

Via E-Mail: mhayes@arlingtonwa.gov

Marc Hayes
Director, Community &
Economic Department
City of Arlington
18204 59th Avenue NE
Arlington, WA 98223

February 13, 2024

Re: Seattle Galvanizing Small Parts and Storage, PLN #1145

Dear Mr. Hayes:

This firm represents Mina Investment Holdings (“Mina”), the applicant for the Seattle Galvanizing Small Parts and Storage (the “Project”), in Arlington. This letter provides a response to the First Review Comments provided by the City of Arlington (the “City”) regarding the pending special use application. Please be advised that we are actively examining whether a special use permit is actually necessary for Mina’s proposed interior remodel of the existing manufacturing facility, particularly given the building’s longstanding history in this location. In the meantime, we wish to provide these response comments regarding the City’s review comment number 6, addressing traffic analysis, as well as regarding traffic impact fees.

Mina proposes to internally remodel the existing manufacturing building located along the west side of 67th Avenue SE, south of 188th Street NE. The existing manufacturing building was fully approved and permitted when it was constructed in 1979, and it was in compliance with all conditions of mitigation by the time of occupancy. *See Structure Information and Property Account Summary*. The original owner of the subject property, HCI Steel Building Systems, used the site for manufacturing purposes, and the site remains zoned for manufacturing to this day. While the City’s review comment 6 indicates the building was used for storage, we have no records of such information and request the City provide all its relied upon information regarding the building’s historic use and non-compliance with its original permits, as well as the same information for the adjacent manufacturing building located at 18520 67th Ave NE.

HCI employed approximately 25 employees when the building was constructed in 1979. Mina intends to employ 15 employees as part its operations. A total of 15 employees will generate (conservatively) 38 average daily trips, and only 5 of these trips will occur during the afternoon peak hour, which is still far less than the original building was approved for. *See August 31, 2023 Kimley Horn Memorandum*.

Arlington Municipal Code (“Code”) provides that a “development activity” is “any development that creates additional demand on and/or the need for public facilities, *but not interior remodeling that does*

not change the PM Peak trips as categorized in the transportation plan element to the city's comprehensive plan or of the applicable code or regulation of the city." AMC 20.90.020. Mina's proposed interior remodel falls neatly within the City's exception to "development activities."

Further, under the City's Traffic Mitigation Guidelines, the City bases its analysis on the "the total number of new PM Peak Hour Trips generated by the proposed land use." As discussed by Kimley Horn in its memorandum, the Project does not present any new net PM Peak Hour Trips under the ITE Trip Generation Manual compared to prior approved uses. As a result, there is no basis for the City to require a traffic impact analysis or intersection analysis as requested in City Review comment 6.

For the same reasons, there is no basis for the City to assess traffic impact fee for the Project. Arlington Code provides that traffic impact fees, based on peak afternoon trips, shall only be imposed for "system improvements that are reasonably related to new development." AMC 20.90.040(a)(1). Further, traffic impact fees are not to be imposed to compensate for deficiencies in any previously constructed system improvements. AMC 20.90.040(a)(4).

When the City developed its traffic mitigation fee under RCW 82.02, it established new capacity needs based on new traffic development needs. At that time, the existing building was already occupied and taking up existing capacity on the roadway. Per RCW 82.02.050(c), this traffic mitigation fee already accounted for the existing building's capacity use, and it cannot be responsible for those fees twice.

The Project will not create additional demand from what it was approved for, nor would it be equitable for the City to impose impact fees because impact fees should not exceed a proportionate share of the cost of system improvements, including the costs of previously constructed system improvements. AMC 20.90.020; 20.90.040(a)(2). Here, the Project is not generating any new impacts and clearly does not fall within Code's definition of a "new development" that would necessitate the imposition of impact fees. "A '[p]roportionate share' is that portion of the cost of public facility improvements that are reasonably related to the service demands and needs of new development." *Pavlina v. City of Vancouver*, 122 Wn. App. 520, 526, 54 P.3d 366 (2004) (quoting RCW 82.02.090(5)). Where there is no increase in service demands, as is the case here, it is neither lawful nor equitable to conclude a developer owes a portion of the cost of public facility improvements.

