1. Agenda

    Documents:

        AGENDA.PDF

2. Meeting Materials

    Documents:

        DISCUSSION A ROAD MAP TO WASHINGTONS FUTURE.PDF
        PARK IMPACT FEES.PDF

PLANNING COMMISSION AGENDA

July 22, 2019 – 6:30 PM

Stanwood Fire Station (8117 267th Pl NW)

1. Call to Order

2. Roll Call

3. Public Requests and Comments

4. New Business

- Park Impact Fees

5. Old Business

6. Miscellaneous Business

- Discussion: A Road Map to Washington's Future

7. Public Comments

8. Recent Council Action on Commission Items

9. Upcoming Items

10. Adjourn

For information about this agenda, contact the Community Development Department at 360-454-5212.

SPECIAL ACCOMMODATIONS: The City of Stanwood strives to provide accessible meetings for people with disabilities. Please contact the Planning Commission Clerk at 360-454-5212 two business days prior to the meeting.

A Road Map To Washington's Future

Final Report Volume 1.

June 30, 2019

Executive Summary

WASHINGTON STATE UNIVERSITY

THE WILLIAM D. RUCKELSHAUS CENTER

UNIVERSITY OF WASHINGTON

The William D. Ruckelshaus Center is a neutral resource for collaborative problem solving in the State of Washington and the Pacific Northwest, dedicated to assisting public, private, tribal, non-profit, and other community leaders in their efforts to build consensus and resolve conflicts around difficult public policy issues. It is a joint effort of Washington State University, hosted and administered by WSU Extension and the University of Washington, hosted by the Daniel J. Evans School of Public Policy and Governance.

For more information visit www.ruckelshauscenter.wsu.edu

WILLIAM D. RUCKELSHAUS CENTER
901 Fifth Avenue, Suite 2900
Seattle, WA 98164-2040
-and-
Hulbert Hall, Room 121
Pullman, WA 99164-6248

DISCLAIMER

The following report was prepared by the William D. Ruckelshaus Center, a joint effort of the University of Washington and Washington State University whose mission is to help parties involved in complex public policy challenges in the State of Washington and Pacific Northwest tap university expertise to develop collaborative, durable and effective solutions.

University leadership and the Center's Advisory Board support the preparation of this and other reports produced under the Center's auspices. However, the key themes, findings, and proposals contained in this report are intended to reflect the opinions of the participating parties. This report provides a collective reflection of the views and experiences of over 2,500 participants who gave their time and talent to this inquiry. The role of the Ruckelshaus Center's Road Map Project Team was to listen to and collect multiple viewpoints with neutrality, and then to consolidate, synthesize, and communicate the array of ideas shared by identifying themes and, ultimately, proposals to consider for action. Those themes, findings, and proposals for action do not represent the views of the universities or Advisory Board members, nor do they represent the personal views of Project Team members.

WASHINGTON STATE UNIVERSITY

THE WILLIAM D. RUCKELSHAUS CENTER

UNIVERSITY OF WASHINGTON

ROAD MAP TO WASHINGTON'S FUTURE

Final Report - Executive Summary

In 2017, the Washington State Legislature allocated funds to the William D. Ruckelshaus Center for a two-year project to create a "Road Map to Washington's Future." The purpose of the project was to articulate a vision of Washington's desired future and identify additions, revisions, or clarifications to the state's growth management and planning framework needed to reach that future.

To understand how the framework aligns with, creates barriers to, and/or supports the desired future of the communities it is meant to serve, the Project Team traveled across the state, gathering information and hearing from ~2,500 individuals, which included nearly 400 elected officials (Appendix A).

The Project Team is deeply grateful to the many individuals who gave their time, talent, and energy to participate in workshops, interviews, questionnaires, and to otherwise inform this report.

Project Team and Support Staff

Amanda Murphy, Project Co-Lead. Ruckelshaus Center Senior Project Lead; Assistant Professor, Washington State University Extension

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Benji Rinehart, Ruckelshaus Center Project Coordinator

EXECUTIVE SUMMARY

LISTENING

The Road Map to Washington's Future project was about listening. The voices of participants were heard through 67 workshops in 26 locations across the State, 147 individual interviews, questionnaires, letters, reports, and other documents. Participants included more than 2,500 people (Appendix A.). These participants shared their stories, lived experiences, ideas, and recommendations about a desired future, and what parts of the growth planning framework are working or not working in their communities, regions, and the State.

Participants identified key historical events (social, cultural, economic, and ecological) that have influenced the patterns of community identity, development, engagement, and challenges and opportunities. They discussed what their communities need to thrive, and what contributes to their quality of life. Across the state, participants expressed their deep attachment to place (whether that is a neighborhood, a town, a river, or many other types of place), and gave examples of what contributes to the character of these places to which they are profoundly connected. Participants reflected on the value of the growth planning framework and shared examples of what has worked well, including the protection of farmland and forestry resource lands, reduction of sprawl, concentration of growth in urban areas, and public engagement.

