

*Final Report*

**IMPACT FEES**

FOR

**PARKS AND RECREATIONAL FACILITIES**

IN

**CITY OF ISSAQUAH, WASHINGTON**

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Young &  
Company

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# 1. INTRODUCTION

This study of impact fees for parks and recreational facilities for the City of Issaquah presents the methodology, summarizes the data, and explains the calculation of the fees. The methodology is designed to comply with the requirements of Washington law. This introduction describes the basis for parks and recreational impact fees, including:

- Definition and Rationale of Impact Fees
- Statutory Basis For Impact Fees
- Responsibility for Public Facilities
- Need for Additional Parks and Recreational Facilities
- Determining the Benefit of Parks and Recreational Facilities to Development
- Methodology and Relationship to Capital Facilities Plan
- Data Sources and Calculation

## **Definition and Rationale of Impact Fees**

Impact fees are charges paid by new development to reimburse local governments for the capital cost of public facilities that are needed to serve new development and the people who occupy the new development. New development is synonymous with “growth.”

Local governments charge impact fees on either of two bases. First, as a matter of policy and legislative discretion, they may want new development to pay the full cost of its share of new public facilities because that portion of the facilities would not be needed except to serve the new development. In this case, the new development is required to pay for virtually all the cost of its share of new public facilities<sup>1</sup>.

On the other hand, local governments may use other sources of revenue to pay for the new public facilities that are required to serve new development. If,

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<sup>1</sup> RCW 82.02.050 (2) prohibits impact fees that charge 100% of the cost, but does not specify how much less than 100%, leaving that determination to local governments.

however, such revenues are not sufficient to cover the entire costs of new facilities necessitated by new development, the new development may be required to pay an impact fee in an amount equal to the difference between the total cost and the other sources of revenue.

There are many kinds of "public facilities" that are needed by new development, including parks and recreational facilities, fire protection facilities, schools, roads, water and sewer plants, libraries, and other government facilities. This study covers parks and recreational facilities for the City of Issaquah, Washington. Impact fees for parks and recreational facilities are charged to all residential development within the City of Issaquah.

## **Statutory Basis For Impact Fees**

RCW 82.02.050 - 82.02.090 authorizes local governments in Washington to charge impact fees. The impact fees that are described in this study are not mitigation payments authorized by the State Environmental Policy Act (SEPA). There are several important differences between impact fees and SEPA mitigations. Two aspects of impact fees that are particularly noteworthy are: 1) the ability to charge for the cost of public facilities that are "system improvements" (i.e., that provide service to the community at large) as opposed to "project improvements" (which are "on-site" and provide service for a particular development), and 2) the ability to charge small-scale development their proportionate share, whereas SEPA exempts small developments.

The following synopsis of the most significant requirements of the law includes citations to the Revised Code of Washington as an aid to readers who wish to review the exact language of the statutes.

### **Types of Public Facilities**

Four types of public facilities can be the subject of impact fees: 1) public streets and roads; 2) publicly owned parks, open space and recreational facilities; 3) school facilities; and 4) fire protection facilities (in jurisdictions that are not part of a fire district). *RCW 82.02.050(2) and (4), and RCW 82.02.090(7)*

### **Types of Improvements**

Impact fees can be spent on "system improvements" (which are typically outside the development), as opposed to "project improvements" (which are typically provided by the developer on-site within the development). *RCW 82.02.050(3)(a) and RCW 82.02.090(6) and (9)*

## **Benefit to Development**

Impact fees must be limited to system improvements that are reasonably related to, and which will benefit new development. *RCW 82.02.050(3)(a) and (c)*. Local governments must establish reasonable service areas (one area, or more than one, as determined to be reasonable by the local government), and local governments must develop impact fee rate categories for various land uses. *RCW 82.02.060(6)*

## **Proportionate Share**

Impact fees cannot exceed the development's proportionate share of system improvements that are reasonably related to the new development. The impact fee amount shall be based on a formula (or other method of calculating the fee) that determines the proportionate share. *RCW 82.02.050(3)(b) and RCW 82.02.060(1)*

