

11/09/20
11/16/20

ORDINANCE NO. M-4319

AN ORDINANCE relating to park impact fee adjustments; amending Vancouver Municipal Code Sections 20.915.050 and 20.915.100; changing the method and timing of fee adjustments; and providing for an effective date.

WHEREAS, quality parks and open spaces are an essential element for a community's quality of life; and

WHEREAS, the most recent Park Impact Fee (PIF) rate update was implemented in 2004, and stagnant PIF rates have created a continual and perceptible decline in the park system level of service; and

WHEREAS, at current standards, an additional 87 acres of parks and approximately \$47 million in revenue would be needed to serve the anticipated growth over the next ten years; and,

WHEREAS, the rate updates provided for are necessary as noted in the PIF Technical Document contained in the record now before Council; and

WHEREAS, based on new construction activity the proposed increase will generate an estimated \$1.6 million in new revenue in the 2021-22 biennium to support Parks capital projects; and

WHEREAS, the City of Vancouver PIF rates are lower than other jurisdictions; and

WHEREAS, current building activity remains robust despite current pandemic limitations and financial conditions for many residents; and

WHEREAS, additional parks help the City of Vancouver realize the community, health, and economic benefits of an improved park system; and

WHEREAS, new development should more closely support the proportionate cost of the added demands of such development and relieve the historical dependence on the General Funds.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF VANCOUVER:

Section 1. Findings.

1. The City Council of the City of Vancouver finds that the Technical Document contained in the record herein accurately reflects the City's parks needs and the impact new development has on such needs.
2. The City Council finds that the new Park Impact Fees provided for in this ordinance are reasonably necessary as a direct result of the impacts such development causes.

Section 2. Technical Document Incorporation by Reference.

The Technical Document contained in the record herein is incorporated into this ordinance by reference.

Section 3. Amendment of Vancouver Municipal Code Section 20.915.050.

Vancouver Municipal Code Section 20.915.050 as adopted by Ordinance M-3643 and last amended by Ordinance M-4181 is hereby amended as follows:

20.915.050 Park Impact Fee

A. Formula. The impact fee component for Parks shall be calculated using the following formula:

$$PIF = F \times U$$

1. "PIF" means the parks impact component of the total development impact fee.

2. "F" means the parks impact fee rate per unit of housing, either single-family or multi-family residential, as applicable, for each service area. Such rate shall be established in the Parks Impact Fee Program Technical Document, incorporated herein by this reference, for each service area by estimating the cost of anticipated growth-related parks projects. Between major program updates, the calculated per unit fee will be adjusted annually to account for inflation using the Seattle-Bellevue-Tacoma CPI-U Index, as reported by the Bureau of Labor Statistics, and as outlined in the Parks Impact Fee Program Technical Document.

3. "U" means the number of units, either single-family or multi-family, whichever is applicable, consistent with a proposed development.

~~A. Formula for park and natural areas. The impact fee component for parks and natural areas shall be calculated using the following formula as further defined in the Park Impact Fee Technical Document adopted by the city council in the impact fee revision process pursuant to VMC 20.915.100(B):~~

~~$$PIF = (Acquisition Cost + Development Cost) \times Cost Adjustment Factor$$

$$PIF = \left[\left[\frac{(Ca \times Ia \times Sa)}{P} + \frac{(Cd \times Id \times Sd)}{P} \right] \times U \right] \times A$$~~

1. ~~"PIF" means the park and natural areas component of the total development impact fee.~~

2. a. ~~"Ca" means the average cost per acre for land acquisition for each service area as described in the Vancouver Comprehensive Parks Recreation and Natural Areas Plan and Park Impact Fee Technical Document for neighborhood parks, community parks and urban natural areas and adopted by the city council in the impact fee revision process pursuant to VMC 20.915.100(B).~~

b. ~~“Cd” means the average cost per acre for site development. Development cost shall be calculated assuming development standards described in the Vancouver Comprehensive Parks Recreation and Natural Areas Plan for neighborhood and community parks, and adopted by the city council in the impact fee revision process pursuant to VMC 20.915.100(B).~~

