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Sequim hears pitch for fees on new homes in its future

By Paul Gottlieb
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SEQUIM -- Whether they build them for \$200,000 or \$2 million, owners of new homes not subject to a potential low-income waiver would pay an additional \$9,036 in impact fees if the City Council approves a plan outlined Monday at a study session.

But while council member Bill Huizinga predicted that the council will likely adopt new fees at its March 22 meeting, he said the \$9,036 total could shrink by then.

"It's a huge issue," Huizinga said after the 90-minute meeting, adding that impact fees for parks are a possible downsizing target.

The charges would pay for capital projects and improvements related to parks, transportation infrastructure, police services and government services, much of it caused by strains from Sequim's pre-2009 frantic pace of development.

"Growth can be charged for what the impacts are," consultant Randy Young of Redmond-based Henderson, Young & Co. said as he presented the results of his impact-fee study, one of about 180 he has authored.

He listed four potential fees the City Council could adopt that factored in population, public usage, the city's plans for capital facilities and improvements, the space used now by the public in public facilities and a host of other variables.

Park improvements

The fee for park improvements -- purchase of new land for parks is not anticipated -- would cost future homeowners \$3,950.

They would pay a \$2,893 fee for transportation infrastructure, \$1,475 for general government and \$718 for police.

If imposed, the fees altogether would annually generate \$2.6 million -- \$1.03 million for parks, \$860,000 for transportation, \$420,000 for government services and \$290,000 for police services.

"Our hands have been tied over the years with reductions in revenue and state grants," Young said.

"Yet the need for streets and parks has not gone away."

With impact fees, "growth pays a portion of the cost so existing taxpayers don't pay the whole cost," he added.

Had the fees been in place for the last 10 years, the city would have collected \$9 million in revenue, City Manager Steve Burkett said.

Own standard

Young said the city can set its own standard for what constitutes waivers for low-income, affordable dwellings.

The more than 60 Washington cities that have imposed the fees mainly use a formula that includes federal poverty standards and median-priced homes in the area, Young said.

Sequim's fees would sit in the upper middle of that list.

But if there is a waiver, the city would have to make up the fees that would have been collected from other funding sources, he said.

The wave of voter anger over taxes and the subsequent volley of tax-cutting initiatives during the last 20 years in places such as Washington and California have shown that "we really like users to pay for things," Young said.

He said it's a myth that impact fees stop development.

Far more goes into a potential homeowner's decision to move to an area than impact fees, including land availability, amenities, "the things that draw a person to a community," Young said.

"It raises the prices of the product, but the buyer recognizes that in paying that price, they are avoiding having to pay taxes for that same thing."

Other updates

After the study session, the council was scheduled to receive an update on the Battelle labs annexation, surplus vehicles and equipment and law-enforcement-related bills in the state Legislature.

The council also was scheduled to establish a timeline for initial work on the city's new transportation benefit district, establish a regular meeting date, place and time for the benefit district board, set a date for adoption of district bylaws and a charter and set a date for adoption of 2010 projects and policies.

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