



# CITY OF LAKE FOREST PARK

## CITY COUNCIL

### AGENDA COVER SHEET

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<b>Meeting Date</b>	April 24, 2025
<b>Originating Department</b>	Community Development
<b>Contact Person</b>	Mark Hofman, Community Development Director
<b>Title</b>	Resolution 25-2014/Authorizing the Mayor to execute a recommendation to King County for the Hudson properties enrollment in the Public Benefit Rating System (PBRs) program.

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#### Legislative History

- First Presentation: PBRs Program Overview (City and County Staff) – Committee of the Whole, March 24, 2025
  - Public Hearing & Resolution Introduction – City Council Regular Meeting, April 24, 2025
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#### Attachments:

1. Resolution 25-2014
  2. Hudson PBRs application
  3. Aerial Photo
  4. King County staff report
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#### Executive Summary

The Hudsons applied to the King County Department of Natural Resources to have two vacant lots and a portion of their adjacent homesite lot designated as protected land through the PBRs program. This program includes a point-based rating system to determine property qualifications for enrollment. Both the City and County must conduct a public hearing, and approval from both Councils is required for enrollment in the program. Ultimately, this action results in a property tax reduction and suspension of development rights while enrolled in the program.

#### Background

Richard and Margaret Hudson submitted a request for Classification and Real Property Assessment under Chapter 84.34 RCW to the King County Department of Natural Resources and Parks, Water and

Land Resources Division on April 24, 2023. The existing residence is located at 3021 NE 185 St. and the property includes two adjoining vacant parcels to the east. The three Hudson parcels total 1.45 acres and are identified as King County Assessor's Parcel Nos. 4023500120 (existing homesite), 4023500125 (vacant lot), and 4053500130 (vacant lot). A total area of 1.06 acres is recommended for inclusion in the PBRs, which encompasses the two vacant parcels and a small, forested section of the existing homesite parcel. Each parcel is zoned RS-10, Single Family Residential Moderate/High, allowing for a maximum density of 1 dwelling unit per 10,000 square feet.

The Washington State Open Space Taxation Act, Chapter 84.34 RCW and Chapter 458-30 WAC, establishes assessment practices that reflect the current use of property rather than the "highest and best use." This serves as an incentive for property owners to maintain large tracts of open space and to ensure public access to these areas. The Open Space Taxation Act enumerates three current use classifications: open space land, farm and agricultural land, and timber land. WAC 458-30-230 outlines factors for considering an application, noting that preserving a property's open space contributes to the general welfare by safeguarding historic and archaeological sites. The open space current use taxation program is implemented in King County through the Public Benefit Rating System, which utilizes a point system to evaluate properties.

King County's Water and Land Resources Division analyzed the request for a current use assessment and has recommended that a portion of the property be enrolled in the PBRs. Megan Kim from King County's PBRs program submitted a staff report to the City of Lake Forest Park, dated April 24, 2025, regarding the merits of the application and the area designated for reclassification, which has been provided for your information. The PBRs categories requested by the applicant and suggested by program staff include Urban Open Space, Watershed Protection, and Resource Protection.

### **Fiscal & Policy Implications**

Participation in the PBRs lowers the appraised land value for the portion of the property enrolled in the program, leading to a decreased taxable value. The total tax imposed on the Hudson property in 2024 was reported as \$9,402 (combined) for the vacant parcels, and \$6,395 for the homesite parcel (KC Staff Report, p.2). With 15 qualifying points in the PBRs, the Hudson property would be eligible for a 60 percent reduction in the annual property taxes for the enrolled portion of the property (KC Staff Report, p.7).

According to current figures, and assuming the City receives eight percent of the property tax revenue, staff estimates that the City would receive approximately \$500 less in annual property tax revenues related to the Hudson property if a 60 percent reduction is applied to the two vacant parcels and a 0.02-acre portion of the homesite parcel (see aerial photo for the eligible portion of the property identified in the staff report).

The Assessor would continue to assess the ineligible (0.39 acre) portion of the property at market value.

### **Staff Recommendation**

City staff recommends that the Council approve Hudson's request to enroll 1.06 acres of their total 1.45-acre property in the PBRs program and to forward this approval to King County.