

Snoqualmie Valley School District's latest construction proposal says a freshman campus is coming in 2013, and calls for the impact fees to pay for it.

But the district's Board of Directors appears willing to delay opening of a Mount Si High School annex, even as it renews efforts to push the city of Snoqualmie to collect the full charge.

Freshman campus

The board unanimously adopted its 2011 capital facilities plan on Thursday, June 23, following a discussion on the purpose of the impact fees set by this plan, and the board's willingness to consider postponing an annexation of Snoqualmie Middle School as a freshman learning center.

"The plan that we put in place for the freshman learning center is still the very best plan," said School Board President Dan Popp.

However, that plan hinged on voters' approval of a \$52 million bond this year to build a new Snoqualmie Middle School, a replacement for the building that Mount Si High School would annex for freshmen. Voters rejected the bond by a single ballot in February and in greater numbers when it re-ran in April.

Popp said that since "a new middle school is not in our immediate future... we have an opportunity to take the next many months, 16 or 18 months, to evaluate whether or not the timing of that, whether 2013 is the right timing for this." Board members Craig Husa and Caroline Loudenback agreed that the community had worked hard on the committee that made the recommendation to create a freshman learning center, and they weren't abandoning that work.

"We do have some time to see what the actual (enrollment) numbers come in at in October... we have time to re-evaluate," Husa said.

Impact fees

In the meantime, board director Scott Hodgins argues that the board needs to adopt the proposed capital facilities plan to be able to collect impact fees.

The capital facilities plan is updated annually, and covers what Business Services Director Ryan Stokes called "a six-year window of facilities needs in the district."

The current plan includes the assumption that Snoqualmie Middle School will be annexed into Mount Si High School and a replacement school would be built in 2015, along with a new elementary school.

"If we revised it now, we'd have nothing to report to the county and we would have no impact fees being collected," Hodgins said. "The important thing is to adopt the capital facilities plan even though it is dynamic and may change."

Impact fees did not significantly contribute to the school's ability to build permanent student capacity, Hodgins said. He felt the district's own estimates for construction of new facilities were low.

"So to me, if anything, accepting the plan with a higher number, even if we're wrong, actually is beneficial to us," Hodgins said. "We're going to get more money."

Stokes, however, says impact fees are unpredictable and unreliable, and should not be counted on for anything more than "to bridge the gap until we secure funding for new buildings."

The fees, he added, are dependent on home construction, and the district is dependent on the city and county taxing districts to collect those fees for the district.

Several citizens urged the board to reject the capital facilities plan. David Spring said enrollment projections from Calm River Demographics have differed significantly from actual figures, and suggested the board form another committee and work with the community to create a plan for school capacity.

Carolyn Simpson referred to enrollment projections showing the greatest increases at the elementary school level and encouraged the board to start planning for a sixth elementary school before 2015.

Steven Kangas cautioned against “bundling” costs of a needed elementary school with an unpopular middle school.

The capital facilities plan that the board unanimously adopted includes the annexation of Snoqualmie Middle School at \$3.1 million, the construction of a new middle school at \$51.9 million, and a 68,000 square-foot elementary school with preschool capacity at \$31.8 million, plus \$3.35 million in portable classrooms. Stokes said the middle school estimate is higher than the amount in the bonds to account for cost increases over time.

City sees risk

Impact fees are expected to cover about \$400,000 of these combined costs. This year's single-family home fee has increased \$364, to \$8,503, while the multi-family unit fee has dropped \$510, to \$2,742.

While discussing impact fees, the board also reviewed a draft letter from the board to the Snoqualmie City Council urging them to accept the district's 2010 fee, which was endorsed by all local cities and the county, excepting the city of Snoqualmie.

Snoqualmie rejected the school board's proposed 2010 fee, which had increased by \$5,400 from the previous year. This year, it has collected only the amount of the district's 2009 impact fee, about \$3,100 for single-family homes.

At issue is whether the city is adequately protected from legal liability for collecting the fees. The city had earlier offered to approve the impact fee on the condition of a formal indemnification agreement, but the district's position is that a specific indemnification is not needed.

The district's latest letter states that the existing interlocal agreement between the city and district for collecting impact fees does protect the city against claims of damages from developers. It also estimates that the city's decision to not collect this year's fee has cost the district nearly \$500,000 in lost impact fees on 86 new single-family homes under construction or being permitted.

Snoqualmie City Council members agreed Monday to hold their response until they have digested the new capital facilities plan.

Mayor Matt Larson questions whether it is right for the city to pass on fees based on a capital facilities plan for schools that may not come to fruition.

“We think it's risky,” he said.

Larson is certain that the \$5,400 hike will spook new home buyers, and if homes don't sell, both city and school district receive less money.

Larson said the city, too, has a lot of commitments at stake. Money for roads, downtown redevelopment, city hall, sewer and water infrastructure comes from new home taxes.

Developers are also paying for park improvements, street lights and the new community center.

“Those big-ticket items are coming due at the worst time,” Larson said. “That's going to kill them. We've got to do

what we can to keep their business viable.”

The impact fee standoff dates to late 2010, when Larson asked the council to delay action on the item until the bond for a new middle school passed. Stokes called this action “unprecedented,” saying “No other city has made our impact fee contingent on a bond’s passing.”

He admits however that the district’s impact fee is higher than surrounding districts’ but adds, “Other districts qualify for the state match.” State matching funds range from \$2,000 to \$4,000 per unit constructed, but to qualify for the match, “700 kids would need to be housed in portables, approximately, for us to qualify for state matching funds.”

At Monday’s meeting, several council members called for resolution.

“Let’s find some sort of solution other than a winner and a loser,” council member Bob Jeans said. “This pointing of fingers is not very constructive. My suggestion is, we talk.”

Councilmember Kathi Prewitt offered to meet with representatives of the board, the council and the two administrations.

What's an impact fee?

Impact fees are a charge that school districts (and other entities) can add to city and county building permit fees, on the assumption that the homes being built will include children entering the school system. The fee is intended to partially offset the impact of the increased enrollment on the school district's student capacity.

The fees are calculated from several factors including the cost of new construction and temporary facilities, outlined each year in the district's capital facilities plan. Builders pay the fees during the permitting process, but the cost is added to the final price of each home.

In 2009, the school district's failed bond meant there were no new construction projects in the pipeline, and property tax offsets meant that developers paid no impact fees. For the four years prior, the impact fee averaged about \$3,100. In 2010, the district requested an \$8,139 impact fee. By comparison, developers in neighboring Riverview School District would pay a proposed \$5,629 fee. Tahoma School District's 2011 fee is \$7,791; Issaquah School District builders would pay \$3,808.

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