

CITY OF KENMORE  
WASHINGTON  
**ORDINANCE NO. 19-0483**

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**AN ORDINANCE OF THE CITY OF KENMORE,  
WASHINGTON, RELATING TO PARK IMPACT FEES;  
AMENDING CHAPTER 20.47 OF THE KENMORE  
MUNICIPAL CODE; AND PROVIDING AN EFFECTIVE  
DATE.**

WHEREAS, the City has the authority to adopt impact fees to address park and recreation impacts caused by new residential developments pursuant to Chapters 36.70A, 43.21C, 58.17, and 82.02 RCW; and

WHEREAS, assessment in lieu of property dedication is one of several methods available to ensure that property development assumes a reasonable, attributable, and proportionate share of the cost of providing parks and recreation facilities necessary to serve the population of each development; and

WHEREAS, the Kenmore City Council, by Ordinance No. 01-0109, passed on June 11, 2001, adopted park impact fees based on a 2001 rate study commissioned by the City; and

WHEREAS, in 2019, the City commissioned a new Park Impact Fee Rate Study to update the methodology used to calculate the park impact fee rates so as to meet the requirements of state law;

WHEREAS, the 2019 Rate Study identified that all six nearby municipalities have updated their park impact fee rate methodology and increased their rates within the last five years; and

WHEREAS, the City Council desires to adopt the 2019 Park Impact Fee Rate Study as the methodology for park impact fee rates, and to adopt related amendments to Kenmore Municipal Code Chapter 20.47; and

WHEREAS, the City Council desires to adopt park impact fees for new residential development for the year 2020 that are lower than the maximum rate calculated in the 2019 Park Impact Fee Rate Study, but comparable to and representing an average of park impact fee rates collected by all six nearby municipalities; and

WHEREAS, there are other administrative changes needed to clarify the intent of the existing code; and

WHEREAS, on **July 3, 2019**, the City's SEPA Responsible Official complied with the State Environmental Policy Act (SEPA) by issuing a Determination of Nonsignificance (DNS); and

WHEREAS, the proposed amendments contained herein were transmitted to the Washington State Department of Commerce on June 3, 2019 as required by law; and

WHEREAS, on July 22, 2019, the City Council conducted a public hearing on this Ordinance; and

WHEREAS, the City Council considered this Ordinance during its regular City Council meeting of July 22, 2019, and concluded that Chapter 27.40 should be amended as stated herein;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Findings Adopted; 2019 Park Impact Fee Study. The City Council adopts the foregoing recitals as findings, which are incorporated herein as if set forth in full.

Section 2. Amendments to Chapter 20.47 of the City of Kenmore Municipal Code. The City Council amends Kenmore Municipal Code Sections 20.47.010, 20.47.020, 20.47.050, 20.47.060, 20.47.110, 20.47.120, 20.47.130, and 20.47.140, as set forth in Attachment 1, attached hereto and incorporated by reference.

Section 3. Park Impact Fees for the year 2020, effective January 2, 2020. The City Council adopts Park Impact Fees for all applications for development approval (as defined at KMC 20.47.020) for the year 2020, effective January 2, 2020, as follows: for detached single-family dwelling units (as defined at KMC 18.20.840, 18.20.695) the fee shall be \$3,885; for attached multi-family dwelling units (as defined at KMC 18.20.835) the fee shall be \$2,980; and for detached mobile home units (as defined at KMC 18.20.1750, 8.20.1675, 18.20.695) in a Mobile Home Park (as defined at KMC 18.20.1750) the fee shall be \$1,942.

Section 4. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall be effective January 2, 2020, and shall apply to all applications for development approval (as defined at KMC 20.47.020) made on or after that date.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE \_\_\_\_TH DAY OF \_\_\_\_\_, 2019.

CITY OF KENMORE

\_\_\_\_\_  
David Baker, Mayor

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Kelly Chelin, City Clerk

Approved as to form:

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Dawn Reitan, City Attorney

Filed with the City Clerk: July 22, 2019  
Passed by the City Council: July 22, 2019  
Ordinance No.: 19-0483  
Date of Publication: July 5, 2019  
Effective Date: January 2, 2020

**Attachment A**  
**Proposed Amendments to Ch. 20.47 KMC**

**20.47.010 Findings and authority.**

The city council of the City of Kenmore (the “*council*”) hereby finds and determines that new growth and development, including but not limited to new *residential*, commercial, retail, office, and industrial development, in the City of Kenmore will create additional demand and need for *public facilities* serving the City of Kenmore, and the *council* finds that new growth and development should pay a proportionate share of the cost of new facilities needed to serve the new growth and development. The City of Kenmore prepared initial studies to support the adoption of these impact fees, and prepared supplemental studies to analyze necessary updates to these fees, , all of which document the procedures for measuring the impact of new developments on *public facilities*. In conjunction with the Northshore School District, the City of Kenmore likewise reviews school impact fee analyses. The City of Kenmore hereby incorporates these studies, as amended, and their analyses into this chapter by reference. Therefore, pursuant to Chapter 82.02 RCW, the *council* adopts this chapter to assess *impact* fees for transportation, *parks* and schools. The provisions of this chapter shall be liberally construed in order to carry out the purposes of the *council* in establishing the *impact fee* program. [Ord. 18-0463 § 2 (Exh. 1); Ord. 16-0420 § 7 (Exh. 5).]