Stories were told of challenges and uncertainties brought on by unprecedented and rapid changes, economic downturns, complex social and public health issues, and climate impacts. Participants spoke of coastal erosion due to intense storms, and destruction of forests and infrastructure from wildfire. They described three-hour commutes due to the cost of housing, and a lack of housing due to residential units being used as short-term rentals. The talked about areas that have not recovered from the last decade's recession, and other areas that are feeling overwhelmed by rapid growth. In doing so, participants shared an astute awareness of the difficulty of creating plans and policies that fully account for the unique nature and circumstances of the places they call home. For some, there was fear of change. For others, there was grief due to loss—loss of lifestyles, loss of property from fires, loss of local businesses, loss of community gathering places, loss of housing opportunity.

Evident in the comments and stories were the interrelationships between economic, social, and ecological vitality. Participants shared that environmental protection, economic development, and personal and community health were at the core of their desired future. Many said they want more control over their lives, and to have their basic needs met. In both rural and urban areas, the seven most common concerns expressed were (not in order of priority):

- Availability and affordability of housing for the current and next generations
- Transportation choices and mobility
- Impacts of a changing climate, and the ability and resources to mitigate and adapt to those impacts
- Income availability and inequity
- Maintenance of community identity, character, and sense of place
- Protection of the environment, access to nature, and outdoor recreation
- Control over their lives and livelihoods

SYNTHESIZING

The Ruckelshaus Center's Road Map Project Team (Project Team) synthesized the wealth of information and insights collected from participants, in order to develop and communicate potential pathways to the

future. Regardless of participants' specific interests and orientation, there were some common threads in their views: that issues need to be addressed as systems and not silos; that political will and leadership across political boundaries is needed to respond to change and consider new approaches; that the diverse regions of the State are actually interdependent and significantly impact each other; and that greater understanding of these impacts and interdependence is needed.

Participants were asked to describe their desired future. The purpose of asking this was to understand those desires and expressed values and use them to guide any recommended additions or modifications in how growth management planning and implementation is achieved in the State. Implicit in this effort to provide a "Road Map to Washington's Future" were a number of core questions: Does the collection of growth management laws, policies, and institutions developed over decades equip communities to address current and changing conditions? What new or modified approaches are needed to address the unique conditions around the state? What is restraining the ability of communities to thrive? Are there limits to growth? How can people have their needs met without compromising future generations? How can decision-makers best identify appropriate trade-offs, and make informed decisions?

The Legislature asked for a Road Map to Washington's Future. What became evident is that, while people wish to shape the future, it cannot be entirely predicted or mapped. The future that emerges will be the result of the dynamic interplay between historic and current forces and events, the choices of individuals, as well as political, ecological, social, technological, and marketplace dynamics.

So why plan or regulate? A number of participants stated that the fundamental value of the growth planning framework is to compel people, especially decision-makers, to stop and think before taking action. The hope is that policies and plans provide a framework for choices and actions that can help lead to a preferred future. However, many participants commented that planning and policies alone cannot assure reaching that future. They emphasized that essential to successful outcomes will be the ability to implement, monitor, evaluate, and adapt plans and actions as the future unfolds. A number of participants shared that central to successful outcomes is the ability of communities to develop inclusive collaborations that create a desired community/regional vision and make policy decisions based on that vision.

The comments from participants suggest that all levels of government have an important role to play in influencing the future, and that it is also important to recognize the role of the marketplace in influencing the quality of life. Participants called out the need for the actions of government and the actions of the marketplace to be better aligned, through the development of shared goals, values, and partnerships.

GUIDING

Through all of the information gathering, the Project Team was tasked with identifying common themes that help articulate a vision of Washington's desired future. The Project Team was also tasked with analyzing interests, finding connections between issues, and identifying common concerns, in order to "identify additions, revisions, or clarifications to the State's growth planning framework of laws, institutions, and policies needed to reach that future." **The resulting guidance to decision-makers is communicated in three ways:**

1. Participant Perspectives

Perspectives and ideas, as shared and recommended by individual participants or groups, are included in the following places:

Volume 1: The Road Map to Washington's Future Report

- Section IV. Key Findings: Participants' Responses

Volume 2: Workshop Summaries and Online Questionnaire Summary

Volume 3: University Partners Research and Data Inventories

Volume 4: Formal Letters Received

Key Findings:
Participant Perspectives

Visions of a Thriving Future

- Community and Civic Life
- Independence, Self-Determination, and Self-Reliance
- Identity
- Equity and Diversity
- Economic Opportunity and Prosperity
- Connection to and Protection of Nature
- Viable Agriculture
- Change
- Resilience, Adaptation, and Sustainability
- Growth and Development
- Infrastructure, Transportation, and Mobility
- Housing
- Health and Safety
- Education
- Government, Governance, and Coordination

Working Well in the Growth Planning Framework

- Protects Critical Areas, Agriculture, and Forest Resource Lands
- Reducing Sprawl
- Shoreline Management Planning
- The Voluntary Stewardship Program
- Public Participation
- Inter-Jurisdictional Coordination
- Regional Coordination and Collaboration
- Requirement to Identify Open Space Cooridors
- Essential Public Facilities Provisions
- Growth Management Appeals Process
- Regional Transportation Planning Organizations

Purpose and Value of Growth Planning

- Promotes Deliberative Decision-Making
- Prioritizes Resources, Reduces Sprawl
- Promotes Good Governance
- Creates Structure, Consistency, and Encourages Coordination
- Protects Critical Areas, Agriculture, and Forest Resource Lands
- Requires Public Participation

Key Findings:
Participant Responses Cont.

