

Rate Study for Impact Fees for Parks, Open Space and Recreation Facilities

City of Washougal

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1. INTRODUCTION

The purpose of this study is to establish the rates for impact fees in the City of Washougal, Washington for parks, open space, and recreation facilities as authorized by RCW¹ 82.02.090 (7). Throughout this study the term “parks” is used as the short name that means parks, open space and recreation facilities, including land and developments.

Summary Maximum Allowable Impact Fee Rates

Park impact fees are paid by all types of new development.² Impact fee rates for new development are based on and vary according to the type of land use. The following table summarizes the maximum allowable impact fee rates for each land use category.

Exhibit 1. City of Washougal Park Impact Fee Rates

Type of Development	Park Impact Fee per Unit of Development
Single Family	\$6,464 dwelling unit
Multifamily	\$4,685 dwelling unit

Impact Fees vs. Other Developer Contributions

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 or use the new development. Throughout this study, the term “developer” is used as a shorthand expression to describe anyone who is obligated to pay impact fees, including builders, owners or developers.

Local governments charge impact fees for several reasons: 1) to obtain revenue to pay for some of the cost of new public facilities; 2) to implement a public policy that new development should pay a portion of the cost of facilities that it requires, and that existing development should not pay all of the cost of such facilities; and 3) to assure that adequate public facilities will be constructed to serve new development.

The impact fees that are described in this study do not include any other forms of developer contributions or exactions, such as mitigation or voluntary payments authorized by SEPA (the State Environmental Policy Act, RCW 43.21C); system development charges for water and sewer authorized for utilities (RCW 35.92 for municipalities, 56.16 for sewer districts, and 57.08 for water districts); local

¹ Revised Code of Washington (RCW) is the state law of the State of Washington.
²The impact fee ordinance may specify exemption for low-income housing and/or “broad public purposes,” but such exemptions must be paid for by public money, not other impact fees. The ordinance may specify if impact fees apply to changes in use, remodeling, etc.

improvement districts or other special assessment districts; linkage fees; or land donations or fees in lieu of land.

Organization of the Study

This impact fee rate study contains four chapters:

- **Introduction:** provides a summary of impact fee rates for land use categories, and other introductory materials.
- **Statutory Basis and Methodology:** summarizes the statutory requirements for development of impact fees, and describes the compliance with each requirement.
- **Growth Estimates:** presents estimates of future growth of population and employment in Washougal because impact fees are paid by growth to offset the cost of parks, open space and recreation facilities that will be needed to serve new development.
- **Park Impact Fees:** presents impact fees for parks in the City of Washougal. The chapter includes the methodology that is used to develop the fees, the formulas, variables and data that are the basis for the fees, and the calculation of the fees. The methodology is designed to comply with the requirements of Washington state law.

2. STATUTORY BASIS AND METHODOLOGY

This chapter summarizes the statutory requirements for impact fees in the State of Washington and describes how the City of Washougal's impact fees comply with the statutory requirements.

Statutory Requirements for Impact Fees

The Growth Management Act of 1990 (Chapter 17, Washington Laws, 1990, 1st Ex. Sess.) authorizes local governments in Washington to charge impact fees. RCW 82.02.050 - 82.02.110 contain the provisions of the Growth Management Act that authorize and describe the requirements for 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. Three 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) whereas SEPA is used only for specific improvements that mitigate specific adverse environmental impacts of development; 2) the ability to charge small-scale development their proportionate share, whereas SEPA exempts small developments; and 3) the predictability and simplicity of impact fee rate schedules compared to the cost, time and uncertain outcome of SEPA reviews conducted on a case-by-case basis.

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 recreation facilities; 3) school facilities; and 4) fire protection facilities. 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 (4)(a) and RCW 82.02.090 (5) 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 (4)(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 (7)

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 (4)(b), RCW 82.02.060 (1), and RCW 82.02.090 (6)

Reductions of Impact Fee Amounts

Impact fee 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 as system improvements eligible for impact fees and are required as a condition of development approval). RCW 82.02.060 (4)

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 exempt fees must be paid from public funds (other than impact fee accounts). RCW 82.02.060 (2) and (3)

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 (6). Developers can pay impact fees under protest and appeal impact fee calculations. RCW 82.02.070 (4) and (5). The developer can obtain a refund of the impact fees if the local government fails to expend or obligate the impact fee payments within ten 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 to 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 (5), RCW 82.02.060 (8) 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 (8)) subject to the proportionate share limitation described above.

