Meyers, Aundrea

From: Legg, Louisa on behalf of Hearing Examiner

Sent: Friday, November 6, 2020 1:15 PM

To: jwdotson71@yahoo.com; erik@luxurypnw.com; cjscheu51@gmail.com;

cdnokelby@aim.com

Cc: Rodriguez, Ralph; Garrison, Michael; San Soucie, Michael; Wheeler, Liz

Subject: FW: LID 3970 Proposed Formation - HEX Report **Attachments:** SIGNED_Proposed_Formation_LID3970_11.06.20.pdf

Importance: High

Dear Parties,

The same as below. I just obtained your email addresses.

Sincerely,

Louisa Legg

Office Administrator

Tacoma Hearing Examiner Office Ph: 253-591-5195 | Fax: 253.591.2003 Hearing.examiner@cityoftacoma.org

From: Legg, Louisa On Behalf Of Hearing Examiner

Sent: Friday, November 6, 2020 12:37 PM

To: rmdaubert@comcast.net

Cc: Meyers, Aundrea <AMeyers@cityoftacoma.org> **Subject:** FW: LID 3970 Proposed Formation - HEX Report

Importance: High

To the Dauberts: Because Mr. Jared Smith appeared on your behalf at the hearing held on October 26, 2020, a copy of the Examiner's recommendation was sent to him. I recently discovered an email address for you, so I am sharing the same.

Sincerely,

Louisa Legg

Office Administrator

Tacoma Hearing Examiner Office
Ph: 253-591-5195 | Fax: 253.591.2003
Hearing.examiner@cityoftacoma.org

From: Legg, Louisa On Behalf Of Hearing Examiner

Sent: Friday, November 6, 2020 10:35 AM

To: Rodriguez, Ralph < RRODRIG1@cityoftacoma.org >; Garrison, Michael < mgarrison@cityoftacoma.org >; Jenkins, Jessica < jjenkins1@cityoftacoma.org >; Wheeler, Liz < LWheeler@cityoftacoma.org >; San Soucie, Michael

<msansoucie@cityoftacoma.org>; ghatans@wamail.net; jaredasmith@msn.com; jackied 98125@yahoo.com

Subject: LID 3970 Proposed Formation - HEX Report

Importance: High

To All:

In regard to the above referenced matter, please find attached the Hearing Examiner's Findings of Fact, Conclusions of Law, and Recommendation, to the Tacoma City Council, entered on November 6, 2020

Sincerely,

Louisa Legg

Office Administrator
Tacoma Hearing Examiner Office
Ph: 253-591-5195 | Fax: 253.591.2003
Hearing.examiner@cityoftacoma.org

1 OFFICE OF THE HEARING EXAMINER 2 **CITY OF TACOMA** 3 In the Matter of: HEX2020-031 4 PROPOSED LOCAL FINDINGS OF FACT, 5 IMPROVEMENT DISTRICT CONCLUSIONS OF LAW, NO. 3970 AND RECOMMENDATION 6 7 8 A PUBLIC HEARING on the above-captioned matter was held on October 26, 2020, 9 before JEFF H. CAPELL, the Hearing Examiner for the City of Tacoma. The Hearing Examiner 10 having considered the testimony and evidence presented, having reviewed the file, and being 11 otherwise fully advised, makes the following: 12 FINDINGS OF FACT 13 1. The Tacoma City Council adopted Resolution No. 40659 on October 6, 2020 (the 14 "Hearing Resolution"), acknowledging receipt of Advisory Survey No. 8572-A, which requested 15 that the Tacoma City Council schedule a hearing to consider the formation of Local Improvement 16 District No. 3970 ("the LID" or "LID 3970"). Ex. C-4 (inclusive of Exs. C-4.1~C-4.3). In the 17 18 ¹ Due to National, State of Washington and City of Tacoma Proclamations of Emergency caused by the COVID-19 virus, the City of Tacoma closed the Tacoma Municipal Building to the public until further notice on or around March 17, 2020. As a result, the public hearing in this matter was conducted virtually using Zoom teleconferencing with both 19 internet visual and audio access, as well as separate telephonic (only) access via call in number on Zoom. The hearing record was left open until November 4, 2020, to take receipt of relevant information that became Exhibit 11 (from the 20 Ghatans) and Exhibit 12 (from the City). ² Local improvement districts may be referred to herein generally as "LIDs" as well. 21 City of Tacoma FINDINGS OF FACT, Office of the Hearing Examiner CONCLUSIONS OF LAW,