## **Reductions of Impact Fee Amounts**

Impact fees rates must be adjusted to account for other revenues that the development pays (if such payments are earmarked for or proratable to particular system improvements). *RCW 82.02.050(1)(c) and (2) and RCW 82.02.060(1)(b)* Impact fees may be credited for the value of dedicated land, improvements or construction provided by the developer (if such facilities are in the adopted CFP and are required as a condition of development approval). *RCW 82.02.060(3)*

## **Exemptions from Impact Fees**

Local governments have the discretion to provide exemptions from impact fees for low-income housing and other "broad public purpose" development, but all such exemptions must be paid from public funds (other than impact fee accounts). *RCW 82.02.060(2)*

## **Developer Options**

Developers who are liable for impact fees can submit data and or/analysis to demonstrate that the impacts of the proposed development are less than the impacts calculated in this rate study. *RCW 82.02.060(5)*. Developers can pay impact fees under protest and appeal impact fee calculations. *RCW 82.02.060(4) and RCW 82.02.070(4) and (5)*. The developer can obtain a refund of the impact fees if the local government fails to expend the impact fee payments within 6 years, or terminates the impact fee requirement, or the developer does not proceed with the development (and creates no impacts). *RCW 82.02.080*

## **Capital Facilities Plans**

Impact fees must be expended on public facilities in a capital facilities plan (CFP) element (or used to reimburse the government for the unused capacity of existing facilities). The CFP must conform with the Growth Management Act of 1990, and must identify existing deficiencies in facility capacity for current development, capacity of existing facilities available for new development, and additional facility capacity needed for new development. *RCW 82.02.050(4), RCW 82.02.060(7), and RCW 82.02.070(2)*

## **New versus Existing Facilities**

Impact fees can be charged for new public facilities (*RCW 82.02.060(1)(a)*) and for the unused capacity of existing public facilities (*RCW 82.02.060(7)*) subject to the proportionate share limitation described above.

## **Accounting Requirements**

The local government must separate the impact fees from other monies, expend the money on CFP projects within 6 years, and prepare annual reports of collections and expenditures. *RCW 82.02.070(1)-(3)*

## **ISSUES RELATING TO IMPACT FEES**

Prior to calculating impact fee rates, several issues must be addressed in order to determine the need for, and validity of such fees: responsibility for public facilities, the need for additional park and recreational facilities, the need for revenue for additional parks and recreational facilities, and the benefit of new parks and recreational facilities to new development.

## **Responsibility for Public Facilities**

In general, local governments that are authorized to charge impact fees are responsible for specific public facilities for which they may charge such fees. The City of Issaquah is legally and financially responsible for the parks and recreational facilities it owns and operates within its jurisdiction. In no case may a local government charge impact fees for private facilities, but it may charge impact fees for some public facilities that it does not administer if such facilities are "owned or operated by government entities" (*RCW 82.82.090(7)*).

## Need for Additional Park and Recreational Facilities

The need for additional parks and recreational facilities is determined by using standards for levels of service for park and recreational facilities to calculate the quantity of facilities that are required. The required quantity is then compared to the existing inventory to determine the need for additional land and facilities. The analysis of needed parks and recreational facilities must comply with the statutory requirements of identifying existing deficiency, reserve capacity and new capacity requirements for facilities.

For the purpose of quantifying the need for parks and recreational facilities, this study uses the City's value of investment in parks and recreational facilities per capita. As greater growth occurs, more investment is required, therefore more parks and recreational facilities are needed to maintain standards. The analysis and text documenting the investment in parks and recreational facilities per person is explained in Chapter 2.

## Determining the Benefit to Development

The law imposes three tests of the benefit provided to development by impact fees: 1) proportionate share, 2) reasonably related to need, and 3) reasonably related to expenditure (*RCW 80.20.050(3)*).

### **1. Proportionate Share**

First, the "proportionate share" requirement means that impact fees can be charged only for the portion of the cost of public facilities that is "reasonably related" to new development. In other words impact fees cannot be charged to pay for the cost of reducing or eliminating deficiencies in existing facilities.