Accounting Requirements

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

Compliance with Statutory Requirements for Impact Fees

Many of the statutory requirements listed above are fulfilled in calculation of the park impact fee in the fourth chapter of this study. Some of the statutory requirements are fulfilled in other ways, as described below.

Types of Public Facilities

This study contains impact fees for parks. This study does not contain impact fees for transportation, fire or schools.

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 Washougal is legally and financially responsible for the parks 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 82.02.090 (7)).

Types of Improvements

The public facilities that can be paid for by impact fees are “system improvements” (which are typically outside the development), and “designed to provide service to service areas within the community at large” as provided in RCW 82.02.090 (9)), as opposed to “project improvements” (which are typically provided by the developer on-site within the development or adjacent to the development), and “designed to provide service for a development project, and that are necessary for the use and convenience of the occupants or users of the project” as provided in RCW 82.02.090 (5). The impact fees in this study are based on system improvements that are described in the fourth chapter of this study. No project improvements are included in this study.

Impact fee revenue can be used for the capital cost of public facilities. Impact fees cannot be used for operating or maintenance expenses. The cost of public facilities that can be paid for by impact fees include land acquisition and development. The costs can also include design studies, engineering, land surveys, appraisals, permitting, financing, administrative expenses, applicable mitigation costs, and capital equipment pertaining to capital improvements.

Benefit to Development, Proportionate Share and Reduction of Fee Amounts

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 82.02.050 (4)). In addition, the law requires the designation of one or more service areas (RCW 82.02.060 (7)).

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 benefit 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 and applying the cost only to new development when calculating impact fees.
- Impact fees that recover the costs of existing unused capacity should be based on the government’s actual cost. Carrying costs may be added to reflect the government’s actual or imputed interested 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 impact fees calculated in this study include an adjustment that accounts for any other revenue that is paid by new development and used by the City to pay for a portion of growth’s proportionate share of costs. This adjustment is in response to the limitations in RCW 82.02.060 (1)(b) and RCW 82.02.050 (2).
- 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, identified as the projects for which impact fees are collected, 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 donated land or recreation facilities can be required to be acceptable to the local government.

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 or are customers or visitors at the fee-paying property (indirect benefit), and geographical proximity (presumed benefit). These measures of relatedness are implemented by the following techniques:

- Impact fees are charged to properties that need (i.e., benefit from) new public facilities. The City of Washougal residential properties are the primary beneficiaries of parks, so the impact fees are calculated only for residential properties.
- The relative needs of different types of growth are considered in establishing fee amounts (i.e., different impact values for different types of land use). The fourth chapter uses different numbers of persons per dwelling unit for residential development.
- Feepayers can pay a smaller fee if they demonstrate that their development will have less impact than is presumed in the impact fee schedule calculation for their property classification. Such reduced needs must be permanent and enforceable (i.e., via land use restrictions).

3. Reasonably Related to Expenditures

Two provisions of Washougal’s municipal code for impact fees comply with 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 specific projects, the benefit of which has been demonstrated in determining the need for the projects and the portion of the cost of needed projects that are eligible for impact fees as described in this study. Second, impact fee revenue must be expended or obligated within ten years, thus requiring the impact fees to be used to benefit to the feepayer and not held by the City.

4. Service Areas for Impact Fees

Impact fees in some jurisdictions are collected and expended within service areas that are smaller than the jurisdiction that is collecting the fees. Impact fees are not required to use multiple service areas unless such “zones” are necessary to establish the relationship between the fee and the development. Because of the compact size of the City of Washougal, and the accessibility of its parks to all property within the City, Washougal’s parks serve the entire City, therefore the impact fees are based on a single service area corresponding to the boundaries of the City of Washougal.

Exemptions

The City’s municipal code for impact fees addresses the subject of exemptions. Exemptions do not affect the impact fee rates calculated in this study because of the statutory requirement that any exempted impact fee must be paid from other public funds. As a result, there is no increase in impact fee rates to make up for the exemption because there is no net loss to the impact fee account as a result of the exemption.

Developer Options

A developer who is liable for impact fees has several options regarding impact fees. The developer 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. The developer can appeal the impact fee calculation by the City of Washougal. If the local government fails to expend the impact fee payments within ten years of receipt of such payments, the developer can obtain a refund of the impact fees. The developer can also obtain a refund if the development does not proceed and no impacts are created. All of these provisions are addressed in the City’s municipal code for impact fees, and none of them affect the calculation of impact fee rates in this study.