AND RECOMMENDATION - 1

Tacoma Municipal Building 747 Market Street, Room 720

Tacoma, WA 98402-3768 hearing.examiner@cityoftacoma.org (253) 591-5195 FAX (253) 591-2003

1 Hearing Resolution, a hearing date of October 26, 2020, was formally set to consider the formation 2 of LID 3970. The proposed improvements in LID 3970 are described in the hearing Resolution as 3 follows: 4 To extend the wastewater main with tees and/or risers for wastewater laterals, utility access maintenance points in North 48th St from Lexington 5 Street east 150 feet, thence south in Lexington Street, approximately 680 feet (the "Improvements"). 6 7 The Improvements would include all other work necessary to complete the same in accordance with 8 plans and specifications to be prepared by the Tacoma City Engineer. The Hearing Resolution is 9 incorporated herein by reference as though fully set forth. The proposed boundary of the LID is 10 described in the Hearing Resolution as follows: 11 Unplatted Property: The South 310 feet of the North 510 feet of the following described property; 12 Commencing at the Southwest corner of the Five Views Addition to Tacoma, Washington, according to Plat recorded in Volume 12, at page 28, records of the 13 Pierce County Auditor, said corner being 819.5 feet North of the Southwest corner of the Northwest Quarter of the Southwest Quarter of Section 23, Township 21 14 North, Range 02 East, W.M.; Thence East 165 feet to the True Point of Beginning; Thence South 03°50'17" East 551.84 feet; Thence East 120 feet; Thence North 15 03°50'17" West 551.84 feet; Thence West 120 feet to the Point of Beginning. 16 Together with the South 100 feet of the North 200 feet (measured at right angles to North 48th Street) of the following described property; 17 All of that part of the Northwest Quarter of the Southwest Quarter of said Section 18 23, lying South of North 48th Street and East of Lexington Street as said streets 19 were conveyed to the City of Tacoma by Deeds recorded under Pierce County Auditor No.'s 1267285 and 1658301 and West of a line beginning at a point 130 20 feet East of the intersection of the South line of North 48th Street and the East line of Lexington Street; Thence Southerly in a straight line to the City monument 21 City of Tacoma FINDINGS OF FACT, Office of the Hearing Examiner **CONCLUSIONS OF LAW,** Tacoma Municipal Building 747 Market Street, Room 720 **AND RECOMMENDATION - 2** Tacoma, WA 98402-3768

hearing.examiner@cityoftacoma.org (253) 591-5195 FAX (253) 591-2003

located at the intersection of North 46th Street and Lexington Street, as shown on the Plat of Wiborg's Narrows View Addition to Tacoma, Washington, according to Plat recorded in Volume 12, at page 47, records of Pierce County Auditor;

All situate in the City of Tacoma, County of Pierce, State of Washington; and,

Short Platted Property:

Lots 1 & 2, City of Tacoma Short Plat No. 76-661, recorded in Book 13, at page 31, records of the Pierce County Auditor, Washington.

All situate in the City of Tacoma, County of Pierce, State of Washington; Rodriguez Testimony; Ex. C-1, C-5, Ex. C-6.