3. a. ~~“Ia” means the percentage annual inflation/deflation adjustment index applicable to the acquisition component, as outlined in the Park Impact Program Technical Document and annually determined by the city council in the impact fee revision process pursuant to VMC 20.915.100(B).~~

b. ~~“Id” means the percentage annual inflation/deflation adjustment index applicable to the development component as outlined in the Park Impact Fee Technical Document and annually determined by the city council in the impact fee revision process pursuant to VMC 20.915.100(B).~~

4. a. ~~“Sa” means the parks acquisition standard in acres per thousand residents for neighborhood parks, community parks and urban natural areas as established in the Vancouver Comprehensive Parks Recreation and Natural Areas Plan.~~

b. ~~“Sd” means the parks development standard in acres per 1,000 residents for neighborhood and community parks as established in the Vancouver Comprehensive Parks Recreation and Natural Areas Plan.~~

5. ~~“P” means 1,000.~~

6. ~~“U” means the average number of occupants per single family/duplex dwelling unit or per other multifamily dwelling unit, based on the most current applicable statistical census data (US Census Bureau or Washington State Office of Financial Management census data for persons per dwelling unit), and as adopted by the city council in the impact fee revision process pursuant to VMC 20.915.100(B).~~

7. ~~“A” means an adjustment to the cost of park facilities for past or future payments made or reasonably anticipated to be made by new development to pay for park system improvements in the form of user fees, debt service payments, or other payments earmarked for or proratable to park system improvements as outlined in the Park Impact Fee Technical Document.~~

B. ~~Community and Economic Development shall maintain a schedule of current Current park impact fee rates shall be as set forth in Table 915.050-1.~~

Table 20.915.050-1

Year	Park District	Single Family (SF)	Multi-Family (MF)
January 1, 2021	A, B, C	\$2,819	\$2,060
January 1, 2022	A, B, C	\$3,523	\$2,575

C. At least one copy of the Park Impact Fee Technical Document adopted by the city council including the current park impact fee schedule as calculated thereunder, shall be filed in the office of the City Clerk for use and examination by the public.

Section 4. Amendment of Vancouver Municipal Code Section 20.915.100.

Vancouver Municipal Code Section 20.915.100 as adopted by Ordinance M-3643 and last amended by Ordinance M-4181 is hereby amended as follows:

20.915.100 Other Provisions

A. *Process for revision of traffic impact fees.* Traffic impact fee rates shall be adjusted periodically to reflect changes in costs of land acquisition and construction, facility plan projects and anticipated growth. Traffic Impact Fee Program Technical Document may contain provision for automatic revision of traffic impact fee rate no more than once annually to reflect the change in a generally recognized and applicable inflation/deflation index.

B. Park impact fee rates may be revised. Rates may be revised using the following process:

1. The adopted Park Impact Fee Technical Document may be revised periodically by the City Council when financial analysis establishes that there is a need for a major program update, but no less than every three years to evaluate the status of the rate of collection and the projected need to serve future residents. Such adjustments shall only become effective upon adoption by the City Council.

~~2. Between major program updates, the calculated park impact fee will be adjusted annually to account for inflation/deflation using the indexing methodology described in the adopted Park Impact Fee Technical Document. Such adjustments shall only become effective upon adoption by the City Council.~~

C. *Process for revision of school impact fees.* School impact fee rates shall be adjusted periodically to reflect changes in costs of land acquisition and construction, facility plan projects and anticipated growth. Such adjustments shall only become effective upon adoption by the City Council of a modification to the Capital Facilities Plan.

