



PLANNING COMMISSION AGENDA

October 11, 2021– 6:30 PM

Online Via Zoom

1. Call to Order
2. Roll Call
3. Public Requests and Comments
4. Approval of Minutes
 - Approval of the September 27, 2021 Planning Commission Minutes
5. New Business
 - Park Impact Fee Code Amendment
6. Old Business
 - NA
7. Miscellaneous Business
8. Recent Council Action on Commission Items
9. Upcoming Items
10. Adjourn

Zoom Meeting Information

Topic: Planning Commission Meeting
Time: October 11, 06:30 PM Pacific Time (US and Canada)

ZOOM INFORMATION:

<https://us02web.zoom.us/j/89176883137?pwd=TGVYNFBhRWIDZmdDWURnRHNabHg0dz09>

Zoom Online Webinar ID# 891 7688 3137
Passcode: 323561
Or Join by Telephone: (253) 215-8782



Planning Commission Meeting Minutes September 27, 2021

Call to Order 6:00 pm

Roll Call

Present: Cody Davis
Larry Sather
Eric Warnat
Patrick Hosterman
Marcus Metz
Monea Birkhofer
Justin Burns
Eric Warnat

Staff Present: Patricia Love
Sara Robinson
Tansy Schroeder

Also known to be present: Tim Schmitt

Public Requests and Comments: N/A

Approval of Minutes:

The Minutes of September 13, 2021 were approved as written.

New Business:

- **Public Hearing for the Permit Procedures and Permitted Use Matrix Code Amendment**

Community Development Director, Patricia Love explained that this item is review and hold a public hearing on the proposed amendments to the City's Permitting Procedures and Permitted Use Matrix regulations.

Planning Commission is asked to review and consider the proposed staff recommended amendments to Stanwood Municipal Code regarding permit procedures and permitted uses.

Patricia explained how the Public Hearing shall be conducted.

Below is a summary of the ordinance to be amended-

AN ORDINANCE OF THE CITY OF STANWOOD, WASHINGTON, AMENDING STANWOOD MUNICIPAL CODE (SMC) TITLE 17 ENTITLED ZONING RELATING TO DEVELOPMENT REGULATIONS AMENDING SECTION 17.20, CONSTRUCTION OF LANGUAGE – DEFINITIONS; AMENDING SECTION 17.30, PERMITTED LAND USES; ADDING NEW SECTION 17.35, VARIANCES, ADDING NEW SECTION 17.40, CONDITIONAL USE PERMITS; AMENDING SECTION 16.60.050, DEVELOPMENT AGREEMENTS; REPLACING AND ADOPTING NEW SECTION 17.80, PERMIT REVIEW PROCEDURES; REPEALING SECTION 17.81A, PROCEDURES; REPEALING SECTION 17.81B, TYPES OF LAND USE REVIEW; AMENDING SECTION 17.95, SUPPLEMENTAL STANDARDS FOR SPECIAL RESIDENTIAL USES; ADDING NEW SECTION 17.154, GRADING; AMENDING SECTION 17.157.140, COMPREHENSIVE PLAN; AMENDING SECTION 17.158, ANNEXATIONS AND ESTABLISHING SEVERABILITY AND AN EFFECTIVE DATE.

The Planning Commission Reviewed and discussed every item in depth.

Public Comment –



Planning Commission Meeting Minutes September 27, 2021

The City received two written public comments -
Meagen Watne
Stanwood WA

Cathy Woooten
27828 84th Ave NW

The City received one request for verbal public comment –
Tim Schmitt
Stanwood WA

The Planning Commission discussed the Public Comments and decided to amend some of the recommended updates.

Patricia will make updates to the revised Permit Procedures and Permitted Use Matrix Code and will present it to the Community Development Committee for their review.

Motion by Larry Sather, Second by Marcus Metz to recommend approval of the Draft Permit Review Procedures and Permitted Use Matrix Code Amendment to the Stanwood City Council including the changes discussed.

Motion passed unanimously.

Motion by Larry Sather, Second by Marcus Metz to recommend approval of the Associated Findings of Fact and Conclusions as presented to the Stanwood City Council.

Motion passed unanimously.

Old Business:

N/A

Miscellaneous Business:

NA

Recent Council Action on Commission Items:

NA

Upcoming Items:

Park Impact Fee Ordinance

A motion to adjourn was made by Larry Sather and seconded by Cody Davis.

Adjourn: 7:49 pm



CITY OF STANWOOD
PLANNING COMMISSION

AGENDA STAFF REPORT

MEETING DATE: October 21, 2021
SUBJECT: Park Impact Fee Code Amendment
CONTACT PERSON: Patricia Love, Community Development Director
ATTACHMENTS: A: March 9, 2020 Public Hearing Staff Report
B: Draft Park Impact Fee Methodology
C: Draft Impact Fee Code Amendment
D: Presentation Materials

One of the City's 2019 / 2020 work items was to review and update the city's park impact fees. The Planning Commission spent much of 2019 reviewing the current park impact fee code and deliberating on how best to update the code and fee structure while balancing the cost of new park construction against the impact on homeownership.

In early 2020, the Commission had completed their review of the code amendment and associated park impact fee methodology. A public hearing was scheduled for March 9, 2020. This hearing was canceled due to the state shut down related to the first wave of Covid-19 hitting the state of Washington. On the advice of our attorney, no public hearings were scheduled during 2020 except for those mandated by law.

The Planning Commission began working on updating the FEMA regulations which were required to be updated by June of 2020, the 2020 Comprehensive Plan Amendments/Rezoning which were required to be processed as part of the annual Docket process and the permit review / permitted use matrix code amendment. Covid-19 continued throughout 2020, into 2021 and continues to date. Virtual public hearings were authorized in late 2020.

By the time virtual public hearings were authorized, the Planning Commission was deep into the review of the 2020 Comprehensive Plan Amendments and the permit review process update. The park impact fee code amendment was put on hold. With the completion of the permit review process and permitted use matrix code amendment completed by the Planning Commission, the park impact fee code amendment is being brought back to the Planning Commission for review.

Since the Planning Commission last worked on the park impact ordinance, several new people have been appointed to the Commission. The purpose of the October 11 Planning Commission is to refresh the Commission on work completed in 2019 / 2020 and introduce the topic to the new Commissions.



STAFF REPORT

City of Stanwood
10220 270th St NW
Stanwood, WA 98292
360-629-4577

TO: PLANNING COMMISSION

FROM: Patricia Love, Community Development Director

SUBJECT: Impact Mitigation Fee Code Amendment

DATE: March 9, 2020

ATTACHMENT: A. Proposed Draft Impact Mitigation Fee Code Amendment
B. Findings of Fact and Conclusions
C. Park Impact Mitigation Fee Methodology Report

Issue:

The issue before the Planning Commission is to review and hold a public hearing on the proposed amendments to the City's impact mitigation fee regulations and the 2020 update to the proposed park impact fee.

Summary:

One of the City's 2019 / 2020 work items is to review and potentially update the City's park impact fees. Staff and the Planning Commission have been working on the park impact fee since July of 2019; this evaluation period has resulted in the following amendments:

1. Traffic, park, fire and school impact fees are listed in their own independent chapters of the Municipal Code; and
2. The park impact fee and been updated to reflect costs associated with the acquisition and development projects listed on the 2020-2025 Park Capital Improvement Plan.

Staff Recommendation:

Attached for your review and consideration are the proposed staff recommended amendments to Stanwood Municipal Code, Chapters 17.151 -17.154, Traffic, Park, School and Fire Impact Mitigation Fees. Staff recommends that the Planning Commission:

1. Open the Public Hearing
2. Receive the Staff Presentation and Ask Questions (if any)
3. Take Public Testimony and Ask Questions (if any)
4. Deliberate or Ask Any Additional Questions of Staff
5. Close the Public Hearing
6. Recommend approval of the draft code amendment and findings of fact and conclusions to the Stanwood City Council as presented or with amendments.

Planning Commission Options:

- 1) Recommend approval of the proposed code amendments to Stanwood Municipal Code, Chapters 17.151 -17.154, Traffic, Park, School and Fire Impact Mitigation Fees, to the Stanwood City Council.
- 2) Recommend alternative language to Stanwood Municipal Code as deliberated and direct staff to include those recommendations in the staff presentation to the City Council.
- 3) Continue the public hearing on the proposed amendments to Stanwood Municipal Code to April 13, 2020 with recommended changes.

Background:

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 two years 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.

Additionally, the City Attorney has suggested that the City adopt separate and independent chapters of the Municipal Code for each of the adopted impact fees collected by the City.

Ordinance Summary:

Below is a summary of the proposed impact mitigation fee code changes.

- Traffic: Revised SMC Chapter 17.151; removes references to park and fire impact fees; and amends the time period to expend fees from 6 years to 10 years in accordance with state law.
- Parks: New SMC Chapter 17.152; adopts a new chapter of the municipal code specific code park impact fees; removes specific construction cost and person per household hold figures from the formula; and amends the time period to expend fees from 6 years to 10 years in accordance with state law.
- Schools: Existing SMC Chapter 17.153; this chapter remains unchanged.

- Fire: New SMC Chapter 17.154; deletes all reference to the fee and formula and provides that if the fire authority requests that the city adopt a fee that the formula be developed and an amendment to the code be adopted. This change reflects recent vote by city residents to annex into the North County Regional Fire Authority.
- Park Impact Fee: The Park Impact Fee has been updated by applying the park impact fee formula to the 2020-2025 Park Capital Improvement Project list and updating the “persons per household” figure as provided by the Washington State Office of Financial Management;

Park Impact Fee Update and Methodology:

The process of updating the Park Impact Fee includes applying the most recent Park Capital Improvement Project list with updated construction cost estimates, applying the most recently available city demographic information, and considering the appropriate proportional cost share based on local growth rates. Level of service ratio remains the same as it is the LOS adopted in the Parks, Recreation and Open Space Plan.

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

* Note: In 2017, the City Council evaluated three alternative scenarios using current cost data and applying the above listed formula. After review, the Council adopted an impact fee at half the rate of the adopted formula.

The 2020 Park Impact Fee was developed by applying the following methodologies. Attached to this report is the Park Impact Fee Methodology Report that details the fee calculation.

1. Apply the 2020-2025 Parks CIP total cost estimate to the formula and subtract non-eligible projects and grant funding.

2. Multiplied the final cost of construction and acquisition by the city's growth factor of 35 percent creating a nexus between existing residents and future residential growth.
3. Updated the persons per household factor with the Office of Finance Managements most recent numbers for Stanwood. This created four (4) residential categories versus the existing two (2) categories. Fees will now be applied as follows: Single Family Residential Units, Duplexes, 3 / 4 Unit Townhouses and 5+ Multifamily Complexes.
4. Multiplied the resulting figure by the City's adopted level of service (5 acres / 1000 population) and the adjustment rate of 60%.

This results in a fee that provides a clear nexus between future growth and need; and it does not need to be divided in half as was done in 2017 to meet the "reasonableness" test. It also maintain the integrity of the formula.

	Park Impact Fee	C Development / Acquisition Cost	S Level of Service	U Persons Per Household	A Adjust- ment Rate	P People (Divide total Number by 1,000)
SFR	\$1,602	\$188,739	5	2.83	0.6	1000
Duplex	\$951	\$188,739	5	1.68	0.6	1000
3 & 4 Unit Townhouse	\$1,200	\$188,739	5	2.12	0.6	1000
5+ Multifamily	\$1,064	\$188,739	5	1.88	0.6	1000

Here is how it compares to the existing fee:

Unit Type	Existing Fee	Current Park CIP & Updated PPH Applies City Code Formula		
		Fee	Difference	% Difference
Single Family Residential	\$1,330.00	\$1,602.00	\$272.00	17%
Duplex	\$1,042.00	\$951.00	\$(91.00)	-9%
3/4 Units	\$1,042.00	\$1,200.00	\$158.00	15%
5+ Multifamily Residential	\$1,042.00	\$1,064	\$22.00	2%

Consistency with the Growth Management Act:

The Growth Management Act requires regular updates to impact fee programs so that fees accurately reflect 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.

