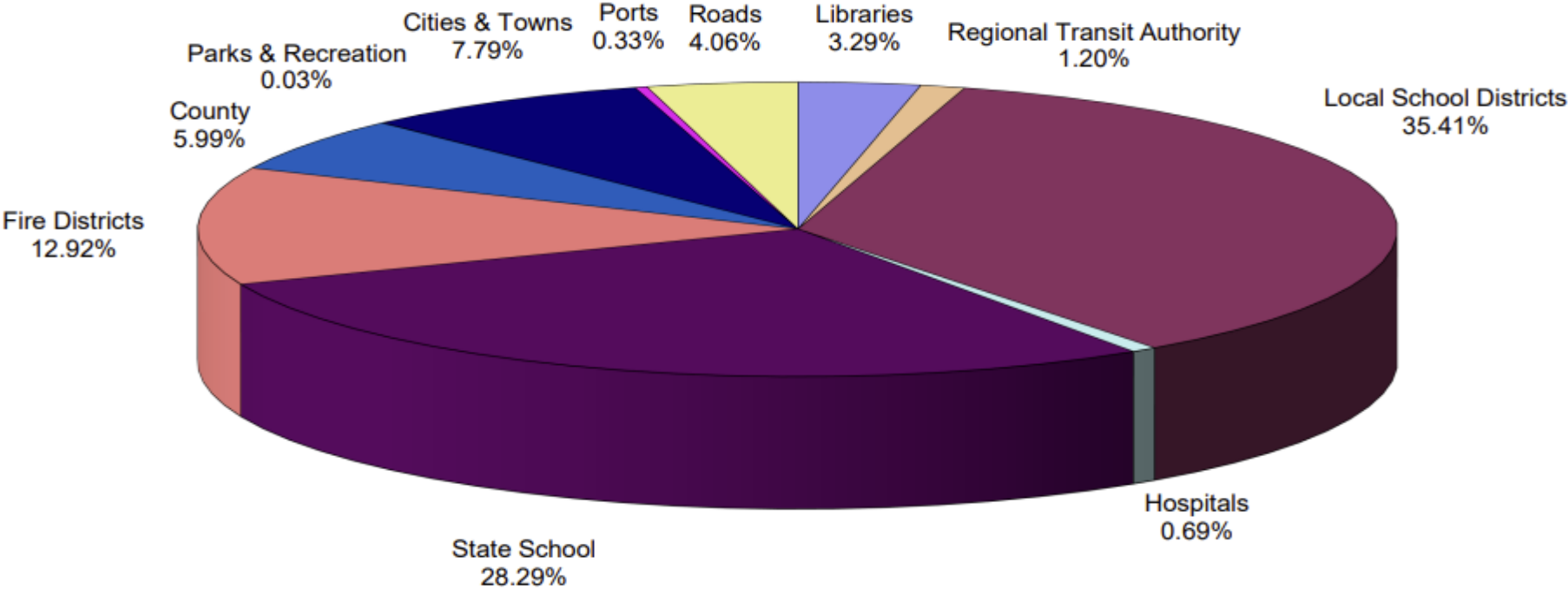
BACKGROUND

Washington Law

- Cities hold public hearing on revenue sources including “consideration of possible increase in property tax revenues”
- The hearing and adoption must be held no later than November 25th in order to provide the county with the information by the November 26th deadline for the 2025 tax levy to be implemented for collection in 2026. A public hearing has been scheduled for November 20, 2025 for this purpose, along with adoption of the property tax levy ordinance.
- The city is allowed to increase its property tax annually up to the Implicit Price Deflator (IPD) or one percent, whichever is lower. The IPD for 2025 tax purposes is 2.44 percent, so the maximum a city can increase its property tax levy for 2026 is one percent without using banked capacity.
- According to the Snohomish County Assessor’s office, the city’s total assessed value for taxes in 2026 is estimated to be \$5,483,120,742, which represents a 4.35 percent increase from the city’s total assessed value in 2025. The estimated assessed value increase from new construction is \$16,887,331 (.31 percent of the total).