Capital Facilities Plan

There are references in RCW to the “capital facilities plan” (CFP) as the basis for projects that are eligible for funding by impact fees. Cities often adopt documents with different titles that fulfill the requirements of RCW 82.02.050 et. seq. pertaining to a “capital facilities plan.” The City of Washougal has adopted, and periodically updates the Parks Capital Facilities Plan element of the City’s Comprehensive Plan, which adopts by reference the Comprehensive Park and Recreation Plan. The Comprehensive Park and Recreation Plan contains the

City's parks Capital Facilities Plan (CFP). All references to a CFP in this study are references to the CFP and the documents described above.

The requirement to identify existing deficiencies, capacity available for new development, and additional public facility capacity needed for new development is determined by analyzing levels of service for each type of public facility. The fourth chapter of this study provides this analysis.

New Versus Existing Facilities, Accounting Requirements

Impact fees must be spent on capital projects contained in an adopted capital facilities plan, or they can be used to reimburse the government for the unused capacity of existing facilities. Impact fee payments that are not expended or obligated within ten years must be refunded unless the City Council makes a written finding that an extraordinary and compelling reason exists to hold the fees for longer than ten years. In order to verify these two requirements, impact fee revenues must be deposited into separate accounts of the government, and annual reports must describe impact fee revenue and expenditures. These requirements are addressed by Washougal's municipal code for impact fees and are not factors in the impact fee calculations in this study.

Data Sources

The data in this study of impact fees in Washougal, Washington was provided by the City of Washougal, unless a different source is specifically cited.

3. GROWTH ESTIMATES

Impact fees are meant to have "growth pay for growth" so the first step in developing an impact fee is to quantify future growth in the City of Washougal. Growth estimates have been prepared for population through the year 2035 in order to match the horizon year of the City's most recent Capital Facilities Plan.

Exhibit 2 lists Washougal's population and growth rates from 2015 to 2020 and projections to the year 2035.

	Population	CAGR
2015	15,170	
2016	15,560	2.6%
2017	15,760	1.3%
2018	16,020	1.6%
2019	16,500	3.0%
2020	16,680	1.1%
2035	22,347	2.0%
Growth	5,667	2.0%

Notes: CAGR = Compound Annual Growth Rate. Growth = 2035 Population - 2020 Population.
Sources: 2015-2020 population is from the Washington State Office of Financial Management.
2035 population projection from the City of Washougal 2015-2035 Comprehensive Plan.

It is clear from Exhibit 2 that Washougal expects growth of population in the future, so there is a rational basis for park impact fees that would have future growth pay for parks, open space and recreation facilities that are needed to provide appropriate levels of service to new development.

The total population for the base year (2020) is 16,680, for the horizon year (2035) is 22,347, therefore the growth between 2020 and 2035 is 5,667.

4. PARK IMPACT FEES

Overview

Impact fees for Washougal's parks, recreation facilities and open space use an inventory of the City's existing parks acreage and current population to determine the current level of service ratio for parks. The current level of service ratio is multiplied by the projected population growth to estimate the acres of parks needed to serve growth at the current level of service. The cost of park acquisition and development per acre is multiplied by the number of acres needed to serve growth at the current level of service to arrive at the investment in parks needed to serve growth. The investment needed for growth is reduced by the amount of specific other revenues that are available and the result is the net investment needed to be paid by growth. Dividing the net investment by the growth of population results in the investment per person that can be charged as impact fees. The amount of the maximum allowable impact fee is determined by charging each fee-paying development for the impact fee cost per person multiplied by the number of persons per dwelling unit.

These steps are described below in the formulas, descriptions of variables, exhibits, and explanation of calculations of park impact fees.

Formula 1: Parks Level of Service Ratio

The current level of service ratio is calculated by dividing Washougal's existing parks acreage by its total current population.

Current population was described in the third chapter of this study. There is one new variable that requires explanation: (A) Existing Acres of Parks.

Variable (A): Existing Acres of Parks

The acreage of each of Washougal's parks is listed in Appendix A. The total existing parks acreage includes all existing facilities in the following categories: Neighborhood Parks, Community Parks, Special Use Areas, Waterfront Parks

and Natural Areas. Appendix A additionally includes a total of the acreage for each park and the subtotal by category.

The total existing inventory of parks in the City of Washougal is 124.6 acres of parks. Exhibit 3 lists the total existing inventory of parks by category.

Exhibit 3. Park Inventory by Park Type, Washougal, Acres, 2021

Type	Inventory
Neighborhood Parks	17.6
Community Parks	33.6
Special Use Areas	19.2
Pocket Parks	0.3
Waterfront Parks	2.5
Natural Parks	51.4
Total	124.6

Sources: City of Washougal Comprehensive Park & Recreation Plan, April 2021, Appendix A.