Consistency with Comprehensive Plan:

The 2015-2023 Comprehensive Plan include goals and policies for implementing the 6-year Capital Improvement Plan (CIP). The CIP includes a list of projects, with their financing structure, for road, utility, park projects. Financing of projects includes a combination of public tax dollars, grants, and use of impact fees.

The Capital Facilities Element of the Comprehensive Plan includes the following goals and policies regarding the financing of projects and use of impact fees:

Capital Facilities Goal – 7: To ensure that new growth and development pay for a proportionate share of the cost of new facilities needed to serve such growth and development.

Capital Facilities Goal – 8: To consider a range of financial resources, including grants and REET funds, to pay for capital facility improvements. Augment local funding with outside sources whenever possible for the most efficient use of revenues.

Capital Facilities Policy 8.1: Develop and adopt new impact fees or refine existing impact fees in accordance with the Growth Management Act as part of the financing for public facilities. Such financing shall provide for a balance between impact fees and other sources of public funds and shall not solely rely on impact fees. Public facilities for which impact fees may be collected shall include public streets and roads, public-owned parks, open space, and recreation facilities, school facilities, and fire protection facilities.

Comprehensive Plan Parks, Recreation and Open Space Element:

The Stanwood Parks, Recreation and Open Space (PROS) was adopted in 2018. This plan provides the vision for developing and financing the City's park system. Equitable application of park impact fees is an essential component of acquiring and developing parks in the city.

The proposed Park Impact Fee ordinance is consistent with the following PROS goals and policies:

Goal PROS 8 Finance: Secure equitable and sustainable funding for implementation.

Objective PROS 8.1: Create effective and efficient methods of acquiring, developing, operating and maintaining facilities.

Objective PROS 8.2: Equitably distribute costs and benefits to public and private users, and match user benefits with interests and need.

Policy PROS 8.2.1: Determine the impact of new development on facilities within the Stanwood Urban Growth Area where the residents will depend on Stanwood for park and recreation needs.

Policy PROS 8.2.2: Develop a methodology for determining park impact fees that considers the potential impacts on park facilities caused by a development project, and results in an equitable mitigation assessment that is in accordance with local park and recreation standards.

Policy PROS 8.2.3: Assess impact fees only for growth-related deficiencies, not existing deficiencies.

Committee Recommendation:

This item was brought to the Community Development Committee on February 27, 2020. They felt: that the methodology was reasonable, directly related to the Capital Improvement Plan and supported the concept of breaking the fee into the four residential categories.

Planning Commission Recommended Motions:

I MOVE TO RECOMMEND APPROVAL OF THE DRAFT IMPACT MITIGATION FEE CODE AMENDMENT AND UPDATED PARK IMPACT FEE TO THE STANWOOD CITY COUNCIL.

I MOVE TO RECOMMEND APPROVAL OF THE ASSOCIATED FINDINGS OF FACT AND CONCLUSIONS AS PRESENTED TO THE STANWOOD CITY COUNCIL.

These motions can be amended to add any proposed amendments as discussed at the public hearing and during deliberations.



Park Impact Fee Methodology Study February 2020

Introduction

The Growth Management Act requires cities to plan and provide parks and recreation facilities that are adequate to accommodate growth. In 2018 the City of Stanwood adopted their Parks, Recreation and Open Space (PROS) Plan that includes a vision for a future parks department and priorities for park development. The application of Park Impact Fees (PIF) is one financial tool available to cities to help facilitate the implementation of the PROS plan.

RCW 82.02.050 authorizes cities to impose an impact fee on new residential developments as part of the financing of park facilities. Park impact fees are one-time payments imposed on new residential developments to cover a portion of their impact on Stanwood's park system.

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.

What are Impact Fees?

Impact fees are **one-time charges** assessed by a local government against a new development project to **help pay** for **new or expanded public facilities** that will directly address the increased demand for services **created by that development.**

MRSC

Fees are charged at the time of building permit issuance and are used to pay for new or redevelopment park and recreational facilities in the City of Stanwood. Fees can only be used on system improvements included in the City's adopted six-year Capital Improvement Plan (CIP) as listed in the Comprehensive Plan.

The purpose of this report is to document the process that the City used to calculate its 2020 Park Impact Fee.

Methodology

The City adopted its PIF methodology in 1993 (Ordinance 886) as a way to help fund needed park related capital improvements. Using this same formula, the fee has been updated over the years to account for changing project priorities and development cost.

Park Impact Fee Formula:

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

Where:

"C" means the average cost per acre for land appraisal and acquisition plus an average development cost.

“S” means the parks standard of 5 acres per 1,000 residents for parks.

“P” means 1,000 people.

“U” means the average number of occupants per dwelling unit.

“A” means an adjustment of rate portion of anticipated tax revenues resulting from a development that is proportional to system improvements.

The “A” adjustment factor of 40% was established in 1993 as part of their financial analysis at the time: meaning the City adjusts the rate based on an estimate of future expected tax revenues related to the development.

In 2017, after nearly twenty years of applying an out of date impact fee, the City updated its PIF and in that process amended the formula to represent half of the impact fee generated by applying the above listed formula. This policy direction changed the formula as follows:

$$\text{PIF} = \left[\frac{C \times S \times U \times A}{P} \right] \times 0.50$$

To update the PIF using 2020 data, the City has applied a multistep process based off of the formula adopted in 1993. This process includes using the updated 2020-2025 Park CIP list, new construction cost estimates, and updated housing demographics.

The fee calculation process below does not include dividing the resulting fee in half per the Council’s 2017 policy. By applying a growth factor to the construction costs, the PIF update results in a fee that provides a clear nexus between future growth and need; and it does not need to be arbitrarily divided in half to meet the “reasonableness” test.

2020 Park Impact Fee Calculation

The following section provides a step by step process used by the City of Stanwood to update the 2020 Park Impact Fee.

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 2020-2025 Park CIP.

Parks and Trails Improvement Fund (104)		Budget 2020	Projection 2021	Projection 2022	Projection 2023	Projection 2024	Projection 2025
Beginning Cash & Investments		\$900,000	\$137,000	\$237,000	\$337,000	\$117,000	\$197,000
Revenues	Total by source						
General Fund Transfers In	\$2,065,000	\$887,000	\$143,000	\$715,000	\$165,000	\$5,000	\$150,000
Impact Fee Transfers In	\$100,000	\$100,000					
Donations	\$20,000	\$20,000					
REET2 Transfers In	\$640,000	\$200,000	\$100,000	\$100,000	\$80,000	\$80,000	\$80,000
Grant (Heritage) Youth Athletic Fields, secured	\$350,000	\$350,000	\$0	\$0	\$0	\$0	\$0
Grant (ALEA) Hamilton, Secured	\$500,000	\$500,000					
Unidentified Grant (RCO) Heritage Phase Two	\$500,000			\$500,000			
Unidentified Grant	\$1,700,000					\$1,700,000	
Total Resources (includes 2020 BNC)	\$6,775,000	\$2,957,000	\$380,000	\$1,552,000	\$582,000	\$1,902,000	\$427,000
Expenditures:	Total Proj Cost						
Ovenell Property	\$365,000	\$0	\$0	\$200,000	\$160,000	\$5,000	\$0
Heritage Park	\$2,208,000	\$1,070,000	\$133,000	\$1,005,000	\$0	\$0	\$0
Hamilton Park	\$1,120,000	\$1,120,000	\$0	\$0	\$0	\$0	\$0
Stanwood Port Susan Trail	\$2,866,750	\$450,000	\$0	\$5,000	\$300,000	\$1,700,000	\$411,750
Church Creek Park	\$170,000	\$150,000	\$10,000	\$5,000	\$5,000	\$0	\$0
Johnson Farm	\$0						
New Neighborhood Park	\$30,000	\$30,000					
Total Project Costs	\$6,759,750	\$2,820,000	\$143,000	\$1,215,000	\$465,000	\$1,705,000	\$411,750
Ending Cash & Investments		\$137,000	\$237,000	\$337,000	\$117,000	\$197,000	\$15,250

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

In reviewing the 2020-2025 project list, there are several projects that contain non-eligible project elements or grant funding that should be removed from the calculation of eligible costs. As such the CIP list has been adjusted as follows:

New 2020-2025 CIP List and Associated Costs

Expenditures:	Total Proj Cost	Deleted Amount	Eligible PIF Costs
Ovenell Property	\$365,000	\$5,000	\$360,000
Heritage Park	\$2,208,000	\$875,000	\$1,333,000
Hamilton Park	\$1,120,000	\$500,000	\$620,000
Stanwood Port Susan Trail	\$2,866,750	\$1,705,000	\$1,161,750
Church Creek Park	\$170,000	\$10,000	\$160,000
Johnson Farm	\$0		\$0
New Neighborhood Park	\$30,000		\$30,000
			\$0
Total Expenditures	\$6,759,750	\$3,095,000	\$3,664,750

Deleted Costs Include:

- Ovenell: \$5,000 RCO Grant Preparation Cost.
- Heritage Park: \$350,000 Youth Athletic Field Grant, \$500,000 Phase 2 RCO Park Recreation Grant and \$5,000 Grant Preparation Cost.
- Hamilton Park: \$500,000 ALEA Grant from RCO.
- Stanwood Port Susan Trail: \$1,700,000 Future Unidentified Grant and \$5,000 Grant Preparation Cost.
- Church Creek Park: \$10,000 Snohomish County Small Parks Grant.

Step 3 A: 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 provided below. Note that there are no acquisition costs in this update as there are no proposed property acquisitions within the 6-year CIP planning horizon.

Project	Eligible PIF Costs	Acres or Fixed	Development Cost / Acre
Ovenell Property	\$360,000	15 Acres	\$ 24,000
Heritage Park	\$1,333,000	44.05 Acres	\$ 30,261
Hamilton Park	\$620,000	2.85 Acres	\$ 217,544
Stanwood Port Susan Trail	\$1,161,750	15 Acres	\$ 77,450
Church Creek Park	\$160,000	Fixed Cost	\$ 160,000
Johnson Farm	\$0	Fixed Cost	
New Neighborhood Park	\$30,000	Fixed Cost	\$ 30,000
Ovenell Property	\$0	Fixed Cost	
	\$3,664,750		\$539,254.93

Step 3 B: Apply the Proportionate Share Factor to the Construction Cost Figure

To address the nexus issue between parks needed for new growth versus the needs of the existing population, a multiplier has been applied to the construction cost formula that reflects the expected percent of projected growth. The theory is that existing development pays X% of the construction / acquisition costs associated with the adopted Park Capital Improvement Plan and new growth pays the remaining X% of the cost.

Per the 2015 Comprehensive Plan, the City & Urban Growth Area are expected to grow from 7,187 people to 11,085. This is a difference of 3,898 people or 35% of the 2035 expected population.

Applying the concept that the fee should reflect the cost to new development only, the estimated future development costs are multiplied by 35% to get the cost attributed to new growth.

Applying the growth factor of 35% to the 2020-2025 CIP construction costs results in the following “C” factor in the formula. Note that there are no acquisition costs in this update as there are no proposed property acquisitions within the 6-year CIP planning horizon.

Proportionate Share Calculation	Development Cost / Acre
Total PIF Eligible Construction / Acquisition Costs:	\$539,255
Grow Factor	X 35%
Construction Cost Attributed to New Growth:	\$188,739

Step 3 C: Update the “U” Factor in Formula

Since the last update, the Office of Financial Management (OFM) has provide the City with updated data on the number of persons per household (PPH). This number is the “U” in the formula and referred to as: average occupancy rate.