Snohomish County Distribution of Taxes 2025

Property Taxes Total: \$1,851,532,350



Typical Levy Rates by City and Unincorporated

TYPICAL LEVY RATES BY CITY AND UNINCORPORATED

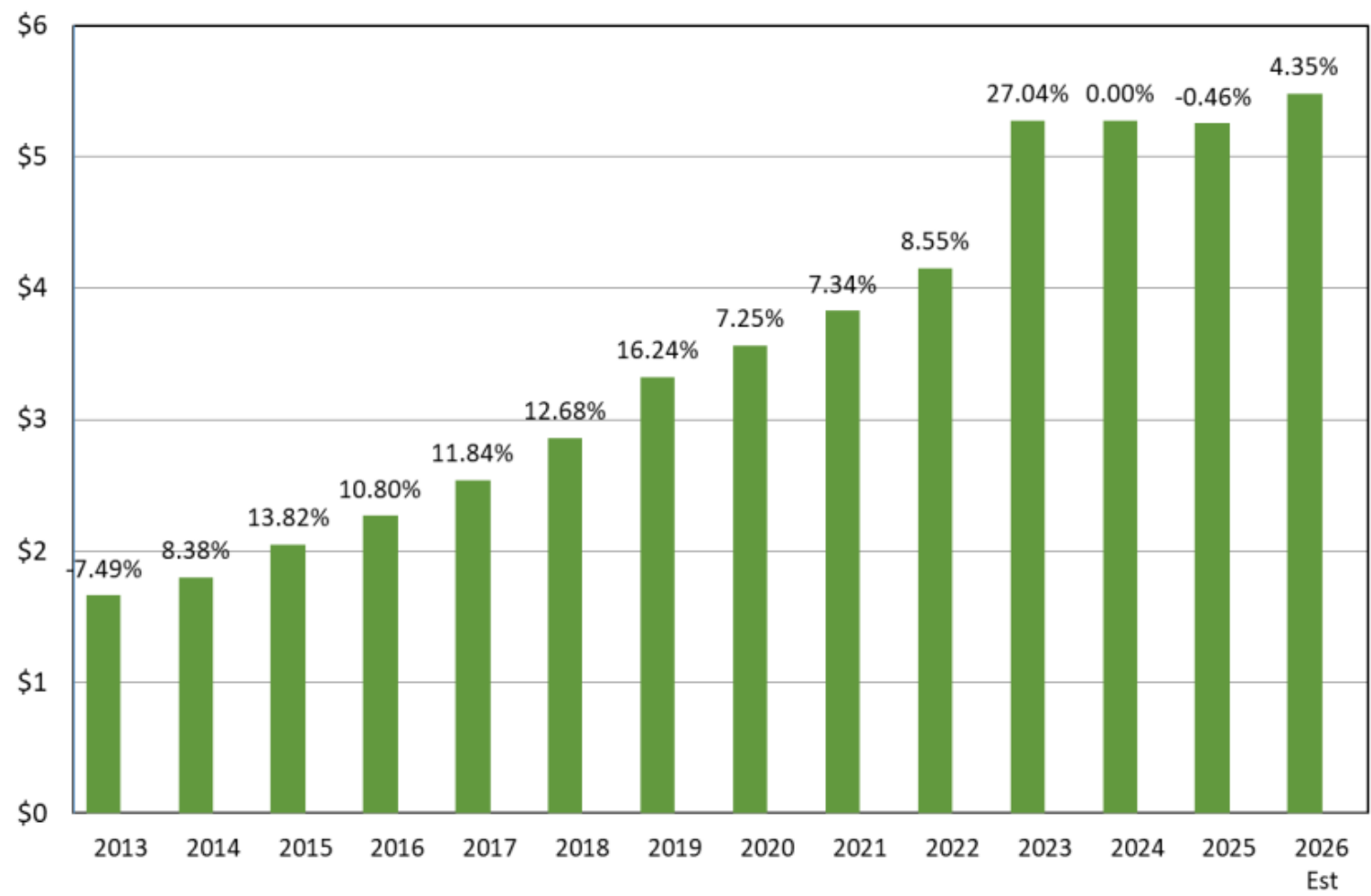
City	2025 Typical Levy Rate (1)	City	2025 Typical Levy Rate (1)
Arlington	8.6749	Lynnwood	7.8585
Bothell	8.0911	Marysville	7.8579
Brier	7.7667	Mill Creek	8.8163
Darrington	7.1714	Monroe	8.0984
Edmonds	7.0318	Mountlake Terrace	7.9585
Everett	8.7174	Mukilteo	7.5148
Gold Bar	8.5357	Snohomish	9.7993
Granite Falls	8.5422	Stanwood	8.3866
Index	6.0817	Sultan	8.9407
Lake Stevens	8.6967	Woodway	7.3221
Unincorporated	8.4068	(2)	