- 2. For purposes of statutory application and process,³ proposed LID 3970 is a City of Tacoma ("City") resolution initiated LID. Initial contacts with property owners in the proposed LID were commenced by a noticed meeting when the City's Department of Public Works ("DPW") first began planning to pave sections of North Lexington Street in the Spring of 2018. The meeting was specifically noticed as addressing owner interest in forming an LID for "paving options" (curb, gutter and sidewalk) attendant to the street paving project, but when held, discussion at the meeting evolved to include the possibility of forming an LID for the wastewater Improvements. *Rodriguez Testimony; Ex. C-1~Ex. C-4*.
- 3. The street fronting the residential properties in the LID (North Lexington Street) was slated for paving using 2019 Street Initiative Package money. It is City policy to construct wastewater mains in streets where they do not currently exist prior to (or as part of) such paving

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDATION - 3

³ See Revised Code of Washington ("RCW") 35.43.120~.150.

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projects. This policy led DPW to including discussion with the LID property owners regarding the possibility of forming an LID to finance the needed wastewater facilities. *Id*.

- 4. After circulating it with the LID property owners, DPW received a neighborhood advisory survey (No. 8572-A) regarding the proposed Improvements, dated May 7, 2018, with five property owners signing. An "amended" advisory survey, dated April 24, 2018, 4 added another property owner to the signatories. Ultimately, the aggregated survey was signed by two new owners of property within the proposed LID boundaries after sales. Prior to the hearing, DPW determined that the surveys were favorably signed by the owners of 70.3% of properties within the proposed LID. The combined surveys contain the following property owner signatures:
 - Kevin and Melina Ryan, Parcel No. 02-21-23-3-044,
 - Kirk D. Gipe, Parcel No. 02-21-23-3-024,
 - Bijan Ghatan, Parcel No. 02-21-23-3-030,
 - Margaret Daubert, Parcel No. 02-21-23-7-002,
 - Jason W. Dotson (for Pacific Alaska Assets LLC), Parcel No. 02-21-23-3-029, and
 - Jaqueline Doman (in substitution for Gipe above as new owner). Rodriguez Testimony.

Exs. C-4.1~C-4.3.

5. On October 6, 2020, the Tacoma City Council adopted the Hearing Resolution setting aside October 26, 2020, at 5:00 pm, as the date and time for the Hearing Examiner to conduct a public hearing considering the construction of the Improvements through formation of LID 3970 in order to provide long-term financing for the Improvements. Notices of Public Hearing for LID 3970 were mailed on October 9, 2020, to all owners of record within the proposed LID, as listed on the

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDATION - 4

⁴ It is unclear from the record why the "amended" survey is dated prior to what appears to be the survey being amended.

1	Pierce County real property tax rolls. The Hearing Resolution was published on October 8 and 9,
2	2020, in the Tacoma Daily Index. An Affidavit of Publication has been filed with the City Clerk,
3	together with plans and estimates required by applicable laws. RCW 35.43.150; Rodriguez
4	Testimony; Ex. C-1, Ex. C-7 (inclusive of Ex. C-7.1 and Ex. C-7.2), Ex. C-8 (inclusive of Ex. C-
5	8.1~Ex. C-8.3).
6	6. Pursuant to applicable laws, and the direction of the Tacoma City Council, the Hearing
7	Examiner conducted a public hearing on October 26, 2020, to consider formation of LID 3970.
8	RCW 35.43.150, Ex. C-1.
9	7. DPWs' LID Section (the "LID Section") prepared a staff report which was entered
10	into the record as Exhibit C-1. DPW's report indicates that the estimated project cost is \$342,650.52
11	with an estimated \$97,026.25 being assessed to property owners within the LID and an estimated
12	\$245,624.27 being contributed by the City of Tacoma. The LID is proposed to have a 20-year
13	Assessment Roll/repayment period, and the estimated cost per Assessable Unit of Frontage (AUF)
14	is \$167.00. Rodriguez Testimony; Ex. C-1.
15	8. The testimony of Ralph Rodriguez, Management Analyst III, LID Section
16	Representative for DPW, established the following:
17	A. The LID is situated atop a bluff or hill.B. The Improvements will likely be constructed at a depth of 17 feet to
18	facilitate gravity feed from the properties into the line.
19	C. The LID is proposed to include seven residential properties that all front on North Lexington Street.
20	D. Prior to the hearing held on October 26, 2020, the City had received no objections to the proposed LID formation.
21	objections to the proposed End formation.
~ 1	FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDATION - 5 City of Tacoma Office of the Hearing Examiner Tacoma Municipal Building 747 Market Street, Room 720 Tacoma, WA 98402-3768 hearing.examiner@cityoftacoma.org (253) 591-5195 FAX (253) 591-2003

