

**RECORD OF THE PROCEEDINGS
SKAGIT COUNTY BOARD OF COMMISSIONERS**

Wednesday, February 23, 1994

10:00 a.m. - 11:00 a.m.	Department Head/Elected Officials Meeting.
1:30 p.m. - 2:00 p.m.	Bid Opening - Road Maintenance Materials.
2:00 p.m. - 2:30 p.m.	Public Hearing - Interim Impact Fees for Conway School District.
3:00 p.m. - 4:00 p.m.	Work Session - Jobs for the Environment.

The Skagit County Board of Commissioners met in regular session on Wednesday, February 23, 1994, with Commissioners Robert Hart, Harvey Wolden and Robby Robinson present.

BID OPENING - ROAD MAINTENANCE MATERIALS.

Chairman Wolden waived the reading of the Notice of Call for Bids, as published in The Skagit Argus. The follow bids were received and opened:

Martin Oil
Pat Rimmer Tire
Oso Lumber
Utility Vault Co., Inc.
Reliance PetroChem
Ok Beads, Inc.
Meridian Aggregates Co.
U.S. Oil & Refining Co.
Carol Wholesale, Inc.
Copeland Lumber, Inc.
Yorkston Oil Co., Inc.
Newman Signs
Frontier Industries
Loggers & Contractors Supply, Inc.
Zumar Industries, Inc.
Maraferi Gabions, Inc.
Washington Culvert
Richard N. Martin
Agrichem Co.
Bill Bailey for Tires
NABCO Manufacturing Co.
Alpine Products, Inc.
Associated Sand & Gravel Co., Inc.
Thunderbird Lubrications
Erickson & Svendson, Inc.
Skagit Petroleum/Delta Western
Coral Sales Company
Alpine Commercial Tire
Granite Precasting & Concrete
Construction Aggregates, Ltd.
Chevron USA Products Co. (Asphalt Division)

Concrete NorWest
Tony Berry Construction
Cunningham Crushing
H.D. Fowler Co.
Craig Concrete Products, Inc.
Valley Ready Mix, Inc.
Associated Sand & Gravel Co., Inc.
Meridian Tire Service
EPM Asphalt, Inc.
Golden Harvest, Inc.
Yorkston Oil Co., Inc.
Layfield Plastics, Inc.
Texas Refinery Corp.
Smith Tractor & Equipment Co.
Beaver Lake Quarry
Nelson Petroleum (formerly Fiedler Oil)
Porcers Industries, Inc.
Georgia-Pacific Corp.
Texada Lime of Canada, Inc.
Whatcom-Skagit Tire Center
B.A. Vandergrift, Inc./Allied Sand & Gravel, Inc.
Lakeside Industries

Those present were advised by Charlie Tewalt, Public Works Department Staff, that the compilation of the bids would be available within the next two weeks.

PUBLIC HEARING - INTERIM IMPACT FEES FOR CONWAY SCHOOL DISTRICT.

Chairman Wolden opened the Public Hearing and introduced Dave Hough, Director of Planning. Mr. Hough reviewed a Staff report relating to the request of the Conway School District to Implement Impact Mitigation Fees.

Mr. Hough advised that the total impact mitigation without existing deficiencies is calculated at \$3,997.28 per single family residence. The Board was advised that RCW 82.02 specifically outlines what impact fees a local jurisdiction may impose and the required provisions necessary to implement said fees. Impact fees may only be imposed and used for system improvements that are reasonably related to new development. The Conway School Capital Facilities Plan does meet the requirements outlined in RCW 82.02.

Currently, the cities of Anacortes and Mount Vernon are the only cities that have adopted impact mitigation ordinances. Anacortes limits mitigation fees to transportation and fire, and has not adopted a capital facilities plan at this time. The City of Mount Vernon currently collects impact fees for the Mount Vernon School District. The City of Mount Vernon collects \$2,658 for single family residences and \$2,615 for multi-family units. Both the cities of Burlington and Sedro Woolley currently request voluntary school impact fees for new development. Currently, the Sedro Woolley School District is requesting approximately \$1,000 and Burlington-Edison is requesting approximately \$835.

Mr. Hough advised the Board that Skagit County has formed a technical advisory committee within the last month to review and provide comments related to impact mitigation fees for the various appropriate County functions. The committee has not reviewed the proposal submitted by the Conway School District, and the

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County has not received a request for implementation of a fee system from any other school district.

Ken Guernsey, Superintendent of the Conway School District, thanked the Board for opening up this topic for discussion, and thanked Mr. Hough for working through this complicated process. Mr. Guernsey reviewed a history of the interim impact and bond processes as relates to the Conway School District. He informed the Board that the Conway School District obtained a small state grant that allowed a community advisory group to be formed to review the future development in the Conway School District for the next 5-10 years. Mr. Guernsey further noted that all sources of revenue need to be investigated, that there is no industry in Conway to provide a tax base, and that money for the school district must come from the pockets of the citizenry. Therefore, Conway poses a unique situation.

Mr. Guernsey introduced Grace Yuan, an attorney with Preston-Thorgrimson, who has assisted the Conway School District with development of the interim impact fee program.