The above levy rates are expressed as dollars per \$1,000 of assessed taxable value.
To calculate a "ballpark estimate" of how much taxes would be on an assessed taxable value,
multiply the number of thousands of assessed taxable value times the levy rate.

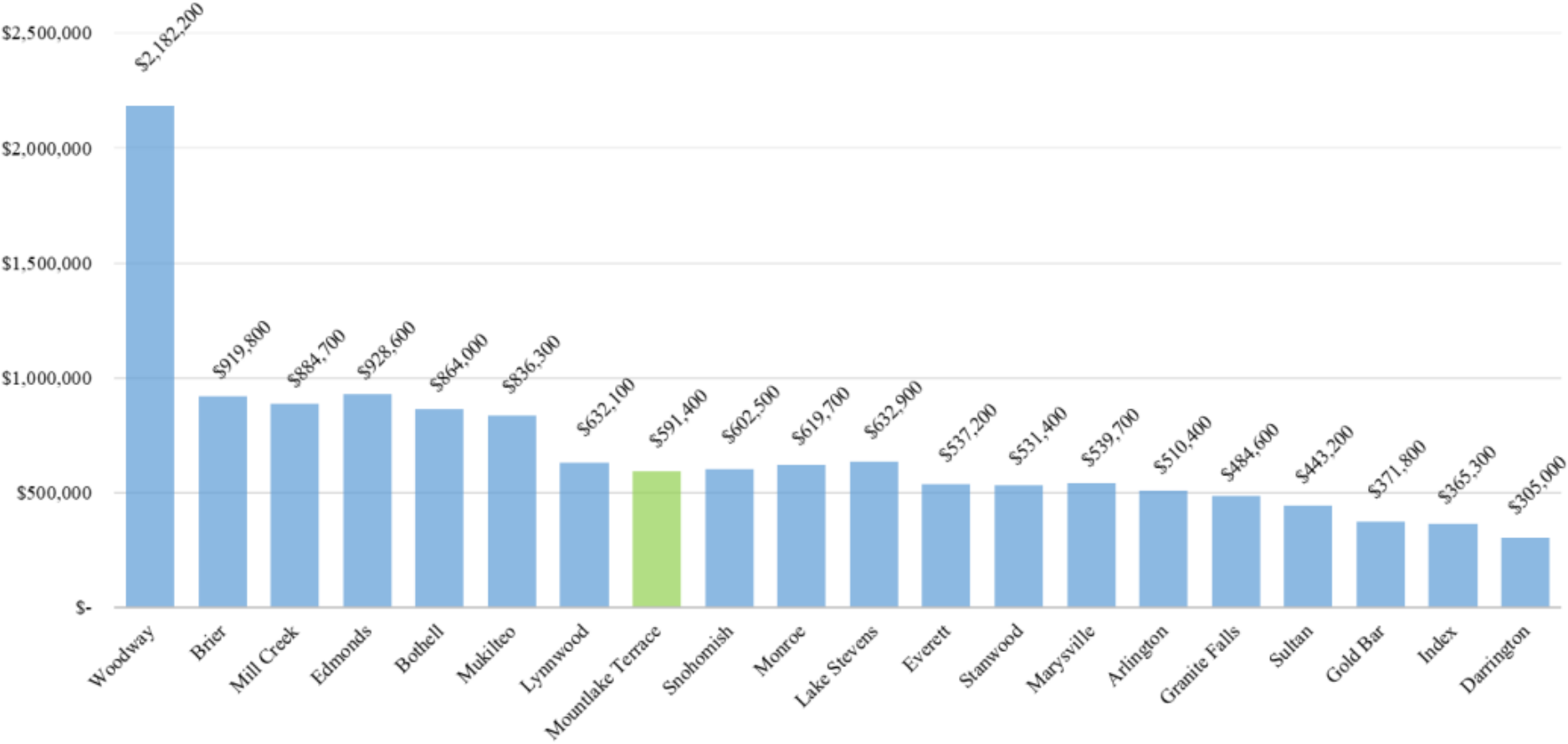
If your home's assessed taxable value is \$100,000 divided by 1,000 = \$100 x \$8.6749 = \$867.49

