

1 Sponsored by: Councilmember Derek Young
2 Requested by: County Council

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9 **ORDINANCE NO. 2019-94**

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15 **An Ordinance of the Pierce County Council Amending Section 4A.20.030 of**
16 **the Pierce County Code (PCC), "Impact Fee Schedule," to**
17 **Adjust Park Impact Fees for 2020 Based Upon Changes in**
18 **the Building Cost and Construction Cost Indexes; Amending**
19 **Pierce County Code Sections 4A.10.010, "Applicability," and**
20 **4A.20.020, "Impact Fee Calculations"; Adopting Findings of**
21 **Fact; and Setting an Effective Date.**

22
23 **Whereas**, Chapter 36.70A Revised Code of Washington (RCW), Growth
24 Management Act, and Chapter 82.02 RCW, Excise Taxes, allow counties to assess
25 impact fees to assure that new development bears a proportionate share of the cost of
26 capital expenditures necessary to meet the demands for public facilities related to new
27 development, including parks, open space and trails; and

28
29 **Whereas**, Ordinance No. 96-122s adopted Title 4A of the Pierce County Code
30 (PCC) requiring new construction be assessed impact fees for parks to implement the
31 Land Use and Capital Facilities elements of the Comprehensive Plan and to ensure new
32 development provides a proportionate share of the cost of capital expenditures
33 necessary to meet the demands for County public facilities related to new development,
34 and

35
36 **Whereas**, Ordinance No. 2016-51s updated the parks impact fee and amended
37 PCC 4A.20.020 to provide for annual adjustments to the fee based on the average of
38 the Building Cost Index and the Construction Cost Index (published by the Engineering
39 News Record); and

40
41 **Whereas**, Ordinance No. 2016-51s adopted a stepped implementation for the
42 parks impact fee, gradually increasing the fee over the course of three years, with the
43 full fee going into effect July 1, 2018; and



1 **Whereas**, after adjusting for changes to the Construction Cost Index and
2 Building Cost Index through April 2019 and rounding to the nearest dollar increment, the
3 adjusted Park Impact Fee is \$2,667, an increase of \$115 from the July 2018 rate; and
4

5 **Whereas**, the County provides a diverse park system that provides a variety of
6 experiences and uses to serve the County population; and
7

8 **Whereas**, continued development activity in the County will create additional
9 demand and need for public park and recreation facilities in the unincorporated County;
10 and
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12 **Whereas**, parks are an essential component of a healthy and vibrant community
13 providing places for people to exercise, connect with nature and other community
14 members, and participate in their communities; and
15

16 **Whereas**, the park system needs to add capacity in order to maintain current
17 park standards and to accommodate new development without decreasing current
18 standards; and
19

20 **Whereas**, the Pierce County Planning Commission heard the proposal on
21 August 27, 2019, and recommended approval; and
22

23 **Whereas**, the Planning Commission has recommended adjustments to clarify the
24 applicability of the park impact fee for dwelling units for seniors is necessary to ensure
25 the intention of collecting impact fees for all new dwelling units is realized; and
26

27 **Whereas**, the Council finds that an annual increase to the parks impact fee is
28 warranted as prescribed by PCC 4A.20.020; **Now Therefore**,
29

30 **BE IT ORDAINED by the Council of Pierce County:**
31

32 Section 1. Title 4A of the Pierce County Code, "Impact Fees," is hereby
33 amended as shown in Exhibit A, which is attached hereto and incorporated herein by
34 reference.
35

36 Section 2. Findings of Fact are hereby adopted as set forth in Exhibit B, which is
37 attached hereto and incorporated herein by reference.
38
39



1 Section 3. The effective date of this Ordinance shall be February 1, 2020.

2
3
4 PASSED this 19th day of November, 2019.

5
6 ATTEST:

PIERCE COUNTY COUNCIL
Pierce County, Washington

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10 Denise D. Johnson
11 **Denise D. Johnson**
12 Clerk of the Council

Douglas G. Richardson
13 **Douglas G. Richardson**
14 Council Chair

Bruce F. Dammeier
15 **Bruce F. Dammeier**

Pierce County Executive

16
17 Approved Vetoed _____, this
18 26th day of November,
19
20 2019.

21
22 Date of Publication of
23 Notice of Public Hearing: November 13, 2019

24
25 Effective Date of Ordinance: February 1, 2020



Only those portions of Title 4A that are proposed to be amended are shown.
Remainder of text, tables, maps and/or figures is unchanged.