Not Working Well in the Growth Planning Framework and Ideas for Improvements

- Existing Growth Planning Framework: "One Size Fits All"
- Tax Structure and Revenue Generation
- Alignment and Coordination of State Laws and Growth Planning
- Housing
- Economic Development
- City, County, and State Coordination with Tribal Governments
- Planning for a Changing Climate and Natural Disasters
- Annexation Laws and Processes
- Economically Viable Natural Resource Industries
- Transportation and Other Infrustructure
- Ecosystem Protection
- Enforcement and Dispute Resolution
- Equitable Growth Planning and Implementation
- Strategic Water Planning
- Regional Planning
- Monitoring and Evaluation
- State Environmental Policy Act (SEPA)
- Coordination with Special Purpose Districts
- City, County, and State Coordination with Federal Military Installations
- Leadership, Engagement, and Accountability
- Development Regulations and Permit Processes
- Density and Community Character
- Integrating Health into Growth Planning
- Comprehensive Plan Update Cycles and Time Horizons
- Urban Growth Areas

2. Guiding Principles

The second form of guidance is contained in principles that could be used by decision-makers at all levels to help guide the direction and implementation of new actions, and future planning and policy-making efforts. Over the course of the Road Map project, through listening, reading, and synthesizing the vast amount of input received, the Project Team identified key common principles that emerged. Reflected in these principles (listed below) are underlying values and approaches that can serve as a foundation for the next generation of growth planning efforts.

Respect that place matters. Each community and region of the state has a unique social, political, ecological, and cultural history that creates the story of that place. It is critical to understand the social and ecological dynamics and identity of each place, in order for growth to contribute to the health of its environment and people. People often develop strong emotional, spiritual, and cultural connections to place, to other people, as well as to lifestyles. Disruption of these connections can impact the quality of community life and human health.

Maximize flexibility, adaptation, and innovation in the development and implementation of growth management plans and policies, as the future is highly uncertain, and the pace of change is rapid. Creativity, innovation, and collaboration are needed to address the impacts of change. Economic and ecological conditions are very different across the state. In order to meaningfully address the unique circumstances of place, communities need the capabilities to adapt.

Align economic development with ecological resilience. Collaborate on approaches that move away from compromising the health of one system for another. Instead, consider how to develop and integrate approaches that support both the health of the environment, and the health of people and the economy.

Use a systems approach to identify, plan, design, implement, and evaluate efforts and policies. A systems approach includes:

- Taking a long-term, multi-generation view of planning horizons and desired outcomes;
- Identifying interconnections;
- Identifying influences and trade-offs;
- Considering patterns, trends, and changing conditions;
- Challenging individual and group assumptions;
- Not being bound by how things were approached in the past;
- Breaking down silos and working across disciplinary and sectorial boundaries;
- Addressing multiple objectives whenever possible; and
- Considering the appropriate scales to address issues, which in some cases will not correspond to political boundaries.

Recognize that healthy ecosystems transcend jurisdictional boundaries. Maintenance and restoration of the health of ecosystems are foundational to thriving people and communities. It is important, when designing approaches to planning and implementation, to consider natural ecosystems, bioregions, and watersheds.

Rethink the concept of land use in planning, to account for the interdependency and relationship of people with the land. It is the relationship of people with the land that is the basis for social, economic, and ecological sustainability. Land use often focuses on the adaptation, management, or utilization of land for human needs. Thinking more in terms of relationship allows for greater harmony between human activity and ecological vitality, and the potential that outcomes have multiple and mutual benefits.

Consider all elements needed to create thriving communities. Planning and policy goals are often siloed and reduced to narrow indicators (for example, number of units of housing built may be a goal for housing availability). The nature of development, and the range of outcomes that development can serve, may be different if the focus is on building community.

Focus on creating conditions for collaboration versus adversarial approaches. Given the complexity and challenges of managing growth and/or creating thriving communities, maximize opportunities for collaboration, and provide technical support, to achieve desired outcomes.

Recognize that financial resources are required to achieve successful outcomes. Without sufficient resources and capacity, the best-laid plans will not come to fruition.

A Road Map

3. Transformational and Systemic Change and Key Reforms

The third form of guidance synthesizes the wealth of participant perspectives and ideas, and applies the guiding principles, to identify **six actions that could create transformational and systemic change** and **twenty eight key reforms that could improve the current growth planning framework**. Over recent decades, much has changed in the State of Washington, and with these changes, new challenges have arisen. Communities in Washington also now have decades of experience implementing elements of the existing growth planning framework, experiencing and observing what is working and not working to achieve desired outcomes.

Becoming more evident is the complexity and interrelationships of the issues involved in growth management, and the inadequacies of trying to address them in silos and without adequate resources. This is compounded by uncertainty and significantly-changing conditions brought on by, for example, advances in technology, a changing climate, persistent economic distress, rapid population growth, widening disparities in income, and threats of natural hazards. Participants emphasized the need for new ways of thinking, more adaptive approaches, securing adequate financial resources, as well as increased opportunities for collaboration, in order to meet the needs of their communities.

Even though the future can't be precisely mapped, actions can be taken that increase the likelihood that Washington's people, communities, and environment will thrive. The guiding principles provided above, and the six actions for transformational change provided below, can provide pathways to systemically address core challenges and gaps in the present growth planning framework. Transformational changes take time to manifest and require leadership, inclusive and authentic community engagement, and political will.