Impact fees are simply not warranted because this Project is neither a new development nor increasing service demands based on the City's original determination regarding the necessary service needs to accommodate the existing building's demands. Although the building in question has not been used for some years, there is nothing in Code to indicate that any period of disuse is determinative in rendering a revival of such use a "new development." The Project is confined to an internal remodel and will not result in any alteration to the existing structure's size or land use category, i.e., manufacturing. This internal remodel lends itself further evidence that this is not even a development activity requiring impact fees for purposes of AMC 20.90.040. If anything, Mina's proposal should be considered tenant improvements, rather than a new development activity impacting the City's road system or increasing service needs.

Finally, Code provides the City discretion in assessing impact fees, allowing the City to consider fairness in the imposition of fees. The City may consider unusual circumstances requiring an adjustment to ensure that impact fees are imposed fairly and studies and data submitted by the owner regarding the impacts of the proposal to ensure fairness. 20.90.040(f). The analysis provided by Kimley

Marc Hayes
February 13, 2024
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Horn supports such a finding here, and it is within the City's discretion to adjust the imposition of the impact fees accordingly.

Mina is readily available to discuss these issues with the City at any time. Thank you for your consideration.

Sincerely,



Duana T. Koloušková
Direct Tel: (425) 467-9966
Email: kolouskova@jmmklaw.com

Enclosures: Structure Information and Property Account Summary; August 31, 2023 Kimley Horn Memorandum

2024-02-13 Ltr to City re Impact Fees 01-1370-1

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Property Account Summary

2/12/2024

| | | | |
|---------------|----------------|------------------|--|
| Parcel Number | 31052200102000 | Property Address | 18520 67TH AVE NE , ARLINGTON, WA 98223-8942 |
|---------------|----------------|------------------|--|

General Information

| | |
|----------------------|---|
| Property Description | SEC 22 TWP 31 RGE 05 RT-1C) S 400 FT OF NE1/4 NE1/4 LY E OF NP R/W EXC CO RDS ALSO LESS R/W TO CITY OF ARL PER SWD REC AFN 200201100393 AND CORR AFN 200202080086 |
| Property Category | Land and Improvements |
| Status | Active, Locally Assessed |
| Tax Code Area | 00110 |

Property Characteristics

| | |
|-----------------|---|
| Use Code | 399 Other Miscellaneous Manufacturing NEC |
| Unit of Measure | Acre(s) |
| Size (gross) | 2.51 |

Parties

| Role | Percent | Name | Address |
|----------|---------|-------------------------|--|
| Taxpayer | 100 | MINA PROPERTIES VII LLC | 1418 MARKET STREET, KIRKLAND, WA 98033 |
| Owner | 100 | MINA PROPERTIES VII LLC | 1418 MARKET STREET, KIRKLAND, WA 98033 |

Related Properties

No Related Properties Found

Property Values

| Value Type | Tax Year 2024 | Tax Year 2023 | Tax Year 2022 | Tax Year 2021 | Tax Year 2020 |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| Taxable Value Regular | \$6,621,000 | \$3,222,000 | \$2,790,000 | \$2,690,000 | \$2,637,000 |
| Exemption Amount Regular | | | | | |
| Market Total | \$6,621,000 | \$3,222,000 | \$2,790,000 | \$2,690,000 | \$2,637,000 |
| Assessed Value | \$6,621,000 | \$3,222,000 | \$2,790,000 | \$2,690,000 | \$2,637,000 |
| Market Land | \$1,431,400 | \$1,352,000 | \$602,400 | \$602,400 | \$547,200 |
| Market Improvement | \$5,189,600 | \$1,870,000 | \$2,187,600 | \$2,087,600 | \$2,089,800 |
| Personal Property | | | | | |

Active Exemptions

No Exemptions Found

Events

| Effective Date | Entry Date-Time | Type | Remarks |
|----------------|---------------------|-----------------------|--|
| 09/18/2023 | 09/18/2023 11:51:34 | Excise Processed | Temporary Excise: T186855 Finalized to: E206828 |
| 09/15/2023 | 10/03/2023 15:16:00 | Recording No. Changed | Property Transfer Filing No.: E206828, Statutory Warranty Deed, new Recording No.: 202309187032 09/15/2023 by sasaml |
| 09/15/2023 | 10/03/2023 15:16:00 | Owner Terminated | Property Transfer Filing No.: E206828 09/15/2023 by sasaml |
| 09/15/2023 | 10/03/2023 15:16:00 | Owner Terminated | Property Transfer Filing No.: E206828 09/15/2023 by sasaml |
| 09/15/2023 | 10/03/2023 15:16:00 | Owner Added | Property Transfer Filing No.: E206828 09/15/2023 by sasaml |
| 09/15/2023 | 09/18/2023 11:51:00 | Excise Processed | Property Transfer Filing No.: T186855, submitted by eREET 09/15/2023 by ASCEREET |
| 04/27/2017 | 04/27/2017 10:30:00 | Taxpayer Changed | Party/Property Relationship by strsat |
| 04/03/2017 | 04/03/2017 08:42:00 | Taxpayer Changed | Party/Property Relationship by strpgp |

