



# Skagit County Planning & Development Services

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## Staff Report

From: Dale Pernula, AICP, Director

Re: 2015-2020 CFP Q1 Update

Date: March 12, 2015

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### Background

This legislative proposal updates the Capital Facilities Element of the Comprehensive Plan to facilitate the collection of impact fees.

“Impact fees” are fees imposed on new development that are used to finance public facilities; they are a mechanism that can help ensure development “pays for itself.” [RCW Chapter 82.02](#) and [WAC 365-196-850](#) authorize counties to collect impact fees. Skagit County Code 14.30.030 authorizes impact fees “on behalf of any district that has submitted its Capital Facilities Plan and impact fee calculations to the County, and whose Plan has been incorporated into the County’s Comprehensive Plan.” The amount of an impact fee is limited to the cost of provision of public facilities proportionate to the demand for those facilities that is created by the development. That amount must be calculated, and the County must review the calculations. Impact fees must be spent within 10 years, thanks to a recent change in the statute that previously required spending the fees within six years.

Skagit County currently collects school district impact fees for Conway, La Conner, Sedro-Woolley, and Mount Vernon school districts. Mount Vernon and Sedro-Woolley school districts completed updates in 2014 to their Capital Facilities Plans that include new calculations for the impacts that new development within their school district boundaries will have on their districts.

The City of Sedro-Woolley has requested that we collect impact fees on development within the Sedro-Woolley municipal urban growth area; that requires adding their capital facilities plan by

reference into our capital facilities plan and adopting their impact fees into our fee schedule. We currently collect impact fees only for the City of Mount Vernon, pursuant to SCC 14.02.040.

## **Summary of Proposal**

This legislative proposal would amend the Comprehensive Plan's Capital Facilities Plan Element to incorporate by reference the capital facilities plans from the City of Mount Vernon, City of Sedro-Woolley, and several school districts. The proposal would delete the adoption by reference of Mount Vernon codes in SCC 14.02, delete the incongruent definition of "district" in SCC 14.04, and amend SCC Chapter 14.30 to make the timeline for expenditure of impact fees consistent with the statute, delete a superfluous section for school district impact fees, and allow for the collection of impact fees on behalf of cities and towns for their urban growth areas.

## **Capital Facilities Plan Update**

This proposal makes very brief changes to the adopted 2015-2020 Capital Facilities Plan; only the highlighted areas in the included three pages of the existing CFP are proposed for update.

Page 34 includes a new section listing and incorporating by reference the Capital Improvement plans/programs from the City of Mount Vernon and City of Sedro-Woolley. The plans themselves are available on the County's CFP webpage at [www.skagitcounty.net/cfp](http://www.skagitcounty.net/cfp).

Page 52-53 updates the school district section of the adopted Capital Facilities Plan. The changes update the code citation that allows impact fees and update the Facilities Inventory and Capacity Analysis table with the new dates of the amended school district capital facilities plans.

## **Code Update**

The code update proposal makes several changes to the code to clean up the County's implementation of impact fees for other jurisdictions.

SCC 14.02.040, which describes the applicability of the entire Title 14, contains a paragraph incorporating by reference two chapters of the Mount Vernon Municipal Code related to impact fees. This paragraph would be deleted so that the Applicability section would only include rules of applicability, and so that all impact fees would be addressed through the County's Capital Facilities Plan.

SCC 14.04 includes a definition of the word "district" that includes a rule that is duplicated when the term is used in SCC Chapter 14.30. Moreover, the term as used in that chapter does not require a definition to be understandable. This definition would be deleted.

SCC 14.30.020 currently limits the collection of impact fees for special purpose districts. The proposal would change the first paragraph to also allow the chapter to apply to a town or city for development within its urban growth area.

SCC 14.30.030, which relates to school districts, duplicates much of the text in SCC 14.30.020, which relates to all districts. SCC 14.03.030 is therefore superfluous and should be deleted.

SCC 14.30.080 requires impact fees to be expended within six years, which is the time period previously required by statute. Since the statute has been amended to allow expenditure within ten

years, the proposal would change the hard coding of six years to a reference to the appropriate statute.

## **Analysis**

RCW 36.70A.130(2)(a)(iv) allows the County to amend the Capital Facilities Element of a Comprehensive Plan when the amendment occurs concurrently with the adoption or amendment of the county budget. The County's first-quarter budget amendment is scheduled to be adopted on April 14.

After the CFP is amended, the Board of County Commissioners will be able to adopt an ordinance that actually imposes the impact fees. The Board will also need to enter into interlocal agreements with the districts to collect and manage the impact fees. As the CFP describes it:

The County must ensure that the requirements of RCW Chapter 82.02 are met, that any impact fees collected are for public facilities and that the administration requirements of RCW 82.02.070 are followed, including retaining in special interest bearing account, expending within 10 years, and other requirements.

## **Consistency**

The proposal is consistent with state law and Comprehensive Plan policies. The Department re-evaluated SCC 14.30, Public Facilities Impact Fees, for consistency with the statutes during development of this proposal, and drafted appropriate changes for consistency.

## **Recommendation**

The Department recommends adoption of the proposal. Impact fees are an important mechanism for local government to finance infrastructure that supports development, and the proposal is important to ensure their proper collection.

## **Process**

### **Public Notices**

Skagit County issued a Notice of Availability for this proposal on March 12, 2015.

### **SEPA Threshold Determination**

The Skagit County SEPA Responsible Official has issued a Determination of Non-Significance for this non-project legislative proposal.

### **Public Comment**

The proposal will receive at least one public hearing and written comment period before the Planning Commission, consistent with the process for adoption of land use regulations in SCC Chapter 14.08. The Board of County Commissioners must approve the final adoption.

### **For More Information**

Please visit the project website at [www.skagitcounty.net/cfp](http://www.skagitcounty.net/cfp).