**20.47.020 Definitions.**

The following words and terms shall have the following meanings for the purposes of this chapter, unless the context clearly requires otherwise. Terms otherwise not defined herein shall be defined pursuant to RCW 82.02.090, or given their usual and customary meaning.

A. “Accessory dwelling unit” means a separate complete *dwelling unit* attached to or contained within the *structure* of the primary dwelling; or contained within a separate *structure* that is accessory to the primary *dwelling unit* on the premises.

- B. “Building permit” means an official document or certification which is issued by the building official and which authorizes the construction, alteration, enlargement, conversion, reconstruction, remodeling, rehabilitation, erection, demolition, moving or repair of a building or structure.
- C. “Capital facilities plan” means the capital facilities plan element of a comprehensive plan adopted by the City of Kenmore pursuant to Chapter 36.70A RCW, and such plan as amended.
- D. “City manager” means the city manager or the city manager’s designee.
- E. “Council” means the city council of the City of Kenmore.
- F. “Development activity” means any construction, expansion, or change in the use of a building or structure that creates additional demand and need for *public facilities*.
- G. “Development approval” means any written authorization from the City of Kenmore which authorizes the commencement of a *development activity*.
- H. “Dwelling unit” means one or more rooms designed for occupancy by a person or *family* for living and sleeping purposes, containing *kitchen facilities* and rooms with internal accessibility, for use solely by the dwelling’s occupants. *Microhousing dwelling units* may share *kitchen facilities* with other dwelling units in place of providing *kitchen facilities* within each unit.
- I. “Elderly” means a person aged 62 or older.
- J. “Encumbered” means to reserve, set aside, or otherwise earmark the impact fees in order to pay for commitments, contractual obligations, or other liabilities incurred for *public facilities*.
- K. “Feepayer” is a person, corporation, partnership, an incorporated association, or any other similar entity, or department or bureau of any governmental entity or municipal corporation, commencing a land *development activity* which creates the demand for additional capital facilities, and which requires the issuance of a *building permit*. “Feepayer” includes an applicant for an impact fee credit.
- L. “Gross floor area” means the total square footage of any building, structure, or use, including accessory uses.
- M. “Hearing examiner” means the examiner who acts on behalf of the City in considering and applying land use regulatory codes as provided under this code. Where appropriate, “hearing examiner” also refers to the office of the hearing examiner.
- N. “Impact fee” means a payment of money imposed by the City of Kenmore on *development activity* pursuant to this chapter as a condition of granting development approval in order to pay for the *public facilities* needed to serve new growth and development. “Impact fee” does not include a reasonable permit fee, an application fee, the administrative fee for collecting and handling impact fees, or the cost of reviewing *independent fee calculations*.

O. “Impact fee account” or “account” means the account(s) established for each type of public facility for which impact fees are collected. The accounts shall be established pursuant to KMC 20.47.080 and 20.47.090 and comply with the requirements of RCW 82.02.070.

P. “Independent fee calculation” means the transportation impact calculation, park impact calculation, school impact calculation, and/or economic documentation prepared by a *feepayer* to support the assessment of an *impact fee* other than by the use of the rates listed in Article II of this chapter, or the calculations prepared by the *city manager* where none of the fee categories or fee amounts in Article II of this chapter accurately describe or capture the impacts of the new development.

Q. “Interest” means the average interest rate earned in the last fiscal year by the City of Kenmore.

R. “Interlocal agreement” means the agreement between the Northshore School District and the City governing the operation of the school impact fee program and describing the relationship, duties and liabilities of the parties.

S. “ITE Land Use Code” means the classification code number assigned to a type of land use by the Institute of Transportation Engineers in the version of “Trip Generation” adopted by the City.

T. “Low-income housing” means housing with a monthly housing expense that is no greater than 30 percent of 80 percent of the median family income adjusted for family size in King County, as determined by the United States Department of Housing and Urban Development (HUD). In the event that HUD no longer publishes median income figures for King County, the County may use or determine such other method as it may choose to determine the King County median income, adjusted for household size.

U. “Mobility unit” means one p.m. peak hour person trip end. Each person trip has two trip ends, one each at the origin and destination.

V. “Open space” means for the purposes of this chapter undeveloped public land that is permanently protected from development (except for the development of trails or other passive public access or use).

W. “Owner” means the owner of record of real property, or a person with an unrestricted written option to purchase property; provided, that if the real property is being purchased under a recorded real estate contract, the purchaser shall be considered the owner of the real property.

