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Council postpones decision on impact fee removal

by Tara Nelson



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After much deliberation, Blaine City Council agreed Monday to extend the public comment period on a proposal to waive traffic and park impact fees for development.

The proposal came shortly after the council eliminated all water and sewer connection fees within city limits in order to spur economic development. Council took action after Fairhaven developer Ken Imus and colleague Kathleen Hill threatened to pull out of Blaine development altogether if the city did not make substantial revisions to development fees.

Hill is a principal with Community Studio, a Salt Lake City-based group that is interested in developing property on the Blaine waterfront. Imus is affiliated with the group and has other significant land holdings in the city.

Impact fees are typically used to fund projects that are detailed in the city's capital facilities plan for traffic and park improvements. A developer of planned unit development, for example, would likely pay impact fees for intersection and road improvements on that project to ensure the increase in traffic would not jeopardize the safety or quality of life enjoyed by current residents.

The three alternatives under consideration would remove or reduce impact fees for various areas in the city or altogether. Option one would eliminate impact fees citywide; option two would eliminate impact fees in the downtown commercial district; and option three would suspend impact fees city wide while a study is completed.

Blaine city planner Alex Wenger who spoke on behalf of the parks and recreation committee, was one of many who urged council members to keep park impact fees, which are used to fund improvement projects outlined in the 2004 parks and recreation plan.

Wenger said some of the projects that could be threatened are improvements to Pearl Street, Kilmore, Salishan and Montfort parks as well as an extension to the Peace Portal community trail.

"Those projects would have a hard time being funded if no other money is being given to the parks fund," he said.

Northwest Park and Recreation District 2 commissioner and Blaine resident Terry Johnson agreed, encouraging the city council to think long and hard about the possible ramifications such a proposal might cause in the future. "Don't move fast," he said. "Sit back, listen and gather all facts. Let's remember this is a great community to live in. The city of Blaine is like a corporation in which the citizens are the shareholders and the city council is the board of directors. We need to set a direction for growth that meets the needs of the shareholders."

Johnson added the reason behind impact fees is so the cost of an increased demand of services from new development isn't pushed onto existing residents. "You may as well call it an emissions charge," he said. "We have good quality vacation land here and don't give it away. The new residents should pay for what they're going to need."

While a detailed analysis of the financial impact has not been completed, city documents estimate the city would lose approximately \$1.5 million in foregone revenue from the elimination of park impact fees over the next 20 years, or about \$75,000 annually.

Not everyone agreed. Blaine resident and realtor Ron Freeman said even without impact fees, the city still profits from business.

through business and operations tax, excise taxes and the multiplier effects of doing business.

Freeman added that plenty of storefront owners downtown are paying property taxes to maintain empty spaces. "I love this town but the direction it's heading is like putting a giant banner up that says we're bad for business," he said. "This town is dying."

Freeman urged the council to eliminate impact fees and look at the planning processes that may be cumbersome to develop.

"The requirements here are something near cities like Seattle or Everett, where you know something will happen if you build something," he said. "Here, it's a risk. We need a shot of life."

Council member Jason Overstreet agreed. He said the city of Ocean Shores recently waived such fees and the forgone revenue from impact fees was recovered up to 600 percent by property, lodging and business and operations taxes.

Council member Harry Robinson argued that if Overstreet's theory was correct, one would expect to see the cities of Sumas and Nooksack overdeveloped and the city of Bellingham a ghost town.

The city of Bellingham charges \$4,808 in impact fees per single family residence while the city of Ferndale charges \$1,872 and the city of Blaine charges \$1,000. There are no impact fees in the cities of Sumas and Nooksack.

Council member Paul Greenough said he would like to allow more time to see how the removal of the city's water and sewer impact development before taking further action. "The elephant in the room was the general connection fees and those have been removed," he said. "Let's see if it works before we start throwing the chipmunks out with the room as well."

The council is scheduled to make a final decision regarding impact fees at their next meeting October 12 at city hall. The proposed amendments can be viewed online at www.cityofblaine.com.

