

RESOLUTION NO. 2013-503

A RESOLUTION OF THE CITY COUNCIL OF MILL CREEK, WASHINGTON, ESTABLISHING AND IMPLEMENTING FORMULAS FOR USE IN DETERMINING APPROPRIATE MITIGATION FOR PROPERTY DEVELOPMENT IMPACTS ON PUBLIC PARKS AND RECREATION FACILITIES UNDER CHAPTERS 17.48 AND 18.04, MILL CREEK MUNICIPAL CODE, AND OTHER STATE LAWS.

WHEREAS, the City of Mill Creek was established to secure and institutionalize for its citizens certain values and goals essential to achieving and maintaining a high quality of life and attractive living environment; and

WHEREAS, the City Council adopted Ordinance No. 90-221, codified into Chapter 17.48, MCMC, and adopted Chapter 18.04, MCMC, to ensure the continuation of such values and goals; and

WHEREAS, public parks and recreation facilities, playgrounds, and open spaces are significant attributes and environmental features of the City, and enhance the quality of life in the community; and

WHEREAS, acquisition, expansion and improvement of City parks and recreation facilities are necessary to meet current demand, and to meet Level of Service standards and facility guidelines established within the Parks and Open Space Element of the City's Comprehensive Plan; and

WHEREAS, specific neighborhood and community park projects have been identified in the Capital Facilities Program of the City's Comprehensive Plan; and

WHEREAS, the authority to impose and assess mitigation is granted to local governments pursuant to the State Environmental Policy Act, Chapter 43.21C, RCW, the Growth Management Act, Chapter 36.70A, RCW, the State Subdivision Statute, Chapter 58.17, RCW, and other state laws; and

WHEREAS, assessment in lieu of property dedication is one of several methods available to ensure that property development assumes a reasonable, attributable, and proportionate share of the cost of providing parks and recreation facilities necessary to serve the population of each development; and

WHEREAS, on October 11, 2011, the City Council adopted Resolution 2011-477 adopting certain assessments and formulas to continue the City's impact-related and proportionate means of implementing mitigation assessments that contribute to and/or provide park and recreational facilities necessitated by property developments within the City; and

WHEREAS, Resolution 2011-477 maintained the mitigation formulas approved by the Court of Appeals of Washington, Division 1, in *United Development Corporation v. The City of Mill Creek*, 106 Wn.App. 681 (2001), and updated the calculations in the formulas in accordance with then available baseline information regarding average household size in the City of Mill Creek and the actual cost of acquiring and developing park land and recreational facilities within the City; and

WHEREAS, Resolution 2011-477 includes provisions for a biennial review and update of the mitigation formulas, calculations, and assessments to reflect changing conditions, including the cost of acquiring and developing land in the City; and

WHEREAS, in accordance with Resolution 2011-477, City staff has reviewed current baseline information regarding the need and cost of acquiring and developing park land and recreational facilities within the City, including an estimate of the actual development cost to construct neighborhood and community parks, and further including U.S. Census Bureau demographic information; and

WHEREAS, based on this review City staff has determined that the City's park and recreation mitigation assessment schedule must be revised to reflect the current demographics of the City, the actual cost of acquiring and developing park land and recreational facilities within the City; and

WHEREAS, the City Council has reviewed and considered this information in light of the City's Comprehensive Plan and its public health, safety and welfare obligations, and has determined that the changes recommended by City staff are accurate, appropriate and should be implemented for the foregoing reasons;

WHEREAS, to be consistent with Resolution 2011-477, and to keep City park mitigation fees comparable to other cities in the region and encourage development consistent with the City's Comprehensive Plan, the City Council desires to retain the 25 percent discount on the park mitigation fees; and

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MILL CREEK, WASHINGTON, THAT:

Section 1. Within the structure of state and local laws, and the City's Comprehensive Plan, dedication of land for public parks and recreation facilities is the preferred method of mitigating the impacts on such facilities caused by property development proposals and annexations within the City.