- (1) Rates may vary within cities. The city rate shown is the predominant rate.
(2) The unincorporated rate shown is an average.

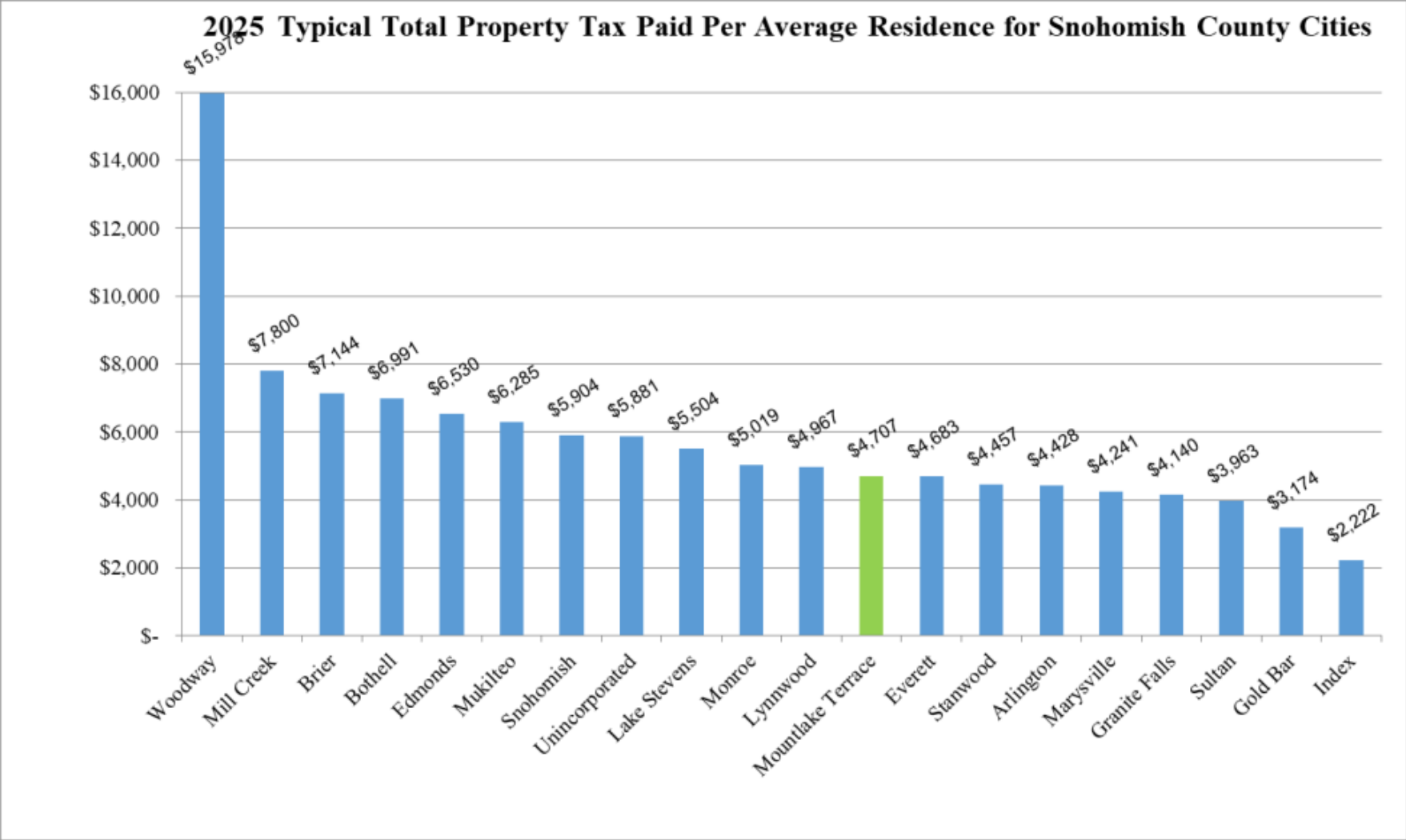
TOTAL TAXABLE ASSESSED VALUE 2013-2026 EST.



