

City Council to vote on school impact mitigation fees

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By Chris Hendrickson, Monitor

Council held discussion last week on 2013 comprehensive plan amendments directly relating to school mitigation fees. The amendments, if approved, would reestablish the 50 percent discount in an effort to encourage and attract residential development within the city of Monroe.

Impact mitigation fees were designed as a method of offsetting the expense that new residential development incurs through the increased need for city services. When a developer wants to move forward with a new construction project, they must pay the impact fees prior to being issued a building permit. The fees are designated to pay for new growth accommodations in areas affected by increased population such as parks, schools and transportation, plus other city services.

The impact fees, which are mathematically established by Snohomish County, have historically been discounted in an effort to soften the blow to developers. In 2002, Monroe reduced the discount to 25 percent and began collecting 75 percent of the fee, due to a swiftly-growing school population. The city is now considering returning the discount to 50 percent, in hopes of offering extra incentive to developers looking to build in Monroe.

Park impact fees will be also looked at during the first quarter of 2014 to see if a reduction is feasible and the city will be lowering the transportation fees by 4 percent.

The school impact fee discount amount was up for discussion last year, and remained at 25 percent. School impact fees can be utilized towards new growth in the district; either through the construction of a new school facility or through the addition of portables. For years, the district has primarily been utilizing portables, the numbers of which continue to rise, particularly since the districts' 2010 capital facilities bond effort was voted down.

School board member Nancy Truitt Pierce addressed council during the public comments portion of the meeting, and shared her concerns over the increased discount proposal. Monroe School District schools are nearly all at capacity, with over 900 students being educated in portables.

"It's worse than last year, not better. It's still a really bad idea to lower mitigation fees for schools," said Truitt Pierce.

Truitt Pierce explained that the school district is behind in facilities upkeep, currently sitting with over \$117 million dollars in deferred maintenance. Throughout the recession, the district focused on preserving the classroom environment, prioritizing their available funding to maintain the level of teaching prior to spending on either administrative or maintenance costs.

“That’s how we got here. Through the downturn, we protected the classroom. We protected the teaching,” said Truitt Pierce. “We are behind; it is a crisis.”

“We’re ahead on parks; behind on school facilities,” said Truitt Pierce. “How can we work together and correct this?”

Council held preliminary discussion on increasing the discount amount to 50 percent.

Councilman Kevin Hanford stated that he is not in support of increasing the discount. He said that his constituents have not expressed to him concern over the city’s mandated expense to builders. No citizen has approached him supporting the idea that the cost to builders is so high that it necessitates a revision in the impact fee structure.

“I haven’t heard any of that from anyone. I’ve heard a lot of the opposite,” said Hanford.

Economic Development Coordinator Jeff Sax entered into the discussion, strongly supporting the change, stating that the city has an obligation through the GMA to provide sufficient homes to satisfy the population allocation. He stated that the city of Monroe’s growth target is currently lagging.

“We need more residential capacity,” said Sax.

Sax stated that maintaining the 25 percent discount does not help with the issue of the district’s deferred maintenance.

“There’s not one thing that an impact fee can do to solve that problem for the school district,” said Sax. “Impact fees can only be spent for new growth.”

Councilman Jason Gamble weighed in, and while sympathetic to the effects of the impact fees on builders, was in favor of supporting the school district as much as possible and maintaining the 25 percent discount.

“What we’re talking about is a building issue,” said Gamble. “Mitigation fees are used to help with that.”

Gamble advocated working closely with the school board and the planning commission to seek a solution.

“If we truly want to bring investment and growth we should be looking towards the schools as an asset,” said Gamble.

Councilman Tom Williams was supportive of increasing the discount, stating that while it may not seem like a couple thousand dollars would be very impactful to a builder, it actually does affect their decision-making process when determining where to do a project.

“They’re just like any other businessman,” said Williams. “I’m in favor of what we’re proposing.”

Councilman Kurt Goering also supported increasing the discount amount.

Councilmember Patsy Cudaback was in support of maintaining the 25 percent discount.

“We do have building happening again, we are coming out of the recession, we are getting calls, we are seeing building... We are seeing builders come,” said Cudaback.

She stated that she has not yet seen hard facts indicating that a slightly larger discount would help bring in an influx of developers.

“There’s been no data or documentation that has shown us that doing this will change what’s happening right now,” said Cudaback. “I hope to hear from citizens and others on this issue.”

Council is planning to act on the proposed comprehensive plan amendments on Dec. 10.