Second, there are several important implications of the proportionate share requirement that are not specifically addressed in the law, but which follow directly from the law:

- Costs of facilities that will be used by new development and existing users must be apportioned between the two groups in determining the amount of the fee. This can be accomplished in either of two ways: (1) by allocating the total cost between new and existing users, or (2) calculating the cost per unit (i.e., acre of park land, etc.) and applying the cost only to new development when calculating impact fees.

- Impact fees that recover the costs of existing unused capacity can be based on the government's actual cost rather than the replacement cost of the facility in order to account for carrying costs of the government's actual or imputed interest expense.

The third aspect of the proportionate share requirement is its relationship to the requirement to provide adjustments and credits to impact fees, where appropriate. These requirements ensure that the amount of the impact fee does not exceed the proportionate share.

- The "adjustments" requirement reduces the impact fee to account for past and future payments of other revenues (if such payments are earmarked for or proratable to the system improvements that are needed to serve new growth).
- The "credit" requirement reduces impact fees by the value of dedicated land, improvements or construction provided by the developer (if such facilities are in the adopted CFP and are required as a condition of development approval). The law does not prohibit a local government from establishing reasonable constraints on determining credits. For example, the location of dedicated land and the quality and design of a donated public facility can be required to conform to adopted local standards for such facilities.

Without such adjustments and credits, the fee-paying development might pay more than its proportionate share.

## **2. Reasonably Related to Need**

There are many ways to fulfill the requirement that impact fees be "reasonably related" to the development's need for public facilities, including personal use and use by others in the family or business enterprise (direct benefit), use by persons or organizations who provide goods or services to the fee-paying property (indirect benefit), and geographical proximity (presumed benefit). These measures of relationship are implemented by the following techniques:

- Impact fees for parks and recreational facilities are charged to properties which need (i.e., benefit from) new parks and recreational facilities. Parks and recreational facilities are provided by the City of Issaquah to all kinds of property throughout the City regardless of the type of use of the property. Impact fees for park and recreational facilities, however, are only charged to

residential development in the City because the dominant stream of benefits redounds to the occupants and owners of dwelling units. As a matter of policy, the City of Issaquah elects not to charge parks and recreational impact fees to non-residential properties because there is insufficient data to document the proportionate share of parks reasonably needed by non-residential development.

- The relative needs of different types of growth are considered in establishing fee amounts (i.e., single family dwelling units versus multi family dwelling units, etc.).
- Fee-payers can pay a smaller fee if they can demonstrate that their development will have less impact than is presumed in the calculation of the impact fee schedule for their property classification. Such reduced needs must be permanent and enforceable (i.e., through land use restrictions).
- Washington law requires one or more service areas as a way of connecting a unit of development and the benefits of public facilities paid for by impact fees. All impact fees paid by new development in the service area would be required to be spent on new park and recreational facilities in the same service area. Issaquah parks and recreational facilities serve the entire City, therefore the impact fees are based on a single district.

### **3. Reasonably Related to Expenditures**

Two provisions of the law tend to reinforce the requirement that expenditures be "reasonably related" to the development that paid the impact fee. First, the requirement that fee revenue must be earmarked for specific uses related to public facilities ensures that expenditures are on identifiable projects, the benefit of which can be demonstrated. Second, impact fee revenue must be expended within 6 years, thus requiring a timeliness to the benefit to the fee-payer.

### **Methodology and Relationship to Capital Facilities Plan**

Impact fees for parks and recreational facilities in the City of Issaquah are based on the value per capita of the City's existing investment in parks and recreational facilities for the population of the City. New development will be provided the same investment per capita, to be funded by a combination of general and capital improvement fund revenue and impact fees. The amount of the impact fee is determined by charging each new development for the average number of

persons per dwelling unit multiplied times the amount of the investment per capita that is to be paid by growth.