X. “Parks” means parks, *open space*, and recreational facilities, including but not limited to ball fields, golf courses, athletic fields, soccer fields, swimming pools, tennis courts, volleyball courts, neighborhood parks, community parks, and *open space*.

Y. “Parks study” means the most recent report of the methodology and calculation of impact fees for park facilities kept on file with the City Clerk.

Z. “Project improvements” means site improvements and facilities that are planned and designed to provide service for a particular development or users of the project, and are not *system*

*improvements*. No improvement or facility included in a *capital facilities* plan adopted by the *council* shall be considered a project improvement.

AA. “Public facilities” means the following capital facilities owned or operated by the City of Kenmore or other governmental entities: (1) public transportation facilities; (2) publicly owned *parks, open space*, and recreation facilities; and (3) public school facilities.

BB. “Transportation study” means the most recent report of the methodology and calculation of impact fees for transportation projects kept on file with the City Clerk.

CC. “Residential” or “residential development” means all types of construction intended for human habitation. This shall include, but is not limited to, single-family, duplex, triplex, and other multifamily development.

DD. “School impact fee analysis” means the school impact fee analysis contained in the Northshore School District Capital Facilities Plan.

EE. “Square footage” means the square footage of the *gross floor* area of the development.

FF. “State” means the State of Washington.

GG. “System improvements” means *public facilities* that are included in the *capital facilities plan* of the City of Kenmore or the Northshore School District as adopted by reference in the City’s comprehensive plan and are designed to provide service to service areas within the community at large, in contrast to *project improvements*.

HH. “Transportation facility” means public easements or right-of-way that enables motor vehicles, transit vehicles, bicycles and/or pedestrians to travel between destinations.

II. “Trip generation” means the number of *mobility units* generated by a *development activity*. [Ord. 18-0463 § 2 (Exh. 1); Ord. 16-0420 § 7 (Exh. 5).]

#### **20.47.050 Credits.**

A. A *feepayer* can request that a credit or credits for *impact fees* be awarded to him/her for the total value of dedicated land, improvements, or construction provided by the *feepayer*. Credits will be given only if the land, improvements, and/or the facility constructed are:

1. Included within the *capital facilities plan* and identified on the list of *impact fee* projects in the *transportation study, parks study* or *school impact fee analysis*; and
2. At suitable sites and constructed at acceptable quality as determined by the City or Northshore School District; and

3. For *parks*:

- a. Such *park, recreation or open space* land improvements or construction completed shall be adjacent to other publicly owned *park, recreation or open space* land; or
- b. Be within an area of the City designated within the City comprehensive plan as in need of *park, open space or recreation facility* space; or
- c. Would in some other way further the goals and objectives of the *capital facilities plan* or other City plans.

B. The *city manager* shall determine if a request for a credit or credits meets the criteria in subsection A of this section. When a *feepayer* requests a credit for school *impact fees*, the *city manager* shall receive input from the Northshore School District before making the decision.

C. For each request for a credit or credits the *city manager* shall select an appraiser or the *feepayer* may select an independent appraiser acceptable to the *city manager*.

D. The appraiser must possess an MAI or other equivalent certification and shall not have a fiduciary or personal interest in the property being appraised. A description of the appraiser's certification shall be included with the appraisal, and the appraiser shall certify that he or she does not have a fiduciary or personal interest in the property being appraised.

E. The appraiser shall be directed to determine the total value of the dedicated land, improvements, and/or construction provided by the *feepayer* on a case-by-case basis.

F. The *feepayer* shall pay for the cost of the appraisal or request that the cost of the appraisal be deducted from the credit which the *city manager* may be providing to the *feepayer*, in the event that a credit is awarded.

G. After receiving the appraisal, the *city manager* shall provide the *feepayer* with a letter or certificate setting forth the dollar amount of the credit, the reason for the credit, the legal description of the site donated where applicable, and the legal description or other adequate description of the project or development to which the credit may be applied. The *feepayer* must sign and date a duplicate copy of such letter or certificate indicating his or her agreement to the terms of the letter or certificate and return such signed document to the *city manager* before the *impact fee* credit will be awarded. The failure of the *feepayer* to sign, date, and return such document within 60 calendar days shall nullify the credit.

H. No credit shall be given for *project improvements*.

I. Any claim for credit must be made with the *impact fee* calculation submittal. The failure to timely file such a claim shall constitute a final bar to a later request for any such credit.

J. Determinations made by the *city manager* pursuant to this section shall be subject to the appeals procedures set forth in KMC 20.47.070. [Ord. 18-0463 § 2 (Exh. 1); Ord. 16-0420 § 7 (Exh. 5).]