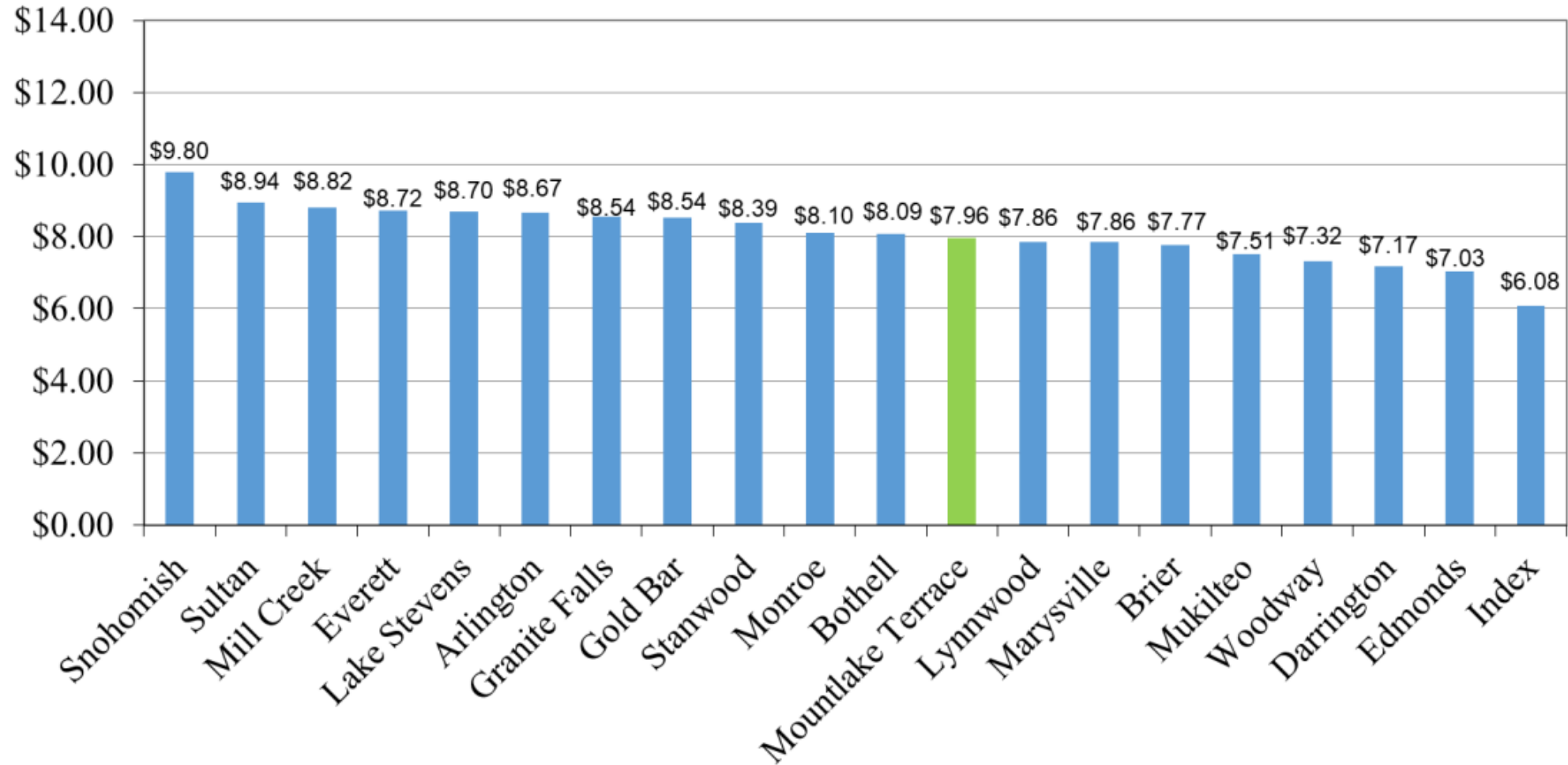
2025 AVERAGE RESIDENCE VALUE FOR SNOHOMISH COUNTY
CITIES