Chapter 4A.10

IMPACT FEES – GENERAL REQUIREMENTS

4A.10.010 Applicability.

A. Park Impact Fees and School Impact Fees apply to any applicant seeking permission to develop land within unincorporated Pierce County after January 1, 1997, by applying for a building permit for a residential building or a permit for residential mobile/manufactured home installation. Such applicant is required to pay an impact fee in the manner and amount set forth in this Title, ~~except as specifically provided in PCC 4A.10.010 B.~~

1. The following development activities are excluded from the obligation to pay impact fees pursuant to Chapters 4A.20 and 4A.30 PCC for the specific facilities and services noted, on the grounds that they either do not create an impact on those facilities and services, the impacts created have previously been adequately mitigated, or their impacts are de minimus and the cost of administering the impact fee would exceed the fee collected:

- a. Alteration, expansion, reconstruction or remodeling of existing single-family or multi-family dwelling units that does not result in additional dwelling units; or
- ~~b. Any dwelling unit subject to restrictions that may be legally enforced by a private party or governmental entity limiting occupants exclusively to residents over a minimum age or other populations that do not include children of the ages five to twenty-one years old, including without limitation nursing homes and retirement centers; provided, however, this exclusion ceases if the housing is later converted to permanent use as a single family or multi-family residence not subject to such restrictions; or~~
- eb. Any dwelling unit licensed and operated as transient accommodations under Chapter 70.62 RCW and WAC 248-144-020(26), such as hotels, motels, condominiums, and resorts; provided, however, this exclusion ceases if the housing is later converted to permanent use as a single-family or multi-family residence not subject to such restrictions; or
- dc. Any development activity that is exempt from the payment of an impact fee pursuant to RCW 82.02.100, due to mitigation of the same system improvement under the State Environmental Policy Act.
- ed. Replacement of a residential structure with a new residential structure of the same number of dwelling units at the same site or lot when a completed application for the building permit for such replacement is accepted by the County within 5 years of the demolition or destruction of the prior residential structure; or



- 1 fe. In addition to subsections A.1.a. through ed. above, for school impact fees:
- 2 (1) Any development activity for which school capital facility impacts have
- 3 been mitigated by the payment of or promise or obligation to pay fees,
- 4 dedicate land, or construct or improve school facilities pursuant to a
- 5 preliminary plat, short plat, PUD, and/or PDD approval granted prior to the
- 6 effective date of this Chapter, unless the terms of the plat, PUD, or PDD
- 7 approval expressly provide otherwise; or
- 8 (2) Any development activity for which school capital facility impacts have
- 9 been mitigated by the payment of or promise or obligation to pay fees,
- 10 dedicate land, and/or construct or improve school facilities pursuant to a
- 11 voluntary agreement entered into with the applicable School District prior to
- 12 January 1, 1997, unless the terms of the agreement expressly provide
- 13 otherwise; or
- 14 (3) Any new residential units approved through Chapter 18A.65 PCC,
- 15 "Affordable Housing Incentives." A fee waiver or reimbursement shall only
- 16 be available on a first come first served basis if alternative funding is
- 17 available and transferred to the appropriate School District Impact Fee fund
- 18 account; or
- 19 (4) Accessory dwelling units; or
- 20 (5) Any dwelling unit subject to restrictions that may be legally enforced by a
- 21 private party or governmental entity limiting occupants exclusively to
- 22 residents over a minimum age or other populations that do not include
- 23 children of the ages five to twenty-one years old, including without
- 24 limitation nursing homes and retirement centers; provided, however, this
- 25 exclusion ceases if the housing is later converted to permanent use as a
- 26 single-family or multi-family residence not subject to such restrictions.
- 27 gf. In addition to subsections A.1.a. through ed. above, for park impact fees:
- 28 (1) Any development activity for which park system capital facility impacts
- 29 have been mitigated by the payment of or promise or obligation to pay fees,
- 30 dedicate land, or construct or improve park system facilities pursuant to a
- 31 preliminary plat, short plat, PUD, and/or PDD approval granted prior to the
- 32 effective date of this Chapter, provided Pierce County agrees to accept said
- 33 park system dedication or fee as documented in an agreement prescribed by
- 34 the Parks and Recreation Services Department; or
- 35 (2) Any development activity for which park system capital facility impacts
- 36 have been mitigated by the payment of or promise or obligation to pay fees,
- 37 dedicate land, and/or construct or improve park system facilities pursuant to
- 38 a voluntary agreement entered into with the County prior to January 1, 1997,
- 39 provided Pierce County has agreed to accept said park system facilities
- 40 dedication or fee; or
- 41 (3) Any new residential units with a recorded agreement, lien and covenant
- 42 running with the land, binding all the assigns, heirs and successors of the
- 43 applicant to secure the affordability requirements for low income
- 44 households through Chapter 18A.65 PCC, "Affordable Housing Incentives"
- 45 if sufficient funds have been appropriated by the Pierce County Council and
- 46 are available for transfer to the Park Impact Fee Fund to replace those fees
- 47 waived or refunded to the developer; or



