

POULSBO DISTRIBUTION SCHEDULE

ORDINANCE NO. 2017-07

SUBJECT: Park Impact Fee Update

CONFORM AS TO DATES & SIGNATURES

- ☒ Filed with the City Clerk: 5/11/2017
- ☒ Passed by the City Council: 5/17/17
- ☒ Signature of Mayor
- ☒ Signature of City Clerk
- ☒ Publication: 5/26/17
- ☒ Effective: 5/31/17
- ☐ Recorded: _____

DISTRIBUTED COPIES AS FOLLOWS:

- ☒ NK Herald: 5/19/17
- ☒ Code Publishing
- ☐ City Attorney
- ☒ Clerk's Department: Original
- ☐ City Council
- ☐ Finance:
- ☒ Posted to Library Drive and Website
- ☐ _____

Rhiannon Fernandez

City Clerk

5/19
03/16/17

Date

ORDINANCE NO. 2017-07

AN ORDINANCE OF THE CITY OF POULSBO, WASHINGTON, AMENDING CHAPTER 3.84 OF THE POULSBO MUNICIPAL CODE IN ORDER TO UPDATE THE PARK IMPACT FEE AMOUNT; PROVIDING CLARIFICATION FOR WHEN THE IMPACT FEE AMOUNT IS TO BE UPDATED; PROVIDING FOR ANNUAL COST INDEXING; AND PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Poulsbo has established park impact fees in Chapter 3.84 of the Poulsbo Municipal Code; and

WHEREAS, pursuant to the Growth Management Act of the State of Washington and RCW 36.70A, the City of Poulsbo recently adopted a periodic update to its Comprehensive Plan, which includes provisions for park facilities as part of its Capital Facilities Plan; and

WHEREAS, RCW 82.02.050 authorizes cities to impose impact fees on development activity as part of the financing for public facilities, including park facilities; and

WHEREAS, in order that new parks and recreation facilities are available when needed, the Council has determined that the cost of the parks and recreation facilities must be shared by the public and the private sectors, and that a proportionate share of the expense of new parks and recreation facilities necessitated by new development should be borne by developers through the City's imposition of park impact fees, and

WHEREAS, such park impact fees shall be calculated, imposed and collected by the City pursuant to procedures and criteria set forth in this ordinance, and

WHEREAS, the park impact fee amount identified in subsection 3.84.090 is to be updated based upon the updated park capital facilities identified in the City's comprehensive plan periodic update, **NOW, THEREFORE**,

THE CITY COUNCIL OF THE CITY OF POULSBO, WASHINGTON, DO ORDAIN
AS FOLLOWS:

Section 1. Calculating park impact fee amount. Subsection 3.84.090 of the Poulsbo Municipal Code is hereby amended to read as follows:

3.84.090 Calculation of Park Impact Fee Amount.

A. The park impact fee to be paid by new development shall be **\$1174** ~~\$1195~~ per new residential lot or residential unit for which a building permit application has been made. The methodology by which the park impact fee was derived is set forth in the Park Impact Fee Technical Document, dated **April 2017** ~~August 2011~~, a copy of which is on file with the City Clerk and which is incorporated herein by this reference as if set forth in full.

B. No park impact fee shall be collected if the park improvements are incapable of being reasonably accomplished because of lack of public funds.

C. The impact fees imposed by this section should be reviewed whenever the capital facilities plan has been amended as to Park Level of Service standard, whenever the City's projected new population assumption is updated, ~~or whenever the Poulsbo Park, Recreation and Open Space plan is updated,~~ **d, but no less than every 8 years as part of the Poulsbo Comprehensive Plan periodic update cycle.** ~~The City shall review the park impact fee rates every two years to determine whether or not an updated impact fee technical document should be prepared. The first review shall occur November 2013, and every two years thereafter. If this review determines that a new technical document is not necessary, the City shall continue to collect impact fees at the rate in effect.~~

D. Failure of the City to review or amend the fee schedule shall not be a prerequisite to the continued imposition of fees under this chapter.

E. Cost Indexing. At the end of any 12-month period in which the City's Capital Facilities Plan listing system improvements that are the basis for park impact fees is not updated, the City Parks Director may adjust the park impact fee amount by the same percentage change of the CPI-U (Seattle), for the most recent 12-month period prior to the date of the adjustment.