The investment for future population is made through parks projects listed in the City's Capital Facilities Plan. The total value of the projects in the current CFP exceeds the amount needed to sustain the investment per capita standard, therefore (1) the standard is a reasonable, and conservative, basis for the impact fee, and (2) the investment in excess of the standard will raise the standard for all residents (which can be adjusted in future updates of the impact fee rates).

## **Data Sources and Calculation**

### **Data Sources**

The data in this study of impact fees for parks and recreational facilities in the City of Issaquah, Washington was provided by the City of Issaquah unless a different source is specifically cited.

### **Data Rounding**

The data in this study was prepared using computer spreadsheet software. In some tables in this study, there will be very small variations from the results that would be obtained using a calculator to compute the same data. The reason for these insignificant differences is that the spreadsheet software was allowed to calculate results to more places after the decimal than is reported in the tables of these reports. The calculation to extra places after the decimal increases the accuracy of the end results, but causes occasional differences due to rounding of data that appears in this study.

## 2. LEVEL OF SERVICE STANDARD

The level of service, as defines as the capital investment per person, is calculated by multiplying the capacity of parks and recreational facilities times the average costs of those items.:

$$\begin{array}{rcccl} \text{Value of} & & & & \\ \text{Parks \& } & & \text{Service} & & \text{Capital} \\ \text{Recreational} & \div & \text{Population} & = & \text{Investment} \\ \text{Facilities} & & & & \text{Per Person} \\ \text{Inventory} & & & & \end{array}$$

There are two variables that requires explanation: (A) value of parks and recreational inventory, and (B) service population.

### **Variable (A): Value of Parks and Recreational Inventory**

The value of the existing inventory of parks and recreational facilities is calculated by determining the value of each park as well as each recreational facility. The sum of all of the values equal the current value of the City's parks and recreational system.

The costs in this study come from a variety of information, depending on the status of the park or recreational facility. The park land valuations come from either the assessed values or the actual purchase price for recent acquisitions. The recreational facilities costs are a combination of actual costs, planned costs and City of Issaquah Parks Department estimates of costs.

The cost of park land includes land, design, landscaping, site improvements, some recreational facilities (e.g., equipment or apparatus not separately listed in this study), and legal and administrative costs (which includes contingency). The cost of recreational facilities includes design, site preparation, construction, and legal and administrative costs (which includes contingency). The cost of facilities does not include land if the facilities are customarily located at a park. If the facility is usually located at any site other than a park, the cost includes land.

The cost of new parks and recreational facilities in this rate study does not include any costs for interest or other financing. If borrowing is used to "front fund" the costs that will be paid by impact fees, the carrying costs for financing can be added to the costs, and the impact fee can be recalculated to include such costs.

## **Variable (B): Service Population**

The service population is the number of persons served by the inventory of parks and recreational facilities. Issaquah's service population consists of the City's current, population including the Greenwood Point annexation, plus the estimated growth population in the Urban Villages because that population will be served by parks and recreational facilities that have been previously given to the City by the Urban Villages, thus the inventory in Table 1 includes those facilities to serve that growth population.

## **Calculation of Park and Recreational Capital Investment Per Person**

Table 1 (on the next page) lists the types of land and facilities that make up the City of Issaquah's existing park system. Each component is listed alphabetically in the first column, along with the unit of measure per component (i.e., acres of land, square feet of community center) in the second column. The existing inventory of park land and facilities is shown in the third column and the average cost per unit of measure is shown in the fourth column. The capital value of each type of park land or recreational facility is calculated in the final column by multiplying the inventory for each component by the average cost per unit for that component. An additional \$350,000 is included in the last column as "Committed Mitigation". This amount represents the money required to be given to the City for park and recreational facilities as negotiated in the Talus agreement. The capital value for all recreational facilities, park land, and committed mitigation in the inventory comes to a total of \$116,387,328. This total value is divided by the service population of 26,837 for the City at the bottom of the table to determine the current capital value per person of \$4,336.82.