Participants also identified numerous elements of the existing growth planning framework that could be improved in the short-term and offered many ideas for how those improvements could be made. Where there was widespread interest in change, the Project Team focused on these areas and distilled participants' ideas into a number of key reforms to improve the existing growth framework. Although participants provided many different ideas for how to address these issues, there was common interest, and often urgency, in trying.

Participant perspectives detailed in Section IV and Volume 2 provide additional comments and ideas related to each of these key reforms. While there are connections between some of these topics and the six transformational changes, it would be possible to move forward in the near-term to build agreement on these reforms or other actions. This could take many forms: convene interested parties to share information and refine options for further work; create collaborative work groups to build agreement for shared legislative or other solutions; and identify areas for potential further research by the universities or others (including, but not limited to, the issues preliminarily investigated in Volume 3).

Actions:

Transformational & Systemic Change

1. Funding and Revenue Generation

Action 1.1: Focus legislative efforts on enhanced state funding and new fiscal tools that enable cities, counties, regions, and state agencies to address needs and manage growth.

2. Adaptive Planning at a Regional Scale

Action 2.1: Convene a collaborative process to explore how best to achieve the goals of the GMA through the development of an adaptive management and regionally-based approach that provides flexibility, coordination, and creates opportunities to address local and changing conditions and needs. Consult with tribal governments, to determine if and how they may want to be involved in such a process.

Action 2.2: Initiate government -to -government consultation with tribes in Washington State, to discuss the key questions asked, and guidance detailed, in the Road Map to Washington's Future Report.

3. Resilience to Changing Conditions and Disasters

Action 3.1: Develop comprehensive and integrated strategies, policies, implementation plans, and funding for climate adaptation and mitigation on the local, regional, and state level.

Action 3.2: Integrate disaster preparedness, and emergency and recovery planning, with growth management planning and policies.

4. Statewide Water Planning

Action 4.1: Establish a collaborative process to develop a statewide water plan for sustainably protecting, managing, and developing water resources in the state, for current and future generations.

5. Equity

Action 5.1: Integrate equity as a goal in growth planning, policies, strategies, and implementing actions, including adopting it as a goal of the GMA and an adaptive management regionally-based approach, if developed.

6. Economic Development

Action 6.1: Develop and implement a statewide economic development strategy that builds on the unique assets and needs of the diverse regions of the state. Place emphasis on improving rural economies and slow-growing cities. Identify in the strategy what is needed to support local economic development plans, including state agency programs and state investments.

Action 6.2: Integrate the capital facilities and economic development planning of Ports with local and regional capital facilities, growth management, and transportation planning.

Key Reforms:

To Improve the Existing Growth Planning Framework

State Agency Coordination with, and Support for, Regional Plans

- Integrate State agency planning into the GMA and consider how to improve coordination in the implementation of regional growth management plans.

Funding and Capacity for Planning and Implementation

- Increase grants for cities and counties to plan under the GMA.
- Align funding of county government with the realities of implementing GMA.

Monitoring and Evaluation of Comprehensive and Regional Plans

- Fund and develop guidelines and methods for performance monitoring and measurement of comprehensive and regional plan implementation.

Education

- Incorporate into already existing required training for elected officials an understanding of policies in the growth planning framework; the roles of state, regional, and local governments and the responsibilities of elected officials as policy makers, related to growth management.
- Identify opportunities to strengthen civic education throughout the state and across all sectors, including K-12, as well as community-based programs.

Health of the Environment

- Add a Planning Goal to the GMA - Resilience to climate change and natural disasters.
- Convene a collaborative process with, at a minimum, representatives of cities, counties, tribes, state agencies, ports, business, development, planning, and environmental organizations to identify areas of agreement for reforming the State Environmental Policy Act (SEPA).

Human Health and Well-Being

- Add a Planning Goal to the GMA on Human Health and Well-Being. Elevate and fund the implementation of human health and well-being as a goal in growth management planning and implementation, including the design and location of transportation and other infrastructure, land use plans, and development regulations.
- Prepare a "comprehensive planning and civic design for public health" guidebook to assist state agencies and local governments on ways they could factor human health and well-being into updating their comprehensive plans, and the design and implementation of capital facilities such as state highways, county roads, city streets, and public parks. This could be a joint effort of the Departments of Commerce and Health, in consultation with tribal governments, state agencies, local governments, public health professionals, and county public health departments.

Housing

- Develop funding strategies and new fiscal tools for cities and counties to implement the housing elements in their Comprehensive Plans and monitor achievement of housing targets.
- Address availability of middle- income housing, low and middle-income homeownership, and the impacts of short-term rentals and investment homes on housing availability and affordability.

Annexation

- Convene a collaborative process(es) with, at a minimum, representatives of cities, counties, special districts, boundary review board, planning and environmental organizations to identify areas of agreement for reforming annexation laws in a way that streamlines the process and removes barriers to annexation of land adjacent to existing cities, maintains the fiscal sustainability of counties, clarifies the role of special districts, and reduces conflicts.