| | | | |
|------------|------------------------|------------------------------------|--|
| 03/28/2016 | 04/07/2016 13:33:00 | Property Assigned To Transfer/Sale | Property Assigned to Transfer/Sale. Filing No.: 1099049, Statutory Warranty Deed by sasset |
| 03/28/2016 | 04/07/2016 13:33:00 | Owner Terminated | Property Transfer Filing No.: 1099049 03/28/2016 by sasset |
| 03/28/2016 | 04/07/2016 13:33:00 | Owner Terminated | Property Transfer Filing No.: 1099049 03/28/2016 by sasset |
| 03/28/2016 | 04/07/2016 13:33:00 | Owner Added | Property Transfer Filing No.: 1099049 03/28/2016 by sasset |
| 03/28/2016 | 03/31/2016 13:53:00 | Taxpayer Changed | Property Transfer Filing No.: 1099049 03/28/2016 by straml |
| 03/28/2016 | 03/31/2016 13:53:00 | Excise Processed | Property Transfer Filing No.: 1099049, Statutory Warranty Deed 03/28/2016 by straml |
| 10/26/2015 | 11/04/2015 09:16:00 | Property Assigned To Transfer/Sale | Property Assigned to Transfer/Sale. Filing No.: 1088770, Quit Claim Deed by sasset |
| 10/26/2015 | 11/04/2015 09:16:00 | Owner Terminated | Property Transfer Filing No.: 1088770 10/26/2015 by sasset |
| 10/26/2015 | 11/04/2015 09:16:00 | Owner Added | Property Transfer Filing No.: 1088770 10/26/2015 by sasset |
| 10/26/2015 | 11/04/2015 09:16:00 | Owner Added | Property Transfer Filing No.: 1088770 10/26/2015 by sasset |
| 10/26/2015 | 10/28/2015 13:32:00 | Taxpayer Changed | Property Transfer Filing No.: 1088770 10/26/2015 by straml |
| 10/26/2015 | 10/28/2015 13:32:00 | Excise Processed | Property Transfer Filing No.: 1088770, Quit Claim Deed 10/26/2015 by straml |
| 03/13/2002 | 03/13/2002 16:51:00 | Value Modification | Type: Value Change Due to Segregation/Merger, Status: Approved, Tax Year: 2002 by sasjme |
| 03/13/2002 | 03/13/2002 16:35:00 | Property Characteristic Changed | Size changed from 2.60 to 2.51 by sasjme |
| 11/28/2001 | 02/08/2002 09:50:00 | Excise Processed | Property Transfer Filing No.: 168660, Statutory Warranty Deed 11/28/2001 by strplv |
| 11/28/2001 | 01/10/2002 13:23:00 | Excise Processed | Property Transfer Filing No.: 269548, Statutory Warranty Deed 11/28/2001 by strgss |
| 04/11/2001 | 04/11/2001 12:19:00 | Taxpayer Changed | Party/Property Relationship by strrlw |
| 09/29/2000 | 09/23/2004 15:37:00 | Owner Terminated | Property Transfer Filing No.: 188463 09/29/2000 by sasmns |
| 09/29/2000 | 09/23/2004 15:37:00 | Owner Added | Property Transfer Filing No.: 188463 09/29/2000 by sasmns |