2025 TYPICAL TOTAL PROPERTY TAX PAID PER AVERAGE RESIDENCE FOR SNOHOMISH COUNTY CITIES



2025 Typical Levy Rate Per Residence for Snohomish County Cities



GENERAL OPERATING LEVY OPTIONS FOR 2026

General Operating Levy Options For 2026	Estimated Operating Levy Without 1% Increase Approved	Estimated Operating Levy With 1 % Increase Approved	Difference
Base Levy Amount (From 2025)	\$3,323,507	\$3,323,507	\$0
1% Increase	\$0	33,235	\$33,235
New Construction & Refunds (Estimate)	69,169	69,169	\$0
Total Tax	\$3,392,677	3,425,912	\$33,235
Total Tax Per Average Home – Operating Levy 2026	367	370	\$2.84

STAFF RECOMMENDATION

Staff recommends the City Council vote to adopt the Property Tax ordinance. This can be accomplished following a public hearing on this item at the Council meeting on November 20, 2025.

Thank you



CITY OF MOUNTLAKE TERRACE

ORDINANCE NO. XXX

AN ORDINANCE OF THE CITY OF MOUNTLAKE TERRACE, WASHINGTON, PROVIDING FOR THE ANNUAL TAX LEVY BY INCREASING THE REGULAR PROPERTY TAX LEVY BY THE CURRENT 101 PERCENT LEVY LIMIT; LEVYING THE SAME UPON ALL TAXABLE PROPERTY, BOTH REAL AND PERSONAL, IN THE CITY OF MOUNTLAKE TERRACE, FOR COLLECTION IN 2026; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City Council of the City of Mountlake Terrace has met and considered its budget for the calendar year 2026; and

WHEREAS, the district's actual levy amount from the previous year was \$3,323,507; and

WHEREAS, the population of this district is more than 10,000;

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

Section 1. 2025 Regular Property Tax Levy. By the City Council of the City of Mountlake Terrace that an increase in the property tax levy is hereby authorized for the levy to be collected in the 2026 tax year as follows:

The dollar amount of the increase over the actual levy amount from the previous year shall be \$33,235 which is a percentage increase of 1% from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, solar, biomass, and geothermal facilities, any increase in the state assessed property, increment value, any annexations that have occurred and refunds made.