**20.47.060 Tax adjustments.**

Pursuant to and consistent with the requirements of RCW 82.02.060, the *transportation study*, the *parks study* and the *school impact fee analysis* have provided adjustments for future taxes to be paid by the new development which are earmarked or proratable to the same new *public facilities* which will serve the new development. The *impact fee* rates in Article II of this chapter have been reasonably adjusted for taxes and other revenue sources which are anticipated to be available to fund public improvements. [Ord. 18-0463 § 2 (Exh. 1); Ord. 16-0420 § 7 (Exh. 5).]

**20.47.110 Review.**

The *council* may review and adjust the fee rates set forth in Article II of this chapter as it deems necessary and appropriate in conjunction with the annual update of the *capital facilities plan* element of the City's comprehensive plan; provided, that the *city manager* may adjust transportation and park *impact fees* annually in accordance with a five-year rolling average of the Washington State Department of Transportation Construction Cost Index ("CCI"), [Ord. 18-0463 § 2 (Exh. 1); Ord. 16-0420 § 7 (Exh. 5).]

**20.47.120 Transportation impact fee.**

The transportation *impact fee* rates shall be determined by the formula for calculating *impact fees* set forth in the *transportation study*, which is incorporated herein by reference. Except as otherwise provided for *independent fee calculations* in KMC 20.47.140, exemptions in KMC 20.47.040, and credits in KMC 20.47.050, all new developments in the City will be charged the transportation *impact fee* in an amount applicable to the type of development, as established by the *council* by resolution. [Ord. 18-0463 § 2 (Exh. 1); Ord. 16-0420 § 7 (Exh. 5).]

**20.47.130 Park impact fee.**

The park *impact fee* rates shall be determined by the formula for calculating *impact fees* set forth in the *parks study* and the parks, recreation, and open space plan, which are incorporated herein by reference. Except as otherwise provided for *independent fee calculations* in KMC 20.47.140, exemptions in KMC 20.47.040, and credits in KMC 20.47.050, all new *residential developments* in the City will be charged the park *impact fee* in an amount applicable to the type of development, as established by the *council* by resolution. [Ord. 18-0463 § 2 (Exh. 1); Ord. 16-0420 § 7 (Exh. 5).]

#### **20.47.140 Independent fee calculations.**

A. If, in the judgment of the *city manager*, none of the fee categories or fee amounts set forth in KMC 20.47.120, 20.47.130 or 20.47.135 accurately describe or capture the impacts of a new development on transportation, parks or schools, an *independent fee calculation* may be performed, and the *city manager* may impose alternative fees on a specific development based on those calculations. In cases where a *feepayer* requests an *independent fee calculation* for school *impact fees*, the *city manager* shall receive input from the Northshore School District before making the decision. The alternative fees and the calculations shall be set forth in writing and shall be mailed to the *feepayer*.

B. If a *feepayer* opts not to have the *impact fees* determined according to KMC 20.47.120, 20.47.130 or 20.47.135, then the *feepayer* shall prepare and submit to the *city manager* an *independent fee calculation* for the *development activity* for which a *building permit* is sought. The documentation submitted shall show the basis upon which the *independent fee calculation* was made.

C. Any *feepayer* submitting an *independent fee calculation* will be required to pay the City a fee to cover the cost of reviewing the *independent fee calculation*, in the amount established by the *council* by resolution, unless otherwise established by the *city manager*, and the fee shall be paid by the *feepayer* prior to initiation of review.

D. There is a presumption that the calculations set forth in the *transportation study*, *parks study* and *school impact fee analysis* are valid. The *city manager* shall consider the documentation submitted by the *feepayer* but is not required to accept such documentation or analysis which the *city manager* reasonably deems to be inaccurate or not reliable, and may, in the alternative, require the *feepayer* to submit additional or different documentation for consideration. The *city manager* is authorized to adjust the *impact fees* on a case-by-case basis based on the *independent fee calculation*, the specific characteristics of the development, and/or principles of fairness. The fees or alternative fees and the calculations shall be set forth in writing and shall be mailed to the *feepayer*.

E. Determinations made by the *city manager* pursuant to this section may be appealed as set forth in KMC 20.47.070. [Ord. 18-0463 § 2 (Exh. 1); Ord. 16-0420 § 7 (Exh. 5).]



**CITY OF KENMORE**  
**PARKS AND RECREATION IMPACT FEE**  
**RATE STUDY REPORT**

**May 2019**

**Prepared by:**



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## INTRODUCTION

RCW 82.02.050 through 82.02.110 (“Impact Fee Law”) authorizes cities to impose impact fees for publicly-owned parks, open space and recreation facilities (hereafter “park facilities”). These impact fees for park facilities (“impact fees”) can be imposed on development as a condition of development approval to pay for park facilities that are needed to serve new growth and development activity means any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any changes in the use of land, that creates additional demand and need for park facilities.