Exhibit 4 lists the total existing inventory of parks and divides it by the current population of 16,680 (from Exhibit 2, divided by 1,000) to calculate the current level of service ratio of 7.5 acres of parks per 1,000 population.

Exhibit 4. Level of Service Ratio

Inventory	Current Population	Level of Service Ratio
124.6	÷ 16,680	= 7.5 acres per 1,000 pop

Formula 2: Total Park Acres to Serve Growth

Impact fees must be related to the needs of growth, as explained in the second chapter of this report. The first step in determining growth’s needs is to calculate the total number of acres needed to serve growth with the same level of service ratio that benefits the current population. The acres of parks needed for growth are calculated by multiplying the level of service ratio by the population growth from 2020 to 2035 (divided by 1,000).

There are no new variables used in Formula 2. Both variables were developed in previous formulas and exhibits.

Exhibit 5 shows the calculation of the total acres of parks needed for growth. The current level of service ratio is calculated in Exhibit 4. The growth in population is calculated in Exhibit 2. The result is that Washougal needs to add 42.3 acres of parks in order to serve the growth of 5,667 additional people who are expected to be added to the City’s existing population.

Exhibit 5. Total Park Acres Needed for Growth

Level of Service Ratio	2020-2035 Growth	Total Park Acres Needed for Growth
7.5 acres per 1,000 pop x	5,667	= 42.3

Formula 3. Park Acres Needed for Growth

The park acres needed for growth is calculated by subtracting any existing reserve capacity from the total park acres needed to serve growth.

Total Park Acres Needed for Growth was described in Formula 2. There is one new variable that requires explanation: (B) Reserve Capacity

Variable (B): Reserve Capacity

Existing reserve capacity includes any park acres that the City of Washougal has acquired and is holding in reserve to serve the needs of growth. Because the current level of service is based on the current parks system and the current population, there is no reserve capacity (i.e., no unused value that can be used to serve future population growth)³.

Exhibit 6 shows the calculation of the acres of parks that are needed for growth. The total acres of parks needed for growth (from Exhibit 5) is reduced by the existing reserve capacity, in this case zero, and the result shows that 42.3 acres of additional parks are needed to serve future growth.

Exhibit 6. Park Acres Needed for Growth

Total Park Acres Needed for Growth	Reserve Capacity	Net Park Acres Needed for Growth
42.3	- 0.0	= 42.3

Formula 4: Investment Needed for Growth

The second step in determining growth's needs is to calculate the total investment in parks needed for growth, or the total cost of parks land acquisition and development to serve growth with the same level of service ratio that benefits the current population. The investment needed for growth is calculated by multiplying the park cost per acre by the number of acres needed to serve growth.

³ Also, the use of the current park acreage and current population means there is no existing deficiency. This approach satisfies the requirements of RCW 82.02.050 (5) to determine whether or not there are any existing deficiencies in order to ensure that impact fees are not charged for any deficiencies.

There is one new variable used in Formula 4 that requires explanation: (C) Park Cost per Acre.

Variable (C): Park Cost per Acre

The park impact fees are based on costs per acre for land acquisition and development that will be provided by the City of Washougal. Park acquisition costs are provided by the City of Washougal and park development costs are based on the projected development costs in the CFP, documented in Appendix B. Exhibit 7 details the cost per acre for park land acquisition and development.

Exhibit 7. Park Acquisition and Development Cost per Acre

	Cost per Acre
Land Acquisition	\$87,500
Park Development	\$261,678
Total	\$349,178

Exhibit 8 shows the calculations for the investment needed for growth. The total park cost per acre for land acquisition and development (from Exhibit 7) is multiplied by the additional acres of parks needed for growth (from Exhibit 6) resulting in the investment needed for growth. The result is that the City will need to invest nearly \$14.8 million in impact fee eligible parks acquisition and development to serve growth through 2035.

Exhibit 8. Investment Needed for Growth

Park Cost per Acre		Park Acres Needed for Growth	Investment Needed for Growth
\$349,178	x	42.3	= \$14,781,640

Formula 5: City Investment for Growth

The City of Washougal has historically used a combination of revenue sources to pay for the cost of park and recreation capital facilities, including REET funding, grants and other state and local revenues sources. The City's plan for the future is to continue using grant revenues and local revenues to pay part of the cost of parks needed for growth. The City's share of investment for growth is calculated by multiplying the total investment needed to serve growth by the City's share of investment for growth.

There is one new variable used in Formula 5 that requires explanation: (D) City Share of Investment for Growth.