The 2017 PIF Formula only included two housing types: single family residential and multifamily residential. By applying the updated OFM occupancy rate by structure, more housing types have been added. This creates an impact fee that is more responsive to the impacts associated with different housing types. The following OFM occupancy rates have been applied to the formula as follows:

Persons Per Household Data

“U” – Average Occupancy Rate in the City PIF Formula

2017 Ordinance		2019 OFM Rates	
Unit Type	2017 PPH	Unit Type	2019 PPH
Single Family Residence	2.77	Single Family Residence	2.83
Multifamily Residence	2.17	Duplex	1.68
		3 & 4 Unit Townhomes	2.12
		5 + Multifamily Complexes	1.88

Step 4: Apply the Adopted City Formula

The City currently has a 40/60 percent ratio applied to the proportionate share adjustment figure: or “A” in the 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 = \$188,739

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: 2.83 / SFR, 1.68 Duplex, 2.12 3&4 Unit Townhouses 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 60%

Single Family Residential	Duplex
PIF = $\frac{\$188,739 \times 5 \times 2.83 \times 0.60}{1,000}$	PIF = $\frac{\$188,739 \times 5 \times 1.68 \times 0.60}{1,000}$
SFR PIF = \$1,602	Duplex PIF = \$951
3 & 4 Unit Townhouse	5+ Multifamily
PIF = $\frac{\$188,739 \times 5 \times 2.12 \times 0.60}{1,000}$	PIF = $\frac{\$188,739 \times 5 \times 1.88 \times 0.60}{1,000}$
Townhouse PIF = \$1,200	MF PIF = \$1,064

Step 5: 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. The proposed Park Impact Fee is based on the 2020-2025 Parks Capital Improvement Plan project list. Three Alternatives have been provided to the City Council for consideration:

Alternative 1: Updated fee based on 2020-2025 Park CIP with Updated Persons Per Household Data.

Alternative 2: No Change; Maintain Existing Impact Fee.

Impact Summary Results

A comparison of the proposed 2020 fee against the 2017 shows a slight increase for single family residential, townhouse and multifamily residential building permits while duplex permits showed a slight decrease.

		Current Park CIP & Updated PPH Applies City Code Formula		
Unit Type	2017 Park Impact Fee	Fee	Difference	% Difference
Single Family Residential	\$1,330.00	\$1,602.00	\$272.00	17%
Duplex	\$1,042.00	\$951.00	\$(91.00)	-9%
3/4 Townhouse Units	\$1,042.00	\$1,200.00	\$158.00	15%
5+ Multifamily Residential	\$1,042.00	\$1,064	\$22.00	2%

The 2019 / 2020 budget was based on a yearly projection of 60 new housing units being built per year. To help understand the impact on the city budget, the following is provided to show a comparison of potential revenue generated by the different alternatives. For simplicity's sake, this revenue analysis assumes that all of the 60 units would be single family residential units.

	Existing Rate	New Rate	Difference
Alt 1: 60 SFR Units – Updated PIF	\$79,800	\$96,120	\$16,320
Alt 2: 60 SFR Units – Existing PIF	\$79,800	\$79,800	0

**CITY OF STANWOOD
WASHINGTON**

ORDINANCE NO. 14XX

AN ORDINANCE OF THE CITY OF STANWOOD, WASHINGTON, AMENDING STANWOOD MUNICIPAL CODE (SMC) CHAPTER 17.151, IMPACT FEES – PUBLIC FACILITIES TO DELETE PARK AND FIRE IMPACT FEE PROVISIONS AND BE RETITLED AS SMC 17.151 IMPACT FEES – TRANSPORTATION; ADOPTING NEW CHAPTER 17.152, IMPACT FEES – PARKS; ADOPTING NEW CHAPTER 17.154, IMPACT FEES – FIRE; ESTABLISHING SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, impact fees are one-time charges assessed by a local government against new development projects to help pay for new or expanded public facilities that directly address the increased demand for services created by that development; and

WHEREAS, cities have the authority to adopt impact fees under Chapter 82.02 RCW; and

WHEREAS, currently the City's transportation, parks and fire impact fee provisions are combined into a single chapter in the Municipal Code; and

WHEREAS, for clarity, the City desires to create separate, independent chapters for transportation, parks and fire mitigation fees in the Stanwood Municipal Code; and

WHEREAS, in addition, the Stanwood City Council has directed that impact fees should be reviewed annually or bi-annually to reflect the most current capital improvement plan (CIP) and those costs associated with the acquisition and development of projects listed on the CIP; and

WHEREAS, the city desires to update the park impact fee consistent with the 2020-2025 Capital Improvement Plan; and

WHEREAS, the City of Stanwood SEPA Responsible Official has reviewed the proposed amendments to the Stanwood Municipal Code and issued a Determination of Non-Significance on February 18, 2020; and

WHEREAS, the Stanwood Planning Commission reviewed the draft ordinance at their March 9, 2020 regular meeting and has recommended that the City Council adopt the ordinance as presented; and

WHEREAS, the City Council Community Development Committee reviewed the proposed language and amendments set forth in this Ordinance at their February 27, 2020, meeting; and

WHEREAS, the City Council held their first reading of the draft code amendment on [REDACTED], 2020 and their second and final reading on [REDACTED], 2020 and accepted public comment; and

WHEREAS, pursuant to RCW 36.70A.106, the City has notified the Washington State Department of Commerce of the City's intent to adopt the proposed amendments to the Stanwood Municipal Code regarding impact mitigation fees, and

WHEREAS, the City Council of Stanwood has authority under Title 35A, RCW to adopt plans and regulations related to development and operations within the City of Stanwood; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Transportation Impact Fees. Stanwood Municipal Code, Chapter 17.151, Impact Fees – Public Facilities is hereby amended to delete park and fire impact fee provisions and be retitled as SMC 17.151 Impact Fees – Transportation which specifically addresses the application and processing of traffic mitigation impact fees as provided in Exhibit “A” attached to this ordinance and incorporated herein by reference as if set forth in full.

Section 2. Adoption of New Chapter 17.152, Park Impact Fees. New Stanwood Municipal Code, Chapter 17.152, Impact Fees - Park and Recreation, is hereby adopted to read as set forth in Attachment B, incorporated by reference as though fully set forth herein.

Section 3. Adoption of New Chapter 17.154, Fire Impact Fees. New Stanwood Municipal Code, Chapter 17.154, Impact Fees - Fire, is hereby adopted to read as set forth in Attachment C, incorporated by reference as though fully set forth herein.

Section 4. Findings of Fact and Conclusions. In support of the code provisions provided in this Ordinance the Stanwood City Council adopts the Findings of Fact and Conclusions attached hereto as Exhibit “D” and incorporated herein by reference and the analysis contained in the Staff Report on the amendments.

Section 5. Severability. The various parts, sections and clauses of this ordinance are hereby declared to be severable. If any part, sentence, paragraph, section or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected thereby.

Section 6. Authority to Make Necessary Corrections. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener's clerical errors, references, ordinance numbers, section/subsection numbers and any references thereto.

Section 7. Effective Date. This Ordinance shall take effect five days after its passage and publication as required by law.

PASSED AND APPROVED by the Stanwood City Council this ____ day of _____ 2020.

CITY OF STANWOOD

Leonard Kelley, Mayor

ATTEST:

By: _____
David A. Hammond, City Clerk

APPROVED AS TO FORM:

By: _____
Grant Weed, City Attorney

Date of Publication: _____
Effective Date: _____

Exhibit A: Transportation Impact Fee

Chapter 17.151
IMPACT FEES – ~~PUBLIC FACILITIES~~ TRANSPORTATION

Sections:

17.151.010	Authority and Purpose
17.151.020	Findings
17.151.030	Definitions
17.151.040	Imposition of Impact Fees
17.151.050	Establishment of Service Areas
17.151.055	Imposition of Transportation Impact Fees
17.151.060	Calculation of Transportation Impact Fee
~~17.151.070~~	~~Park and Recreation Impact Fee Component~~
~~17.151.080~~	~~Fire Facility Impact Fee Component Formula~~
17.151.090	Calculation of Impact Fee
17.151.100	Collection of Impact Fee
17.151.110	Impact Fee Credits
17.151.115	Impact Fee Deferral System
17.151.120	Appeals
17.151.130	Accounting
17.151.140	Expenditure
17.151.150	Refunds
17.151.160	Impact Fee as Additional and Supplemental Requirement

17.151.010 Authority and Purpose

The ordinance codified in this chapter is enacted pursuant to this provisions of Chapter 82.02 RCW, and is intended to accomplish the following purposes:

1. To ensure that adequate facilities are available to serve new growth and development;
2. To promote orderly growth and development by requiring that new development pay a proportionate share of the cost of new transportation facilities need to serve growth; and
3. To ensure that impact fees are imposed through established procedures and criteria so that specific developments do not pay arbitrary fees or duplicate fees for the same impact.

17.151.020 Findings

The city council finds and declares that:

1. New residential and nonresidential development causes increased demands on public roads, streets and other transportation facilities, ~~including streets, roads, parks, open space, recreational facilities, fire facilities and schools;~~
2. Projections indicate that new development will continue and that it will place ever-increasing demands on the city to provide necessary public transportation facilities;
3. To the extent that new development places demands on the public facility infrastructure, those demands should be partially financed by shifting a proportionate share of the cost of such new facilities from the public at large to the developments actually creating the demand; and
4. The imposition of impact fees upon residential and nonresidential development in order to finance specified public facilities, the demand for which is created by such development, is in the best interest of the general welfare of the city and its residents, is equitable, does not impose an unfair burden on such development by forcing developers and builders to pay more than their fair or proportionate share of the cost and is reasonably necessary to provide the necessary public facility infrastructure to serve new development as planned for in the city Comprehensive Plan and the city capital facilities plan.

17.151.030 Definitions

As used in this chapter:

1. “Building permit” means the permit required for new construction and additions pursuant to SMC Title [14](#). The term “building permit” as used herein shall not be deemed to include permits required for the remodeling, rehabilitation, or other improvement to an existing structure, or rebuilding a damaged or destroyed structure; provided there is no increase in the applicable unit of measure for nonresidential construction or the number of dwelling units for residential construction.
2. “Capital facilities plan” means the capital facilities element of the Stanwood Comprehensive Plan. Any reference to the capital facilities plan shall include the city of Stanwood six-year capital improvement program adopted as an amendment to the Comprehensive Plan by the city council.
3. “Development activity” means any construction or expansion of a building, structure or use, any change in the use of a building or structure, or any changes in the use of land, that creates additional demand and need for public facilities, except for the reconstruction or renovation of an existing single-family residential structure on an existing lot.
4. “Impact fee” means the payment of money imposed upon development as a condition of development approval to pay for public facilities needed to serve new growth and development that creates additional demand and need for public facilities, that is a proportionate share of the cost of the public facilities and that is

used for facilities that reasonably benefit the new development. "Impact fee" does not include a reasonable permit application or plant investment fee. The impact fee imposed shall consist of a traffic impact fee component, a park and open space impact fee component, a fire facility impact fee component, and a school impact fee component.

5. "Owner" means the owner of record of real property, although when real property is being purchased under a real estate contract, the purchaser shall be considered the owner of the real property if the contract is recorded.
6. "Project improvements" means site improvements and facilities that are planned and designed to provide service for a particular development project and that are necessary for the use and convenience of the occupants or users of the project and that are not system improvements. No improvement or facility included in a capital facilities plan approved by the city council shall be considered a project improvement.
7. "Public facilities" means the following capital facilities owned or operated by governmental entities:
 - a. Public streets, roads and appurtenances;
 - b. Publicly owned parks, open space and recreational facilities;
 - c. School facilities; and
 - d. Fire protection facilities of the city.
8. "Service area" means a geographical area defined by the city in which a defined set of public facilities provides service to development within the area.
9. "System improvements" means public facilities that are included in the capital improvement program of the capital facilities element in the city's comprehensive plan and are designed to provide service to service areas within the community at large, in contrast to project improvements.

17.151.040 Imposition of Impact Fees

There is imposed upon all new development activity within the city ~~an~~ a traffic impact fee which shall be calculated by adding the impact fee components as according to the traffic mitigation fee formula contained herein. ~~after provided for that are applicable to each such new development activity.~~

17.151.050 Establishment of Service Areas

The city hereby establishes as the service area for ~~development~~ traffic impact fees all areas in which development may occur that would impact the city's transportation system, including all property located within the corporate limits of the city as now existing or may be amended by annexation or any surrounding properties within the city's urban growth area that would normally use city transportation facilities.

17.151.055 Imposition of Transportation Impact Fees

1. All development projects within the city shall be assessed a transportation impact fee based on average daily trips as computed in accordance with the most current edition of the Institute of Transportation Engineers' Trip Generation Manual as applied to the city's transportation element of the adopted comprehensive plan.