- 1 (4) Any new Senior/Assisted Living Facilities, as defined by PCC 4A.10.020
 2 and licensed under Chapter 18.20 RCW, provided that this exclusion ceases
 3 if the housing is later converted to permanent use as a single-family or
 4 multi-family residence not subject to such restrictions; or
 5 (5) Any new Nursing Home Facilities, as defined and licensed under Chapter
 6 18.51 RCW, provided that this exclusion ceases if the housing is later
 7 converted to permanent use as a single-family or multi-family residence not
 8 subject to such restrictions.

- 9 2. The Director of Planning and Public Works shall be authorized to determine whether
 10 a particular development activity falls within an exclusion and/or exemption from
 11 impact fees identified in this Section, in any other Section, or under other applicable
 12 law. Determinations of the Director of Planning and Public Works shall be in writing
 13 and shall be subject to appeal as provided in PCC 4A.10.120.
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 16
 17 *Chapter 4A.20*

18
 19 *IMPACT FEES – PARKS*

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 22 **4A.20.020 Impact Fee Calculations.**

- 23 A. The impact fee schedule is calculated based upon the formula set forth in this Section.
 24 The formula is the County's determination of the appropriate proportionate share of the
 25 costs to be funded by park impact fees of park system capital facilities needed to serve
 26 new growth and development. In determining proportionate share, the formula for
 27 calculating impact fees incorporates:
 28 1. An adjustment to the cost of the public facilities for past or future payments made or
 29 reasonably anticipated to be made by new development to pay for particular system
 30 improvements in the form of user fees, debt service payments, taxes, or other
 31 payments earmarked for or proratable to the particular system improvement; and
 32 2. The availability of other means of funding public facility improvements.
 33 B. Effective January 1, 2019, the Impact Fee Obligation shall be adjusted annually
 34 according to the average of the Building Cost Index and the Construction Cost Index
 35 (published by the Engineering News Record). The most recently published indexes shall
 36 be used to adjust the fee obligation for the following year. ~~Each year, this adjustment~~
 37 ~~shall be brought forth by ordinance following adoption of the County Capital Facility~~
 38 ~~Plan and any review of impact fees pursuant to PCC 4A.10.130 A. The most recently~~
 39 ~~published index shall be used to adjust the fee obligation for the following year.~~
 40 C. The park impact fee schedule shown in the table under PCC 4A.20.030 A. shall be
 41 calculated using the following formulas:
 42

43 $V / P = I$

44
 45 $I - PS = AI$

46
 47 $AI \times U = \text{Impact Fee Obligation per dwelling unit}$
 48



Where:

- "AI" means the adjusted investment per capita based on proportionate share.
- "I" means the per capita amount the County has invested in the park system.
- "P" means the current population total in the unincorporated county.
- "PS" means the proportionate share of other revenue sources and is an adjustment for the portion of anticipated additional tax revenues resulting from a development which is proratable to system improvements contained in the Capital Facilities Plan.
- "U" means the average persons per dwelling unit for the unincorporated county.
- "V" means the total Park System Value and includes the value of all land and facilities managed by the County's Parks and Recreation Services Department, expressed in dollars.

- D. The Level of Service used to calculate impact fees for the Park Impact Fees Schedule shall be updated with the amendments to the Capital Facilities Plan element of the Pierce County Comprehensive Plan. Any impact fee shall be based on the Capital Facilities Plan in effect when the fee is assessed.
- E. The Park Impact Fee Obligation in this Section continues until adjusted by Ordinance.

4A.20.030 Impact Fee Schedule.