D. *Operation of impact fee fund.* The City has created and established a special purpose, nonlapse impact fee fund. The City Finance Director shall establish separate accounts within such fund and maintain records for each such account whereby impact fees collected can be segregated by type of facility and by service area:

1. *Collected interest.* All interest shall be retained in the account and expended for the intended purposes that the impact fees were imposed.

2. *Impact fee fund annual report.* By April of each year, the Finance Director shall provide a report for the previous calendar year on each impact fee account showing the source and amount of moneys collected, earned or received and system improvements that were financed in whole or in part by impact fees.

E. *Inter-local agreements and fees.* The City of Vancouver may enter into an inter-local agreement with Clark County to establish a coordinated program for the imposition, collection, administration and expenditure of traffic and park impact fees.

F. *School impact fees.* School impact fees shall not be collected on behalf of any school district until such district enters into an inter-local agreement with City of Vancouver providing for submittal of capital facilities plans, fund administration, report of expenditure, allocation of risk, and other appropriate matters. Where Clark County adopts a substantially similar school impact fee for a district whose boundaries include portions of the City of Vancouver, such an inter-local agreement may include the County. The inter-local agreement may include a fee to cover the City's cost of administering the School Impact Fee Program.

G. *Imposition of impact fees for costs previously incurred.* The Review Authority may impose an impact fee for system improvements costs previously incurred by the City of Vancouver to the extent that new growth and development will be served by the previously constructed improvements, provided such fee shall not be imposed to make up for any system improvement deficiencies.

H. *Expenditures for system improvements with impact fees.* Impact fees for system improvements shall be expended only in conformance with the capital facilities plan. Impact fees shall be expended or encumbered for a permissible use within ten years of receipt, unless an extraordinary and compelling reason exists for fees to be held longer than ten years. Such extraordinary or compelling reasons shall be identified in written findings by the City Council.

I. *Refunds for the current owner.* The current owner of property on which an impact fee has been paid may receive a refund of such fee if the City fails to expend or encumber the impact fees within ten years of when the fees were paid, or such other period of time established pursuant to this subsection, on public facilities intended to benefit the development activity for which the impact fees were paid. In determining whether impact fees have been encumbered, impact fees shall be considered encumbered on a first-in, first-out basis. The current owner likewise may receive a proportionate refund where the public funding of applicable service area projects by the end of such ten-year period has been insufficient to satisfy the ratio of public-to-private funding for such service area as established in the capital facilities plan. The City shall

notify potential claimants by first-class mail deposited with the United States Postal Service at the last known address of claimants.

1. *Refund time period.* The request for refund money must be submitted to the Vancouver City Council in writing within one year of the date the right to claim the refund arises or the date the notice is given, whichever is later. Any impact fees that are not expended within these time limitations, and for which no application for refund has been made within this one year period, shall be retained and expended on the indicated capital facilities. Refunds of impact fees under this subsection shall include interest earned on the impact fees.

2. *Criteria for a refund with interest.* A developer may request and shall receive a refund, including interest earned on the impact fees, when the building permit for which the impact fee has been paid has lapsed for non-commencement of construction. A partial refund shall be provided where the project for which a building permit has been issued has been altered resulting in a decrease in the amount of the impact fee due.

J. *Impact fees as additional and supplemental requirements.* The impact fee is additional and supplemental to, and not in substitution of, any other requirements imposed by the City on the development of land or the issuance of building permits. This is provided that any other such City development regulation which would require the developer to undertake dedication or construction of a facility contained within the City Capital Facility Plan shall be imposed only if the developer is given a credit against impact fees as provided for in Section [20.915.090](#) VMC.

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Section 5. Effective Date. This ordinance shall go into effect on January 1, 2021.

Read first time: November 9, 2020

Ayes: Councilmembers Fox, Paulsen, Lebowsky, Glover, Stober, Hansen, Mayor McEnerny-Ogle

Nays: None

Absent: None

Read second time: November 16, 2020

PASSED by the following vote: 6-1

Ayes: Councilmembers Fox, Paulsen, Lebowsky, Glover, Stober, Mayor McEnerny-Ogle

Nays: Councilmember Hansen

Absent: None

SIGNED this 16th day of November, 2020.