It is hereby declared that such impact fees shall:

- a) Only be imposed for system improvements that are reasonably related to new development; and
 - b) Not exceed a proportionate share of the cost of the system improvements, including the costs of previously constructed system improvements, reasonably related to new development; and
 - c) Be used for system improvements that will reasonably benefit new development; and
 - d) Not be imposed to make up for deficiencies in any previously constructed system improvements. Such impact fee is based upon the formula for calculating the proportionate share of the cost of the system improvements, including the costs of previously constructed system improvements, necessitated by new development to be borne by impact fees, which formulas are described in SMC 17.151.060, Calculation of transportation impact fee.
2. A transportation impact fee and schedule, setting forth the amount of the transportation impact fees to be paid by new development, shall be adopted by resolution of the city council.
 3. For redevelopment of a site, a credit shall be given for trips generated by the previous use on the site.
 4. A credit, not to exceed the impact fee otherwise payable, shall be provided for the value of any dedication of land for, improvement to, or new construction of any system improvements provided by the developer, to facilities that are identified in the capital facilities plan and on the six-year capital improvement program and that are required by the city as a condition of approving the development activity. The determination of "value" shall be consistent with the assumptions and methodology used by the city in estimating the capital improvement costs.
 5. The city administrator or designee may adjust the amount of the impact fee otherwise imposed hereby with respect to specific projects requiring a building permit upon determining that:
 - a) Unusual circumstances require such adjustment to ensure that such impact fees are imposed fairly consistent with the impact of the building and proportionality; and
 - b) Studies and data submitted by the owner regarding the impacts of such owner's proposed development activity require such adjustment. Impact fees shall not be adjusted unless such studies and data support a finding that the impact fees

otherwise imposed hereby allocate to the specific project in question a share of the cost of the systems improvements that is greater than or substantially less than such project's allocable proportionate share of such costs.

6. Commercial Development Incentive. Commercial uses as defined in SMC 17.20.040, "C" definitions, shall be eligible for a 10 percent reduction in the transportation impact fee.
7. Reuse of Existing Structures Incentive. The community development department shall not impose the transportation impact fee on commercial projects in the MB-I and MB-II zones that meet the criteria set forth below; provided, that this waiver shall not apply to new buildings or to new projects that include demolition of the existing building and shall not affect the imposition and collection of any other applicable city impact fees, hook-up fees, or application fees.
 - a) The project utilizes an existing building constructed prior to 1980 according to the Snohomish County assessor's database, and requires building permits for remodel, expansion, and/or improvement;
 - b) The original structure must be intact before and after the improvements;
 - c) The total building square footage of the project, following remodel, expansion or improvement, including any new additions and all buildings on the property, is less than 10,000 square feet;
 - d) The valuation of work on the building must exceed 25 percent of the assessed value of the building according to the Snohomish County assessor's database; and
 - e) The project must include improvement of any adjacent street frontage, including curb, gutter, sidewalks, and street trees to current code and/or standards, and must include a connecting walkway meeting ADA standards to the main entrance of the building. Any or a portion of these improvements may be waived or modified, if the community development director determines that existing conditions meet the current standards for these improvements.
8. Historic Single-Family Lot Incentive. Individual single-family zoned lots and parcels created prior to the effective date of Chapter 58.17 RCW on July 1, 1969, shall be eligible for a 35 percent reduction in the transportation impact fee on application for a building permit. This incentive is limited to development of one single-family residence per lot or parcel existing prior to July 1, 1969.

17.151.060 Calculation of Transportation Impact Fee

1. The impact fee shall be based on the growth related transportation projects contained in the adopted six-year capital improvement program as presented in the capital facilities element of the city's Comprehensive Plan.
2. The actual impact fee shall be calculated based on the total cost of growth related system improvements divided by the total number of projected trips generated by

new development as anticipated in the adopted future land use map (FLUM) for an adopted six-year capital improvement program period.

$$\text{Actual Cost/Trip} = \frac{\text{Total cost per six-year growth related system improvements}}{\text{Total new trips}}$$

3. The actual impact fee shall be adjusted to provide a fee equal to 66.6 percent of the actual cost of the system improvements necessitated by new development as calculated in subsection (2) of this section.
4. The impact fee may include system improvement costs previously incurred by the city to the extent that new growth and development will be served by the previously constructed improvements and to the extent not already funded; provided, that such fees shall not be imposed to make up for any existing system deficiencies.
5. The city shall annually review the city's capital facilities plan and transportation projects included in the adopted six-year capital improvement program, and shall:
 - a) Identify each project in the comprehensive plan that is growth related and the proportion of each such project that is growth related;
 - b) Forecast the total monies available from taxes and other public sources for street improvements over the next six years;
 - c) Calculate the amount of impact fees already collected; and
 - d) Identify those Comprehensive Plan projects that have been or are being built but whose performance capacity has not been fully utilized.
6. The following information shall be considered in updating the capital improvement program:
 - a) The projects in the Comprehensive Plan that are growth related and that should be funded with forecasted public monies and the impact fees already paid;
 - b) The projects already built or funded pursuant to this chapter whose performance capacity has not been fully utilized; and
 - c) An update of the estimated costs of the projects listed.
7. After the city council amends the capital improvement program, it may by resolution establish a new impact fee.
8. Once a growth related project is placed on the capital improvement program, a fee shall be imposed on every development that impacts the project until the project is removed from the list by one of the following means:
 - a) The project may be administratively removed by the community development director from the impact fee calculation after it is constructed; or
 - b) The council by ordinance may remove the project from the capital improvement program, in which case the fees already collected will be refunded if necessary to ensure that impact fees remain reasonably related to the traffic impacts of development that have paid an impact fee; provided, that a refund shall not be

necessary if the council transfers the fees to the budget of another project that the council determines will mitigate essentially the same traffic impacts.

~~17.151.070 Park and Recreation Impact Fee Component~~

~~The impact fee component for parks and recreational facilities shall be calculated using the formula described below, however the resulting fee will be implemented at 50 percent:~~

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

- ~~1. "PIF" means the park and recreational facility component of the total development impact fee.~~
- ~~2. "C" means the average cost per acre for land appraisal and acquisition plus an average development cost of \$320,075 per acre for neighborhood and community parks. Such cost may be adjusted periodically, but not more often than once every year. Park development costs shall be based on actual, recent comparable construction.~~
- ~~3. "S" means the parks standard of 2.5 acres per 1,000 residents each for neighborhood parks and community parks (total of five acres) as established in the city comprehensive park and recreational plan.~~
- ~~4. "P" means 1,000 people.~~
- ~~5. "U" means the average number of occupants per dwelling unit, or 2.77 occupants for a single family/duplex dwelling unit, 2.17 occupants for any other multifamily dwelling unit.~~
- ~~6. "A" means an adjustment of rate portion of anticipated tax revenues resulting from a development that is proratable to system improvements contained in the capital plan facilities. The adjustment for park impacts is determined to be 40 percent, so that "A" equals 60 percent.~~

~~17.151.080 Fire Facility Impact Fee Component Formula~~

- ~~1. Applicability. The provisions of this section shall be applicable to all property development within the city. "Property development" shall mean any application for a building permit for commercial or for a single family dwelling, mobile home, duplex or multifamily dwelling; and any application for approval of a mobile home park, mobile home subdivision or residential planned unit development; and any application for approval of a short plat or long plat subdivision.~~
- ~~2. Basis for Mitigation Assessment. All mitigation assessments shall be made on a per unit basis or square foot basis. "Unit" shall mean for residential development each dwelling unit, mobile home or lot as applicable and as defined in this title. Where the number of dwelling units or mobile homes is not precisely known at the time of the~~

~~development, “unit” shall mean at least one dwelling unit or mobile home for each lot, to be increased when the number of dwelling units or mobile homes becomes known or fixed through application for a building permit or other applicable permit. Impact fee assessment shall not be imposed so as to have the effect of imposing more than the cost of one unit for any dwelling unit or mobile home. These requirements are not intended to have the effect of requiring new fire service facility assessments for units which have previously been subject to dedication or assessment individually or as part of a large project. “Unit” for nonresidential development shall mean each additional square foot added to an existing structure or each square foot of building in a new structure, such as commercial or industrial buildings.~~

- ~~3. Impact Fee Assessment Formulas. The formulas used to calculate impact fee assessments for fire facilities are as found in “Exhibit A Section 4—Impact Fees,” attached to the ordinance codified in this section. These formulas shall be reviewed and revised as determined by the city council to reflect changes in development and acquisition baseline costs. Impact fee assessments under this section shall be due and payable for subdivisions and short plats at final approval. All other additions, buildings and structures shall be due and payable at time of building permit.~~
- ~~4. Administration of Cash Payments to City. There is hereby created and established a special purpose nonoperating fire facilities impact fee, to which all impact fee assessments are paid. Fund administration shall be as follows:~~
 - ~~a) Separate Account. Any cash made shall be deposited in the fund and administered as a separate account for fire capital expenditures and the account balance shall be applied only to completion of improvements or acquisition projects specified in the fire facilities capital improvement plan as approved or amended by the city council.~~
 - ~~b) (b) Interest Earned. Interest and investment income earned by the fund shall be redeposited in the fund and allocated proportionally to each subaccount.~~
 - ~~c) (c) Time Limit for Expenditures. Any funds remaining for a development shall be refunded with interest to the property owner of record when the time periods for expenditure of those funds have passed, as provided in applicable state laws.~~
- ~~5. Appeals and Adjustments. Any person desiring to appeal from a decision made in the enforcement of the provisions of this section or any person seeking an adjustment to the dedication for impact fee assessments required by this section due to unusual circumstances in specific cases shall submit, in writing, a request for a hearing before the city council and determination of the matter appealed within 10 days after receiving written notice of the specific dedication or impact fee assessments required by this section. The city council shall consider such item at its next available meeting and shall issue such determination as it deems fair and equitable.~~

- ~~6. Violation of this section is a gross misdemeanor punishable by a fine of not more than \$1,000 and a jail term of not more than one year. Each day that such violation is allowed to continue shall be considered a separate and additional violation of this section.~~

17.151.090 Calculation of Impact Fee

- ~~1. The impact fee for nonresidential development shall be computed by applying the traffic impact fee component formula and the fire facility impact fee component formula and then totaling the results. The impact fee for each residential dwelling unit shall be computed by applying the traffic impact fee component formula, the park and open space impact fee component formula, the fire facility impact fee component formula and the school impact fee component formula, contained in Chapter 17.153 SMC, and then totaling the results.~~
1. If the development for which approval is sought contains a mix of residential and nonresidential uses, then the impact fee must be separately calculated for each type of use.
 2. The city council shall have the authority to adjust the standard impact fee at the time the fee is imposed to consider unusual circumstances peculiar to specific development activity to ensure that impact fees are imposed fairly.
 3. Upon application by the developer of any particular development activity, the city council may consider studies and data submitted by the developer and if warranted, may adjust the amount of the impact fee. Such adjustment shall be deemed warranted if:
 - a) The public facility improvements would not reasonably benefit the proposed development;
 - b) The public facility improvements identified are not reasonably related to the proposed development;
 - c) The formula set forth for calculating the impact fee components does not accurately reflect the associated traffic, park and open space, fire facility or school impacts generated by the development.

17.151.100 Collection of Impact Fee

The impact fees imposed under this chapter, ~~and under Chapter 17.153 SMC,~~ may be paid at the time of preliminary plat approval for subdivisions and short subdivisions. When fees for subdivisions are not paid at preliminary plat approval they shall be due and payable prior to the issuance of a building permit. When paid the fee paid shall be the fee due as of the date of payment. ~~For single lots or parcels all other developments,~~ impact fees shall be paid prior to the issuance of a building permit or site plan approval.

17.151.110 Impact Fee Credits

The owner shall be entitled to a credit against the applicable traffic impact fee

~~component~~ for the value of any dedication of land for, improvements to, or new construction of any system improvements to facilities that are identified in the capital facilities plan and that are required by the city as conditions of approval for the development. ~~That portion of the open space network and related improvements used as a credit for required open space for a project is not eligible for this credit.~~ The amount of the credit shall be determined upon recording of a final plat for a subdivision, recording of a short plat, issuance of a building permit, or upon site plan approval, whichever shall first occur. The amount of the credit shall be indicated on any final plat recorded for a subdivision and on any recorded short plat. In the event the amount of any credit exceeds the amount of the impact fee due, the city shall not be required to reimburse the difference to the developer.