Economic Viability of Agriculture and Other Natural Resource Industries

- Support policies and programs that enhance the economic and environmental viability of agriculture and identify and develop strategies and programs that address the needs of farmers.
- Undertake an assessment that looks at the cumulative impacts of laws and regulations on the ability of agriculture and other natural resource-based industries to be economically viable and to achieve desired environmental outcomes.

Transportation

- Clarify how the six chief goals of the Washington State Transportation Plan can be achieved in context with GMA Planning Goals.
- Provide funding support for WSDOT, WSTC, RTPOs, and local governments to monitor and evaluate how well their plans, policies, and systems are working, in order to enable them to consider appropriate course corrections.
- Consider strengthening the requirements and incentivizing the use of multimodal performance measures within urban growth areas.
- Consider strengthening and funding local planning requirements for freight.
- Integrate state highways into the GMA transportation concurrency system.

Coordination with Military Installations

- Coordinate planning between federal military installations and regional, county, and city governments.

Other GMA Modifications

- Convene multi-sector urban and rural summits to dialogue and help identify priorities for modifications of the GMA that would improve planning and implementation for rural and urban communities.
- Consider revising the update cycle for comprehensive plans from every eight years to every ten years. Begin this process in phases, starting with moving the next update deadline for the four Central Puget Sound counties from 2023 to 2025, in order to synch with population data from the 2020 Federal Census.
- Convene a collaborative process to identify areas of agreement for improvements to the statewide planning framework's development regulations and permitting processes to shorten the time needed to issue permits and increase predictability and achieve better outcomes both for permit applicants and residents in the vicinity of new development.
- Convene a process to gather additional information and research and to identify areas of agreement for improvements to the GMA provisions for LAMIRDs.
- Integrate school district capital facilities planning, including school siting, with the land use policies and capital plans of local governments.
- Integrate water and sewer districts, school districts, and port district planning into the GMA.
- Initiate a review of State statutes, beginning with the SMA and SEPA, to identify major conflicts or disconnects with the goals and requirements of the GMA, and undertake efforts to reduce gaps, conflicts, or redundancies.

CITY OF STANWOOD
Advisory Boards and Commissions
AGENDA STAFF REPORT

DATE: July 15, 2019

SUBJECT: Impact Fees

CONTACT PERSON: Patricia Love, Community Development Director

ATTACHMENTS: 2019 Park Impact Fee Update

Issue

One of the City's 2019 / 2020 work items is to review and potentially update the City's park impact fees. The City's Park Impact Fee ordinance was last updated in December of 2017; just over a year and a half ago. However, while the fee is fairly newly adopted, Council has asked staff to review the costs associated with projects and what is the fairest distribution of those costs.

In addition, park impact fees should be updated annually or bi-annually to reflect the most current capital improvement plan (CIP) and those costs associated with the acquisition and development projects listed on the CIP.

Background

Stanwood Municipal Code Chapter 17.151.090 contains the impact fee formula for parks. This fee is applied to all new residential development permits in the City: both single family residential and multi-family residential.

Park Impact Fee Formula:

$$PIF = \frac{C \times S \times U \times A}{P}$$

C = Average Development and Acquisition Cost per Acre
S = Level of Service Standard: 2.5 acres per 1,000 residents for each neighborhood and community parks = 5.0 acres per 1,000 residents

P = 1,000 (People)
U = Average Occupancy: 2.77 / SFR and 2.17 / MFR
A = Adjustment Rate of 40% (Applies a 0.60 adjustment factor to the formula)

In 2017, the City evaluated three alternative scenarios using current cost data and applying the above listed formula:

Alternative 1: Full cost of park projects listed in the Park Plan

Alternative 2: Park acquisition and development costs listed in the 6-year CIP

Alternative 3: Park acquisition and development costs listed in the 6-year CIP with the exclusion of associated transportation costs which are included in the City's Transportation Improvement Plan (TIP)

Alternative 3 was selected by the City Council as the most appropriate methodology. The Council also opted to cut the resulting Alternative 3 impact fee in half.

Staff is proposing to apply the Council's adopted policy direction to the 2019 update. As a result, the proposed update would apply the Alternative 3 methodology to the 2019 – 2024 Park CIP project list and divide the resulting figure in half.

The final result of this exercise is multi-facetted:

1. Potentially update the park impact fee based on the 2019 – 2024 park CIP list,
2. Amend SMC Chapter 17.151, Impact Fees, to reflect the applied formula, and
3. Evaluate the adjustment and division factors.

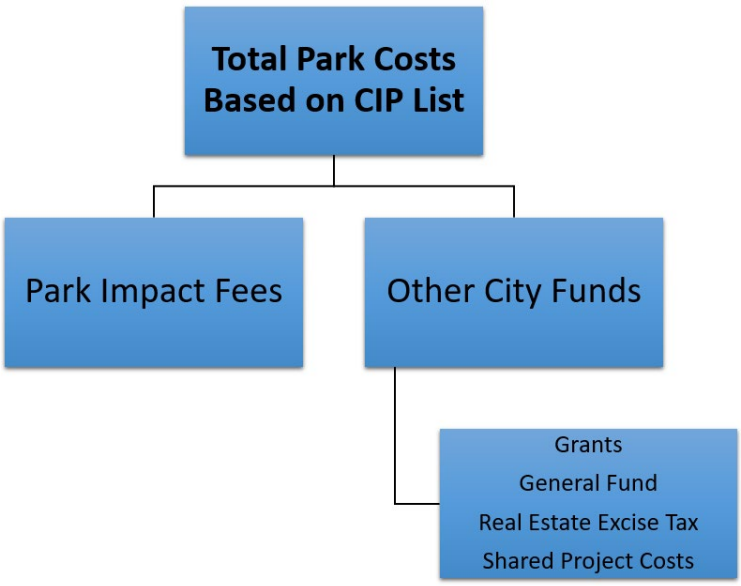
The City currently has three impact fee categories: single family residential, duplex and townhouses, and multifamily. While the same formula is applied, the fee varies due to the persons per household size factor applied within the formula. Charging fees by housing type more accurately reflects the impacts on the City's park system as each housing type generally reflects a different household size demographic.