| | | | |
|------------|------------------------|------------------|--|
| 09/29/2000 | 08/16/2004 11:49:00 | Taxpayer Changed | Property Transfer Filing No.: 188463 09/29/2000 by strnls |
| 09/29/2000 | 08/16/2004 11:49:00 | Excise Processed | Property Transfer Filing No.: 188463, Quit Claim Deed 09/29/2000 by strnls |
| 09/29/2000 | 12/21/2001 15:58:00 | Owner Terminated | Property Transfer Filing No.: 359066 09/29/2000 by sasmns |
| 09/29/2000 | 12/21/2001 15:58:00 | Owner Added | Property Transfer Filing No.: 359066 09/29/2000 by sasmns |
| 09/29/2000 | 09/29/2000 15:20:00 | Excise Processed | Property Transfer Filing No.: 359066, Quit Claim Deed |
| 09/29/2000 | 09/29/2000 15:20:00 | Taxpayer Changed | Property Transfer Filing No.: 359066 |
| 09/26/2000 | 09/29/2000 15:44:00 | Excise Processed | Property Transfer Filing No.: 359072, Statutory Warranty Deed |
| 09/26/2000 | 09/29/2000 15:44:00 | Taxpayer Changed | Property Transfer Filing No.: 359072 |

Tax Balance

Pay Online

Visit our payment site to make an online payment.

PAY NOW

Pay By Mail

Make Check/Money Order to:

Snohomish County Treasurer

Send to:

Snohomish County Treasurer

3000 Rockefeller Ave
M/S 501
Everett, WA 98201

Installments Payable

| Tax Year | Installment | Due Date | Principal | Interest, Penalties and Costs | Total Due | Cumulative Due |
|----------|-------------|------------|-------------|-------------------------------|-------------|----------------|
| 2024 | 1 | 04/30/2024 | \$28,395.91 | \$0.00 | \$28,395.91 | \$28,395.91 |
| 2024 | 2 | 10/31/2024 | \$28,395.92 | \$0.00 | \$28,395.92 | \$56,791.83 |

[View Detailed Statement](#)
[Calculate Future Payoff](#)

Detailed information about taxes and all other charges displayed above.
Taxes, interest and penalty due on a specific future date.

Distribution of Current Taxes

| District | Rate | Amount | Voted Amount | Non-Voted Amount |
|--------------------------------------|-------------|--------------------|--------------------|--------------------|
| ARLINGTON SCHOOL DIST NO 16 | 2.09 | \$13,828.32 | \$13,828.32 | \$0.00 |
| CITY OF ARLINGTON | 0.99 | \$6,536.43 | \$0.00 | \$6,536.43 |
| NORTH COUNTY REGIONAL FIRE AUTHORITY | 1.86 | \$12,291.54 | \$3,310.50 | \$8,981.04 |
| PUB HOSP #3 | 0.37 | \$2,445.72 | \$2,445.72 | \$0.00 |
| PUB HOSP #3 | 0.19 | \$1,284.22 | \$0.00 | \$1,284.22 |
| SNO-ISLE INTERCOUNTY RURAL LIBRARY | 0.32 | \$2,147.21 | \$0.00 | \$2,147.21 |
| SNOHOMISH COUNTY-CNT | 0.50 | \$3,340.45 | \$0.00 | \$3,340.45 |
| STATE | 2.25 | \$14,907.69 | \$0.00 | \$14,907.69 |
| SNOHOMISH CONSERVATION DISTRICT | | \$10.25 | \$0.00 | \$10.25 |
| TOTAL | 8.58 | \$56,791.83 | \$19,584.54 | \$37,207.29 |

Levy Rate History

| Tax Year | Total Levy Rate |
|----------|-----------------|
| 2023 | 7.714387 |
| 2022 | 9.322603 |
| 2021 | 9.032330 |

Real Property Structures

| Description | Type | Year Built | More Information |
|-------------------------|------------|------------|---|
| 11% OB, 10/11/22 Vacant | Commercial | 1979 | View Detailed Structure Information |

Receipts

| Date | Receipt No. | Amount Applied | Amount Due |
|---------------------|--------------------------|----------------|-------------|
| 09/18/2023 10:27:00 | 12878419 | \$12,433.01 | \$12,433.01 |
| 05/04/2023 00:00:00 | 12848028 | \$12,433.00 | \$24,866.01 |
| 10/27/2022 11:48:00 | 12518074 | \$13,009.13 | \$13,009.13 |
| 05/03/2022 12:32:00 | 12275582 | \$13,009.13 | \$26,018.26 |
| 11/01/2021 00:00:00 | 11966839 | \$12,148.49 | \$12,148.49 |
| 04/29/2021 00:00:00 | 11684689 | \$12,148.48 | \$24,296.97 |
| 10/26/2020 00:00:00 | 11346225 | \$11,910.55 | \$11,910.55 |
| 05/29/2020 00:00:00 | 11132947 | \$11,910.54 | \$23,821.09 |
| 11/05/2019 00:00:00 | 10835770 | \$11,691.48 | \$11,691.48 |

| | | | |
|---------------------|--------------------------|-------------|-------------|
| 04/12/2019 00:00:00 | 10353546 | \$11,691.47 | \$23,382.95 |
|---------------------|--------------------------|-------------|-------------|