**Table 1: Level of Service Standard**

Type of Park or Facility (alphabetical order)	Unit	Inventory <sup>2</sup>	Average Cost Per Unit	Capital Value
Amphitheater	amphitheater	1	435,204	\$ 435,204
Baseball Field	field	5	150,000	750,000
Basketball Court	court	2.5	60,000	150,000
Community Center	square foot	56,905	300	17,071,500
Land – Active	acre	190.70	209,860	40,020,302
Land – Passive/Natural	acre	1,283.78	22,231	28,539,713
Land – Unstructured	acre	41.96	121,678	5,105,609
Play Lot/Tot Lot	lot	7	100,000	700,000
Senior Center	square foot	8,000	300	2,400,000
Skateboard Park	park	1	250,000	250,000
Soccer Field	field	3	200,000	600,000
Softball Field	field	4	150,000	600,000
Swimming Pool – Indoor	pool	1	9,000,000	9,000,000
Tennis Court	court	4	60,000	240,000
Trails – Recreation	mile	9	700,000	6,300,000
Trails – Urban	mile	5	700,000	3,500,000
Trail Head	trail head	5	75,000	375,000
Committed Mitigation				<u>350,000</u>
Total Capital Value				\$116,387,328
Population <sup>3</sup>				26,837
Capital Value per Person				\$ 4,336.82

The City of Issaquah’s capital value per person is the standard the City uses to ensure that each resident receives an equitable amount of parks and recreational facilities. The City provides this value by investment in parks and recreational facilities that are most appropriate for each site and which respond to changing needs and priorities as the City grows and the demographics and needs of the population changes.

<sup>2</sup> The inventory is for the year 2006, and includes the park land acquired through the annexation March 2, 2006.

<sup>3</sup> The service population includes the 2006 City population (19,571), Greenwood Point annexation (3,712 as of 2006) and the 2011 population of Highlands (2,258) and Talus (1,296) because the inventory includes the mitigations already made or committed for those future populations.

### 3. PARKS AND RECREATIONAL FACILITY NEEDS

This chapter calculates the value of parks and recreational facilities that are needed to serve growth, reduced by the value of existing reserves and future investments the City will make in parks and recreational facilities that serve growth.

#### Value Needed For Growth

Impact fees must be related to the needs of growth, as explained in Chapter 1. The first step in determining growth's needs is to calculate the total value of parks and recreational facilities that are needed for growth. The calculation is accomplished by multiplying the capital investment per person (from Chapter 1) times the number of new persons that are forecast for the City's growth.

$$\begin{array}{rcccl} \text{Capital} & & \text{Forecast} & & \text{Value} \\ \text{Investment} & \times & \text{Population} & = & \text{Needed} \\ \text{Per person} & & \text{Growth} & & \text{For Growth} \end{array}$$

There is one new variable used in this formula that requires explanation: (C) forecasts of future population growth.

#### **Variable (C): Forecast Population Growth**

As part of the City of Issaquah's long-range planning process, including its Comprehensive Plan pursuant to the Growth management Act, the City prepares forecasts of future growth. As explained in Chapter 2 the population that is being served by the existing inventory of park land and recreational facilities includes the projected growth from 2006 – 2011 for the Urban Villages because the parks and recreational facilities for those developments have already been provided to the City, or are committed to be paid by the development agreement. The forecast of population growth used in this rate study assumes that the only residential growth will occur in the recent Greenwood Point annexation area.

#### **Calculation of Value Needed For Growth**

Table 2 (on the next page) shows the calculation of the value of parks and recreational facilities needed for growth. The first column lists the level of service standard for capital investment per person from Table 1, the next column shows the growth in population that is forecast, and the third column is the total value of parks and recreational facilities that is needed to serve the growth that is forecast for Issaquah.

**Table 2: Value of Parks and Recreational Facilities Needed for Growth**

Capital Investment Per Person	Forecast Population Growth <sup>4</sup>	Value Needed For Growth
\$ 4,336.82	451	\$ 1,955,907

Table 2 shows that Issaquah needs parks and recreational facilities valued at \$1,955,907 in order to serve the growth of 451 additional people who are expected to be added to the City's population. The future investment needed for growth will be \$1,955,907 unless the City has existing reserve capacity in its parks and recreational facilities.

