

CITY OF SEATTLE
ORDINANCE 127224
COUNCIL BILL 120967

AN ORDINANCE relating to Seattle Public Utilities; authorizing the General Manager/CEO of Seattle Public Utilities to develop municipal assessment reimbursement area authority, in accordance with chapter 35.91 of the Revised Code of Washington; adding a new Subtitle VI to Title 21 of the Seattle Municipal Code; renumbering Chapter 21.80 of the Seattle Municipal Code to Chapter 21.63; relocating the chapter into Subtitle VI of Title 21; and further amending the chapter.

WHEREAS, chapter 35.91 of the Revised Code of Washington (RCW) directs local governments to offer latecomer agreements when requested by owners of real property who are required to construct water or sewer facilities as a prerequisite to development; and

WHEREAS, due to the administrative burden of latecomer agreements, few owners of real property enter into such contracts; and

WHEREAS, in lieu of private development building mainlines and developing latecomer agreements, Seattle Public Utilities recognizes the potential benefits of participating in the construction of mainlines to further develop its system; and

WHEREAS, RCW 35.91.060 allows municipalities to create reimbursement areas on their own initiative as an alternative to private developer latecomer agreements; and

WHEREAS, Chapter 21.80 of the Seattle Municipal Code provides authority for Seattle Public Utilities to do so, but the requirements are unclear; and

WHEREAS, this legislation is part of a package of three Council Bills to accomplish the goal of amending the system development charges within Seattle Public Utilities; all three bills are connected and should be considered one package; and

WHEREAS, Seattle Public Utilities requires financial and personnel resources to support the work associated with system development charges and participation in financing water and sewer facilities; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. A new Subtitle VI of the Seattle Municipal Code is added to Title 21 as follows:

Subtitle VI SEATTLE PUBLIC UTILITIES SYSTEM DEVELOPMENT

Section 2. Chapter 21.80 of the Seattle Municipal Code, enacted by Ordinance 124518, is renumbered to Chapter 21.63, added to Subtitle VI of Title 21, and further amended as follows:

Chapter ~~((21.80))~~ 21.63 LATECOMER AGREEMENTS AND MUNICIPAL ASSESSMENT REIMBURSEMENT AREAS

~~((21.80.010))~~ 21.63.010 Authority

In accordance with chapter 35.91 RCW and the requirements of this Chapter ~~((21.80))~~ 21.63, the ~~((Director))~~ General Manager/CEO of Seattle Public Utilities is authorized to enter into latecomer agreements and create municipal assessment reimbursement areas, on forms approved by the Law Department, for the construction or improvement of water or sewer facilities.

Pursuant to Chapter 3.02, the ~~((Director))~~ General Manager/CEO is further authorized to adopt rules to implement the requirements of this Chapter ~~((21.80))~~ 21.63, including rules governing the application, form, and processing of latecomer agreements or municipal assessment reimbursement areas.

~~((21.80.020))~~ 21.63.020 Definitions

For purposes of this Chapter ~~((21.80))~~ 21.63, the following definitions apply.

"Benefitting parcels" means either: those parcels that benefit from, but whose owners did not contribute to, the construction or improvement of the water or sewer facilities subject to a latecomer agreement; or a municipal assessment reimbursement area.

"Latecomer agreement" means a contract between the City and an owner of real property for the construction or improvement of water or sewer facilities that the City requires be constructed or improved as a prerequisite to further property development. Such latecomer agreements provide for the transfer of the water or sewer facilities to the City and for the later pro rata share reimbursement of costs to the owner as benefiting parcels subsequently connect to or use the facilities. ~~((The City may elect to participate in the financing of the water and sewer facilities, and in such cases the latecomer agreement will provide for the City to retain its pro rata share of the reimbursement.))~~

"Latecomer fee" means the charge collected by the City from real property owners who connect to or use the water or sewer facilities that were constructed or improved under the terms of a latecomer agreement or municipally funded capital project and who did not contribute to the costs of the facilities.

"Municipal assessment reimbursement area" means those parcels that benefit from, but whose owners did not contribute to, the municipally funded construction or improvement of the water or sewer facilities that the City otherwise requires be constructed or improved as a prerequisite to further property development.

"Water or sewer facilities" means storm, sanitary, or combined sewers, pumping stations, and disposal plants, water mains, hydrants, reservoirs, or appurtenances.