Variable (D): City Share of Investment for Growth

A detailed analysis was made of the City's Capital Facilities Plan from the April 2021 Comprehensive Park & Recreation Plan in Appendix B. There are a total of \$29.6 million in parks capital costs plus an additional \$2.9 million in capital costs

in 2021. Among these parks projects \$30.9 million add capacity, and therefore are considered projects eligible for park impact fee funding. A total of \$2.0 million of the capacity park projects have identified potential funding from grants and local revenues. \$2.0 million is 6.5% of \$30.9 million. Therefore, grants and local revenues will pay for 6.5% of parks projects that add “capacity” to the park system for new development by increasing the value of park and recreation assets.

Exhibit 9 shows the calculation of the City’s share of investment in parks to serve growth. The total investment needed for growth is multiplied by the City’s share of investment for growth resulting in the City investment in parks and recreation facilities for growth. The result is that the City expects to use nearly \$1 million in grant and local revenues for parks projects for growth.

Exhibit 9. City Investment for Growth

Investment Needed for Growth	City Share of Investment for Growth	City Investment for Growth
\$14,781,640	x 6.5%	= \$966,480

Formula 6: Investment to be Paid by Growth

The future investment in parks that needs to be paid by growth may be reduced if the City has other revenues it investment in its parks. 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 needed to serve growth.

There are no new variables in Formula 6. Both variables were developed in previous formulas.

Exhibit 10 shows the calculation of the investment in parks that needs to be paid by growth. The City investment for growth (from Exhibit 9) is subtracted from the total investment in parks needed to serve growth (from Exhibit 8). Exhibit 10 shows that growth in Washougal needs \$14.8 million for additional parks to maintain the City’s standards for future growth. The City’s investment for growth is projected to be \$1 million in grant and local revenues towards this cost for parks. The remaining \$13.8 million for parks will be paid by growth.

Exhibit 10. Investment to be Paid by Growth

Investment Needed for Growth	City Investment for Growth	Investment to be Paid by Growth
\$14,781,640	- \$966,480	= \$13,815,161

Formula 7: Growth Cost per Person

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

There are no new variables used in Formula 7. Both variables were developed in previous formulas.

Exhibit 11 shows the calculation of the cost per person of parks that needs to be paid by growth. The investment in parks needed to be paid by growth (from Exhibit 10), is divided by the growth in population (from Exhibit 2), and the result shows the cost for parks to be paid by growth is \$2,437.83 per person.

Exhibit 11. Growth Cost per Person

Investment to be Paid by Growth	Growth of Population	Growth Cost per Person
\$13,815,161	÷ 5,667	= \$2,437.83

Formula 8: Adjustment to be Consistent with Washougal's CFP

Impact fees must be based on and used for projects in the City's CFP or CIP. Impact fees are limited to projects that add capacity to the park system and therefore provide additional parks for growth. Impact fees can only be charged for the portion of the cost of the capacity projects that are not paid for by other funding sources. If the unfunded cost of parks projects that add capacity is less than the investment needed for growth, the impact fee calculations must include an adjustment to limit the fee to an amount that is consistent with the CFP⁴. If the unfunded cost of parks projects that add capacity is greater than the investment needed for growth, then no adjustment is required.

The adjustment is calculated by dividing the unfunded cost of CFP projects that add capacity by the amount of the investment that is needed for growth. The result is the percentage of the needed investment that is provided by the CFP.

There is one new variable used in Formula 8 that requires explanation: (E) Unfunded Cost of CFP Projects that Add Capacity.

Variable (E): Unfunded Cost of CFP Projects that Add Capacity

The City of Washougal's CFP has numerous projects for parks. Some of the projects add capacity to the park system by increasing acreage and/or adding improvements.

⁴ If future Capital Facilities Plans increase the projects for growth this adjustment can be revised in future updates of the park impact fee.

The City of Washougal uses a combination of state grants, local sales taxes and other local revenue sources to pay for part of the cost of park, recreation and open space capital facilities.

A detailed analysis was made of the City’s CFP⁵. There are a total of \$32.5 million of parks system projects, including park projects planned in 2021 and projected parks projects from the CFP. Park projects costing \$30.9 million add capacity to the park system, and therefore are considered projects eligible for impact fee funding. However, \$2.0 million of the park capacity projects have identified potential funding from grants. The remaining \$28.0 million cost of the park capacity projects is unfunded, and therefore only that amount is eligible to be the basis of the park impact fee.

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 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 credits that reduce 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 Washougal. Reductions in impact fees for donations are calculated on a case-by-case basis at the time impact fees are to be paid.