Section 2. When a property development is located in a service area where the City has not identified a future public park site or that contains insufficient land area for the creation of park or other recreational areas in accordance with City standards, dedication and development of land for public parks and recreation facilities is not a feasible method of mitigating the impacts of property development proposals on park and recreational facilities. In that event, proportionate mitigation assessments to acquire and develop park land and recreational facilities may be substituted in accordance with state and local laws.

Section 3. When a property development is located in a service area where the City has already obtained land for the creation of a park or other recreational areas, dedication of land for public parks and recreation facilities is not a feasible method of mitigating the impacts of property development proposals on park and recreational facilities. In that event, proportionate mitigation assessments to develop park land and recreational facilities may be substituted in accordance with state and local laws.

Section 4. Mitigation assessments contributed in lieu of park land dedication and/or improvements, including those under this resolution, shall be used for park land acquisition and/or development of park and recreational facilities that would serve the proposed development and such assessments shall not be expended for operations and/or maintenance of such facilities, all in accordance with Ordinance 90-221.

Section 5. Mitigation assessments contributed pursuant to this resolution, Resolution 2008-418, and Ordinance 90-221 shall be identified by the contributor, designated improvement or acquisition, and shall be deposited into separate accounts as established and determined appropriate by the City Finance Director. Such accounts shall permit tracking and segregation of all separate funds contributed as mitigation assessments.

Section 6. Mitigation Assessment Formulas: The formulas used to develop mitigation assessments for public park and recreation facilities are attached as **Exhibit A** and incorporated in full by this reference. The formulas in **Exhibit A** are the same formulas that were judicially approved in *United Development Corporation v. The City of Mill Creek*, 106 Wn.App. 681 (2001). The formulas have been recalculated based on the most current available baseline information regarding average household size in the City of Mill Creek, the actual cost of developing park land and recreational facilities within the City. The formulas, baseline information, and the resulting assessments have been reviewed by the City Council, and are approved for use in the City until such time as the Council adopts another resolution altering such formulas and/or the resulting assessments.

Section 7. Undiscounted Assessment Schedule: Based on the formulas identified in Section 6 of this Resolution, the following public park and recreation facilities mitigation assessments are hereby adopted as the full, undiscounted public park and recreation facilities mitigation assessments.

A. Neighborhood Parks

1. Sites Where Park Development Only Is Required

When a proposed residential land development application is located within the service area of an existing neighborhood park as identified within the Capital Facilities Program as needing further improvements, the following assessments shall apply:

a.	Condominium/Single-family	<u>\$3,860.78</u>	<u>\$3,818.35/Unit</u>
b.	Multifamily	<u>\$2,800.13</u>	<u>\$2,573.84/Unit</u>

2. Sites Where Park Land Acquisition and Development Are Required

When a proposed residential land development application is located within the service area of a planned neighborhood park as identified within the Parks and Open Space Element of the Comprehensive Plan and the Capital

Facilities Program, land is not being or has not been dedicated to the City for public park purposes, and acquisition of park land is necessary, the following assessments shall apply:

a.	Condominium/Single-family	\$6,861.56	\$4,405.86/Unit
b.	Multifamily	\$4,976.52	\$2,969.88/Unit

B. Community Parks

When a proposed residential land development application is located within the City, the following assessments shall apply:

a.	Condominium/Single-family	\$2,343.98	\$2,318.22/Unit
b.	Multifamily	\$1,700.03	\$1,562.65/Unit

Section 8. Discounted Assessment Schedule: Upon the adoption of this Resolution, public park and recreation facilities mitigation assessments shall be applied at a twenty-five percent discount of the full assessment amounts set forth in **Exhibit A** and Section 7 of this Resolution. The twenty-five percent discount shall remain in full force and effect until such time as the Council adopts a resolution altering the discount rate and/or the formulas and/or the resulting assessments set forth in **Exhibit A** and Section 7 of this Resolution.