Sales History

| Sale Date | Entry Date | Recording Number | Sale Amount | Excise Number | Deed Type | Transfer Type | Grantor(Seller) | Grantee(Buyer) | Other Parcels |
|------------|------------|------------------|----------------|---------------|-----------|---------------|--------------------------------|------------------------------|---------------|
| 09/29/2000 | 08/16/2004 | | \$0.00 | 188463 | QC | S | HCI STEEL BUILDING SYSTEMS INC | HOLDEN-MCDANIEL PARTNERS LLC | No |
| 09/29/2000 | 09/29/2000 | | \$0.00 | 359066 | QC | S | HCI STEEL BUILDINGS SYSTEMS | HOLDEN MCDANIEL PRTNER LLC | No |
| 10/26/2015 | 10/28/2015 | | \$0.00 | 1088770 | QC | M | HOLDEN-MCDANIEL PRTNER LLC | WC COMMERCIAL LLC/LMCD LLC | No |
| 03/28/2016 | 03/31/2016 | | \$7,920,000.00 | 1099049 | W | M | WC COMMERCIAL LLC/LMCD LLC | ARLINGTON VENTURES LLC | No |
| 09/15/2023 | 09/18/2023 | 202309187032 | \$6,287,861.00 | E206828 | W | S | ARLINGTON VENTURES LLC | MINA PROPERTIES VII LLC | No |

Property Maps

| Neighborhood Code | Township | Range | Section | Quarter | Parcel Map |
|-------------------|----------|-------|---------|---------|--|
| 5203002 | 31 | 05 | 22 | NE | View parcel maps for this Township/Range/Section |

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 Snohomish County Online Government Information & Services

Structure Information

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General Description

Parcel Number **31052200102000** (C01)