Exhibit 12 shows the calculation of the adjustment percentage. The \$28.0 million unfunded cost of CFP park projects that add capacity is divided by the \$14.8 million investment that is needed for growth in order to provide the current capital value per person to all new residential development. The calculation is that the CFP projects will provide 189.5% of the investment needed for growth for park projects. Because the City of Washougal is planning to provide more capacity projects than needed to serve growth, the adjustment used is 100%, or no adjustment is required.

Exhibit 12. Adjustment for Consistency with CFP

Unfunded Cost of CFP Capacity Projects	Investment Needed for Growth	Adjustment %
\$28,005,500	÷ \$14,781,640 =	100.0%

Formula 9: Adjusted Growth Cost per Person

The adjusted growth cost per person is calculated by multiplying the growth cost per person by the adjustment percent to account for the portion of unfunded CFP projects that will add capacity to Washougal’s parks system.

⁵ The analysis is presented in Appendix B.

There are no new variables used in Formula 9. Both variables were developed in previous formulas.

Exhibit 13 shows the calculation of the cost per person adjusted for park CFP capacity projects that needs to be paid by growth. The growth cost per person (from Exhibit 11), is multiplied by the adjustment percent, or 100% (from Exhibit 12), and the result shows that cost for parks to be paid by growth is \$2,437.83 per person.

Exhibit 13. Adjusted Growth Cost per Person

Growth Cost per Person	Adjustment %	Adjusted Growth Cost per Person
\$2,437.83	x 100.0%	= \$2,437.83

Formula 10: Maximum Allowable Impact Fee per Unit of Development

The amount to be paid by each new development unit depends on the persons per dwelling unit. The cost per unit of development is calculated by multiplying the adjusted growth cost per person by the persons per dwelling unit for each type of development.

There is one new variable used in Formula 10 that requires explanation: (F) Persons per Dwelling Unit.

Variable (F): Persons per Dwelling Unit

The number of persons per dwelling unit is estimated from the U.S. Census American Community Survey 5-Year Estimates for the City of Washougal.

Exhibit 14 shows the calculation of the maximum allowable parks impact fee per unit of development. The adjusted growth cost of \$2,437.83 per person for parks from Exhibit 13 is used to calculate the impact fee per unit of development for parks.

Exhibit 14. Maximum Allowable Park Impact Fee per Unit of Development

Type of Development	Adjusted Growth Cost per Person	Population per Unit	Park Impact Fee per Unit
Single Family	\$2,437.83	x 2.65 dwelling unit	= \$6,464.19
Multifamily	\$2,437.83	x 1.92 dwelling unit	= \$4,684.90

APPENDIX A. INVENTORY OF EXISTING PARKS

Washougal's April 2021 Comprehensive Parks & Recreation Master Plan provides a detailed inventory of existing facilities and acres within the Washougal parks system as of 2021 in Appendix A. The park system in Washougal currently consists of 124.6 acres of parks in total. Washougal has 17.6 acres of Neighborhood Parks, 33.6 acres of Community Parks, 19.2 acres of Special Use Areas, 0.3 acres of pocket parks, 2.5 acres of Waterfront Parks and 51.4 acres of Natural Parks.

Exhibit 15. Washougal Park Inventory, 2021

Park Name	Acres
Elizabeth Park	1.8
Granite Highlands Park (under development)	0.0
Hartwood Park	7.0
Hamlik Park	5.0
Oak Tree Park	2.8
River Bend Park	0.6
Riverview Park	0.4
Total Neighborhood Parks	17.6
Hathaway Park (Lower Level)	7.9
Hathaway Park (Upper Level)	7.9
Schmid Family Park	17.8
Total Community Parks	33.6
Camas/Washougal Skate Park	1.4
Downtown Community Garden	0.4
George Schmid Memorial Park	4.0
Pedestrian Tunnel	1.0
Reflection Plaza	0.3
Washougal Memorial Cemetery	12.1
Total Special Use Areas	19.2
Beaver Park	0.2
Main Street Park	0.1
Total Pocket Parks	0.3
Ninebark Park (under development)	0.0
Sandy Swimming Hole	0.9
Steamboat Landing	1.6
Total Waterfront Parks	2.5
Campen Creek Park	4.5
Eldridge Park	15.5
Kerr Park	13.7
Lookout Ridge Park	1.1
Lookout Ridge Phase 1C, Tract D	0.6
Lookout Ridge Phase 3, Tract B	0.5
Oak Heights, Tract 2	0.3
Riverview Terrace Phase 1, Tract 2	1.2
Rolling Meadows, Phase 4, Tract D	4.4
Rolling Meadows Phase 1, Tract A	4.3
Rolling Ridge Phase 2, Tract 3	0.7
Summer Slope North, Tract D	4.0
Vintage Crest Estates Phase I	0.6
Total Natural Parks	51.4
Total	124.6