17.151.115 Impact Fee Deferral System

1. The city hereby establishes a deferral system by which an applicant for a building permit for a single-family detached or attached residence may request a deferral of the full impact fee payment to the time of final inspection.
2. The city will withhold certification of final inspection until the impact fees have been paid in full.
3. The term of an impact fee deferral under this section shall not exceed 18 months from the date of building permit issuance. If impact fees are not paid by the end of the 18 months, then city shall withhold future inspection until such time impact fees are paid in full.
4. The community development department shall allow an applicant to defer payment of the impact fees when, prior to submission of a building permit application for deferment or prior to final inspection for deferment under subsection (1) of this section, the applicant:
 - a. Submits a signed and notarized deferred impact fee application and acknowledgement form for the development for which the property owner wishes to defer payment of the impact fees; and
 - b. With regard to deferred payment under subsection (1) of this section, records a lien for impact fees against the property in favor of the city in the total amount of all deferred impact fees for the development. The lien for impact fees shall:
 - i. Be in a form approved by the city attorney;
 - ii. Include the legal description, tax account number and address of the property;
 - iii. Be signed by all owners of the property, with all signatures as required for a deed, and recorded in the county in which the property is located;
 - iv. Be binding on all successors in title after the recordation; and

- v. Be junior and subordinate to one mortgage for the purpose of construction upon the same real property granted by the person who applied for the deferral of impact fees.
5. In the event that the impact fees are not paid in accordance with subsection (1) of this section, the city shall institute foreclosure proceedings under the process set forth in Chapter [61.12](#) RCW, except as revised herein. In addition to any unpaid impact fees, the city shall be entitled to interest on the unpaid impact fees at the rate provided for in RCW [19.52.020](#) and the reasonable attorney fees and costs incurred by the city in the foreclosure process. Notwithstanding the foregoing, prior to commencement of foreclosure, the city shall give not less than 30 days' written notice to the person or entity whose name appears on the assessment rolls of the county assessor as owner of the property and to the site address via certified mail with return receipt requested and regular mail advising of its intent to commence foreclosure proceedings. If the impact fees are paid in full to the city within the 30-day notice period, no attorney fees, costs and interest will be owed.
6. In the event that the deferred impact fees are not paid in accordance with this section, and in addition to foreclosure proceedings provided in subsection (5) of this section, the city may initiate any other action(s) legally available to collect such impact fees.
7. Upon receipt of final payment of all deferred impact fees for the development, the department shall execute a separate lien release for the property in a form approved by the city attorney. The property owner, at their expense, will be responsible for recording each lien release.
8. Compliance with the requirements of the deferral option shall constitute compliance with the conditions pertaining to the timing of payment of the impact fees.

17.151.120 Appeals

Any person aggrieved by the amount of the impact fee calculated and imposed upon a particular development activity may appeal such determination to the hearing examiner by filing written notice of appeal with the planning director within 20 days of the issuance of the determination of the impact fee consistent with SMC [17.151.055](#). Pending completion of the appeal process as set forth herein, no building permits shall be issued for any development activity for which the impact fees about which appeal is being sought were imposed. Such appeal to the hearing examiner shall be conducted in accord with Chapters [17.80-81B](#) and [17.87](#) SMC.

17.151.130 Accounting

All impact fees collected shall be deposited in the Growth Management Act capital projects fund. The clerk-treasurer shall establish a separate designated reserve accounts for transportation impact fees public roads and streets, for fire facilities, for school facilities and for public park, open space and recreational facilities, and shall maintain records for each such account. ~~All interest earned by the fund shall be~~

~~allocated to the separate designated reserve accounts in the same proportion that the balance of each reserve account bears to the total fund balance.~~ All interest shall be retained in the account and expended for the purposes for which the impact fees were imposed. The clerk-treasurer shall provide an annual report on ~~each~~ the impact fee account showing the source and amount of the moneys collected, earned or received and system improvements that were financed in whole or in part by impact fees.

17.151.140 Expenditure

Impact fees for system developments shall be expended only in conformance with the capital facilities plan. Impact fees shall be expended or encumbered for a permissible use within ~~six~~ ten (10) years of collection, unless there exists an extraordinary and compelling reason for fees to be held longer than ~~six~~ ten (10) years. Such extraordinary or compelling reasons shall be identified in written findings by the city council.

17.151.150 Refunds

1. The current owner of property on which an impact fee has been paid may receive a refund of such fee if the city fails to expend or encumber the impact fees within ~~six~~ ten (10) years of collection or such greater time as may be established in written findings by the city council documenting extraordinary or compelling reasons for extension beyond ~~six~~ ten (10) years. In determining whether impact fees have been encumbered, impact fees shall be considered encumbered on a first-in, first-out basis. The current owner likewise may receive a proportionate refund when the public funding of applicable service area projects by the end of such ~~six-~~ ten (10) year period has been insufficient to satisfy the ratio of public to private funding for such service area as established in the capital facilities plan. The city shall notify potential claimants by first class mail deposited with the United States Postal Service at the last known address of each claimant.
2. The request for a refund must be submitted to the city council in writing within one year of the date the right to claim a refund arises or within one year of the date notice is given, whichever is later. Any impact fees that are not expended within these time limitations and for which no application for refund has been made as herein provided shall be retained and expended on the indicated capital facilities. Refunds of impact fees under this subsection shall include any interest earned on the impact fees.
3. A developer may request and shall receive a refund, including any interest earned on the impact fees, when the developer does not proceed with the development activity and no impact has resulted.

17.151.160 Impact Fee As Additional And Supplemental Requirement

The impact fee is additional and supplemental to, and not in substitution of, any other requirements imposed by the city on the development of land or the issuance of building permits; provided, that any other such city development regulation which would require

the developer to undertake dedication or construction of a facility contained within the city capital facilities plan shall be imposed only if the developer is given a credit against impact fees as provided for in this chapter.

Exhibit B: New Chapter SMC 17.152: Park Impact Fee

Chapter 17.152

IMPACT FEES – PARKS, OPEN SPACE AND RECREATIONAL FACILITIES

Sections:

17.152.010	Authority and Purpose
17.152.020	Findings
17.152.030	Definitions
17.152.040	Imposition of Impact Fees
17.152.050	Establishment of Service Areas
17.152.060	Imposition of Park Impact Fees
17.152.070	Park and Recreation Impact Fee
17.152.080	Calculation of Impact Fee
17.152.090	Collection of Impact Fee
17.152.100	Impact Fee Credits
17.152.110	Impact Fee Deferral System
17.152.120	Appeals
17.152.130	Accounting
17.152.140	Expenditure
17.152.150	Refunds
17.152.160	Impact Fee as Additional and Supplemental Requirement

17.152.010 Authority and Purpose

The ordinance codified in this chapter is enacted pursuant to this provisions of Chapter 82.02 RCW, and is intended to accomplish the following purposes:

4. To ensure that adequate facilities are available to serve new growth and development;
5. To promote orderly growth and development by requiring that new development pay a proportionate share of the cost of new parks, open space and recreational facilities need to serve growth; and
6. To ensure that impact fees are imposed through established procedures and criteria so that specific developments do not pay arbitrary fees or duplicate fees for the same impact.

17.152.020 Findings

The city council finds and declares that:

5. New residential and nonresidential development causes increased demands on parks, open space, recreational facilities;

6. Projections indicate that new development will continue and that it will place ever-increasing demands on the city to provide necessary public park, open space and recreational facilities;
7. To the extent that new development places demands on the public facility infrastructure, those demands should be partially financed by shifting a proportionate share of the cost of such new facilities from the public at large to the developments actually creating the demand; and
8. The imposition of impact fees upon residential and nonresidential development in order to finance specified public facilities, the demand for which is created by such development, is in the best interest of the general welfare of the city and its residents, is equitable, does not impose an unfair burden on such development by forcing developers and builders to pay more than their fair or proportionate share of the cost and is reasonably necessary to provide the necessary public facility infrastructure to serve new development as planned for in the city Comprehensive Plan and the city capital facilities plan.

17.151.030 Definitions

As used in this chapter:

10. "Building permit" means the permit required for new construction and additions pursuant to SMC Title [14](#). The term "building permit" as used herein shall not be deemed to include permits required for the remodeling, rehabilitation, or other improvement to an existing structure, or rebuilding a damaged or destroyed structure; provided there is no increase in the applicable unit of measure for nonresidential construction or the number of dwelling units for residential construction.
11. "Capital facilities plan" means the capital facilities element of the Stanwood Comprehensive Plan. Any reference to the capital facilities plan shall include the city of Stanwood six-year capital improvement program adopted as an amendment to the Comprehensive Plan by the city council.
12. "Development activity" means any construction or expansion of a building, structure or use, any change in the use of a building or structure, or any changes in the use of land, that creates additional demand and need for public facilities, except for the reconstruction or renovation of an existing single-family residential structure on an existing lot.
13. "Impact fee" means the payment of money imposed upon development as a condition of development approval to pay for public facilities needed to serve new growth and development that creates additional demand and need for public facilities, that is a proportionate share of the cost of the public facilities and that is used for facilities that reasonably benefit the new development. "Impact fee" does not include a reasonable permit application or plant investment fee. The impact fee

imposed shall consist of a traffic impact fee component, a park and open space impact fee component, a fire facility impact fee component, and a school impact fee component.

14. "Owner" means the owner of record of real property, although when real property is being purchased under a real estate contract, the purchaser shall be considered the owner of the real property if the contract is recorded.
15. "Project improvements" means site improvements and facilities that are planned and designed to provide service for a particular development project and that are necessary for the use and convenience of the occupants or users of the project and that are not system improvements. No improvement or facility included in a capital facilities plan approved by the city council shall be considered a project improvement.
16. "Public facilities" means the following capital facilities owned or operated by governmental entities:
 - a. Public streets, roads and appurtenances;
 - b. Publicly owned parks, open space and recreational facilities;
 - c. School facilities; and
 - d. Fire protection facilities of the city.
17. "Service area" means a geographical area defined by the city in which a defined set of public facilities provides service to development within the area.
18. "System improvements" means public facilities that are included in the capital improvement program of the capital facilities element in the city's comprehensive plan and are designed to provide service to service areas within the community at large, in contrast to project improvements.

17.152.040 Imposition of Impact Fees

There is imposed upon all new residential development activity, including commercial mixed-use developments, within the city a park, open space, and recreational facility impact fee which shall be calculated according to the-park impact fee formula contained herein.

17.152.050 Establishment of Service Areas

The city hereby establishes as the service area for park impact fees all areas in which development may occur that would impact the city's park, open space and recreational system, including all property located within the corporate limits of the city as now existing or may be amended by annexation or any surrounding properties within the city's urban growth area that would normally use city park facilities.

17.152.060 Imposition of Park Impact Fees

All development projects within the city shall be assessed a park impact fee based on the number and type of residential dwelling units permitted at the time of building permit issuance.

1. The formula used to develop the park impact fee as identified in SMC 17.152.070 shall be reviewed and revised periodically to reflect changes in development costs and the adopted Capital Improvement Plan listed in the Comprehensive Plan. The actual fee shall be adopted by City Council resolution.
2. The following development activities shall be exempt from payment of the park impact fee:
 - a) A credit shall be provided for redevelopment sites or subdivisions for the number of residential units existing on the site prior to redevelopment.
 - b) The reconstruction, remodeling, or replacement of existing buildings, structures, mobile homes, or manufactured homes, which does not result in any new units.
 - c) Conversions of apartment complexes to condominium ownership where no new dwelling units are created.
3. Historic Single-Family Lot Incentive. Individual single-family zoned lots and parcels created prior to the effective date of Chapter 58.17 RCW on July 1, 1969, shall be eligible for a 35 percent reduction in the transportation impact fee on application for a building permit. This incentive is limited to development of one single-family residence per lot or parcel existing prior to July 1, 1969.