- E. LID Section representatives have discussed options, provided written information on various pertinent topics and answered questions with the property owners.
- F. All properties in the proposed LID boundary are currently served by septic tanks except for the Ghatans, who are connected to the City's wastewater system. *Rodriguez Testimony, Ex. C-1~Ex. C-3, Ex. 11~Ex. 12.*
- 9. It appears that the LID Section used one, or some combination of, the formulae set forth in RCW 35.44. 030 and .040 to estimate the preliminary assessments for each property within the proposed LID, although it is not entirely clear from the record. The Hearing Resolution did make clear that "[t]he actual assessments may vary from assessment estimates, so long as they do not exceed a figure equal to the increased true and fair value the improvement adds to the property" as required by RCW 35.43.120. *Ex. C-1, Ex. C-9, Ex. C-10*.
- 10. At the hearing, Bijan and Shahnaz Ghatan confirmed that their property is connected to the City's wastewater system and has been since they first built their house in 1978. Their connection is through an approximately 300-foot line to a City main in the intersection of North 46th Street and North Lexington Street. The Ghatans testified that the City required them to connect in 1978, they obtained permits for the connection, paid a connection fee at the time (although they did not remember the amount), and have paid City wastewater charges since 1978. Post hearing, City staff found a copy of the Ghatans' permit and connection fee documentation, which has been added to the record as Exhibit 12. The Ghatans do not object to the formation of the LID, but rather have asked to be excluded from it because they are already lawfully connected to the City's wastewater system. Upon questioning from the Examiner, the Ghatans testified they understand that

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDATION - 6

13. City staff recommends formation of the LID as proposed, but now excluding the Ghatan property. The digital audio recording of the hearing in this matter is in the custody of the

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDATION - 7

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Hearing Examiner's office, and the file is in the custody of the City Clerk. Both are available for review by the City Council and any interested party. *Rodriguez Testimony; Exhibit 12*.

14. Any Conclusion of Law more properly deemed or considered a Finding of Fact is hereby adopted as such.

From these Findings of Fact, the Examiner makes the following:

CONCLUSIONS OF LAW

- 1. The Hearing Examiner has jurisdiction in this matter to conduct a hearing and make a written recommendation to the City Council under Tacoma Municipal Code ("TMC") 1.23.050.A.2 and TMC 10.04.026. *See also RCW 35.42.125 and 35.43.150*.
- 2. The State of Washington ("State") legislature has determined that sanitary sewer systems (among other facilities) are necessary for the "[i]mprovement of public health and the implementation of both urban and rural development...," *RCW 35.91.010*. RCW 35.43.040 gives the legislative authority of any city or town the authority to order the whole or any part of any local improvement including for "sewers, and sewer appurtenances."
- 3. The purposes of an initial hearing on formation of an LID are to determine if formation of the district should proceed and to determine whether the limits of the district are proper. *Chandler v. City of Puyallup*, 70 Wash. 632, 633, 127 P. 293 (1912). Accordingly, the only issues properly presented during the formation stage of the LID process are:
 - (a) Whether the City has jurisdiction or authority to proceed with creating the district; and

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDATION - 8

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(b) Whether the proposed boundaries for the district are proper.