- A. Park impact fees are hereby established for new residential dwelling units:

Land Use Type	Impact Fee Obligation	Effective Date
Residential Dwelling Unit	\$1,107.46	05/01/17
Residential Dwelling Unit	\$1,829.92	01/01/18
Residential Dwelling Unit	\$2,552.39	07/01/18
Residential Dwelling Unit	\$2,667	02/01/20



FINDINGS OF FACT

The Pierce County Council finds that:

1. Chapter 36.70A Revised Code of Washington (RCW), the Growth Management Act, and Chapter 82.02 RCW, allow counties to assess impact fees to assure new development bears a proportionate share of the cost of capital expenditures necessary to meet the demands for County public facilities related to the new development, including parks, open space and trails.
2. Ordinance No. 96-105s2 established and adopted Title 4A of the Pierce County Code (PCC) allowing the imposition and collection of impact fees to ensure new development pays a proportionate share of the cost of new capital facilities necessary to accommodate growth.
3. Ordinance No. 96-122s amended Title 4A PCC to require new residential construction be assessed impact fees for parks, open space and trails to implement the Comprehensive Plan and to help achieve the goals and objectives of the Land Use and Capital Facilities elements.
4. The Pierce County Council passed Ordinance No. 2014-68s2 with a budget proviso directing the Parks and Recreation Services (Parks) Department to study and propose a new park impact fee and, after holding public hearings on a proposed fee based on investment per capita, it was decided more work needed to be done.
5. The Pierce County Council passed Ordinance No. 2015-61s2 which carried a budget proviso directing the Parks Department to convene a working group to evaluate options for a revised park impact fee; consider the adequacy of the existing fee to meet future parks needs based on projected population increase; recommend a new park impact fee and methodology; recommend capacity improvements; consider the relevance of recreational area dedication requirements associated with a new residential development; and include a potential phasing plan.
6. The Parks Department established the Working Group with broad representation from the Master Builders Association, the Board of Realtors, Pierce County Parks, Pierce County Planning and Land Services, ForeverGreen, and the Pierce County Parks Board, and the Working Group met 11 times to study and recommend a new park impact fee.
7. The Pierce County Council passed Ordinance No. 2016-51s which updated the Parks Impact Fee based on investment per capita after extensive study and work with the Parks Impact Fee Working Group.



- 1 8. Ordinance No. 2016-51s established the new impact fee to be phased in through a
2 3-step increase with the full fee implemented July 1, 2018, per PCC 4A.20.030.
3
- 4 9. PCC 4A.20.020 B. states "Effective January 1, 2019, the Impact Fee Obligation
5 shall be adjusted annually according to the average of the Building Cost Index and
6 the Construction Cost Index (published by the Engineering News Record). Each
7 year, this adjustment shall be brought forth by ordinance following adoption of the
8 County Capital Facility Plan and any review of impact fees pursuant to PCC
9 4A.10.130 A. The most recently published index shall be used to adjust the fee
10 obligation for the following year."
11
- 12 10. The May 2019 Engineering News Record Building Cost Index increased by 4.24
13 percent, while the Construction Cost Index increased by 4.71 percent, resulting in
14 an average increase of 4.48 percent. The proposed annual increase in 2020 uses
15 this percentage to calculate the increase each year.
16
- 17 11. PCC 4A.10.130 provides that the County shall update and revise the impact fee
18 schedules no more than three years after the adoption of this Ordinance, with
19 subsequent reviews occurring no more than five years after the most recent review
20 by the Council.
21
- 22 12. Revenue expenditures for capacity projects associated with the impact fee are
23 determined through the annual adoption of the budget and Capital Facilities Plan
24 and are guided by the Parks Fiscal Policy adopted in Resolution No. R2016-115s.
25
- 26 13. PCC 4A.10.010 A.1.b. has resulted in inconsistent application of exemptions for
27 nursing homes, assisted living facilities and senior housing, and revisions are
28 necessary to clarify exemptions are limited to nursing homes and assisted living
29 facilities.
30
- 31 14. A large portion of Pierce County population is considered "senior" and this age
32 group has an impact on the park system and is not to be exempt from impact fee
33 obligations.
34
- 35 15. The County has a diverse park system that provides a variety of experiences and
36 uses that serve the entire county population regardless of age, race, income or
37 ability.
38
- 39 16. The Pierce County Comprehensive Plan identifies the promotion of parks and open
40 space as one of nine key values chosen by the citizens of Pierce County.
41
- 42 17. Parks are an essential component of a healthy community providing places for
43 people to exercise, connect with nature, and enjoy others in their community, and
44 studies show access to large public open space and trails is associated with higher
45 levels of walking which help reduce incidents of obesity, heart disease, and stroke.
46



1 18. This proposal was heard by the Pierce County Planning Commission during their
2 regular public meeting on August 27, 2019, and the Planning Commission
3 recommended approval of the proposed fee increase.