Impact Fee Methodology

The Growth Management Act requires regular updates to impact fee programs so that fees accurately reflect the projects listed in adopted Capital Improvement Plans. Regular updates to impact fees are essential for the following reasons:

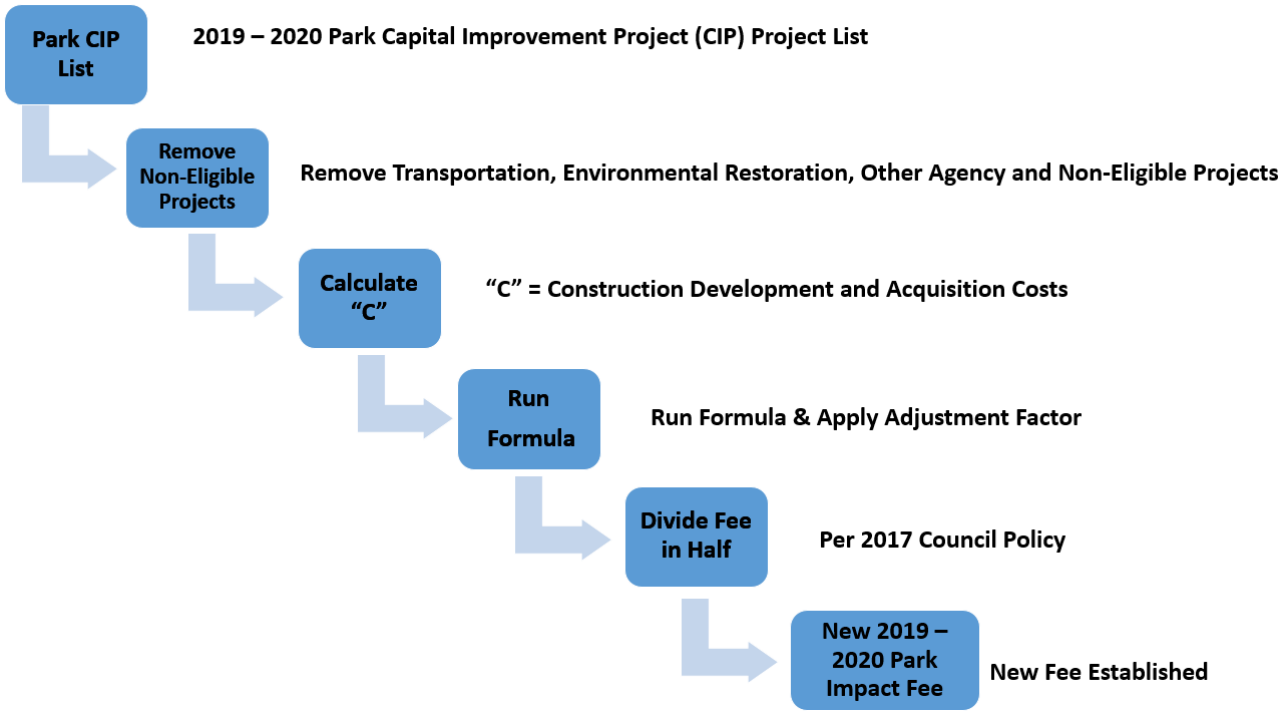
- Projects listed on the CIP change every few years because they are either completed or policy direction removed projects from the 6-year CIP list
- Construction and acquisition costs change over time
- Community desires change over time
- Project lists are updated based on Park Plan updates

State law also requires that impact fees must only account for a portion of the cost of public facilities and that the fee is "reasonably related" to new development. Cities are required to provide a balance between impact fees and other sources of funding. It is up to the jurisdiction to determine how to apply the adjustment factor.



The City applies a 40% adjustment factor to the park impact fee formula: meaning the City adjusts the rate based on an estimate of future expected tax revenues related to the development.

The purpose of the Park Impact Fee is for new development to share in the development and acquisition costs of facilities that new residents will be using. Below is a flow chart showing the methodology proposed for the 2019 – 2020 update process.



Applying the Formula to the 2019 Park Impact Update

Step 1: 2019 – 2020 Park Capital Improvement Plan (CIP)

Each year the City Council updates a Capital Improvement Plan; part of that plan includes a project list and projected costs over a six year period. Below is the 2019 – 2024 Park CIP.