17.152.070 Park and Recreation Impact Fee Component

The impact fee for parks and recreational facilities shall be calculated using the formula described below:

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

1. "PIF" means the park and recreational facility component of the total development impact fee.
2. "C" means the average cost per acre for land appraisal and acquisition plus an average development cost per acre for neighborhood and community parks as identified in the most recent 6-year Capital Improvement Plan. The construction cost per acre is then multiplied by the percent of projected new population growth as identified in the Comprehensive Plan. Such cost may be adjusted periodically, but not more often than once every year. Park development costs shall be based on actual, recent comparable construction.
3. "S" means the parks standard of 2.5 acres per 1,000 residents each for neighborhood parks and community parks for a total of five acres per 1,000 people as established in the city Comprehensive Park and Recreational Plan.
4. "P" means 1,000 people.
5. "U" means the average number of occupants per dwelling unit as provided by the Washington State Office of Financial Management for the City of Stanwood.

6. "A" means an adjustment of rate portion of anticipated tax revenues resulting from a development that is proportional to system improvements contained in the capital plan facilities. The adjustment for park impacts is determined to be 40 percent, so that "A" equals 60 percent.

17.152.080 Calculation of Impact Fee

1. If the development for which approval is sought contains a mix of residential and nonresidential uses, then the impact fee must be separately calculated for each type of use.
2. The city council shall have the authority to adjust the standard impact fee at the time the fee is imposed to consider unusual circumstances peculiar to specific development activity to ensure that impact fees are imposed fairly.
3. Upon application by the developer of any particular development activity, the city council may consider studies and data submitted by the developer and if warranted, may adjust the amount of the impact fee. Such adjustment shall be deemed warranted if:
 - d) The public facility improvements would not reasonably benefit the proposed development;
 - e) The public facility improvements identified are not reasonably related to the proposed development;
 - f) The formula set forth for calculating the impact fee does not accurately reflect the associated park and open space impacts generated by the development.

17.152.090 Collection of Impact Fee

The impact fees imposed under this chapter, may be paid at the time of preliminary plat approval for subdivisions and short subdivisions. When fees for subdivisions are not paid at preliminary plat approval they shall be due and payable prior to the issuance of a building permit. When paid the fee paid shall be the fee due as of the date of payment. For all other developments, impact fees shall be paid prior to the issuance of a building permit or site plan approval.

17.152.100 Impact Fee Credits

The owner shall be entitled to a credit against the applicable park impact fee for the value of any dedication of land for, improvements to, or new construction of any system improvements to facilities that are identified in the capital facilities plan and that are required by the city as conditions of approval for the development. That portion of the open space network and related improvements used as a credit for required open space for a project is not eligible for this credit. The amount of the credit shall be determined upon recording of a final plat for a subdivision, recording of a short plat, issuance of a building permit, or upon site plan approval, whichever shall first occur. The amount of the credit shall be indicated on any final plat recorded for a subdivision and on any

recorded short plat. In the event the amount of any credit exceeds the amount of the impact fee due, the city shall not be required to reimburse the difference to the developer.

17.152.110 Impact Fee Deferral System

9. The city hereby establishes a deferral system by which an applicant for a building permit for a single-family detached or attached residence may request a deferral of the full impact fee payment to the time of final inspection.
10. The city will withhold certification of final inspection until the impact fees have been paid in full.
11. The term of an impact fee deferral under this section shall not exceed 18 months from the date of building permit issuance. If impact fees are not paid by the end of the 18 months, then city shall withhold future inspection until such time impact fees are paid in full.
12. The community development department shall allow an applicant to defer payment of the impact fees when, prior to submission of a building permit application for deferment or prior to final inspection for deferment under subsection (1) of this section, the applicant:
 - a. Submits a signed and notarized deferred impact fee application and acknowledgement form for the development for which the property owner wishes to defer payment of the impact fees; and
 - b. With regard to deferred payment under subsection (1) of this section, records a lien for impact fees against the property in favor of the city in the total amount of all deferred impact fees for the development. The lien for impact fees shall:
 - i. Be in a form approved by the city attorney;
 - ii. Include the legal description, tax account number and address of the property;
 - iii. Be signed by all owners of the property, with all signatures as required for a deed, and recorded in the county in which the property is located;
 - iv. Be binding on all successors in title after the recordation; and
 - v. Be junior and subordinate to one mortgage for the purpose of construction upon the same real property granted by the person who applied for the deferral of impact fees.
13. In the event that the impact fees are not paid in accordance with subsection (1) of this section, the city shall institute foreclosure proceedings under the process set forth in Chapter [61.12](#) RCW, except as revised herein. In addition to any unpaid impact fees, the city shall be entitled to interest on the unpaid impact fees at the rate provided for in RCW [19.52.020](#) and the reasonable attorney fees and costs incurred by the city in the foreclosure process. Notwithstanding the foregoing, prior to

commencement of foreclosure, the city shall give not less than 30 days' written notice to the person or entity whose name appears on the assessment rolls of the county assessor as owner of the property and to the site address via certified mail with return receipt requested and regular mail advising of its intent to commence foreclosure proceedings. If the impact fees are paid in full to the city within the 30-day notice period, no attorney fees, costs and interest will be owed.

14. In the event that the deferred impact fees are not paid in accordance with this section, and in addition to foreclosure proceedings provided in subsection (5) of this section, the city may initiate any other action(s) legally available to collect such impact fees.
15. Upon receipt of final payment of all deferred impact fees for the development, the department shall execute a separate lien release for the property in a form approved by the city attorney. The property owner, at their expense, will be responsible for recording each lien release.
16. Compliance with the requirements of the deferral option shall constitute compliance with the conditions pertaining to the timing of payment of the impact fees.

17.152.120 Appeals

Any person aggrieved by the amount of the impact fee calculated and imposed upon a particular development activity may appeal such determination to the hearing examiner by filing written notice of appeal with the planning director within 20 days of the issuance of the determination of the impact fee consistent with SMC [17.151.055](#). Pending completion of the appeal process as set forth herein, no building permits shall be issued for any development activity for which the impact fees about which appeal is being sought were imposed. Such appeal to the hearing examiner shall be conducted in accord with Chapters [17.80-81B](#) and [17.87](#) SMC.

17.152.130 Accounting

All impact fees collected shall be deposited in the Growth Management Act capital projects fund. The clerk-treasurer shall establish a separate designated reserve accounts for park impact fees, and shall maintain records for each such account. All interest shall be retained in the account and expended for the purposes for which the impact fees were imposed. The clerk-treasurer shall provide an annual report on the impact fee account showing the source and amount of the moneys collected, earned or received and system improvements that were financed in whole or in part by impact fees.

17.152.140 Expenditure

Impact fees for system developments shall be expended only in conformance with the capital facilities plan. Impact fees shall be expended or encumbered for a permissible use within ten (10) years of collection, unless there exists an extraordinary and compelling reason for fees to be held longer than ten (10) years. Such extraordinary or compelling reasons shall be identified in written findings by the city council.

17.152.150 Refunds

4. The current owner of property on which an impact fee has been paid may receive a refund of such fee if the city fails to expend or encumber the impact fees within ten (10) years of collection or such greater time as may be established in written findings by the city council documenting extraordinary or compelling reasons for extension beyond ten (10) years. In determining whether impact fees have been encumbered, impact fees shall be considered encumbered on a first-in, first-out basis. The current owner likewise may receive a proportionate refund when the public funding of applicable service area projects by the end of such ten (10) year period has been insufficient to satisfy the ratio of public to private funding for such service area as established in the capital facilities plan. The city shall notify potential claimants by first class mail deposited with the United States Postal Service at the last known address of each claimant.
5. The request for a refund must be submitted to the city council in writing within one year of the date the right to claim a refund arises or within one year of the date notice is given, whichever is later. Any impact fees that are not expended within these time limitations and for which no application for refund has been made as herein provided shall be retained and expended on the indicated capital facilities. Refunds of impact fees under this subsection shall include any interest earned on the impact fees.
6. A developer may request and shall receive a refund, including any interest earned on the impact fees, when the developer does not proceed with the development activity and no impact has resulted.

17.152.160 Impact Fee As Additional And Supplemental Requirement

The impact fee is additional and supplemental to, and not in substitution of, any other requirements imposed by the city on the development of land or the issuance of building permits; provided, that any other such city development regulation which would require the developer to undertake dedication or construction of a facility contained within the city capital facilities plan shall be imposed only if the developer is given a credit against impact fees as provided for in this chapter.

Exhibit C: New Chapter 17.154: Fire Impact Fee

Chapter 17.154 IMPACT FEES – FIRE FACILITIES

Sections:

17.154.010 Authority and Purpose

17.154.020 Chapter Reservation

17.154.010 Authority and Purpose

Washington State laws pursuant to Chapter 82.02 RCW provides that cities may adopt fire impact fees based on an identified need and adoption of a six year capital facilities plan.

17.154.020 Chapter Reservation

North County Regional Fire Authority provides fire service to the City of Stanwood. No fire impact fee is imposed on development permit applications at this time. However, if in the future, North County Regional Fire Authority determines that there is a need for a fire impact fee the following shall be required:

1. The Fire District shall adopt a 6-year capital improvement plan identifying existing facilities and deficiencies needed to provide fire service to the City of Stanwood;
2. The City and Fire District shall enter into a Interlocal Agreement on the imposition and processing of fire impact fees; and
3. This chapter shall be updated with the fire impact fee formula along with all associated management and procedural requirements to impose an impact fee.

Exhibit D

Findings of Fact and Conclusions



City of Stanwood, Washington
Findings of Fact and Conclusions of Law

Stanwood City Council
Impact Mitigation Fee Code Amendment

A. GENERAL INFORMATION

File Number(s): Code Amendment 2019-159

Project Summary: Impact Mitigation Fees Code Amendment

Applicant: City of Stanwood

Location: The code amendment applies city wide.

Public Hearing: March 9, 2020

Location: Stanwood Fire Station
8117 267th St NW, Stanwood, WA 98292

Staff Contact: Patricia Love, Community Development Director

B. BACKGROUND AND DESCRIPTION OF PROPOSAL

One of the City's 2019 / 2020 work items is to review and potentially update the City's park impact fees. Staff and the Planning Commission have been working on the park impact fee since July of 2019; this evaluation period has resulted in the following amendments:

1. Traffic, park, fire and school impact fees are listed in their own independent chapters of the Municipal Code; and
2. The park impact fee and been updated to reflect costs associated with the acquisition and development projects listed on the 2020-2025 Park Capital Improvement Plan.

Key elements of the proposed ordinance include:

- Traffic: Revised SMC Chapter 17.151; removes references to park and fire impact fees; and amends the time period to expend fees from 6 years to 10 years in accordance with state law.

- Parks: New SMC Chapter 17.152; adopts a new chapter of the municipal code specific code park impact fees; removes specific construction cost and person per household hold figures from the formula; and amends the time period to expend fees from 6 years to 10 years in accordance with state law.
- Schools: Existing SMC Chapter 17.153; this chapter remains unchanged.
- Fire: New SMC Chapter 17.154; deletes all reference to the fee and formula and provides that if the fire authority requests that the city adopt a fee that the formula be developed and an amendment to the code be adopted. This change reflects recent vote by city residents to annex into the North County Regional Fire Authority.
- Park Impact Fee: The Park Impact Fee has been updated by applying the park impact fee formula to the 2020-2025 Park Capital Improvement Project list and updating the “persons per household” figure as provided by the Washington State Office of Financial Management;

C. COMPLIANCE WITH THE COMPREHENSIVE PLAN

The 2015-2023 Comprehensive Plan include goals and policies for implementing the 6-year Capital Improvement Plan (CIP). The CIP includes a list of projects, with their financing structure, for road, utility, park projects. Financing of projects includes a combination of public tax dollars, grants, and use of impact fees.

The Capital Facilities Element of the Comprehensive Plan includes the following goals and policies regarding the financing of projects and use of impact fees:

- Capital Facilities Goal – 7:*** To ensure that new growth and development pay for a proportionate share of the cost of new facilities needed to serve such growth and development.
- Capital Facilities Goal – 8:*** To consider a range of financial resources, including grants and REET funds, to pay for capital facility improvements. Augment local funding with outside sources whenever possible for the most efficient use of revenues.

Capital Facilities Policy 8.1: Develop and adopt new impact fees or refine existing impact fees in accordance with the Growth Management Act as part of the financing for public facilities. Such financing shall provide for a balance between impact fees and other sources of public funds and shall not solely rely on impact fees. Public facilities for which impact fees may be collected shall include public streets and roads, public-owned parks, open space, and recreation facilities, school facilities, and fire protection facilities.