**Investment Needed for Growth**

The investment needed for growth is calculated by subtracting the value of any existing reserve capacity from the total value of parks and recreational facilities needed to serve the growth.

$$\begin{array}{r} \text{Value} \\ \text{Needed} \\ \text{For Growth} \end{array} - \begin{array}{r} \text{Value of} \\ \text{Existing} \\ \text{Reserve} \\ \text{Capacity} \end{array} = \begin{array}{r} \text{Investment} \\ \text{Needed} \\ \text{For Growth} \end{array}$$

There is one new variable used in this formula that requires explanation (D) value of existing reserve capacity of parks and recreational facilities.

**Variable (D): Value of Existing Reserve Capacity**

Table 3 (on the next page) shows the calculation of the investment in parks and recreational facilities that is needed for growth. The value of parks and recreational facilities needed to serve growth (from Table 2) is shown in the first column. The second column shows the value of existing reserve capacity and the third column is the remaining investment in parks and recreational facilities that is needed to serve the growth. Because the City uses the current ratio of parks and recreational facility value to the population, there is no reserve capacity, nor is there any existing deficiency.

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<sup>4</sup> The forecast is for population growth from 2006 to 2011, excluding growth in the Highlands and Talus for reasons explained in footnote 3.

**Table 3: Investment Needed in Parks and Recreational Facilities for Growth**

Value Needed for Growth	Value of Existing Reserve Capacity	Investment Needed For Growth
\$ 1,955,907	\$ 0	\$ 1,955,907

Table 3 shows that Issaquah needs to invest \$1,955,907 in additional parks and recreational facilities in order to serve future growth. The future investment in parks and recreational facilities that needs to be paid by growth may be less than \$1,955,907 if the City has other revenues it invests in its parks and recreational facilities

**Investment to be Paid by Growth**

The investment to be paid by growth is calculated by subtracting the amount of any revenues the City invests in infrastructure for growth from the total investment in parks and recreational facilities needed to serve growth.

$$\begin{array}{rcccl}
 \text{Investment} & & \text{City} & & \text{Investment} \\
 \text{Needed} & - & \text{Investment} & = & \text{To be Paid} \\
 \text{For Growth} & & \text{For Growth} & & \text{By Growth}
 \end{array}$$

There is one new variable used in this formula that requires explanation: (E) revenues used to fund the City’s investment in projects that serve growth.

**Variable (E): City Investment of Non-Impact Fee Revenues**

The City of Issaquah has historically used local revenues, such as real estate excise tax, councilmanic bonds and other revenues within the City’s Capital improvement Fund and General Fund to pay for part of the cost of parks and recreational facility capital costs. The City’s investment has averaged 44% of the cost of capital improvement projects for parks and recreational facilities.

Revenues that are used for repair, maintenance or operating costs are not used to reduce impact fees because they are not used, earmarked or prorated for the system improvements that are the basis of the impact fees. Revenues from past taxes paid on vacant land prior to development are not included because new capital projects do not have prior costs, therefore prior taxes did not contribute to such projects.

The other potential credit that reduces capacity costs (and subsequent impact fees) are donations of land or other assets by developers or builders. Those reductions depend upon specific arrangements between the developer and the City of Issaquah. Reductions in impact fees for donations are calculated on a case by case basis at the time impact fees are to be paid.

Table 4 shows the calculation of the investment in parks and recreational facilities that needs to be paid by growth. The investment in parks and recreational facilities needed to serve growth (from Table 3) is shown in the first column, the second column shows the value of City investment for growth from local revenues, and the third column is the remaining investment in parks and recreational facilities that will be paid by growth.

***Table 4: Investment in Parks and Recreational Facilities to be Paid by Growth***

Investment Needed For Growth	City Investment For Growth @ 44.%	Investment To be Paid By Growth
\$ 1,955,907	\$ 860,599	\$ 1,095,308

Table 4 shows that growth in Issaquah needs to invest \$1,955,907 for additional parks and recreational facilities to maintain the City's standards for future growth. The City expects to use \$860,599 in local revenue towards this cost, and the remaining \$1,095,308 will be paid by growth.