*Underground Equality v. Seattle, 6. Wn. App. 338, 342, 492 P. 2d 1071(1972).

- 4. No party in these proceedings has challenged the City's authority to create this LID for sewer improvements under the provisions of RCW 35.43.
- 5. With the exception of the Ghatans, no party to these proceedings has challenged the City's determination of the proper boundary for proposed LID No. 3970 under the terms of RCW, Chapter 35.43. The Ghatans, however, have asked to be excluded because they are already lawfully connected to the City's wastewater system and paid a connection fee in 1978 when first connecting.
- 6. The City's authority to create an LID initiated by resolution is limited if owners of property shouldering a sufficient proportion of the project costs protest formation of the district as per the following:

§ 35.43.180 Restraint by protest. The jurisdiction of the legislative authority of a city or town to proceed with any local improvement initiated by resolution shall be divested by a protest filed with the city or town council within thirty days from the date of passage of the ordinance ordering the improvement, signed by the owners of the property within the proposed local improvement district or utility local improvement district subject to sixty percent or more of the total cost of the improvement including federally-owned or other nonassessable property as shown and determined by the preliminary estimates and assessment roll of the proposed improvement district or if all or part of the local improvement district or utility local improvement district lies outside of the city or town, such jurisdiction shall be divested by a protest filed in the same manner and signed by the owners of property which is within the proposed local improvement district or utility local improvement district but outside the boundaries of the city or town, and which is subject to sixty percent or more of that part of the total cost of the improvement allocable to property within the proposed local improvement district or utility local improvement district

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDATION - 9

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDATION - 10

⁵ See Resolution No. 37956.

but outside the boundaries of the city or town, including federally-owned or other non-assessable property:... [Emphasis added]. *RCW 35.43.180*.

- 7. The City of Tacoma, has further limited its authority to proceed with formation of an LID in the face of protest by adopting Resolution No. 37956 which expresses the Council's policy to refrain from forming an LID if property owners representing 50 percent or more of the total assessments file remonstrances to formation of the district. This policy contains an exception allowing formation if the City Council has previously determined the LID to be in the best interest of the City.⁵
- 8. There has been no protest to formation of proposed LID 3970. The zero percent (0%) remonstrance rate is below both the City's 50 percent limitation and the State's 60 percent limitation. Therefore, the City has the authority, by statute and its own LID policies, to proceed with formation of LID 3970.
- 9. The foregoing notwithstanding, there has been evidence presented indicating that the boundaries of proposed LID 3970 were not properly drawn as presented at the hearing. As with other properties in and around the proposed LID boundaries, the Ghatans are already connected to the City wastewater system, they paid a connection fee at the time of connection, and they have paid City wastewater charges since 1978. The Examiner finds their testimony credible. The City's post hearing discovery of documentation supporting the Ghatans' testimony puts this issue to rest. While joining the LID and having a closer connection could be seen as an upgrade for the Ghatans

in some respects, they should not be required to do so under the circumstances. Given the Ghatans' desire to opt out of the LID and the City's recognition of the facts from 1978, the LID boundary should be redrawn to exclude them with a corresponding change to the legal description in Finding of Fact 1, and a recalculation of the numbers in Finding of Fact 7. The Ghatans do run the risk of having to pay a connection fee in the future if the property is connected to the Improvements.

- 10. With the Ghatans excluded, the LID boundaries appear to embrace, as nearly as practicable, all real property that will be specially benefitted by the wastewater main project. The boundary includes only properties that will have access to wastewater disposal through the Improvements. The benefits of the project are special to those properties and, accordingly, they have been properly included within the boundary of LID 3970.
- 11. Based upon the foregoing, the Hearing Examiner concludes that proposed LID 3970 meets the requirements of State law and the City's ordinances and policies governing improvement district formation, thereby qualifying the LID to be formed, and the Examiner recommends the same, as amended for the Ghatan property.
- 12. Any Finding of Fact stated herein above which may be more properly considered or deemed to be a Conclusion of Law is hereby adopted as such.