Under the Impact Fee Law, the park impact fees must be used for system improvements, which are public facilities that are included a city’s capital facilities plan and are designed to provide service to service areas within the community at large, in contrast to project improvements, which are site improvements and facilities that are planned and designed to provide service to a particular development project and that are necessary for the use and convenience of the occupants or users of the project. The impact fees cannot be used to pay for maintenance and repair, and cannot exceed the development’s proportionate share of the public facilities costs. The impact fees must be spent or encumbered within ten years of receipt (unless there is an extraordinary and compelling reason for the fees to be held longer than ten years. In addition, a city cannot finance public facilities entirely with impact fees; the financing of public facilities must have a balance of impact fees and other sources of public funds.

Under the Impact Fee Law, cities can set a “level of service” standard for park facilities that is different from level of service standards for other facilities that are not financed in part by impact fees. If a city’s current system of park facilities has less investment than called for by the level of service standard, then there is a “deficiency;” if the current system of park facilities exceeds the level of service standard, then there is a “reserve capacity.” Impact fees cannot be used to address deficiencies, though they can be used to reimburse a city for reserve capacity.

The City of Kenmore has elected to use a standard that is equal to the current level of public facilities per capita. This means that there is no deficiency and no reserve capacity, and that the impact fees will sustain the current level of service by keeping up with growth.

Updating the City’s park impact fee rates (hereafter “impact fees”) is one of the 2019 budget goals for the City. The City first adopted park impact fees in 2001 set by a rate study. Since then, the City has purchased park lands and built park facilities for all residents. Thus, park level of service has increased significantly. The City wants to make sure that the current park level of service is maintained for all citizens and that new residents will pay for their fair share of future park facilities.

## CALCULATIONS

### Population Forecast

The City's estimated population in 2035 will be 28,573, based on the City's Comprehensive Plan. This represents a 5,553 population increase from the City's current population of 22,920 (2018).

### Per Capita Park Value

The City's per capita park level of service is determined by taking the value of the current park facilities and dividing it by the current city population. Table 1 below shows the list of current park facilities and the value of the City's park system facilities.

*Total Value of Existing Park Facilities System ÷ Current Kenmore Population = Per Capita Park Value (LOS)*

Per Capita Park Value (LOS) is =  $\$74,705,497 \div 22,920 = \mathbf{\$3,259}$

**Table 1 – Value of City’s Park Facilities System**

<b>Asset Type</b>	<b>Total</b>	<b>Unit</b>	<b>Unit Measure (4)</b>	<b>Value/Unit (2)</b>	<b>Total</b>
Public Art	2	2	Each	\$5,000.00	\$10,000
Ped Bridges	2	2	Each	\$117,885	\$235,770
Pier	1	17500	Square Feet	\$600.00	\$10,500,000
Floating Docks	3	3	Each	\$160,000	\$480,000
Trails- Boardwalk	1	1872	Square Feet	\$129.50	\$242,424
Outdoor Restrooms	3	1263	Square Feet	\$145.00	\$183,135
Buildings	2	10640	Square Feet	\$300.00	\$3,192,000
Minor Structures		3695		\$80.00	\$295,600
Basketball Courts	1	3165	each	\$31.60	\$100,014
Skate Court	1	5542	Square Feet	\$60.00	\$332,520
Drinking Fountains	4	4	Each	\$12,000.00	\$48,000
Fencing	11	4043	Linear Feet	\$30.00	\$121,290
Baseball Field	1	55780	Square Feet	\$10.75	\$599,635
General Use Field Area: 8+		106841	Square Feet	\$2.10	\$224,366
Litter Receptacle	43	43	Each	\$500.00	\$21,500
Benches	49	49	Each	\$750.00	\$36,750
Picnic Tables	31	31	Each	\$1,500.00	\$46,500
Picnic Shelter	2	1250	Square Feet	\$70.00	\$87,500
Playgrounds	7	25869	Square Feet	\$18.65	\$482,457
Railings		648	Linear Feet	\$90.00	\$58,320
Signs- Entry	21	21	Each	\$13,000.00	\$273,000
Signs-Educational	19	19	Each	\$1,000.00	\$19,000
Signs- Regulatory	46	46	Each	\$250.00	\$11,500
Signs-Directional	7	7	Each	\$3,000.00	\$21,000
Plaques	1	1	Each	\$500.00	\$500
Lights-Pedestrian	4	4	Each	\$1,000.00	\$4,000
Lights-Security	1	1	Each	\$6,250.00	\$6,250
Lights-Street	3	3	Each	\$6,250.00	\$18,750
Trails - Asphalt		4339	Square Yard	\$28.00	\$121,492
Trails - Concrete		2796	Square Yard	\$32.00	\$89,472
Trails - Gravel		2873	Square Yard	\$75.00	\$215,475
Trails - Native		1148	Square Yard	\$37.00	\$42,476
Trails - Other (Step Stc	1	25	Square Yard	\$37.00	\$925
Walls	2	220	Linear Feet	\$38.00	\$8,360
Hardscape-Parking Lot	7	6419	Square Yard	\$37.00	\$237,503
Hardscape-Plazas		1338	Square Yard	\$32.00	\$42,816
Hardscape-Roads		191	Square Yard	\$37.00	\$7,067
Landscape		171613	Square Feet	\$10.00	\$1,716,130
Irrigation		10	Acre	\$20,000	\$200,000
(1)(3) Parkland	12	138	Acre	\$394,000	\$54,372,000
			<b>TOTAL PARK SYSTEM VALUE:</b>		<b>\$74,705,497</b>