Structure Class **Commercial**

Structure Use **Manufacturing**

Structure Type **11 OB, 10/11/22Vacant**

Year Built **1979**

Features

Roof Cover **Metal**

Units **0**

Floor Area

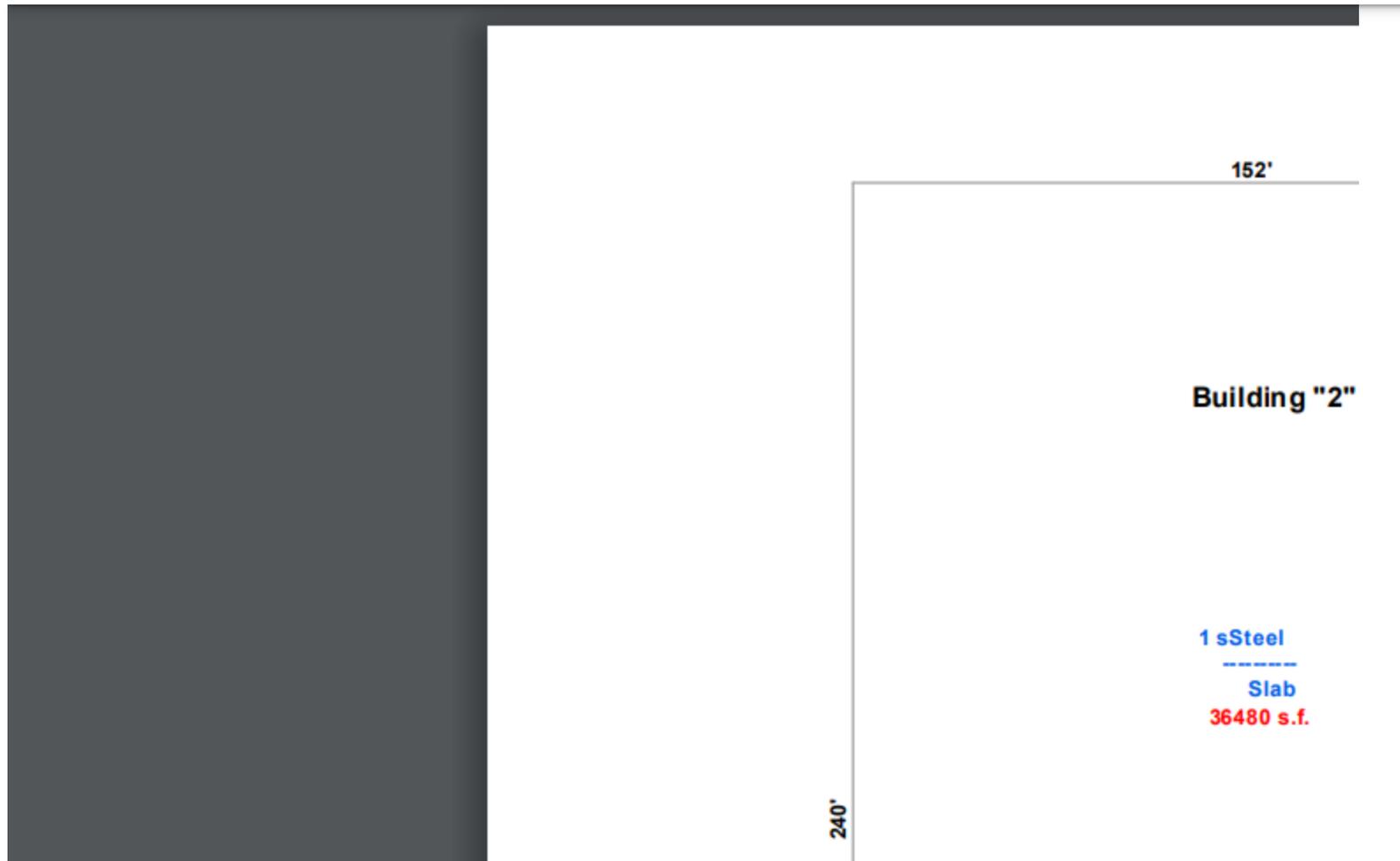
Floor **1** Base SF **36,480** Sprinkler SF **36,480** Heated SF **0** Air Cond SF **0**

Floor **2** Base SF **2,030** Sprinkler SF **2,030** Heated SF **0** Air Cond SF **0**

Garage(s), Carport(s) and major outbuilding(s)

None





[View this sketch in a separate window](#)

Use the structure sketches and information at your own risk. Sketches are extracted from County records on a regular basis and may not be current.

All structure sketches, maps, data, and information set forth herein ("Data"), are for illustrative purposes only and are not to be considered an official citation to, or representation of, the Snohomish County Code. Amendments and updates to the Data, together with other applicable County Code provisions, may apply which are not depicted herein. Snohomish County makes no representation or warranty concerning the content, accuracy, currency, completeness or quality of the Data contained herein and expressly disclaims any warranty of merchantability or fitness for any particular purpose. All persons accessing or otherwise using this Data assume all responsibility for use thereof and agree to hold Snohomish County harmless from and against any damages, loss, claim or liability arising out of any error, defect or omission contained within said Data. Washington State Law, Ch. 42.56 RCW, prohibits state and local agencies from providing access to lists of individuals intended for use for commercial purposes and, thus, no commercial use may be made of any Data comprising lists of individuals contained herein.

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MEMORANDUM

To: Ryan Morrison, City of Arlington

From: Joey Miller
Brad Lincoln, PE
Kimley-Horn and Associates, Inc.

Date: August 31, 2023

Subject: 18520 67th Avenue NE – Trip Generation, Trip Distribution, and Traffic Mitigation Fees

Kimley-Horn and Associates, Inc. (Kimley-Horn) has been retained to provide a traffic mitigation memorandum for the proposed 18520 67th Avenue NE tenant improvement (TI). The existing site is located along the west side of 67th Avenue SE, south of 188th Street NE. This memorandum summarizes the trip generation and trip distribution for the TI. The TI is proposed to be an internal remodel to an existing approved manufacturing facility that is changing ownership. The final use is proposed to remain as manufacturing. A site vicinity map is shown in **Figure 1** and a site plan has been provided in **Appendix A**.