A. Neighborhood Parks

1. Sites Where Park Development Only Is Required

When a proposed residential land development application is located within the service area of an existing neighborhood park as identified within the Capital Facilities Program as needing further improvements, the following assessments shall apply:

a.	Condominium/Single-family	\$2,895.58	\$2,863.76/Unit
b.	Multifamily	\$2,100.09	\$1,930.38/Unit

2. Sites Where Park Land Acquisition and Development Are Required

When a proposed residential land development application is located within the service area of a planned neighborhood park as identified within the Parks and Open Space Element of the Comprehensive Plan and the Capital Facilities Program, land is not being or has not been dedicated to the City for public park purposes, and acquisition of park land is necessary, the following assessments shall apply:

a.	Condominium/Single-family	\$5,146.17	<u>\$3,304.40/Unit</u>
b.	Multifamily	\$3,732.39	<u>\$2,227.41/Unit</u>

B. Community Parks

a.	Condominium/Single-family	\$1,757.98	<u>\$1,738.67/Unit</u>
b.	Multifamily	\$1,275.02	<u>\$1,171.99/Unit</u>

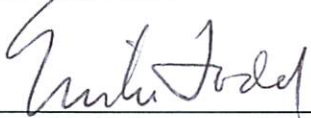
Section 9. The assessments authorized by this resolution may be applied to residential land development applications located within both neighborhood park and community park service areas.

Section 10. Revision of Assessment Schedule: The assessment schedule identified in Section 7 and the mitigation formulas identified in Section 6 of this resolution should be reviewed no later than September 30 of odd-numbered years and be revised to reflect changes in development and acquisition baseline costs, and the latest household size information; provided that until any such review and the ensuing adoption of a new assessment schedule, the assessment schedule last adopted by the City Council shall remain in full force and effect.

Section 11. Upon adoption, this resolution shall supersede Resolution No. 2011- 477.

Adopted this 24th day of September 2013 by a vote of 7 for, 0 against, and 0 abstaining.

APPROVED:



 MIKE TODD, MAYOR

ATTEST/AUTHENTICATED:



 KELLY CHELIN, CITY CLERK

APPROVED AS TO FORM:



 SHANE A. MOLONEY, CITY ATTORNEY

FILED WITH THE CITY CLERK: 9/24/13
PASSED BY THE CITY COUNCIL: 9/24/13
EFFECTIVE DATE: 9/24/13
RESOLUTION NO: 2013-503

Attachment: Exhibit A

EXHIBIT A MITIGATION FORMULAS

Each annexation and property development proposal will be reviewed to determine its impact to the City's park system and the Level of Service Standards and Guidelines as established in the Parks and Open Space Element of the Comprehensive Plan. If impacts on parks and recreation activities are identified and fee-in-lieu of land dedication and/or development is required, the amount of the assessment shall be determined on a per dwelling unit basis. The mitigation assessments required for neighborhood and community park facilities are calculated using current baseline information and formulas:

BASELINE INFORMATION:

Neighborhood Park Development Cost:

Based on the City's past experience of developing its neighborhood parks and a review of the construction costs of other neighborhood parks in Mill Creek; including Hillside Park, Vineyards Park and Cougar Park, the cost of neighborhood park development is \$707,102.30 per acre.

Community Park Development Cost:

Based on a review of the construction cost of the other community parks in the City's Urban Growth Area including Mill Creek Sports Park and Tambark Creek Park, the estimated cost of community park development is \$572,400 per acre.

Park Land Acquisition Cost:

Based upon real estate market value information available from the Snohomish County's Assessors Office, the cost of developable land suitable for public park purposes consistent with the City's Comprehensive Plan is \$108,799 per acre.

The Level of Service Standard for neighborhood parks established within the Parks and Open Space Element of the Comprehensive Plan equals 2 acres/1,000 residents.