DocuSigned by:
Anne McEnerny-Ogle
58CB15C0632F403...
Anne McEnerny-Ogle, Mayor

Attest:

Approved as to form:

DocuSigned by:
Natasha Ramras
BCF6734E40E94AE...
Natasha Ramras, City Clerk

DocuSigned by:
Jonathan Young
9A7DC2E31F694A2...
Jonathan Young, City Attorney

SUMMARY

ORDINANCE NO. M-4319

An Ordinance relating to park impact fee adjustments; amending Vancouver Municipal Code Sections 20.915.050 and 20.915.100; changing the method and timing of fee adjustments; and providing for an effective date.

The full text of this ordinance will be mailed upon request. Contact Raelyn McJilton, Records Officer at (360) 487-8799, or via www.cityofvancouver.us (Go to City Government and Public Records).

City of Vancouver, Washington

PARK IMPACT FEE TECHNICAL DOCUMENT

November ~~2016~~2020



INTRODUCTION & PURPOSE

State statute (RCW 82.02.050) authorizes qualified Washington counties and cities to collect impact fees to “ensure that adequate facilities are available to serve new growth and development.” The statute requires that impact fees are reasonably related to, and reasonably benefit new development, must provide a balance between impact fees and other sources of public funds, and cannot rely solely on impact fees for the costs of system improvements to serve new growth.

Impact fees are to be based on established standards, procedures and criteria. Public facilities or system improvements on which impact fees may be spent are limited to 1) parks, open space and recreation facilities, 2) roads, 3) schools, and 4) fire protection facilities. These facilities must be part of a capital facilities plan that is a component of an adopted comprehensive land use plan. Impact fees must be encumbered or expended within ten years of collection, or refunded.

The Park Impact Fee Technical Document provides the framework and details of the Park Impact Fee (PIF) program and is designed to serve as a vehicle to streamline rate updates and program changes at the direction of the elected officials of the City of Vancouver.

The PIF Technical Document details the numeric formula factors used in the fee calculation, delineates a map of the applicable service districts, and defines the fee rate schedule by park district and residential structure type. In addition, the document outlines a methodology for future implementation of annual park impact fee indexing in order to keep pace with fluctuations in the economic market and more accurately reflect current acquisition and development costs. ~~To date, fee indexing updates have not been implemented, but at the direction of the City Council rate change proposals can be brought forward for consideration. Future proposals would provide an updated analysis for inflation or deflation adjustments, identify any revised data sources or values for formula factors, and include a proposed fee rate schedule.~~

The 2019 amendments to the PIF Technical Document reflect the addition of Park Overlay Service Areas to provide the option to use funds outside city limits under limited circumstances, and 2020 amendments outline the results of a complete cost analysis to serve future growth at adopted standards, updates formula factor values and a revised rate schedule.

BACKGROUND

On August 7, 1995 the City of Vancouver implemented the collection of impact fees for parks, roads and schools. More specifically, the Park Impact Fee program was structured to support urban park system improvements, including the acquisition and development of neighborhood and community parks and urban open space at adopted standards. In 1997, the City of Vancouver and Clark County entered into an Interlocal Agreement for the consolidation and management of a county wide park system and administration of the Park Impact Fee Program. Minor amendments to the program occurred over the years that followed, with the most recent City of Vancouver PIF update going into effect on June 3, 2004, ~~fifteen~~ sixteen years prior to the ~~2020~~ 2019 fee amendments.