Section 2. Applicability. The provisions of this ordinance apply to development approvals occurring after the effective date of its adoption.

Section 3. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 4. Effective Date. This ordinance shall take effect five (5) days after publication of the attached summary, which is hereby approved.

APPROVED:



REBECCA ERICKSON
MAYOR

ATTEST/AUTHENTICATED:

CITY CLERK, RHIANNON FERNANDEZ

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY:

BY _____
JAMES E. HANEY

FILED WITH THE CITY CLERK: 05/11/2017
PASSED BY THE CITY COUNCIL: 05/17/20107
PUBLISHED: 05/26/2017
EFFECTIVE DATE: 05/31/2017
ORDINANCE NO. 2017-07

SUMMARY OF ORDINANCE NO. 2017-07

of the City of Poulsbo, Washington

On the 17th day of May, 2017, the City Council of the City of Poulsbo, passed Ordinance No. 2017-07. A summary of the content of said ordinance, consisting of the title, provides as follows:

AN ORDINANCE OF THE CITY OF POULSBO, WASHINGTON, AMENDING CHAPTER 3.84 OF THE POULSBO MUNICIPAL CODE IN ORDER TO UPDATE THE PARK IMPACT FEE AMOUNT; PROVIDING CLARIFICATION FOR WHEN THE IMPACT FEE AMOUNT IS TO BE UPDATED; PROVIDING FOR ANNUAL COST INDEXING; AND PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

The full text of this Ordinance will be mailed upon request.

DATED this 18th day of May, 2017.

CITY CLERK, RHIANNON FERNANDEZ

Park Impact Fees Technical Document

Attachment to City of Poulsbo
Park Impact Fee Ordinance

April 2017

200 NE Moe Street ♦ Poulsbo, Washington 98370-7347
(360) 779-3901 ♦ Fax (360) 697-8269
www.cityofpoulsbo.com



I. **Introduction.**

The Park Impact Fee Technical Document has been prepared to establish the park impact fee for park and recreation facilities in the City of Poulsbo, Washington. The Technical Document describes the methodology and formula for calculating the park impact fee, as well as explanation of the variables used in the formula.

The Technical Document was prepared to support an update to the City of Poulsbo's Park Impact Fee ordinance as codified in PMC 3.84.

A. **Impact Fees v. Other Developer Contributions.**

Impact fees are charges paid by new development to reimburse local governments for the capital costs of public facilities that are needed to serve new development and the people who occupy or use the new development. Throughout this document, the term "developer" is used as a shorthand expression to describe anyone who is obligated to pay impact fees, including builders, owners or developers.

The impact fees described in this study do not include other legal forms of developer contributions or exactions, such as mitigation or voluntary payments authorized by SEPA (State Environmental Policy Act, RCW 43.21C), local improvement districts or other special assessment districts.

B. **Developer Options.**

A developer who is responsible for impact fees has several options regarding payment of impact fees as set forth in the Park Impact Fee Ordinance (new Poulsbo Municipal Code Section 3.84):

- 1) Payment of fee as set forth in the Park Impact Fee Ordinance (Section 3.84.090).
- 2) Submit data and/or analysis to demonstrate that the impacts of the proposed development are less than the impact fees calculated by the City. (Section 3.84.130).
- 3) Appeal the impact fee calculation by the City of Poulsbo. (Section 3.84.150).
- 4) Obtain a refund if the development does not proceed and no impacts are created (Section 3.84.170).
- 5) Obtain a refund if the City of Poulsbo fails to expend the impact fees within the prescribed timeframe (Section 3.84.170).

II. **Background and Authority for Impact Fees.**

Park mitigation in the City of Poulsbo was collected under the State Environmental Policy Act (SEPA) as a SEPA mitigation for many past years. The City moved to collecting Park Impact Fees under the Growth Management Act (GMA) as authorized by RCW 82.02 in 2011. The 2011 fees were calculated based upon the City's 2025 Capital Facilities Plan found in the 2009

Comprehensive Plan. The 2017 Park Impact Fee Update is based upon the 2016 Comprehensive Plan Update Capital Facilities Plan, and the 2016 update to the Poulsbo Parks, Recreation and Open Space Plan.