~~((21.80.030))~~ **21.63.030 Application**

1 A. An owner of real property for which the City requires, as a prerequisite of further
2 property development, the construction or improvement of water or sewer facilities may apply to
3 the ~~((Director))~~ General Manager/CEO of Seattle Public Utilities to enter into a latecomer
4 agreement. At a minimum, the application must require the applicant to provide the following
5 information:

6 1. Proposed plans. Detailed construction drawings, prepared in accordance with
7 applicable City standards and guidelines, of the entire project prepared and stamped by a
8 licensed engineer.

9 2. Preliminary ~~((engineers))~~ engineer's estimate. Itemization of all costs related to
10 the construction of the improvement, including the water or sewer facility and the restoration of
11 pavement, curbs, gutters, and sidewalks, plus the costs of engineering, construction, and contract
12 administration.

13 3. Such other information as the ~~((Director))~~ General Manager/CEO determines is
14 necessary to properly review the application.

15 B. The City may elect to participate in the financing of the water and sewer facilities, and
16 in such cases the latecomer agreement will provide for the City to retain its pro rata share of the
17 reimbursement.

18 ~~((B.))~~ C. Application fee. All applications for latecomer agreements must be
19 accompanied by a nonrefundable application fee. The ~~((Director))~~ General Manager/CEO shall
20 establish and collect the application fee to recover the costs of processing the application.

21 D. The City may elect to solely finance the water and sewer facilities within a municipal
22 assessment reimbursement area, and in such cases the City will become the sole beneficiary of
23 reimbursements.

1 **~~((21.80.040)) 21.63.040~~ Required provisions**

2 At a minimum the latecomer agreement must provide for each of the following:

3 A. The construction or improvement of the water or sewer facilities in accordance with
4 the City's plans and specifications.

5 B. The inspection and approval of the water or sewer facilities by the City.

6 C. The transfer to the City of the water and sewer facilities, without cost to the City, upon
7 the City's acceptance of the facilities.

8 D. The provision of sufficient security to the City to ensure the completion of the
9 facilities and other performance of the agreement.

10 E. The payment by the owner to the City of all the City's costs associated with the water
11 or sewer facilities, including engineering, legal, and administrative costs, except for the City's
12 pro rata share when applicable.

13 F. The verification and approval of all contracts and costs related to the construction or
14 improvement of the water or sewer facilities.

15 G. The recording of the latecomer agreement with the King County Recorder's Office.

16 H. The City's collection of latecomer fees and the reimbursement of the owner.

17 I. The owner's responsibility to provide the City with notice of any change in contact
18 information. At a minimum, this contact information shall be provided every two years from the
19 date of the latecomer agreement. If the owner fails to notify the City of current contact
20 information within 60 days of the due date for notification, then the owner will no longer be
21 entitled to reimbursement and the City will collect such fees and deposit them in the appropriate
22 utility capital fund.

23 **~~((21.80.050)) 21.63.050 ((Reimbursement))~~ Collection and reimbursement**

1 A. The ((~~Director~~)) General Manager/CEO shall collect the applicable latecomer fee from
2 the owners of benefitting parcels who connect to or use water or sewer facilities that were
3 constructed or improved under the terms of a latecomer agreement or a municipal assessment
4 reimbursement area.

5 B. The ((~~Director~~)) General Manager/CEO shall reimburse the owner of real property
6 who has entered into a latecomer agreement, or the owner's assigns, the owner's pro rata share of
7 the latecomer fees the City collects, less its costs, within 60 days of receipt; provided that if the
8 owner or the owner's assigns fail to comply with the notification requirements of the latecomer
9 agreement, then the City will deposit the latecomer fees in the appropriate utility capital fund.

10 C. As provided by RCW 35.91.040, no person or entity may be permitted to connect to or
11 use water or sewer facilities that were constructed or improved under the terms of a latecomer
12 agreement or a municipal assessment reimbursement area without first paying the applicable
13 latecomer fee.

Section 3. This ordinance shall take effect as provided by Seattle Municipal Code
Sections 1.04.020 and 1.04.070.

Passed by the City Council the 3rd day of June, 2025,
and signed by me in open session in authentication of its passage this 3rd day of
June, 2025.



President _____ of the City Council

☒ Approved / ☐ returned unsigned ☐ vetoed this 6th day of June, 2025.



Bruce A. Harrell, Mayor

Filed by me this 6th day of June, 2025.



Scheereen Dedman, City Clerk

(Seal)