APPENDIX B. CAPITAL FACILITIES PLAN AND PROJECTS THAT ADD CAPACITY 2021-2035

The Capital Facilities Plan from the April 2021 Comprehensive Parks & Recreation Plan contains 24 projects, plus an additional 2 trail projects currently receiving funding through the transportation impact fee program. Project names are listed in the first column of Exhibit 16. The 2021 planned capital cost of projects in column two totals \$2.9 million. The third column lists the planned capital costs from the Capital Facilities Plan, totaling \$29.6 million. The total capital costs of \$32.5 million for 2021 to 2035 is contained in the third column. The fourth column lists the percent of each project that adds capacity to the park system by increasing acreage and/or adding improvements. These additions increase the value of the park system, and therefore provide value that serves growth. The capacity cost of the projects is determined by multiplying the capacity share in the fifth column by the total cost in the fourth column. The resulting capacity cost is listed in the sixth column, totaling \$30.9 million across all projects. The non-capacity cost is the difference between total cost and the capacity cost, and represents repairs, remodeling, renovations and other costs that take care of current assets, but do not add to the capacity of the assets. The non-capacity costs are listed in the seventh column. Non-capacity costs total \$1.6 million.

The eight, ninth and tenth columns list secured funding for each project, provided by City of Washougal staff. Funds secured from park impact fees are listed in the eight column. The ninth column sums all other sources of funding secured for each project. The total secured funding, in the tenth column, for all projects is \$2.9 million. Out of this total secured funding \$2.1 million is non-impact fee funding.

The unfunded capacity cost is calculated by subtracting the secured non-impact fee funding in column nine from the total cost in column four. This is calculated by applying the non-impact fee funding to the non-capacity costs (see column 11), then to the capacity costs (see column 13). Any amount of capacity projects that is unfunded is therefore a capacity cost, and it is eligible for impact fees paid by new development. The amounts for each project are listed in column 14, and the total for all projects is \$28.0 million.