Brian McGuinness, Executive Officer of Skagit-Island Counties Builders' Association, urged the Board to not approve the interim impact fees for the Conway School District because technical questions have not been adequately addressed. Mr. McGuinness advised the Board that any impact fee ordinances that are adopted are accepted by the State outright unless they are challenged by the citizenry concerned. In Mr. McGuinness' opinion, the Conway documents do not analyze the percentage deficiencies with district money and bonding. The documents do not state how much the March 8 bond proposal will raise. The school district is expecting the student body to increase from 500 to 600 students in 10 years, which is an 18% increase.

Mr. McGuinness produced a chart showing School Impact/SEPA/Voluntary Fees comparing various proposed impact fees throughout the County.

Commissioner Hart pointed out that the worksheet for impact fee calculations for single-family residences will change depending on bond issues and clarified that the Board is being asked to approve the formula for developing the amount of the impact fees, rather than approving a firm dollar amount for the impact fees.

Matt Brady, Norway Park resident, advised the Board that he endorses the improvement of public schools within reason. Mr. Brady pointed out that the Conway School District's newsletter talked about a number of things going on in the school district, and inferred the possibility of impact fees, but did not state that the district was going to be petitioning Skagit County to adopt impact fees. The school district does in fact need more resources because of the influx of children. Mr. Brady pointed out that all citizens should be paying for schools, not just those citizens building or purchasing new houses. Mr. Brady further indicated that this is not the way to build strong support for the schools and feels the money necessary should be raised by an across-the-board tax on all households in the district. He stated that the same amount of money could be raised by assessing approximately \$630 per household rather than just assessing new construction.

Robby Robertson, Conway resident, advised the Board that he feels somewhat at odds with his friends who are builders in the community, but that the ultimate payer of the impact fees will be the purchaser of the property. The impact fee amount is a small percentage of the total cost of building a new home and building efficiencies can easily make up this amount. Mr. Robertson stated that there is simply no more room at the Conway schools. Mr. Robertson reiterated that the fees are not cast in stone, and that these are interim fees and can be changed. After much input from local citizenry and school board, the numbers are much lower than what the actual calculations might be. Mr. Robertson urged the Board to give the interim impact fees positive consideration.

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Linda Steiny, 1219 No. 16th, advised the Board she is planning to build a home in the Conway area and that the fee proposal is unfair. Ms. Steiny added that things are out of hand in imposing fees.

Bruce Lisser, Conway resident, advised the Board he is not an advocate of the whole Growth Management process. He further advised the Board that Conway has done a fine job in developing the impact fee proposal, coming up with realistic plans while discovering that education is an expensive commodity. Mr. Lisser feels this proposal has come up with real numbers, and is not an attempt to subsidize the building industry. Conway does not have the luxury of an industrial tax base, and the community must be given credit for coming up with these accurate numbers.

Frank Campbell, 1987 Fir Island Road, noted that no other school district in the County can compete with the Conway School District and they way it educates its students. The advantage is its small size. Mr. Campbell advised the Board that something needs to be done to curb the amount of growth in the area, and supports the impact fees.

Mike Hulbert, Conway resident, stated that he is amazed how expensive growth is, and that the Conway School District has no industrial tax base. Mr. Hulbert stated that he supports the impact fees, and feels the fees should possible be financed over a 30-year period as a fixed cost rather than constant tax increases year after year.

George Newberry, 2096 Bolson Road, noted that Conway's proposed impact fees are \$1,000 higher than Mount Vernon's impact fees and stated that that seems totally appropriate. He further stated that it costs about \$1,000 per seat to bus children to Conway school.

Commissioner Hart asked Mr. Guernsey to clarify that impact fees only offer an assistance, and do not get rid of taxes or levies, Impact fees do not go toward operating expenses.

Grace Yuan, attorney for the Conway School District, advised the Board that all school impact fees are for capital purposes, not operating expenses. These fees would contribute to a portion of the capital projects that would be necessary in this district. Ms. Yuan stated that the School District appreciates the fact that local developers are concerned, but concurs that this is a very small part of the cost of a house and the reward is a contribution to the vitality and character of the Conway School District. When the bond issue is adopted, a credit adjustment to the impact fees will be made in the future based on the new tax rate. This plan does comply with the GMA. Impact fees do not fund deficiencies, and are for future capital improvements only.

Brian McGuinness restated that the \$4,000 is a small portion of the sale price of a house, but that it adds another cost that buyers must finance. Mr. McGuinness stated that the plan before the Board does not say how much money is going to be taken. Mr. McGuinness stated that Conway is going to get the interim impact fees in place, but is skeptical that \$4,000 is too much money at this time.

Commissioner Robinson moved to close the public hearing, but to keep things open by accepting letters through the end of the week and arriving at a final decision concerning this matter next Monday, February 28, 1994, at 1:30 p.m. Commissioner Wolden seconded the motion, which unanimously passed.

ADJOURNMENT:

Commissioner Robinson motioned to adjourn the proceedings. Commissioner Hart seconded the motion. The motion was carried unanimously.

BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON




Harvey Wolden, Chairman


Robby Robinson, Commissioner


Robert Hart, Commissioner

ATTEST:


Patti J. Owen, Clerk
Skagit County Board of Commissioners