*Footnotes:*

- (1) Park land and per unit costs provided by City of Kenmore staff unless otherwise stated.*
- (2) Costs per unit were established based on the cost of current (2016-18) capital improvement project costs in Kenmore and throughout the region.*
- (3) Unit cost for the City of Kenmore parkland is based on the average land value per acre from recently appraised City of Kenmore properties.*
- (4) Unit Cost Assumptions are available in Appendix A.*

### Service Area Consideration

It is assumed that all City citizens have access to all park facilities. Thus, all land within the City is the service area for purposes of these calculations.

### Investment Needed for Growth

Multiplying existing per capita park value by the projected population growth over the 2019-2035 period yields the total dollar investment in parks facilities that will be needed in present value to keep up with growth demands and provide the same level of service currently enjoyed by Kenmore citizens.

$$\text{Investment Needed for Growth} = \text{Per Capita Park Value} \times \text{Population Increase}$$

**Table 2 – Investment Needed for Growth**

Current Population	22,920
Projected 2035 Population (Per Comp. Plan)	28,473
Population Increase	5,553
Per Capita Park Value	\$ 3,259
<b>Investment Needed for Growth = ( \$3,259 X 5,553)</b>	<b>\$ 18,097,227</b>

### CAPITAL FACILITIES PLAN

Because impact fees can only be spent on park facilities that are included in a capital facilities plan (as mentioned above), the City adopted the Park Capital Facilities Plan (2015-2035) as part of the City’s Comprehensive Plan in 2015 (“CFP”).

As mentioned above, impact fees can be imposed on development only to pay for park facilities that needed to serve new growth and development, and that is reasonably related to the new development that creates additional demand and need for park facilities, that is a proportionate cost of park facilities, and that is used for park facilities that reasonably benefit the new development.

Table 3 below depicts all parks facilities in the CFP which have not been built yet, since the plan was adopted in 2015 and revised in 2018. The cost and determination of “growth related” versus “non-growth related” was analyzed and updated by the City Staff. Total CFP project cost is \$42,136,420, of which \$39,037,528 is growth related and \$3,099,022 is non-growth related (maintaining the existing park facilities).

The “investment needed for growth” in Table 2 is a representation of the growth-related capital needed to sustain the current level of service. It is important to compare that figure with the total CFP, because the CFP represents an estimate of the capital needs that is practical, not theoretical. The City cannot use the calculated “investment needed for growth”

number calculated in Table 2 as the basis for the impact fee unless there is least that amount in identified park facility projects that the City has planned to spend money on over the forecast period. Clearly, the City has more growth-related park facility costs than the investment needed for growth. If the reverse were true, investment needed for the future would have to be reduced accordingly.

**Table 3 – Capital Facilities Plan – Growth and Non-Growth-Related Projects**

Project Number	Project Description	2013 Cost Assumptions	2019 Total Cost	% Respond to Growth	Growth Related	Non-Growth Related
A1/D1	Water Walk Master Plan	\$200,000	\$200,000	100%	\$ 200,000	\$0
A3	Lake Washington Waterfront Park Acquisitions	Unknown	\$3,707,190	100%	\$ 3,707,190	\$0
A5	Sammamish River Waterfront Park Acquisitions	\$3,300,000	\$8,897,256	100%	\$ 8,897,256	\$0
A7	Swamp Creek Open Space Acquisitions	\$1,060,000	\$4,800,000	100%	\$ 4,800,000	\$0
A8	Heron Rookery Acquisition	\$0	\$800,000	100%	\$ 800,000	\$0
A9	Community Park Land Acquisition	\$10 Mil to \$15 Mil	\$6,698,000	100%	\$ 6,698,000	\$0
A10	Moorlands Park Property Expansion	\$624K to \$1 Mil	\$394,000	100%	\$ 394,000	\$0
A11	Partnership Community Center Acquisition	\$ 2,799,000	\$1,576,000	100%	\$ 1,576,000	\$0
D3	Log Boom Park Waterfront Access Development	\$ 2,640,000	\$423,644	46%	\$ 194,876	\$228,768
D5	Wallace Swamp Creek Park Development	\$ 721,000	\$1,081,500	90%	\$ 973,350	\$108,150
D7	City Gateway Entry Signs	\$ 287,000	\$80,000	0%	\$ -	\$80,000
D9	Twin Springs Park Development	\$1.3 to \$2.4 Mil	\$400,000	100%	\$ 400,000	\$0
D10	Athletic Field Development	\$2.7 Mil	\$7,000,000	75%	\$ 5,250,000	\$1,750,000
D11	Picnic Facility Developments	Unknown	\$100,000	0%	\$ -	\$100,000
D12	Swamp Creek Nature Trail Development	\$ 1,150,000	\$2,000,000	100%	\$ 2,000,000	\$0
D13	Sport Court Developments	Unknown	\$150,000	0%	\$ -	\$150,000
D14	Off-Leash Dog Area Development	\$ 739,000	\$739,000	100%	\$ 739,000	\$0
D18	Tolt Pipeline Trail Phase 2 Development	\$ 136,000	\$500,000	100%	\$ 500,000	\$0
D19	Squire's Landing Waterfront Access Development	\$ 15,305,000	\$1,532,190	90%	\$ 1,378,971	\$153,219
R3	Linwood Park Renovation	\$ 587,000	\$1,057,770	50%	\$ 528,885	\$528,885
	<b>TOTAL</b>		\$42,136,550		\$ 39,037,528	\$3,099,022

