

Media Advisory – Sept. 9, 2009

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Reardon signs bonding bill, encouraging new construction

Snohomish County Executive Aaron Reardon signed legislation Wednesday that will improve the climate for new business and housing construction.

Tied to legislation Reardon signed in June that allows for additional extensions on preliminary permit approvals for residential subdivisions, the two new ordinances provide incentive for new construction despite a downturn in the economy.

The permit extension legislation and the bonding improvements make good on promises made during Reardon's State of the County address given in January and reiterated during a successful building summit held in February.

"We proposed both pieces of legislation in February because the regional housing market was severely depressed alongside the national economy," Reardon said. "These two measures should improve the market for new construction as the economy begins improving."

The Snohomish County Council approved both measures.

Specifically, the new legislation signed Wednesday changes bonding provisions in county code, reducing carrying costs while increasing the availability of bonds. These bonds are used to guarantee construction of required project elements including amenities such as playgrounds and landscaping.

Under the new rules, bonding for the total cost of a project element has been reduced from 150 percent to 110 percent. Costs for the builder are reduced, yet the county retains all necessary authority to ensure builders meet their obligations under county design standards.

Under the permit extension ordinance signed in June, eligible permit holders for subdivisions can request up to a three-year extension of preliminary plat approval, giving them as many as eight years to complete a project after permits are approved. Previous code only allowed for a one-year extension of a five-year preliminary plat permit.

"While the bonding ordinance provides financial help, this measure provides the time needed to obtain financing and complete construction in a difficult economy," Reardon said. Since Reardon first proposed the permit extension measure, other counties, including King and Pierce, have adopted similar measures.

In February, Reardon convened a summit of builders, bankers and analysts to look for ways to improve the commercial and residential building industries in the Puget Sound region. Many projects in the area already had come to a standstill and several builders had filed for bankruptcy over a downturn in residential sales.

More than 200 participants offered their ideas, including clear support for the bonding changes and extensions.

“These changes don’t give up Snohomish County’s rights to approve a project, but they do keep Snohomish County and the region competitive for new business,” he said.

Without the extensions, the cost to resubmit preliminary permit applications is about \$12,000 per lot.

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