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FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDATION - 11

⁶ See RCW 35.43.080.

1 Based upon the foregoing Findings of Fact and Conclusions of Law, the Hearing Examiner 2 enters the following recommendation: 3 **RECOMMENDATION** 4 Based upon applicable Tacoma City Council ordinances and policies and controlling State 5 law with respect to formation of local improvement districts for wastewater facilities the Hearing 6 Examiner recommends the City Council approve the formation of proposed Local Improvement 7 District No. 3970, as amended to exclude the Ghatan property and with the costs and legal 8 description correspondingly revised. Once the LID Section has made these revisions, they shall 9 submit them to the Office of the Hearing Examiner for inclusion in this Recommendation through 10 an addendum. 11 **DATED** this 6th day of November, 2020 12 JEFF H. CAPELL, Hearing Examiner 13 14 15 16 17 18 19 20 21 City of Tacoma FINDINGS OF FACT, Office of the Hearing Examiner **CONCLUSIONS OF LAW,** Tacoma Municipal Building 747 Market Street, Room 720 **AND RECOMMENDATION - 12** Tacoma, WA 98402-3768 hearing.examiner@cityoftacoma.org (253) 591-5195 FAX (253) 591-2003

1 NOTICE

RECONSIDERATION/APPEAL OF EXAMINER'S RECOMMENDATION

RECONSIDERATION:

Any aggrieved person or entity having standing under the ordinance governing the matter, or as otherwise provided by law, may file a motion with the Office of the Hearing Examiner requesting reconsideration of a decision or recommendation entered by the Hearing Examiner. A motion for reconsideration must be in writing and must set forth the alleged errors of procedure, fact, or law and must be filed in the Office of the Hearing Examiner within 14 calendar days of the issuance of the Hearing Examiner's decision/recommendation, not counting the day of issuance of the decision/recommendation. If the last day for filing the motion for reconsideration falls on a weekend day or a holiday, the last day for filing shall be the next working day. The requirements set forth herein regarding the time limits for filing of motions for reconsideration and contents of such motions are jurisdictional. Accordingly, motions for reconsideration that are not timely filed with the Office of the Hearing Examiner or do not set forth the alleged errors shall be dismissed by the Hearing Examiner. It shall be within the sole discretion of the Examiner to determine whether an opportunity shall be given to other parties for response to a motion for reconsideration. The Hearing Examiner, after a review of the matter, shall take such further action as he/she deems appropriate, which may include the issuance of a revised decision/recommendation. (Tacoma Municipal Code 1.23.140).

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<u>APPEALS TO CITY COUNCIL OF EXAMINER'S RECOMMENDATION:</u>
Within 14 days of the issuance of the Hearing Examiner's final recommendation, any aggrieved person or entity having standing under the ordinance governing such application and feeling that the recommendation of the Hearing Examiner is based on errors of procedure, fact or law may have the right to appeal the recommendation of the Hearing Examiner by filing written notice of appeal and filing fee with the City Clerk, stating the reasons the Hearing Examiner's recommendation was in error.

APPEALS SHALL BE REVIEWED AND ACTED UPON BY THE CITY COUNCIL IN ACCORDANCE WITH TMC 1.70.

GENERAL PROCEDURES FOR APPEAL:

The Official Code of the City of Tacoma contains certain procedures for appeal, and while not listing all of these procedures here, you should be aware of the following items which are essential to your appeal. Any answers to questions on the proper procedure for appeal may be found in the City Code sections heretofore cited:

- The written request for review shall also state where the Examiner's findings or 1. conclusions were in error.
- 2. Any person who desires a copy of the electronic recording must pay the cost of reproducing the verbatim recording. If a person desires a written transcript, he or she shall arrange for transcription and pay the cost thereof.

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> FINDINGS OF FACT, CONCLUSIONS OF LAW, **AND RECOMMENDATION - 13**