(1) Capital Facilities Project costs are established by specific project cost estimates.

(2) Costs include: project administration, acquisition, design, construction & contingency, escalation.

(3) Unit Cost Assumptions are available in Appendix A.

(4) Waterfront Property Cost Estimate is taken from average of all land value in Kenmore by KC Assessor's \$741,438.

(5) All other land acquisition costs for parks is based on average recent park appraisals - \$394,000

(6) Wetland land acquisition costs are based on approx half of average recent park appraisals - \$200,000

## PROPORTIONATE SHARE ADJUSTMENTS

The Impact Fee Law requires the City to make various adjustments to the “Investment Needed for Growth” number. The City has identified five specific areas to review to estimate proportionate share of new growth; 1) existing impact fees collected, 2) amount of City revenues paying for growth, 3) general obligation bonds related to park facilities, 4) surface water management capital facilities revenues related to park facilities, and 5) reserve capacity value.

**1 Impact Fee Revenue Adjustment**

City has collected \$430,748 of impact fees as of March 2019. Even though some of these funds are obligated for the future park facilities in the CFP, they need to be deducted from the investment needed for growth to avoid double payment for the same facilities.

**2 Non-Impact Fee Revenue Adjustment**

Based on the City’s last five-year historical park funding data and five-year future park facilities improvement plan, the City estimates it will contribute \$235,535 per year for the park facilities (growth and non-growth-related projects).

**Table 4 – Non-Impact Fee Revenues**

King County Levy	\$ 53,335
Real Estate Excuse Tax (REET)	\$ 180,000
Donations	\$ 2,000
<b>TOTAL</b>	<b>\$ 235,335</b>

Following calculations in Table 5 were performed to identify \$1,618,559 to be deducted from the investment needed for growth number.

**Table 5 – Non-Impact Fee Reduction**

Total Annual City Contributions	\$ 235,535
Total Non-Impact Fee Revenues for 16 Years = \$235,535 X 16	\$ 3,768,560
City will use non-Impact fee revenues to fund entire Capital Facilities Plan.	
Percentage of Non-Impact Fee Contribution = Non-Impact Fee Revenues / Planned Park Improvements	
Percentage of Non-Impact Fee Contribution = \$3,768,560 / \$42,136,550	8.94%
Future Investment Needed for Growth= Future Investment Needed for Growth X 11.27%	
Amount to be Adjusted = \$18,097,227 X 8.94%	\$ 1,618,559

3 **General Obligation Bonds**

City issued general obligation bonds to pay a portion of capacity related to two park facilities: Squire's Landing Park and Log Boom Park. Total bond fund contribution for these facilities is \$8,300,000. New development activity will assume its proportionate share of this bond obligation through payment of property taxes. The City estimates this share to be \$1,618,723 as shown in Table 6 below:

**Table 6 – General Obligation Bond Reduction**

Bond Contributions	\$8,300,000
<i>Growth Share of this bond contribution is = Future Population Growth /Total Future Population</i>	
Growth Share = 5,553/ 28,473	19.50%
Bond related reduction amount is = (\$8,300,000 X 19.5%)	\$1,618,723

4 **Surface Water Management (SWM) Capital Facilities Charge (CFC) Reduction.**

The City recently adopted a Stormwater Capital Facilities Charge (CFC). The City anticipates collecting \$310,000 in CFC's from the new growth for the Squire's Landing and the Log Boom Parks. This amount will also have to be deducted from the investment needed from growth.

5 **Value of Reserve Capacity (if any):**

The City has chosen for its park system standard for the current level of parks and recreation facilities per capita. This means that there is no deficiency and no reserve capacity; the impact fee is simply designed to sustain the current level of service by keeping up with growth.