The Facility Guideline for community parks established within the Parks and Open Space Element of the Comprehensive Plan equals 3 acres/1,000 residents.

The U.S. Census Bureau 2007-2011 American Community Survey 5-Year Estimates provides the data to estimate household population, based on the following data:

2.7 persons per household for condominium/single-family unit (Owner occupied unit).

1.82 persons per household for multi-family unit (Renter occupied unit).

NEIGHBORHOOD PARK MITIGATION ASSESSMENT FORMULAS:

1. Sites Where Park Development Only Is Required

When a proposed residential land use application is within the service area of an existing neighborhood park as identified within the Capital Facilities Program as needing further improvements, the mitigation assessment shall be limited to development costs only:

Mitigation Assessment/ Level of Service Standard Based on 2 Acres Per 1,000 populations = Park Development Cost/Acre X Level of Service Standard:
 $\$707,102.30 \times .002 = \$1,414.20/\text{Person}$

Mitigation Assessment/Unit = Development Project Unit Yield X Per Person Mitigation Assessment:
 $2.7 \times \$1,414.20 = \$3,818.34$ [Per Unit Mitigation Assessment for each condominium/single-family unit]

$1.82 \times \$1,414.20 = \$2,573.84$ [Per Unit Mitigation Assessment for each multifamily unit]

2. Sites Where Park Land Acquisition and Development Are Required

When a proposed residential land development application is within the service area of a planned neighborhood park as identified within the Parks and Open Space Element of the Comprehensive Plan and the Capital Facilities Program, and land is not being or has not been dedicated to the City for public park purposes, acquisition of park land is necessary. Thus, the mitigation assessment shall take into account the cost of both land acquisition and development:

Mitigation Assessment/Level of Service Standard Based on 2 Acres Per 1,000 populations = (Park Development Cost + Land Acquisition Cost Per Acre) X Level of Service Standard:
 $(\$707,102.30 + \$108,800) \times .002 = \$1,631.80/\text{Person}$

Mitigation Assessment/Unit = Development Project Unit Yield X Per Person Mitigation Assessment:
 $2.70 \times \$1,631.80 = \$4,405.86$ [Per Unit Mitigation Assessment for each condominium/single-family unit]

$1.82 \times \$1,631.80 = \$2,969.88$ [Per Unit Mitigation Assessment for each multifamily unit]

COMMUNITY PARK MITIGATION ASSESSMENT FORMULAS:

The Parks and Open Space Element of the Comprehensive Plan established the Level of Service Guideline as three acres of Community Park for every 1,000 persons (3/1,000). The City currently owns land that it plans to develop as a community park, but has no current plans to acquire additional land to use as a community park. As a result, for the purpose of the community park mitigation assessment formula, the data entry for the cost of acquiring land is set at zero. The City reserves the right to revise and reassess the land acquisition data entry in this formula when the City anticipates a future need to acquire land for use as a community park.

For the purpose of calculating the mitigation assessment, 50 percent of the cost of the community park is anticipated to be generated locally. The remaining 50 percent is expected to originate from state, federal, City, and/or other public sources. Thus, the mitigation assessment incorporates a 50 percent discount from the actual acquisition and development cost.

Mitigation Assessment/Level of Service Standard Based on 3 Acres Per 1,000 population = (Park Development Cost Per Acre + Land Acquisition Cost Per Acre) X Recommended Service Standard X Local Funding Source Ratio
 $(\$572,400 + \$0) \times .003 \times .5 = \858.60

Development Project Unit Yield X Per Person Mitigation Assessment = Mitigation Assessment/Unit
 $2.7 \times \$858.60 = \$2,318.22$ [Per Unit Mitigation Assessment for each condominium/single-family unit]

$1.82 \times \$858.60 = \$1,562.65$ [Per Unit Mitigation Assessment for each multifamily unit]