Section 2. Corrections. The City Clerk and codifiers of the ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 3. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance is declared unconstitutional or invalid for any reason, such invalidity shall not affect the validity or effectiveness of the remaining portions of this ordinance.

Section 4. Summary, Publication, and Effective Date. This Ordinance or a summary thereof consisting of the title shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after its adoption and publication as required by law.

ADOPTED BY THE CITY COUNCIL ON NOVEMBER 20, 2025.

Kyoko Matsumoto Wright, Mayor

ATTEST: _____
City Clerk

APPROVED AS TO FORM: _____
Hillary J. Evans, City Attorney



MOUNTLAKE TERRACE CITY COUNCIL
MEETING AGENDA

November 20, 2025
7:00 p.m.

Mountlake Terrace City Hall; and
via Telephone or Teleconference

1. Call to Order – Flag Salute – Roll Call
2. Late Changes to Agenda
3. General Public Comment (*see Public Comment and Public Hearing Testimony Protocol on page 2*)
4. Consent Agenda
 - a. Payment of Claims
 - b. Meeting Minutes
 - c. Resolution Adopting Community and Economic Development Fee Schedule
 - d. Resolution Adopting Recreation Fee Schedule
 - e. Resolution Adopting Engineering Fee Schedule
5. Review, Public Hearing, Vote on Biennial Budget Amendment
6. Review, Public Hearing, Vote on Ordinance Adopting Property Tax Levy
7. Review and Vote Ordinance Adopting Franchise Agreement with Puget Sound Energy
8. Review On-Call Engineering Agreement with Parametrix for Water Tower Improvements
9. Review Agreement with Recreation Conservation Office for Evergreen Playfield #4
10. Presentation on Diversity, Equity and Inclusion Strategic Plan
11. City Manager's Report
12. Council Liaison Reports
13. New Business
14. Adjournment

To listen to the meeting via telephone, call 1-253-215-8782. To watch the meeting online: 1) Go to <https://zoom.us/join>; 2) Enter meeting ID 810 1113 9518 and click "join" (you will be prompted to install the Zoom application if you don't have it). No passcode needed.

Public Comment and Public Hearing Testimony Protocol

Public comments and public hearing testimony are permitted at meetings remotely, in-person, and in writing. All remarks shall be made to the Council as a body and not to any individual member.

General public comments to council are heard toward the beginning of regular meetings and work sessions. Public comments to council on specific agenda items and public hearing testimony will be called for at regular meetings when council discusses that agenda item.

No person shall make personal attacks, or threatening remarks while addressing the Council which disrupts, disturbs, or otherwise impedes the orderly conduct of the meeting. Any person who is engaging in conduct that disturbs, disrupts, or impedes the business of the council or whose comments have been ruled out of order by the presiding officer, shall immediately cease and refrain from further improper comments or inappropriate conduct. All hate speech will be construed as threatening remarks.

To make a public comment/give public hearing testimony **remotely** (via Zoom or telephone), complete the [Remote Public Comment Request Form](#) (link on City Council Agendas and Minutes web page) at least 24 hours before the meeting. You will then be contacted via email to confirm your participation. Your reply to the confirmation email must be received by 4 p.m. on the day of meeting to be acknowledged that same evening. If you're using Zoom during the meeting, use the hand raise tool to be recognized to speak or press *9 if using a telephone. Speakers shall limit their presentations to five minutes.

To make a public comment/give public hearing testimony at a meeting **in-person**, please sign up at the meeting (no 24-hour notice required).

To submit a **written** public comment/public hearing testimony email remarks to cityhall@mltwa.gov or mail to/drop off at City Hall (23204 58th Avenue W., Mountlake Terrace, WA 98043) no later than 4 p.m. on the meeting/public hearing date.