Parks (Funds: 104/106/120/121)		Budget 2019	Budget 2020	Projection 2021	2022	2023	2024
	SFR Building Permits	60	60	26	20	20	20
Beginning Cash & Investments		$1,360,932	$1,354,341	$942,685	$517,392	$454,830	$565,979
Revenues							
Impact Fees	$1,330.00	$79,800	$79,800	$34,580	$26,600	$26,600	$26,600
REET		$320,000	$200,000	$100,000	$100,000	$80,000	$80,000
Bond Proceeds / Debt							
Grant Proceeds (YAF, Floodplains by design, DOC)		$975,000	$375,000	$300,000	$0	$0	$0
Construction Sales Tax				$1,000,000			
Hamilton (WWRP/IPG)		$275,000	$500,000				
RCO			$500,000	$1,200,000	$1,400,000		
Interest	$51,962	$13,609	$13,543	$9,427	$5,174	$4,548	$5,660
Total Resources (includes BNC)		**$3,024,341**	**$3,022,685**	**$3,586,692**	**$2,049,165**	**$565,979**	**$678,239**
Expenditures:	Total Proj Cost						
Ovenell Property	$853,635	$90,000	$75,000	$344,300	$344,335		
Heritage Park - 4th Field & Trail	$2,475,000	$850,000	$625,000		$1,000,000		
Hamilton Property	$2,225,000	$250,000	$500,000	$1,475,000			
Trail Plan Implementation	$750,000		$250,000	$250,000	$250,000		
Acquisition-Heritage Park Expansion	$1,000,000			$1,000,000			
Church Creek	$125,000		$125,000				
Johnson Farm	$955,000	$480,000	$475,000				
New Neighborhood Park	$30,000		$30,000				
Total Expenditures	**$8,413,635**	**$1,670,000**	**$2,080,000**	**$3,069,300**	**$1,594,335**	**$0**	**$0**
Ending Cash & Investments		**$1,354,341**	**$942,685**	**$517,392**	**$454,830**	**$565,979**	**$678,239**

Step 2: Remove Non-Park Impact Eligible Projects From the Adopted CIP List

In reviewing the 2019 -2020 project list, there are several projects that are funding by transportation fees or are environmental projects that don't fall under recreation and should not be included in the park impact fee. In addition, better costs are inserted where known. As such the CIP list has been adjusted as follows:

New 2019-2020 CIP List and Associated Costs

Expenditures:	Description	Total Project Cost	Adjustment	Eligible PIF Costs
Ovenell Property	Master Planning & Possible Site Clean Up	$853,635	0	$ 853,635
Heritage Park - 4th Field & Trail **1**	Ball field Restoration & Trail	$2,475,000	$850,000	$ 1,625,000
Hamilton Property **2**	Non-Motorized Boat Launch, Parking, Drainage & Site Improvements	$2,225,000	$1,250,000	$ 975,000
Trail Plan Implementation		$750,000		$750,000
Acquisition-Heritage Park Expansion **3**	Purchase 11 Acres to Expand Heritage Park	$1,000,000	$300,000	$ 700,000
Church Creek	New Playground Equipment & Basketball Court Reconstruction	$125,000		$ 125,000
Johnson Farm **4**	Master Planning	$955,000	$925,000	$ 30,000
New Neighborhood Park	Site Selection Process	$30,000		$ 30,000
Total Expenditures		**$8,413,635**	**$3,325,000**	**$5,088,635**

1. $350,000 Youth Athletic Field Grant and $500,000 for the RCO Park Recreation Grant was removed from the total cost.
2. $250,000 Ecology Grant, WDFW $500,000 Shared Project Costs, and $500,000 ALEA grant were removed from the total cost of the project; new cost reflect only City portion of a joint WDFW / City project.
3. Acquisition costs for Josephine are now known.
4. Environmental restoration costs were not included; $30,000 of the $955,000 budgeted is for site master planning activities.

Step 3: Calculate Construction and Acquisition Costs - "C" Factor in Formula

Using the revised project list and project costs, the next step is to determine the development and acquisition costs per acre as follows:

Project	Eligible PIF Costs	Acres or Fixed	Development Cost/Acre	Acquisition	Total Cost
Ovenell Property	$ 853,635	15	$ 56,909		
Heritage Park - 4th Field & Trail[1]	$ 1,625,000	44.05	$ 36,890		
Hamilton Property[2]	$ 975,000	2.85	$ 342,105		
Trail Plan Implementation[3]	$ 750,0000	150	$ 50,000		
Acquisition-Heritage Park Expansion[4]	$ 700,000.00	11	0	$63,636.36	
Church Creek	$ 125,000.00	Fixed Cost	$ 125,000		
Johnson Farm[5]	$ 30,000.00	Fixed Cost	$ 30,000		
New Neighborhood Park	$ 30,000.00	Fixed Cost	$ 30,000		
			$670,904.16	$63,636.36	**$734.540**

Step 4: Apply the Adopted City Formula

Using the adopted City formula with the 40% adjustment factor the Park Impact Fee is calculated as follows:

$$PIF = \frac{C \times S \times U \times A}{P}$$

C = Average Development and Acquisition Cost per Acre = $871,329.86

S = Level of Service Standard: 2.5 acres per 1,000 residents for each neighborhood and community parks = 5.0 acres per 1,000 residents

P = 1,000 (People)

U = Average Occupancy: 2.59 / SFR, 2.07 Duplex and 1.88 MFR (These are updated numbers based on the Comprehensive Plan and Office of Financial Management's 2019 population projections for Stanwood.