Exhibit 16. Washougal Parks that Add Capacity, 2021-2035

Park Name	2021 Capital Cost	CFP Capital Cost	Total Capital Cost	% Capacity	Capacity Cost	Non-Capacity Cost	Impact Fee Funding	Secured Non-Impact Fee Funding	Total Secured Funding	Non-Capacity Portion of Secured Non-Impact Fee Funding	Unfunded Non-Capacity Portion	Secured Non-Impact Fee Funding Available for Capacity Portion	Unfunded Capacity Portion (Eligible for Impact Fee Funding)
Neighborhood Parks													
Elizabeth Park		\$150,000	\$150,000	25.0%	\$37,500	\$112,500			\$0	\$0	\$112,500	\$0	\$37,500
Hartwood Park		\$2,901,000	\$2,901,000	100.0%	\$2,901,000	\$0			\$0	\$0	\$0	\$0	\$2,901,000
Hamlik Park		\$284,000	\$284,000	0.0%	\$0	\$284,000		\$100,000	\$100,000	\$100,000	\$184,000	\$0	\$0
Oak Tree Park		\$302,000	\$302,000	50.0%	\$151,000	\$151,000			\$0	\$0	\$151,000	\$0	\$151,000
River Bend Park		\$0	\$0	0.0%	\$0	\$0			\$0	\$0	\$0	\$0	\$0
Total Neighborhood Parks	\$0	\$3,637,000	\$3,637,000		\$3,089,500	\$547,500	\$0	\$100,000	\$100,000	\$100,000	\$447,500	\$0	\$3,089,500
Community Parks													
Hathaway Park (Upper and Lower Level)		\$1,596,000	\$1,596,000	50.0%	\$798,000	\$798,000			\$0	\$0	\$798,000	\$0	\$798,000
Schmid Family Park		\$10,640,000	\$10,640,000	100.0%	\$10,640,000	\$0			\$0	\$0	\$0	\$0	\$10,640,000
Total Community Parks	\$0	\$12,236,000	\$12,236,000		\$11,438,000	\$798,000	\$0	\$0	\$0	\$0	\$798,000	\$0	\$11,438,000
Special Use Areas													
Camas/Washougal Skate Park		\$75,000	\$75,000	40.0%	\$30,000	\$45,000			\$0	\$0	\$45,000	\$0	\$30,000
Downtown Community Garden		\$494,000	\$494,000	100.0%	\$494,000	\$0			\$0	\$0	\$0	\$0	\$494,000
George Schmid Memorial Park	\$2,889,000	\$0	\$2,889,000	100.0%	\$2,889,000	\$0	\$869,000	\$2,020,000	\$2,889,000	\$0	\$0	\$2,020,000	\$0
Reflection Plaza		\$111,000	\$111,000	100.0%	\$111,000	\$0			\$0	\$0	\$0	\$0	\$111,000
Washougal Memorial Cemetery		\$0	\$0	0.0%	\$0	\$0			\$0	\$0	\$0	\$0	\$0
Total Special Use Areas	\$2,889,000	\$680,000	\$3,569,000		\$3,524,000	\$45,000	\$869,000	\$2,020,000	\$2,889,000	\$0	\$45,000	\$2,020,000	\$635,000
Waterfront Parks													
Sandy Swimming Hole		\$1,071,000	\$1,071,000	100.0%	\$1,071,000	\$0			\$0	\$0	\$0	\$0	\$1,071,000
Steamboat Landing		\$346,000	\$346,000	100.0%	\$346,000	\$0			\$0	\$0	\$0	\$0	\$346,000
Total Waterfront Parks	\$0	\$1,417,000	\$1,417,000		\$1,417,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,417,000
Natural Parks													
Campan Creek Park		\$252,000	\$252,000	50.0%	\$126,000	\$126,000			\$0	\$0	\$126,000	\$0	\$126,000
Kerr Park		\$100,000	\$100,000	0.0%	\$0	\$100,000			\$0	\$0	\$100,000	\$0	\$0
Total Natural Parks	\$0	\$352,000	\$352,000		\$126,000	\$226,000	\$0	\$0	\$0	\$0	\$226,000	\$0	\$126,000
Natural Parks													
Granite Highlands Park (Neighborhood Park)		\$0	\$0	100.0%	\$0	\$0			\$0	\$0	\$0	\$0	\$0
Ninebark Park (Waterfront Park)		\$0	\$0	100.0%	\$0	\$0			\$0	\$0	\$0	\$0	\$0
Future Community Park (CP)*		\$4,000,000	\$4,000,000	100.0%	\$4,000,000	\$0			\$0	\$0	\$0	\$0	\$4,000,000
Future Neighborhood Park 1 (NP1)*		\$2,000,000	\$2,000,000	100.0%	\$2,000,000	\$0			\$0	\$0	\$0	\$0	\$2,000,000
Future Neighborhood Park 2 (NP2)*		\$2,000,000	\$2,000,000	100.0%	\$2,000,000	\$0			\$0	\$0	\$0	\$0	\$2,000,000
Future Waterfront Park (WP)*		\$2,750,000	\$2,750,000	100.0%	\$2,750,000	\$0			\$0	\$0	\$0	\$0	\$2,750,000
New Community Garden*		\$50,000	\$50,000	100.0%	\$50,000	\$0			\$0	\$0	\$0	\$0	\$50,000
New Off-leash Dog Area*		\$500,000	\$500,000	100.0%	\$500,000	\$0			\$0	\$0	\$0	\$0	\$500,000
Total New Parks and Facilities	\$0	\$11,300,000	\$11,300,000		\$11,300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,300,000
Total	\$2,889,000	\$29,622,000	\$32,511,000		\$30,894,500	\$1,616,500	\$869,000	\$2,120,000	\$2,989,000	\$100,000	\$1,516,500	\$2,020,000	\$28,005,500

Notes:

- Capacity Cost = Total Capital Cost x % Capacity
- Non-Capacity Cost = Cost - Capacity Cost
- Secured Non-Impact Fee Funding is the sum of all secured funding less impact fee funding provided by City of Washougal staff.
- Non-Capacity Portion of Secured Non-Impact Fee Funding = Non-Capacity Cost (if Secured Non-Impact Fee Funding is greater than Non-Capacity Cost)
- Unfunded Non-Capacity = Non-Capacity Cost - Non-Capacity Portion of Secured Funding
- Secured Non-Impact Fee Funding Available for Capacity Portion = Secured Non-Impact Fee Funding - Non-Capacity Portion of Secured Impact Fee Funding
- Unfunded Capacity Portion (Eligible for Impact Fee Funding) = Capacity Cost - Secured Non-Impact Fee Funding available for Capacity Portion - Impact Fee Funding. Impact Fee Funding is subtracted to account only for the capacity cost eligible for future impact fee funding.