III. **Comprehensive Plan Capital Facilities Plan – Basis for Impact Fees.**

A. **Level of Service.**

Level of Service standards for the City's capital facilities are set forth in the 2016 Comprehensive Plan Capital Facilities Plan in Table CFP-2 (*reference: page 205*). The Park Level of Service standards are also identified in the park section of the Capital Facilities Plan Table CFP-11 "2036 Project Park Needs based on LOS" (*reference: page 255*).

The City has established a planned overall park system level of service standard of 13.73 acres per 1,000 population.

B. **2036 Park Facility Needs.**

Communities adopt level of service standards that are customized to meet their specific needs and financial wherewithal. The City is planning to maintain close to the 2015 existing level of service for the 2036 planning horizon citywide, but have made adjustments to the park type planned level of service standards to support acquisition and development priorities.

Table CFP-11 in the Comprehensive Plan's Capital Facilities Plan, sets forth the existing (2015) level of service for each of the City's park types and the 2036 planned level of service. By comparing the two, the 2036 park acreage needs was calculated.

Table CFP-11 2036 Park Need based on LOS

Park Type	2015 Existing Acres	2015 Existing Level of Service Acres per 1,000 population	2036 Planned Level of Service Acres per 1,000 population	2036 Acreage Need based on PLOS**	2036 Park Acreage Needs***
Neighborhood Park	19.33	1.94	2	29.62	10.29
Community Park	27.07	2.72	3.5	51.83	24.76
Regional Park	12	1.21	1.5	22.21	10.21
Open Space Park	74.60	7.50	6	88.85	14.25

Trails	5.59 miles or 4.08 acres*	.56 mile or .41 acres	1 mile or .73 acre	14.81 miles or 10.81 acres	9.22 miles or 6.73 acres
TOTAL	137.08 acres	13.78 acres/1,000 population	13.73 acres/1,000 population	203.32 acres	66.24 acres

* Trail miles are converted into acreage by assuming a 6' wide trail x 1 mile = .73 acre

** City's 2036 population of 14,808 was used to calculate total 2036 acreage needed.

*** 2036 Park acreage needs calculated by subtracting 2015 existing acres from 2036 acreage need based on PLOS.

IV. Park Impact Fee Factors and Formula.

This section sets forth the methodology for calculating the Park Impact Fee, and is from Chapter 7 of the 2016 Parks, Recreation and Open Space Plan, as included in Appendix B-5 of the 2016 Comprehensive Plan.

The City's Park Impact Fee is based upon the following factors:

2036 Park Facility Needs based on LOS	2036 Park Need
2036 Park Need adjusted to account for shared facilities and city owned land available for park use.	Adjusted 2036 Park Need
Adjusted Future Park Need * Cost of park land acquisition and development =	2036 Park Need Costs
2036 Park Need Costs adjusted to account for anticipated City and other public revenue sources	2036 Park Need Costs to be paid by new development
2036 Park Need Cost paid by new development / number of expected new dwelling units =	Park Impact Fee

The formula to calculate park impact fees is as follows:

2036 Park Need – Adjusted acreage = Adjusted 2036 Park Need
Adjusted 2036 Park Need * Estimated park land acquisition and development costs = 2036 Park Need Costs

2036 Park Need Costs – anticipated City and other public revenue sources = 2036 Park Need Costs to be paid by new development

2036 Park Need Cost paid by new development / number of expected new dwelling units = PIF

A. 2036 Park Need.

Table CFP-11 shows an existing inventory of parkland of 137.08 acres and a need of 203.32 acres by the year 2036, reflecting a deficit of 66.24 acres. The greatest need is for Community Parks, followed by Open Space Parks.

B. Adjusted 2036 Park Need.

There are two adjustments to the level of service standard acreage need of 66.24 that should be made. These adjustments are outlined below:

Credits from Non-City Parkland/Facilities and Anticipated Parkland donation:

Two types of public parkland have been identified as being available for the City to consider and credit in its demand and need analysis - North Kitsap School District fields and Washington State Department of Transportation SR 305 wetland mitigation open space land. Each is addressed below:

Partnership with North Kitsap School District

The City has formed a partnership with the North Kitsap School District (NKSD) through shared-use agreements for fields at four schools. These fields are available for City-sponsored recreation programs, as well as for the general public use.