A = Adjustment Rate of 40% (Applies a 0.60 adjustment factor to the formula)

Single Family Residential	Duplex / Townhouse
PIF = $734,540 X 5 X 2.59 X 0.60 / 1,000	PIF = $734,540 X 5 X 2.07 X 0.60 / 1,000
SFR PIF = $5,707	D/T PIF = $5,463
Multifamily	
PIF = $734,540 X 5 X 1.88 X 0.60 / 1,000	
MF PIF = $4,914	

Step 5: Divide the Park Impact Fee in Half

In 2017 the City Council motioned to approve the impact fee at half the rate established by the formula. Applying that same policy, the impact fee would then be reduced as follows:

Single Family Residential	Duplex / Townhouse
PIF = $734,540 X 5 X 2.59 X 0.60 / 1,000	PIF = $734,540 X 5 X 2.07 X 0.60 / 1,000
SFR PIF = $5,707 / 2	D/T PIF = $5,463 /2
SFR PIF = $2,853	D/T PIF = $2,732
Multifamily	
PIF = $734,540 X 5 X 1.88 X 0.60 / 1,000	
MF PIF = $4,914 /2	
MF PIF = $2,457	

Step 6: Adopt New Park Impact Fee

The final step in the process is adopting the new Park Impact Fee by updating both the fee resolution and municipal code. However, at this point we can also evaluate some of the factors that make up the formula such as the persons per household, the adjustment factor, division factor and housing unit type. The development and acquisition costs are fixed costs and should not be adjusted.

The following options have been prepared for consideration:

Option 1: Amend Adjustment Rate and Household Size:

Update the formula with latest house hold size numbers and construction costs:

Option 1: Update the Persons Per Household Consistent with 2015 Comprehensive Plan
SFR PPH = 2.59 & MF Rental PPH = 2.07 & MF 5+ = 1.88

	2017 PIF	2019 PIF	Difference
Single Family Residential	$ 1,330	$ 5,707	$ 4,377
Duplexes and Townhomes	$ 1,042	$ 5,463	$ 4,421
Multifamily Residential	$ 1,042	$ 4,914	$ 3,872

Option 2: Amend the Discount Factor:

Use the existing formula and apply the discount factor at 50/50 versus 60/40. 50/50 is a common discount factor used by many cities.

Option 2: Update the Persons Per Household Consistent with 2015 Comprehensive Plan
SFR PPH = 2.59 & MF Rental PPH = 2.07 & MF 5+ = 1.88
Apply 50% Discount Factor

	2017 PIF	2019 PIF	Difference
Single Family Residential	$ 1,330	$ 4,756	$ 3,426
Duplexes and Townhomes	$ 1,042	$ 4,553	$ 3,511
Multifamily Residential	$ 1,042	$ 4,095	$ 3,053

Option 3: Apply A Division Factor:

In 2017 the City Council chose to divide the final fee in half. This is being referred to as the "division factor". This option includes updating the household size, construction costs and discount factor and then dividing the total number in half. This division factor could be any number. For reference, the example below shows it at half the rate of Option 2.

Option 3: Update the Persons Per Household Consistent with 2015 Comprehensive Plan
SFR PPH = 2.59 & MF Rental PPH = 2.07 & MF 5+ = 1.88
Apply 50% Discount Factor

	2017 PIF	2019 PIF	Difference
Single Family Residential	$ 1,330	$ 2,378	$ 1,048
Duplexes and Townhomes	$ 1,042	$ 2,276	$ 1,234
Multifamily Residential	$ 1,042	$ 2,047	$ 1,005

Option 4: Maintain Existing Fee:
This is the do nothing option; leave the park impact fee as it currently stands at $1,330.00 per single family residence and $1,042.00 per duplex, townhouse and multifamily residence.

Maintain the existing fee but apply a construction cost escalation rate to adjust for changes in the construction industry. Staff is recommended that the escalation factor should follow the Producer Price Index, for a couple of reasons: 1) it is regional, 2) it is published by the Bureau of Labor Statistics and 3) it is readily available.

Comparison of Park Impact Fees:

Comparison of impact fees with other jurisdictions is always a question asked by Councilmembers and Commissioners. While this is good information to know what our neighbors are charging, it should also be reviewed with caution as the fee is determined by their parks capital improvement plan.

2019 Impact fees			
Jurisdiction	**SFR**	**Duplex / Townhouse**	**MF**
Stanwood	$1,330	$1,042	$1,042
Arlington	$1,662	$1,497	$1,497
Monroe	$2,479	$2,111	$2,111
Sultan	$3,175	$3,175	$3,175
Mt Vernon	$855	$789	$789
Lk Stevens	$4,155	$3,005	$1,913
Mukilteo	$2,348	$1,611	$1,611
Edmonds	$2,734	$2,340	$2,340
Mt Lk Terrace	$3,126	$2,260	$2,260
Marysville	$1,463	$1,034	$1,034
Burlington	$655	$655	$655
Snohomish	$4,150	$3,600	$3,600

Next Steps:

The purpose of the meeting is to discuss park impact fees and evaluate the various options for moving forward with the topic. Based on the Committee / Commission's recommendations, staff will begin preparing the appropriate resolution and ordinance amendments.