Comprehensive Plan Parks, Recreation and Open Space Element:

The Stanwood Parks, Recreation and Open Space (PROS) was adopted in 2018. This plan provides the vision for developing and financing the City's park system. Equitable application of park impact fees is an essential component of acquiring and developing parks in the city.

The proposed Park Impact Fee ordinance is consistent with the following PROS goals and policies:

Goal PROS 8 Finance: Secure equitable and sustainable funding for implementation.

Objective PROS 8.1: Create effective and efficient methods of acquiring, developing, operating and maintaining facilities.

Objective PROS 8.2: Equitably distribute costs and benefits to public and private users, and match user benefits with interests and need.

Policy PROS 8.2.1: Determine the impact of new development on facilities within the Stanwood Urban Growth Area where the residents will depend on Stanwood for park and recreation needs.

Policy PROS 8.2.2: Develop a methodology for determining park impact fees that considers the potential impacts on park facilities caused by a development project, and results in an equitable mitigation assessment that is in accordance with local park and recreation standards.

Policy PROS 8.2.3: Assess impact fees only for growth-related deficiencies, not existing deficiencies.

D. FINDINGS OF FACT

1. Impact fees are one-time charges assessed by a local government against new development projects to help pay for new or expanded public facilities that directly address the increased demand for services created by that development.
2. Cities have the authority to adopt impact fees under Chapter 82.02 RCW.
3. The Growth Management Act requires regular updates to impact fee programs so that fees accurately reflect 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
4. Currently the City's transportation, parks and fire impact fee provisions are combined into a single chapter in the Municipal Code.
5. For clarity, the City desires to create separate, independent chapters for transportation, parks and fire mitigation fees in the Stanwood Municipal Code.
6. The proposed ordinance creates new chapters of the Municipal Code as follows:
 - Traffic: Revised SMC Chapter 17.151; removes references to park and fire impact fees; and amends the time period to expend fees from 6 years to 10 years in accordance with state law.
 - Parks: New SMC Chapter 17.152; adopts a new chapter of the municipal code specific code park impact fees; removes specific construction cost and person per household hold figures from the formula; and amends the time period to expend fees from 6 years to 10 years in accordance with state law.
 - Schools: Existing SMC Chapter 17.153; this chapter remains unchanged.
 - Fire: New SMC Chapter 17.154; deletes all reference to the fee and formula and provides that if the fire authority requests that the city adopt a fee that the formula be developed and an amendment to the code be adopted. This change reflects recent vote by city residents to annex into the North County Regional Fire Authority.

7. In addition, the Stanwood City Council has directed that impact fees should be reviewed annually or bi-annually to reflect the most current capital improvement plan (CIP) and those costs associated with the acquisition and development of projects listed on the CIP.
8. The process of updating the Park Impact Fee included applying the most recent Park Capital Improvement Project list with updated construction cost estimates, applying the most recently available city demographic information, and considering the appropriate proportional cost share based on local growth rates. Level of service ratio remains the same as it is the LOS adopted in the Parks, Recreation and Open Space Plan.
9. The 2020 Park Impact Fee was developed by applying the following methodologies. A Park Impact Fee Methodology Report has been prepared that details the fee calculation.
 - Apply the 2020-2025 Parks CIP total cost estimate to the formula and subtract non-eligible projects and grant funding.
 - Multiplied the final cost of construction and acquisition by the city's growth factor of 35 percent creating a nexus between existing residents and future residential growth.
 - Updated the persons per household factor with the Office of Finance Managements most recent numbers for Stanwood. This created four (4) residential categories versus the existing two (2) categories. Fees will now be applied as follows: Single Family Residential Units, Duplexes, 3 / 4 Unit Townhouses and 5+ Multifamily Complexes.
 - Multiplied the resulting figure by the City's adopted level of service (5 acres / 1000 population) and the adjustment rate of 60%.
10. The proposed fee provides a clear nexus between future growth and need.
11. The City of Stanwood SEPA Responsible Official has reviewed the proposed amendments to the Stanwood Municipal Code and issued a Determination of Non-Significance on February 18, 2020.
12. The Community Development Committee of the City Council reviewed the ordinance at their February 27, 2020 meeting. They felt: that the methodology was reasonable, directly related to the Capital Improvement Plan and supported the concept of breaking the fee into the four residential categories.

13. The Stanwood Planning Commission reviewed the draft ordinance at their March 9, 2020 regular meeting and has recommended that the City Council adopt the ordinance as presented.
14. Notice of the Public hearing was published in the Stanwood Camano News on February 25, 2020.
15. Staff prepared a report summarizing the proposed code amendment. This report is part of the public record and was presented to the Planning Commission on March 9, 2020 and the City Council at the public hearing on _____, 2020 for their consideration.

E. CONCLUSIONS OF LAW

1. The City Council of Stanwood has authority under RCW Title 35A, to adopt plans and regulations related to development and operations within the City of Stanwood.
2. The proposal is consistent with the Comprehensive Plan and meets the requirements and intent of the Plan, including the Capital Facilities and Parks and Recreation Elements of the 2015 Comprehensive Plan.
3. The City Council has determined that it is in the best interest of the City to adopt current impact fees reflecting the most currently adopted Capital Facilities Plan to support the design and construction of park facilities in the City of Stanwood.
4. After considering staff comments and public testimony the Stanwood City Council determined the draft code amendment is consistent with the Comprehensive Plan and should be adopted.

Now therefore the City Council of the City of Stanwood hereby **ADOPTS** the Findings of Fact and Conclusions of Law contained herein.

Dated this _____ date of _____ 2020.

Leonard Kelley, Mayor
City of Stanwood

City of Stanwood PARK IMPACT FEE DISCUSSION

Planning Commission

April 8, 2019



What are Impact Fees?

Impact fees are one-time charges assessed by a local government against a new development project to help pay for new or expanded public facilities that will directly address the increased demand for services created by that development.

How Can Impact Fees be Used?

Impact Fee:

- **Use of Fees** = Used for “publicly owned parks, open space, and recreation facilities” included in a capital facilities plan element of a comprehensive plan
- **Fund Capital Improvements** = Reasonably related to the new development and will benefit the new development
- **Fee** = Proportionate Share

Cities must have additional funding sources and may not rely solely on impact fees to fund the improvements.

Park Impact Fees

RCW 82.02.060

Impact Fee Formula:

- Cost of public facilities necessitated by new development
- An adjustment factor
- Consideration of other public funding options
- The cost of existing public facilities improvements
- Financing

May provide an exemption for low-income housing up to 80%

2017 Park Impact Fee

Formula:

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

C = Average Cost / Acre of Land

S = Standard of Service (LOS)

U = Average of Person / Household

A = Adjustment Rate

P = 1,000 People

Fee:

$$PIF = \frac{\$320,075 \times (2.5 / 1,000) \times 2.77(\text{SFR}) \times .60}{1,000}$$

$$PIF = \$1,330 / \text{SFR}$$

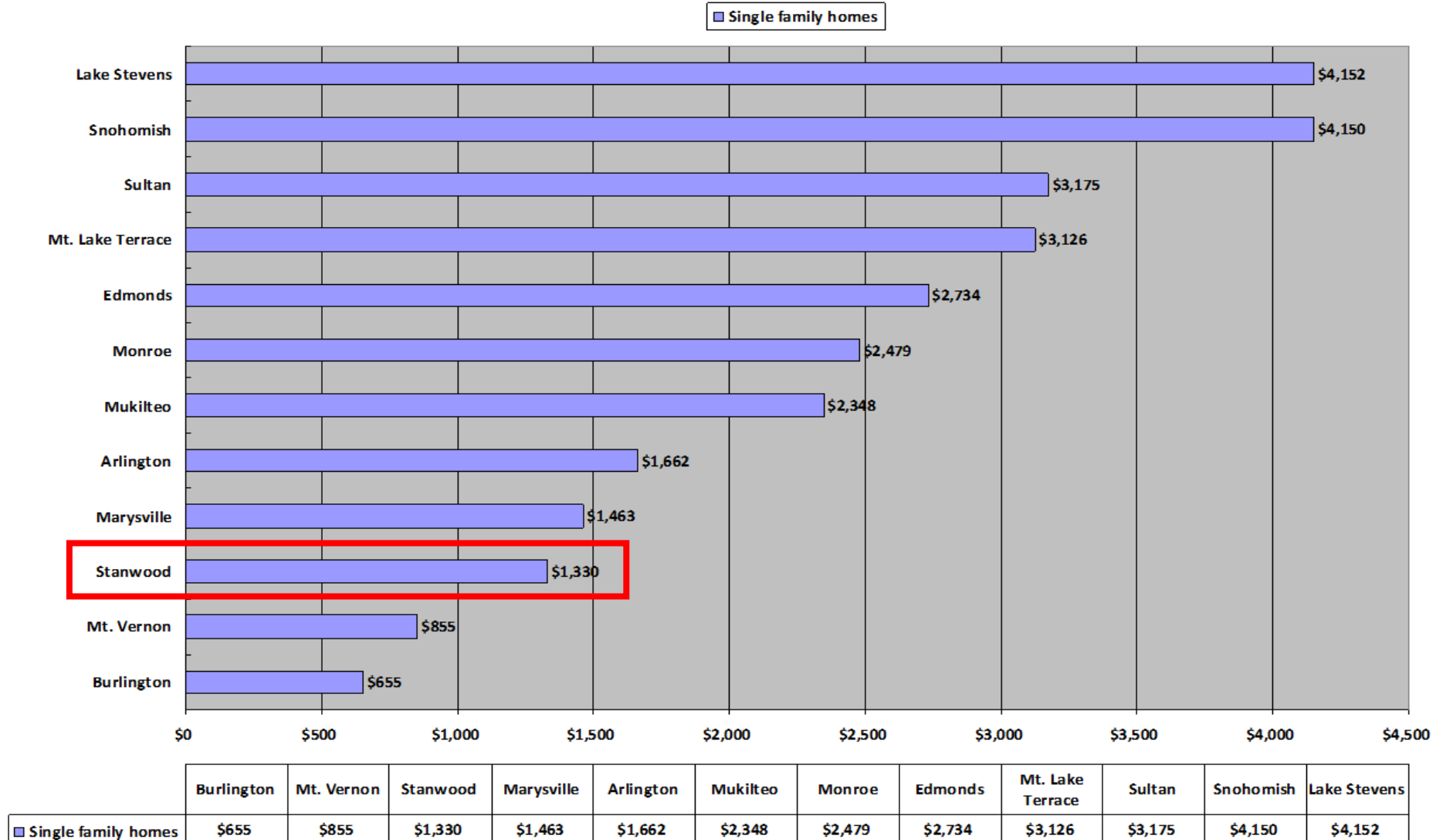
$$\$1,042 / \text{Duplex / Townhouse (U = 2.17)}$$