In 2009, references to the fee schedule, service area maps and numeric calculation factors were removed from the 2007 Vancouver-Clark Parks and Recreation Comprehensive Parks, Recreation and

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City of Vancouver, Washington

Open Space Plan (Parks Plan) and the Vancouver Municipal Code with the adoption of the first Park Impact Fee Technical Document. The purposes of the PIF Technical Document ~~was~~ were to streamline future updates outside of the Comprehensive Plan amendment process, define a methodology for future implementation of fee indexing, and improve consistency between city and county administrative codes as they related to the application and management of the joint park impact fee program in effect at that time.

Park Impact Fees are calculated using acquisition and development cost components. Historically, revenues received from park impact fees were held in separate acquisition and development accounts for each of the park districts. Although this was is-not required by either state law or city code, their use was restricted by city policy to either acquisition or development depending on which account the revenue was drawn from until the accounts were merged retroactively in 2016.

The Interlocal Agreement for joint administration of the Park System and Park Impact Fee Program between the City of Vancouver and Clark County was terminated with a *Wind-Up Agreement* adopted by both jurisdictions. Effective January 1, 2014, the city and county began the administration of independent park impact fee programs. Termination of the interlocal agreement initiated multiple amendments to this document in 2016 to improve flexibility in management of the program, and assure compliance with ~~the~~ state statutes regarding concurrency and use of impact fees.

2016 PIF Technical Document amendments included:

- Applicability to only the area within ~~the~~ Vancouver city limits,
- Realignment of the original ten (10) park impact fee service area districts to three (3) service area districts,
- Fee schedule revised to reflect an average of the then existing 2004 schedule based on the districts located within the realigned Districts A, B, and C, (**Figure 24**),
- Clarification that revenues collected within each park impact fee service area, including acquisition and development components, are to be managed as a single account for expenditures and concurrency, and
- Reformatting, clarifications, and correction of scrivener's errors.

(Approved by Resolution M-3910 and Ordinance M-4181)

2019-2020 PIF Technical Document amendments include:

- Establishing Park Overlay Service Areas to clarify the use of PIF outside city limits
- Reformatting, updating program history, clarifications, and corrections.
- Annual automatic rate updates using indexing,
- Irrigation and themed play structures added to Level 2 development standards for cost estimates,
- Results of a detailed land and development cost analysis for system improvements,
- Updated formula factors values,
- Revised fee rates and phased implementation schedule

- Adjustments to the PIF formula for indexing, and
- Reformatting, updating the program history, clarifications, and corrections.

PARK IMPACT FEE FACTORS

The formula used to compute park impact fee rates is based on four primary factors: 1) acquisition costs, 2) development costs, 3) adopted park standards, and 4) a cost adjustment factor as required by state law.

1. **Acquisition cost** is the unique cost of land acquisition in each of the established park districts.
2. **Development cost** is the average cost of park development over all park districts within the City of Vancouver.
3. **Adopted park standards** are those adopted by the City of Vancouver Comprehensive Parks, Recreation and Natural Areas Plan for Neighborhood and Community Parks and Urban Natural Areas (also referred to as Urban Open Space). These standards are population based and represent the acres of land needed to serve one thousand residents for each of the respective park types.
4. **Adjustment factor** is based on state statute that requires an “adjustment to the cost of public facilities for past or future payments made or reasonably anticipated to be made by new development...”.

State ~~statute~~law requires that park facilities on which impact fees may be spent must be part of a capital facilities plan that is a component of an adopted comprehensive land use plan.

The Vancouver Municipal Code (*VMC 20.915.100*) anticipates that impact fee rates may be reviewed by City Council when financial analysis establishes that there is a need for a major program update, but no less than every three years to evaluate the status of the rate collection and the projected need to serve future residents. will be revised periodically when financial analysis establishes that there is a need for a major program update Such adjustments shall only become effective upon adoption by City Council.

Between major program updates park impact fee rates may be adjusted automatically, no more than once annually, or adjusted annually to account for inflation/deflation using an the indexing methodology contained in this document in order to keep fees in pace with market changes in land values, construction material and labor costs as much as possible. All fee adjustments are to be described in a Technical Document to be reviewed and adopted by the Vancouver City Council.