**Table 7 - Total Adjustments**

1	Existing Collected Impact Fees	\$ 430,748
2	Non-Impact Fees	\$ 1,618,559
3	General Obligation Bond	\$ 1,618,723
4	Surface Water Management	\$ 310,000
5	Reserve Capacity	\$ -
	<b>Total Adjustments</b>	<b>\$ 3,978,030</b>

## PROPOSED PARK IMPACT FEE

Total adjustments (\$3,978,230) need to be deducted from the Investment Needed for Growth (\$18,099,460) to calculate the impact fee. That number is divided by the population growth number to determine a per capita park impact fee. Multiplying the per capita impact fee number with single family and multifamily occupancy rates would result in the final impact fee calculations as shown in Table 8 below:

**Table 8 – Final Impact Fee Calculations**

Investment Needed for Growth	\$ 18,097,227
Total Deductions/Credits	\$ 3,978,030
Impact Fee Amount = (Investment Needed for Growth - Total Deductions/Credits)	\$ 14,119,197
Population growth	5553
Impact Fee Per Capita = (Impact Fee Amount / Number of People)	\$ 2,543
Average Occupancy of a Single Family in Kenmore	2.62
Average Occupancy of a Multi Family in Kenmore	2.34
<b>*Park Impact Fee for Single Family = Impact Fee Per Capita X 2.62</b>	<b>\$ 6,663</b>
<b>*Park Impact Fee for Multi Family = Impact Fee Per Capita X 2.34</b>	<b>\$ 5,951</b>
<i>*Source- 2017 American Community Survey</i>	
<i>Single Family occupancy rate category includes manufactured homes.</i>	
<i>Multi Family occupancy rate category includes owned/leased apartments and townhomes.</i>	

## CONCLUSION

High quality parks facilities have made and will make the City an appealing location for new homes and apartments. Rapid development, in turn, drives up land values, which increases the cost of expanding and improving the parks system to keep up with growth. Keeping the park impact fee up-to-date will provide funding to sustain the City’s level of service for parks facilities, which benefits new residents and provides for growth to pay for growth.

## APPENDIX A

Asset Type	Unit Cost Assumptions
Public Art	Value of similar public art pieces.
Ped Bridges	2016 Log Boom Park Pedestrian Bridge Replacement.
Pier	2017 Seattle's Pier 62 Rebuild Project.
Floating Docks	2017 Float costs at Rhododendron, Log Boom and Squires Landing Parks
Trails- Boardwalk	2017 Rhododendron Park Boardwalk.
Outdoor Restrooms	2017 Moorlands Park Restroom.
Buildings	2016 Hangar Building.
Minor Structures	2017 Moorlands Park Shed.
Basketball Courts	2010 City of Shoreline Cromwell Park Basketball Court with 6% escalation per year for 2019 dollars.
Skate Court	2015 City Hall Skate Court with 6% escalation per year for 2019 dollars.
Drinking Fountains	2019 Elkay Drinking Fountain Website.
Fencing	2019 Public Works Yard Fence.
Baseball Field	2017 Moorlands Park Baseball/Softball Field
General Use Field Areas	2017 Moorlands Park Baseball/Softball Field
Litter Receptacle	2017 Moorlands Park Project
Benches	2017 Moorlands Park Project
Picnic Tables	2017 Moorlands Park Project
Picnic Shelter	2017 Moorlands Park Project
Playgrounds	2017 Moorlands Park Project
Railings	2017 City of Shoreline Park Impact Fee Rate Study Asset Inventory and Capital Values

**APPENDIX A continued**

Signs- Entry	2017 Moorlands Park Entry Sign
Signs-Educational	City of Shoreline Educational Signage Quotes 2017 PIF -Folia
Signs- Regulatory	Moorland Park Directional Sign
Signs-Directional	Moorlands Park Regulatory Sign
Plaques	City of Shoreline Project Dedication Plaques
Lights-Pedestrian	City of Shoreline 2017 Park PIF Rate Study Asset Inventory and Capital Value
Trails – Other Step Stone	2018 Pacific Top Soil Website
Walls	City of Shoreline 2017 Park PIF Rate Study Asset Inventory and Capital Value
Hardscape-Parking Lots	City of Shoreline 2017 Park PIF Rate Study Asset Inventory and Capital Value
Hardscape-Plazas	2018 Squire’s Landing Park Project
Hardscape-Roads	2018 Squire’s Landing Park Project
Landscape	2018 Squire’s Landing Park Project
Irrigation	2017 Moorlands Park Project
Parkland	Based on average of recent City of Kenmore Park Project appraised properties - removed highest and lowest appraised values.

## APPENDIX B

### Park Impact Fee Rate Comparison by City

Yr. Study Updated	City	Single Family	Multi Family
2017	Redmond	\$4,585	\$3,183
2017	Bothell	\$4,165	\$3,412
2015	Kirkland	\$4,168	\$3,168
2017	Shoreline	\$4,090	\$2,683
2015	Woodinville	\$3,175	\$3,175
2017	Mount Lake Terrace	\$3,126	\$2,260