The portion to be paid by each new dwelling unit is presented in the next chapter.

## 4. IMPACT FEE PER UNIT OF DEVELOPMENT

In this chapter the investment in additional parks and recreational facilities to be paid by growth (from Chapter 3) is used to calculate the park and recreational facilities growth cost per person which is then used to calculate the impact fee per dwelling unit

### Growth Cost Per Person

The growth cost per person is calculated by dividing the investment in parks and recreational facilities that is to be paid by growth by the amount of population growth.

$$\begin{array}{r} \text{Investment} \\ \text{To Be Paid} \\ \text{By Growth} \end{array} + \begin{array}{r} \text{Growth} \\ \text{Population} \end{array} = \begin{array}{r} \text{Growth} \\ \text{Cost} \\ \text{Per Person} \end{array}$$

There are no new variables used in this formula. Both variables were developed in previous formulas.

### Calculation Of Investment To Be Paid By Growth

Table 5 shows the calculation of the cost per person of parks and recreational facilities that needs to be paid by growth. The first column lists the investment in parks and Recreational facilities needed to be paid by growth (from Table 4), the second column shows the growth population (see Variable C, above), and the third column is the growth cost per person.

**Table 5: Growth Cost per Person**

Investment To Be Paid By Growth	Growth Population	Growth Cost Per Person
\$ 1,095,308	451	\$ 2,428.62

Table 5 shows that the cost per new person for parks and recreational facilities that will be paid by growth is \$2,428.62. The amount to be paid by each new dwelling unit depends on the number of persons per dwelling unit.

## Impact Fee Per Dwelling Unit

The impact fee per dwelling unit is calculated by multiplying the growth cost per person by the number of persons per dwelling unit.

$$\begin{array}{rcccl} \text{Growth} & & \text{Average} & & \text{Cost} \\ \text{Cost} & & \text{Persons Per} & = & \text{Per} \\ \text{Per Person} & \times & \text{Dwelling Unit} & & \text{Dwelling Unit} \end{array}$$

There is one new variable used in this formula that requires explanation: (F) average number of persons per dwelling unit.

### **Variable (F): Average Persons Per Dwelling Unit**

The number of persons per dwelling unit is the factor used to convert the growth cost of parks and recreational facilities per person into impact fees per dwelling unit. The data is based on the April 2006 estimated housing units and population by type of housing units for the City of Issaquah, including the Greenwood Point Annexation.

Table 6 (on the next page) shows the calculation of the parks and recreational facilities impact fee per dwelling unit. Appendix A of this study contains the present use descriptions from the King County Tax Assessor database that are included in the single family/mobile home and multi family land use categories. The first column lists the types of dwelling units, the second column lists the growth cost per person from Table 5, the third column shows the average persons per dwelling unit, and in the fourth column the impact fee per dwelling unit calculated by multiplying the number of persons per dwelling unit times the growth cost of \$2,428.62.

***Table 6: Impact Fee per Dwelling Unit***

Type Of Dwelling Unit	Growth Cost Per Person	Average Persons Per Dwelling Unit	Impact Fee Per Dwelling Unit
Single Family/Mobile Home <sup>5</sup>	\$2,428.62	2.54	\$ 6,168.70
Multi Family	\$2,428.62	1.60	\$ 3,885.79

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<sup>5</sup> The City of Issaquah's land development code does not permit new mobile homes, but the research for this study identified and included mobile homes that existed before the City's current land development code limitation was adopted.

## APPENDIX A: LIST OF PROPERTY USES IN EACH LAND USE CATEGORY

*Table A- 1 Tax Assessor Present Uses In Each Land Use Category*

Mitigation Fee Land Use Category	Tax Assessor Present Use
Single Family/Mobile Home	Single Family(Res Use/Zone) Single Family(C/I Use) Single Family(C/I Zone) SF Res/Townhouse Plat Mobile Home Mobile Home Park
Multi Family	4-Plex Apartment Condos Duplex Retirement-Independent Living Triplex