

# Report Finds 'No Fatal Flaw' in Bainbridge School Impact Fees

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While a new report reveals there is "no fatal flaw" in the way the city of Bainbridge Island collects impact fees from home builders for school-expansion projects, it does make a call for more public review and better documentation.

On Bainbridge, impact fees collected by the city since 1992 have brought in nearly \$8 million. Currently, the fee is about \$4,390 for a single-family home and \$1,170 for a condo or apartment. On the island, proceeds must be used for new Bainbridge Island School District facilities that are tied to growth. One measurement of growth is enrollment.

That's been the rub for Daniel Smith, who has kept close tabs on the issue and who mounted a legal challenge over the fees. The report came as part of a settlement.

"Enrollment is declining; I'm trying to figure out where the impact is," he said.

Ben Frerichs, a consultant and author of the report, admitted projected enrollments are tricky to measure. While the assumption is that enrollment is going to rise and flatten out, monitoring enrollment projections is "a major issue" that should be revisited frequently, he said.

Impact fees will fund approximately 27 percent of the current expansion of Bainbridge High School, according to the report.

As for improvements in the way the city collects the fees for the school district, the study pointed out that a paperwork trail appears to be missing on the discussion that led to the decision to impose the fee so many years ago.

"There was no apparent 'paper trail' to support the reasoning behind the school impact fee," the report said.

"That is clearly wrong," Smith responded.

The study also called for public discussion on the fees.

"If they're going to go forward, it seems like an appropriate time to look at what they have," Frerichs said. The City Council will get its first look at the study Wednesday.

All along, local builders have fought impact fees, saying they push up the cost of new homes and condos.

Art Castle, executive director of the Home Builders Association of Kitsap County, calls the fees "politically popular" but "a very poor way to collect dollars for infrastructure." The fee targets a very small group who must fund new facilities for the entire community, he said.

The fee "pretends that new houses produce children; I thought people did," Castle said.

"It's an illegal tax."

Frerichs disagreed. While there were perhaps flaws in documenting the process that led to the decision to implement the fee, and while the public may not have been made part of the decision, the fee "passes the test of public policy in the state statute," he said.



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