

# SEQUIM PLANNING COMMISSION

Transit Center  
190 West Cedar Street  
Sequim, WA 98382  
Tuesday, February 2, 2010

**6:00 P.M. Regular Meeting**

## **REGULAR MEETING:**

### **I. CALL TO ORDER, PLEDGE OF ALLEGIANCE & ROLL CALL:**

East, Gardiner, Pedersen, Richmond and Wendt were present. Protze was absent.

Staff Present: Planning Director Dennis Lefevre and Capital Projects Manager Frank Needham.

### **II. APPROVAL OF MINUTES: January 19, 2010**

**MOTION** by Richmond to accept the minutes as read; second by Wendt.  
**Unanimously approved.**

### **III. ITEMS FROM THE PUBLIC NOT ALREADY ON THE AGENDA.**

#### **IV. NEW BUSINESS:**

##### **A. Impact Fees – 1<sup>st</sup> Touch**

Lefevre said tonight we will discuss the impact fees studies. There are four rate studies in the packet: parks, transportation, government and police. He provided a history of how we got to where we are today with the rate studies. Needham stated the intent of the executive summary indicates there has to be an intent and a calculation to determine how to assess a fee. He gave a brief overview of the summary. The studies recommend the highest impact fee possible, but lower amounts can be recommended and/or adopted.

#### **Police and Public Safety Facilities:**

Richmond asked in this report if they were using 2008 statistics. She has seen rashes of certain type crimes that would skew the figures. She likes the reports. They assume everyone doesn't know the acronyms and repeat them in most chapters, which is good. She doesn't understand why in the police and public safety report they didn't take an average of crimes over a timeframe. Needham feels they did try to balance it, but to take a five year average would have been harder to provide because of the way records were kept in the past.

Gardiner said the way calls are defined has been questioned over the years. There is controversy about calls in service being inflated that can skew the statistics. That

concern gets more telling on page 11 under methodology. They chose the minority statistics to go forward on and the costs shown at the end are questions to her. Needham said a call for service is a physical movement of an officer out of the station. Gardiner said the data over the last couple years may be flawed because they were pushing for a new police station and more officers. She is concerned about the bias on the standardized methodology.

Pedersen said there are so many variables in these reports you won't come up with the right answers. You need to find a way to create the maximum fee. Solutions will vary from year-to-year based on the economy. He suggests you go the highest you can to be on the safe side because you will still come up short.

East asked on page 14, table 10, at the bottom there is a square footage figure of 2,135,906, if that was an actual square footage of facilities today. Needham stated it is 2,222,000. It doesn't include SARC, Guy Cole, and PUD. It is a starting point and we can work off of it for the future.

#### General Government Buildings:

Gardiner feels the methodology works best on this report. She is concerned about basing an impact fee program based on a specific building. Because you didn't build the building you were assessing it for, that seems to be a weak area in that approach. You might be assessing a household for something that hasn't been built 20 years later. Politically that is a nightmare and causes disruption and conflict.

Needham said it is a problem but we have an obligation under RCWs and our code that six years from the date we assess the fee it has to be applied to the structure in the form of construction, land, engineering or architecture, and if not, it must go back. Gardiner wonders if that is the right device to address some aspect of this public need. Needham said there is legislation pending that says if it is to be applied to the repayment of a bond for the structure, then it can go to ten years. He will look that up to see if it was passed. She feels this may be the wrong device to accomplish the goal.

Needham said in Issaquah they didn't see bonds getting passed and they had tremendous growth going on, so they saw the potential of paying for the public facilities in a relatively short period of time by assessing the general government facility fee.

East said in other communities he has lived in they have bonded out the expense for building government buildings so that everyone in the community pays a certain percentage of their taxes toward it. The problem with that is they do not budget for interest that must be paid, and the public never felt they knew the whole story of the cost. He feels you need to spread the cost out to make it work.

Wendt asked if the new city hall was identified as an existing deficiency or is it something caused by growth. Needham said it is a combination of both. There is a

deficiency that already exists and the rate studies are supposed to help us identify them. There is a potential on all four studies that there are deficiencies.

Wendt asked if Washington law allowed impact fees to be used for bonds. He asked about the difference between the two fees. Needham said a mitigation fee is conditioned upon the project; impact fees are across the City.

Pedersen feels you should include the data from architects about the 24,000 square footage of the building and show assignment of square footage for the rooms included from office to courtroom, etc. Needham said we could put that in the appendices.