$$\$1,042 / \text{MF (U = 2.17)}$$

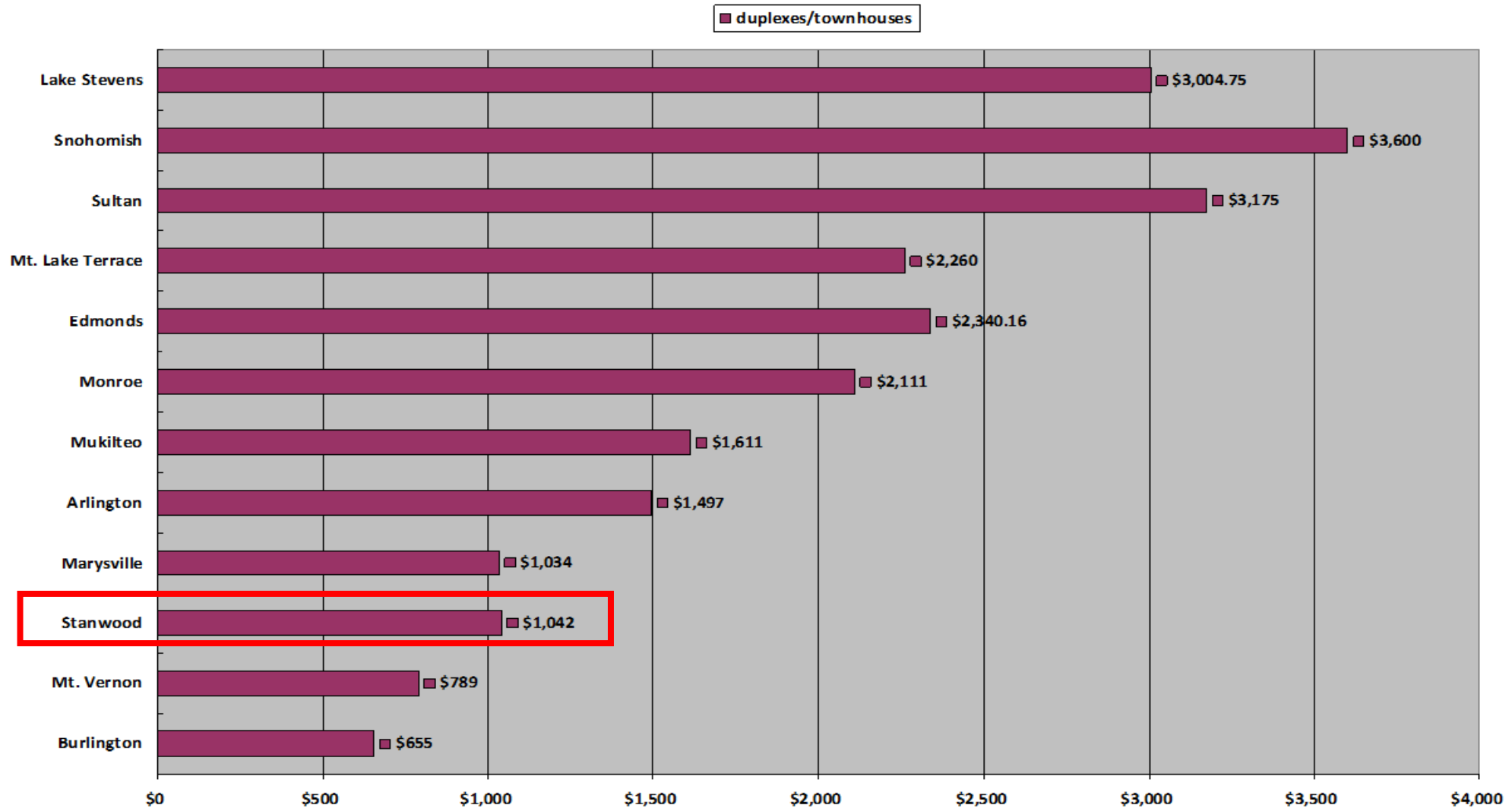
6 – Year CIP: Parks

		2019	2020	2021	2022	2023	2024
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

Stanwood PIF Compared to Others:

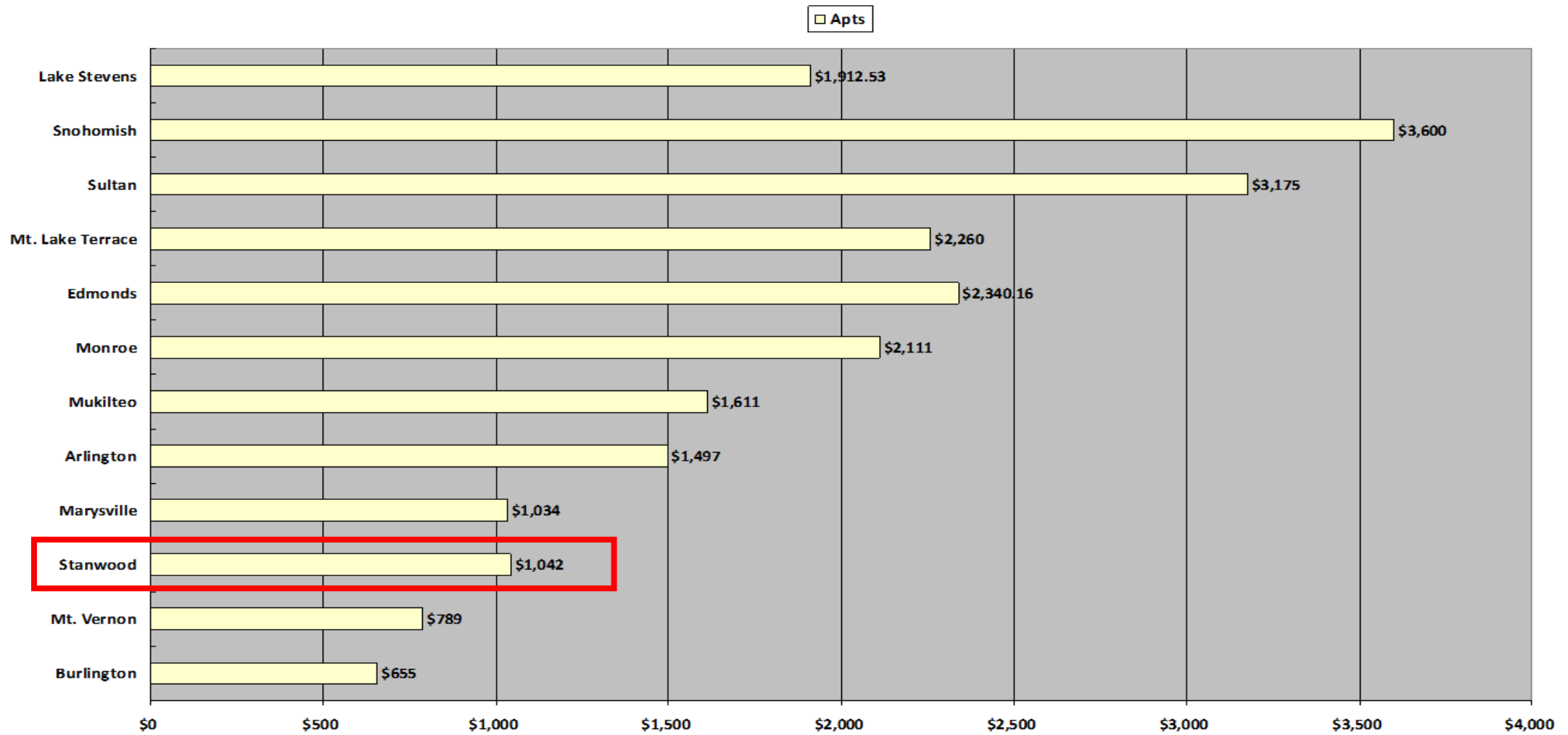


Stanwood PIF Compared to Others:



	Burlington	Mt. Vernon	Stanwood	Marysville	Arlington	Mukilteo	Monroe	Edmonds	Mt. Lake Terrace	Sultan	Snohomish	Lake Stevens
■ duplexes/townhouses	\$655	\$789	\$1,042	\$1,034	\$1,497	\$1,611	\$2,111	\$2,340.16	\$2,260	\$3,175	\$3,600	\$3,004.75

Stanwood PIF Compared to Others:



	Burlington	Mt. Vernon	Stanwood	Marysville	Arlington	Mukilteo	Monroe	Edmonds	Mt. Lake Terrace	Sultan	Snohomish	Lake Stevens
□ Apts	\$655	\$789	\$1,042	\$1,034	\$1,497	\$1,611	\$2,111	\$2,340.16	\$2,260	\$3,175	\$3,600	\$1,912.53

Caution!

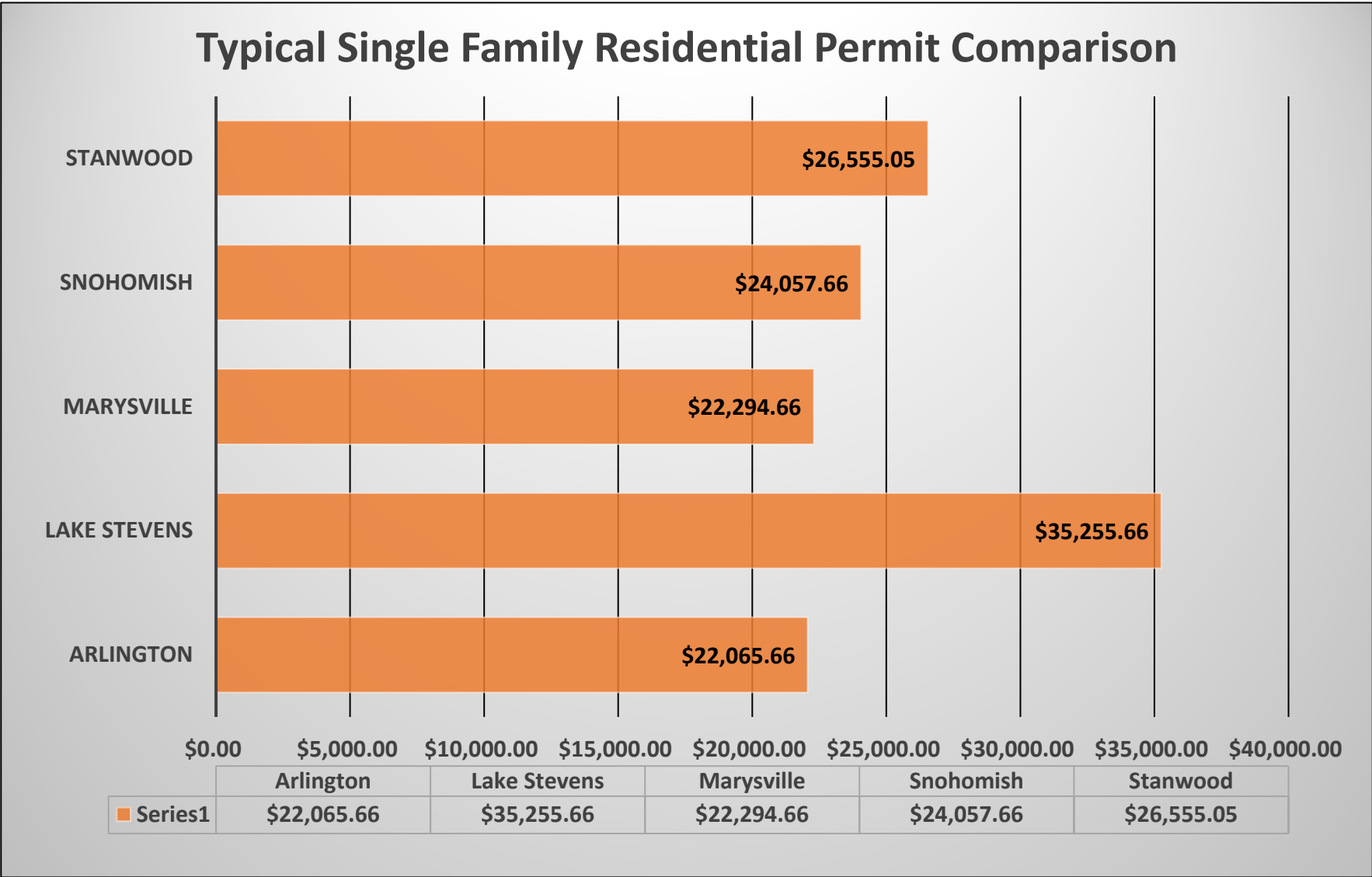
Comparison of Impact Fees:

- Different Formulas
- Different Land Prices
- Different Project Types

Stanwood Permit Fees:

Typical Single Family Residence		
Building/Plan Review Fees:		\$3,956.66
Connection Fees:	Water	\$50.00
	Sewer	\$50.00
	Drainage/Storm	\$50.00
	Street	\$50.00
Hook Up Fees:	Water	\$600.00
	Sewer	\$500.00
	Drainage/Storm	\$200.00
Plant Investment Fees:	Water	\$6,912.00
	Sewer	\$7,719.00
	Drainage/Storm	\$1,414.00
Impact Fees:	Traffic	\$3,523.39
	Parks	\$1,330.00
	Fire	\$200.00
	School	\$0.00
TOTAL:		\$26,555.05

Other City Permit Fees Comparison:



Next Steps:

- Review City Formula
- Review City Projects, Costs, and Proportional Share
- Determine if Changes are Needed
- If Changes are Recommended:
 - Update Ordinance
 - SEPA
 - Public Notice