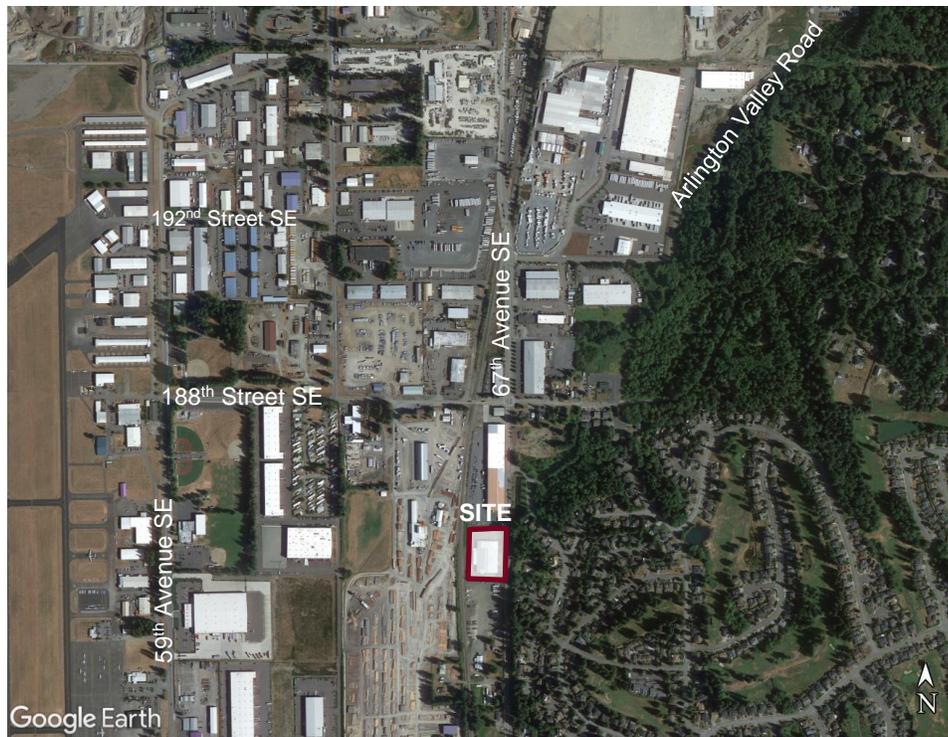


Figure 1: Site Vicinity Map

1. TRIP GENERATION

The site is located in the City of Arlington (City) and is currently listed as an existing manufacturing structure per the *Snohomish County Online Property Information (SCOPI)* web map. There will be no change to the existing structure's size or applicable land use category. The building is therefore not anticipated to generate any additional trips from what was previously approved and operating at the site. It should also be noted that the anticipated number of employees at this site is expected to be up to 15, which will generate a conservatively generous amount of 38 average daily trips of which only 5 would occur during the PM peak hour. This volume of trips is far below the estimated calculations based on square footage of the development under a manufacturing land use category that this site was originally mitigated for and approved.

2. TRAFFIC MITIGATION FEES

Arlington Municipal Code (AMC) 29.90.040, Imposition of Impact Fees on Development Activity, is the code section that defines the methodology for calculating impact fees. AMC 29.90.040(e) specifically addresses credits for existing trips and changes in use. The proposed use is consistent with the approved use and previous use on the site and the building size is not proposed to change. AMC 29.90.040(e) would identify that traffic mitigation fees should not be required for the change in use.

AMC 20.40.070, Change in Use, does address permit fees associated with a change and in use and AMC 20.40.070(b) does identify that a change in use would require a permit if the building is unoccupied for more than 180 days. However, AMC 20.40.070 does not identify that traffic mitigation fees are required if the building is vacant for 180 days or more.

The existing manufacturing building was fully approved and permitted. Therefore, the project was reviewed and mitigated for a 38,510 square foot (SF) manufacturing building at that time. The Revised Code of Washington (RCW) 82.02.050(1)(c) specifically identifies that traffic impact fees for new trips are a one-time mitigation and not an annual or recurring assessment to collect duplicative or arbitrary fees.

The existing manufacturing building was in the existing traffic count basis when the City developed its traffic mitigation fees. Whether it be the standard traffic mitigation fee or the specific Marysville Industrial Center (MIC) fee, the trips generated by this building are accounted for in establishing the future capacity needs for growth. Traffic mitigation fees should therefore not be required for the TI.