#### Park and Recreational Facilities:

Richmond said on page 3 under exemptions, it mentions exemptions for low income housing, but she feels differently about low income housing and affordable housing. She wondered if the broad public purpose development could apply to affordable housing. Lefevre said he would ask the consultant about it. She feels affordable housing is the group we need to serve the most and accommodate the most. If broad public purpose doesn't mean that, she would want it especially mentioned and included. Needham said there is language dealing with this in legislation.

Gardiner has concerns with the nature of ownership of low income or affordable housing having fees waived or deferred. Needham said if low income or affordable housing come to a point where it is removed from that category, fees are paid back to the City at the time.

East asked on page 12 if the result of \$2,057 would be added to a building permit fee? Lefevre said in Table 7 the persons per dwelling unit and type increases that number. Needham stated the 2010 Census may change the numbers for households as he expects them to go down.

#### Transportation Impact Fee:

Gardiner said for fees for dwelling units for this and the prior fee keeps climbing. Lefevre reminded them that Council can lower the fees.

East said his neighbor is building a house and paid the City \$21,000 in permit fees in November. These impact fees would add another \$8,000-\$9,000 in impact fees. That is obscene in his opinion. He is disappointed in the Building Association not coming forward to Planning Commission meetings in the recent years and not being more involved. It is getting more expensive to build in this town and possibly less desirable. It may be the general consensus in the community to slow growth down, but we are going to slow it down so much that nothing will happen here. That impact in the community might happen. He is not in favor of raising these fees to the maximum. They probably need to be there, but based on economics now is not the time to hit everyone with another \$10,000 in impact fees. He was not in favor of rates being raised on water and sewer.

Gardiner has faith in Council to bring these fees down to a manageable level. That is why we pay consultants to see what the max looks like. We haven't done this before in this County. Let's see the whole thing and see how we can make it fit.

Wendt said the acid test is to apply the fees to see what revenue is generated and compare that to what your finance needs are, and then look at what your level of service would be. The alternative to not finance these needs is you will have a lower level of service, be it streets, police, or whatever. That is the political decision to be made.

There was general discussion about how to make the fees fit.

Pedersen stated the more departments you keep in one building, the more efficient you will be.

Needham said the consultants did a good job with the list we gave them from the Capital Improvement Plan and our Transportation Improvement Program. We may or may not upgrade the projects on these lists to know what the costs are in a given year. We may raise the project cost by a cost of living percentage, or not. As the economy ramps up we may then see that the estimates are too low or too high. Are these projects valid projects to be calculating an impact fee again? Are they the right basis? Are we looking at the right projects? That is still an open issue. Lefevre said we did that with the Parks and Recreation Impact fee.

Feleana Wech, North Peninsula Home Builders Association, said in 2008 they commissioned an economic impact study from the National Association of Homebuilders and had Elliott Eisenberg present the information to City County and Planning Commission members at that time. She summarized the report statistics to the Commission, and has forwarded a copy of the report to the City Manager. She also recapped the fee increases experienced since 2006. Adding the impact fees at the highest level, roughly \$9,000, would quadruple the amount since 2006. With no impact fees we have experienced a 2-1/2 times increase since 2006. As we move forward she appreciates the open forum allowing the stakeholders to contribute. She cautioned these are tough economic times and housing will lead us to recovery. Adding more costs at this time is not a good idea.

Gardiner stated there is a problem with lack of available funding through the banks. Is the builders association doing anything to lobby for better credit deals and terms?

Wech said they are affiliated with the National Association of Homebuilders and on Capitol Hill they are working with regulators to try to find alternatives and solutions to the credit crunch we are experiencing now. There are alternative borrowing solutions that our organization has been looking at. We have met with local banks to discuss some of these issues and we are trying to free up those credit restraints. Without a flow of capital we are dead in the water. With things how they were in the credit market, the regulators have clamped down and it is no holds barred.

Needham said our consultants are looking at the studies she provided. He gave a brief history of why some of the rates have gone up over the last couple of years, and indicated we are now playing the catch-up game.

Wech reviewed the utility hook-up rates of some other cities in Washington compared to Sequim's indicating our rates are high.

**V. OLD BUSINESS: None**

**VI. ITEMS FROM COMMISSIONERS/COMMITTEE REPORTS**

**VII. DIRECTOR'S REPORT**

Lefevre advised he will miss the next two meetings. He stated we still need citizens to apply for the vacancy on the Commission.

**VIII. GOOD OF THE ORDER**

**IX. ADJOURNMENT:**

**MOTION** to adjourn by Gardiner; second by Wendt. **Unanimous.**

The meeting ended at 7:20 p.m.

Respectfully submitted,

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Bobbie Usselman, CMC  
Deputy City Clerk

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Mike East  
Vice Chair

**Next regular meeting is scheduled for Tuesday, February 16, 2010**