Table CFP-12 Shared Fields with NKSD

NKSD Schools with Shared Use Agreement	Field Size
Vinland Elementary	3.4 acres
Strawberry Fields (Poulsbo Elementary)	8.34 acres
NK Middle School	20.4 acres
NK High School	11.08 acres
Total Shared Fields with NKSD	43.22 acres

Source: Poulsbo Planning and Economic Development Department GIS

The NKSD shared fields' total acreage is not available for City recreational programming or general public use all the time. Field use is reserved for school use weekdays generally between 8 a.m. and 5 p.m. during the school year. Middle school and high school facilities are less available for community use due to sports and activities conducted by NKSD. Overall, the annual community and public use is assumed at an average 40% annually. Based upon the public availability of the shared fields, the City

can apply a credit of 40% of the shared field acreage, which adds in 17.288 acres to the city inventory, and is applied to Community Park acreage need.

SR 305 Wetland Mitigation Acreage

As part of the SR 305 widening project in 2008-2009, WSDOT was required to establish a wetland mitigation site. This site is 13.69 acres, adjacent to SR 305 (near the Bond Road intersection), and is near the City's Betty Iverson – Kiwanis Park. An agreement between the City and WSDOT has the ownership of this land transferring to the City in approximately five years. This acreage should be credited as Open Space parkland, as the transference of ownership is assured.

Table CFP-13 2036 Adjusted Project Park Need

Park Type	2036 Park Acreage Needs	Credit to 2036 Needed Acres	Adjusted 2036 Park Acreage Needs
Neighborhood Park	10.29 acres		10.29 acres
Community Park	24.76 acres	- 17.288 acres (NKSD Shared fields)	7.47 acres
Regional Park	10.21 acres		10.21 acres
Open Space Park	14.25 acres	- 13.69 acres (WSDOT Wetland Mitigation)	.56 acres
Trails	9.22 miles or 6.73 acres		9.22 miles or 6.73 acres
TOTAL	66.24 acres	30.98 acres	35.26 acres

When the NKSD fields acreage and the SR 305 Wetland Mitigation acreage is credited, the needs in Community Park and Open Space Parks decrease, and bring the overall citywide 2036 Park Need to 35.26 acres. With these two adjustments, Neighborhood Parks becomes the highest priority park type for acquisition during the planning period, with Regional Parks a close second. The WSDOT Wetland Mitigation acreage almost entirely meets the 2036 Open Space Park needs.

C. 2036 Park Need Costs

The cost of meeting the 2036 Park Needs takes into account two contributors: park land acquisition and park land development.

Cost of Land Acquisition: The average parkland acquisition cost per acre is based on the 2015 average current assessed value of vacant land available in the City of Poulsbo, with these Assessor classification parameters: 1) vacant and undeveloped parcels between 1-3 acres in size; and 2) vacant, undeveloped and one single-family house 3 acres or larger in size. Do not include parcels that: 1) are in current use tax-exempt classification; 2) have a current preliminary plat, planned unit development, planned residential

development, site plan review, or binding site plan approval from the City; and 3) have non-residential zoning (this is because the Parks 20-year land acquisition list from the CFP are primarily located in Residential (R) zones).

The Poulsbo staff used GIS to calculate the total acreage of those parcels fitting within these classifications, then calculated a total assessed value, which was then calculated into a total average value per acre. The result of this exercise is a 2015 average assessed value of \$57,546 per vacant or available acre in the city limits of Poulsbo. *(Note: This is a decrease in average assessed value per vacant or available acre from the 2010 assessed value park impact calculation. Since assessments are completed on a six-year cycle, it is presumed the lower assessed values is remnant from the economic recession, and property assessed values will increase to be more aligned with market value in the near future. For purposes of this calculation, the average assessed value will be utilized, with the caveat that the park impact fee calculation is reviewed on a regular basis as set forth in the ordinance).*

Cost of Land Development: The average parkland development cost can be difficult to estimate because the cost of developing parkland varies widely depending on the type of park, the size of the parcel, the facilities to be installed, and the general site clearing and infrastructure installation. When determining the parkland development costs, the City considers the five park types and determined an average development cost per acre for each of the park types. This average is based upon the city's most recent park development costs, typical amenities associated with the park, and feedback provided to the City from other municipalities.