Park Impact Fee Formula

$$\begin{aligned}
 \text{PIF} &= \left[\text{Acquisition Cost} + \text{Development Cost} \right] \times \text{Cost Adjustment Factor} \\
 \text{PIF} &= \left[\left[\left[\frac{(\text{Ca} \times \text{Sa})}{\text{P}} \right] \times \text{Ia} \right] + \left[\left[\frac{(\text{Cd} \times \text{Sd})}{\text{P}} \right] \times \text{Id} \right] \times \text{U} \right] \times \text{A}
 \end{aligned}$$

Figure 1 – Park Impact Fee Formula

~~$$\begin{aligned}
 \text{PIF} &= \left[\text{Acquisition Cost} + \text{Development Cost} \right] \times \text{Cost Adjustment Factor} \\
 \text{PIF} &= \left[\left[\left[\frac{(\text{Ca} \times \text{Ia} \times \text{Sa})}{\text{P}} \right] + \left[\frac{(\text{Cd} \times \text{Id} \times \text{Sd})}{\text{P}} \right] \right] \times \text{U} \right] \times \text{A}
 \end{aligned}$$~~

“PIF” represents the total cost of the impact fee per single family/duplex, or multi-family ~~residence~~residential unit.

Acquisition Cost

“Ca” represents the average cost per acre for land appraisal, land acquisition, associated due diligence fees and expenses, closing costs and Level 1 Development for each service area as described in the Parks Plan for Neighborhood Parks, Community Parks and Urban Natural Areas, and adopted by City Council in the impact fee revision process pursuant to VMC 20.915.100.B.

“Ia” represents the percentage annual inflation/deflation adjustment index applicable to the acquisition component, as outlined in the Park Impact Fee Program Technical Document and ~~annually determined by City Council in the impact fee revision process~~ pursuant to VMC 20.915.100.B.

“Sa” represents the parks acquisition standard in acres per one thousand residents for Neighborhood Parks, Community Parks and Urban Natural Areas as established in the City of

Vancouver Comprehensive Parks, Recreation and Natural Areas Plan (Parks Plan). The current (2014) acquisition standard per the Parks Plan is 6 acres per thousand residents. This standard is designed to include a combined 5 acres ~~per~~ 1,000 residents for Neighborhood and Community Parks and one acre per thousand for Urban Natural Areas. Within the combined standard, the preferred distribution is two acres for Neighborhood Parks and three acres for Community Parks. However, the combined standard allows for modifications where existing and proposed development limits the availability of parcels large enough to accommodate the preferred standard-size for Community Parks.

“P” represents one thousand (1,000) residents.

Development Cost:

“Cd” represents the average cost per acre for site development. Development costs shall be calculated assuming development standards described in the Parks Plan for Neighborhood and Community Parks, ~~and the Vancouver City Council in the impact fee revision process pursuant to VMC 20.915.100.B.~~ The 2019 development cost includes changes in the Level-2 development standard to install irrigation at all neighborhood and community parks as well as incorporate more themed play structures where feasible to create a variety of recreational experience options and neighborhood identity throughout the city.

“Id” represents the percentage annual inflation/deflation adjustment index applicable to the development component as outlined in the Park Impact Fee Program Technical Document and ~~annually determined by the Vancouver City Council in the impact fee revision process~~ pursuant to VMC 20.915.100.B.

“Sd” represents the parks development standard in acres per thousand residents for Neighborhood and Community Parks as established in the Parks Plan. The current development standard per the Parks Plan is 4.25 acres of developed park land per 1,000 residents. No development standard is proposed for Urban Natural Areas, which should remain in a relatively natural condition.

“P” represents one thousand (1,000) residents.

