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Sequim City Council creates Peninsula's first developer impact fees

By Diane Urbani de la Paz
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SEQUIM -- The price of building a house in Sequim is soon to be steeper, while the living will, the City Council hopes, be a little easier.

In a landmark vote Monday night, the council voted to adopt \$4,868 in new impact fees for each single-family home built in Sequim. Those charges will be added on to the current \$15,800 cost of a building permit for that home.

The council's long-debated decision makes Sequim the only community on the North Olympic Peninsula to enact impact fees.

The charges, used in many other municipalities across Washington state, are designed to ensure that developers pay for city infrastructure such as street improvements, parks and trails that their construction affects.

First the council voted 5-1, with member Don Hall dissenting, for a \$2,893 per-unit transportation impact fee to be imposed on homebuilders as of June 1.

The fee, the maximum legally allowed, will help the city build roads and sidewalks -- basics it sorely needs, said Mayor Pro Tem Laura Dubois.

"Good streets and sidewalks are very important to quality of life," she said.

"Ask anyone in a wheelchair or a senior who's given up their driver's license.

'Now is the time'

"Now is the time," Dubois added, for impact fees to be enacted, so that they're in place when the economy -- and housing construction -- rebound.

Hall, however, didn't want the full fee imposed; he favored another option offered by City Manager Steve Burkett of just 90 percent, or \$2,604, of the maximum allowable.

Next the council adopted a parks impact fee, also effective June 1, of \$1,975 per single-family house. That's just half the maximum allowable fee of \$3,950.

The vote was 5-1 with Mayor Ken Hays the sole negative vote because he preferred that the fee take effect July 1, to give builders a slight reprieve on projects in the planning stages.

In an interview, Hays said that as an architect, he knows the spring-to-summer construction cycle well, and would have liked to give homebuilders one more month before permit costs leap.

After approving the two impact fees, the council chose not to adopt any set "mitigation" fees, however.

Those fees were proposed to help Sequim pay for construction of new or larger City Hall and police facilities.

Henderson, Young & Co., a Redmond consultancy, conducted studies of all four of the possible fees.

Partner Randy Young reported that Sequim could charge homebuilders as much as \$718 per home in a mitigation fee to fund a police station, and a maximum \$1,476 fee for a larger City Hall.

Case by case basis

Instead of enacting such fees, the council merely "accepted" Young's study by a unanimous vote, and chose to look at building projects case by case.

If there's a large project -- such as a "big box" store -- with a demonstrable impact on the city's administration and police services, then a fee could be imposed, Burkett explained after the council's vote.

Single-family homes, he added, won't have police station and City Hall mitigation fees tacked on to their permitting costs.

Ted Miller, the council member elected in November after a campaign that leaned hard on his advocacy of higher fees for developers, highlighted the importance of Monday's decisions.

"It isn't often the City Council has opportunity to make a truly historic vote," he said.

Yet nobody knows which way the housing construction trend will go, he acknowledged -- though he wants to make sure impact fees are in place if Sequim sees another building boom like the one that took place four years ago.

Public meetings

In a March 8 public hearing and a Feb. 9 "open house" hosted by Young, dozens of people in the real estate and building industry asked for mercy from the proposed fees, saying the recession is already hitting them hard.

"This has been an emotional and difficult large elephant in the room," said Hays, who had come out in favor of the parks and transportation fees.

"As a small-business person in the building industry, I feel the sting . . . for having taken a stand."

To Hays' mind, though, the fees are much needed if Sequim is to grow into a small city with the streets, sidewalks and parks its people want.

The transportation impact charge, he and Dubois agreed, has homebuilders share the cost of streets and new sidewalks while providing a basic city service: ease of travel, motorized or otherwise.

The fee, Hays said, is "quite fair."

Sequim-Dungeness Valley Reporter Diane Urbani de la Paz can be reached at 360-681-2391 or at diane.urbani@peninsuladailynews.com.

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