Neighborhood Park: average \$77,000 per acre
(Typical amenities: playground, picnic area, lawn/sitting area, barbeque, trails, viewing area)

Community Park: average \$115,000 per acre
(Typical amenities: playground, fields, picnic area/shelter, barbeque, trails/paths, lawn/sitting area, viewing areas, dog run, community gardens)

Regional Park: average \$130,000 per acre
(Typical amenities: playground, picnic area, trails/paths, lawn/sitting area, multi-purpose fields, viewing areas, picnic shelter)

Open Space Park: average \$63,000 per acre
(Typical amenities: trails and paths, viewing areas, viewing platforms, arboretum)

Trails: average \$35,000 per acre
(Typical development: grading and gravel path)

Parkland development costs can be calculated by applying the average cost per acre by park type to the 2036 Park Needed Acres, thereby generating a total estimated cost by park type. The total estimated cost by park type is then divided by the 2036 Park Need Acres of 35.26, to arrive at an average parkland development cost per acre.

Average Parkland Development Cost based on Park Type

Park Type	2036 Park Acreage Needs	Average Cost of Development per acre	Estimated Cost by Park Type
Neighborhood Park	10.29 acres	\$77,000	\$792,330
Community Park	7.47 acres	\$115,000	\$859,050
Regional Park	10.21 acres	\$130,000	\$1,327,300
Open Space Park	.56 acres	\$63,000	\$35,280
Trails	6.73 acres	\$35,000	\$ 235,550
TOTAL	35.26 acres		\$ 3,249,510
Average Parkland Development Cost per Acre			\$ 92,159

Total 2036 Park Need Costs: When the average parkland acquisition and parkland development is combined, the result is \$149,705 to acquire and develop an acre of parkland. When applied to the 2036 Park Acre need of 35.26 acres, the 2036 Park Need Cost is \$ 5,278,598 million.

D. 2036 Park Need Costs to be paid by new development

The total 2036 Park Need costs of \$ 5,278,598 must be shared between the City and new development. This is referred to as an “adjustment factor” and reflects the contribution public funds must make to future park development, as the financing system cannot rely solely on impact fees. The adjustment factor is based on the City’s evaluation of likely collection of payment (user fees, taxes) and the availability of public funds for future park capital improvements. Any existing deficiencies will be addressed through the City’s share of the improvement costs.

Predicted Public Funding Sources

The City anticipates contributing \$2.8 million through a variety of funding sources, including taxes, user fees, grants and donations over the 2036 planning period. This is based upon the City’s committed park general fund allocation, estimated state/federal grants and estimated donation of labor and supplies:

City General Fund Allocation (<i>\$85,000 per year for planning horizon</i>)	\$1.7M
City Estimate Federal/State Grants	\$800,000

Community donations of labor/supplies (based on past community donations)	\$300,000
<i>Total 2036 Estimated Public Funding:</i>	<i>\$2.8M</i>

Adjustment Factor

Based upon the City's predicted public funding sources over the 2036 planning horizon of \$2.8M, the City anticipates financing 53% of the 2036 Parkland Cost of \$5,278,598. The remaining \$2,478,598 is then divided by the number of housing units anticipated to be built between now and 2036.

Expected New Housing Units

The expected 2036 population is 14,808, which translates into a growth of 4,858 new people based on 2015 population. Population is translated into new housing units by utilizing the average household size of 2.3 (which is the 2010 Census average household size for Poulsbo city limits). Therefore, the remaining new expected housing units is 2,112.

$\$2,478,598 / 2112 \text{ new housing units} = \$1,173.57 \text{ Park Impact Fee}$

The resulting Park Impact Fee for new residential units is \$1,173.57

V. **Calculation of Impact Fee for New Development.**

The park impact fee to be paid by new development shall be calculated by multiplying \$1173.57 per residential lot or unit per submitted building permit.

As allowed by the Park Impact Fee Ordinance, a developer may elect to prepare an independent fee calculation study for a proposed development, pursuant to the requirements in Section 3.84.130.