Occupants per Dwelling Unit

“U” represents the average number of occupants per single-family/duplex dwelling unit or per other multifamily dwelling unit, based on the most current applicable statistical census data (US Census Bureau or Washington State Office of Financial Management (OFM) census data for persons

per dwelling unit) ~~and as adopted by Vancouver City Council in the impact fee revision process pursuant to VMC 20.915.100.B.~~

Current fee rates are based on 201800 OFM census data identifying 2.59-67 persons per dwelling unit for a single family/duplex (SF) residence, and 1-92.11 persons per household for a multi-family (MF) residence of two or more units (including condominiums).

Cost Adjustment Factor (CAF)

“**A**” represents an adjustment to the cost of park facilities for past or future payments made or reasonably anticipated to be made by new development to pay for park system improvements in the form of user fees, debt service payments, or other payments earmarked for, or proratable to, park system improvements. The City of Vancouver adjustment value is determined to be five percent (5%), so that “A” factor equals 95%.

City General Fund and Real Estate Excise Tax (REET) contributions to park system capital improvements were calculated from 2008 through 2018. The ten-year average confirmed that five percent (5%) or less of other public funds support park capital projects eligible for PIF funding.

PARK DISTRICT SERVICE AREAS

State statutes allow cities and counties to impose impact fees to support public facilities needed to serve new growth and development. The public facilities need to be reasonably related to and benefit the new development. Jurisdictions are required to establish one or more defined geographic service areas within which it shall calculate and impose impact fees.

With the 1997 Interlocal Agreement for joint management of the county-wide park system and the park impact fee program, ten park impact fee districts, or service area boundaries, were delineated irrespective of jurisdictional boundaries. Boundaries focused primarily on natural and manmade barriers to walkability to assure the maximum possible nexus relationship between those paying the fee and those benefiting from the facility improvements.

Changing conditions led to the 2016 realignment of district boundaries to increase flexibility in the management of the Park Impact Fee Program, including:

- **Dissolution of Interlocal Agreement**

The Interlocal Agreement for joint management of the county-wide park system and the park impact fee program was dissolved, effective January 1, 2014.

- **Increased Residential Densities**

Residential densities within the City of Vancouver increased significantly in the twenty years following the adoption of the original 1995 PIF program. With fewer properties to develop, PIF funds accumulated more slowly within the respective park districts.

- **Economic Recession**

Although the impact fee program provides a significant portion of the funds that support park land acquisition and development, park maintenance revenues are supported by the City of Vancouver General Fund. Housing markets as well as city revenues were significantly impacted by the economic recession that was felt nationwide.

- **Concurrency**

State statutes define the timeline within which impact fee funds must be committed, expended or refunded to the current property owner. With a slower rate of growth resulting from increased residential densities and the economic recession, it became increasingly difficult to accumulate the resources necessary to fund projects and commit maintenance resources within the concurrency timelines specified by state law.

- **Level of Service**

Our community enjoys the benefit of having multiple streams and rivers that lace through our landscape. However, some park districts have a greater abundance of these natural resources than others, creating a notable imbalance in the measurable level of service by park district for Urban Natural Areas. Likewise, some of the larger community parks that functionally serve outside of their current park district boundaries also present an unrealistic measure of our level of service city wide.

Combined, these factors supported the need for increased flexibility in the management of the impact fee program by reducing the number of park districts or service areas. The 2016 amendments to the Park Impact Fee Technical Document realigned the districts as shown in **Figure 22**. Districts 1, 9 and 10 merge to form District A. Districts 2, 7 and 8 merge to form District B, and districts 3, 4, 5, and 6 merge to form District C.

Districts A, B, and C cover the entire City of Vancouver and Vancouver Urban Growth Area, however City park impact fees are only collected in those areas within the Vancouver city limits. As areas within the unincorporated Vancouver Urban Growth Boundary are annexed, the City of Vancouver's jurisdiction for

collection of fees will expand automatically, with newly annexed properties assigned to the appropriate park district based on **Figure 22**.

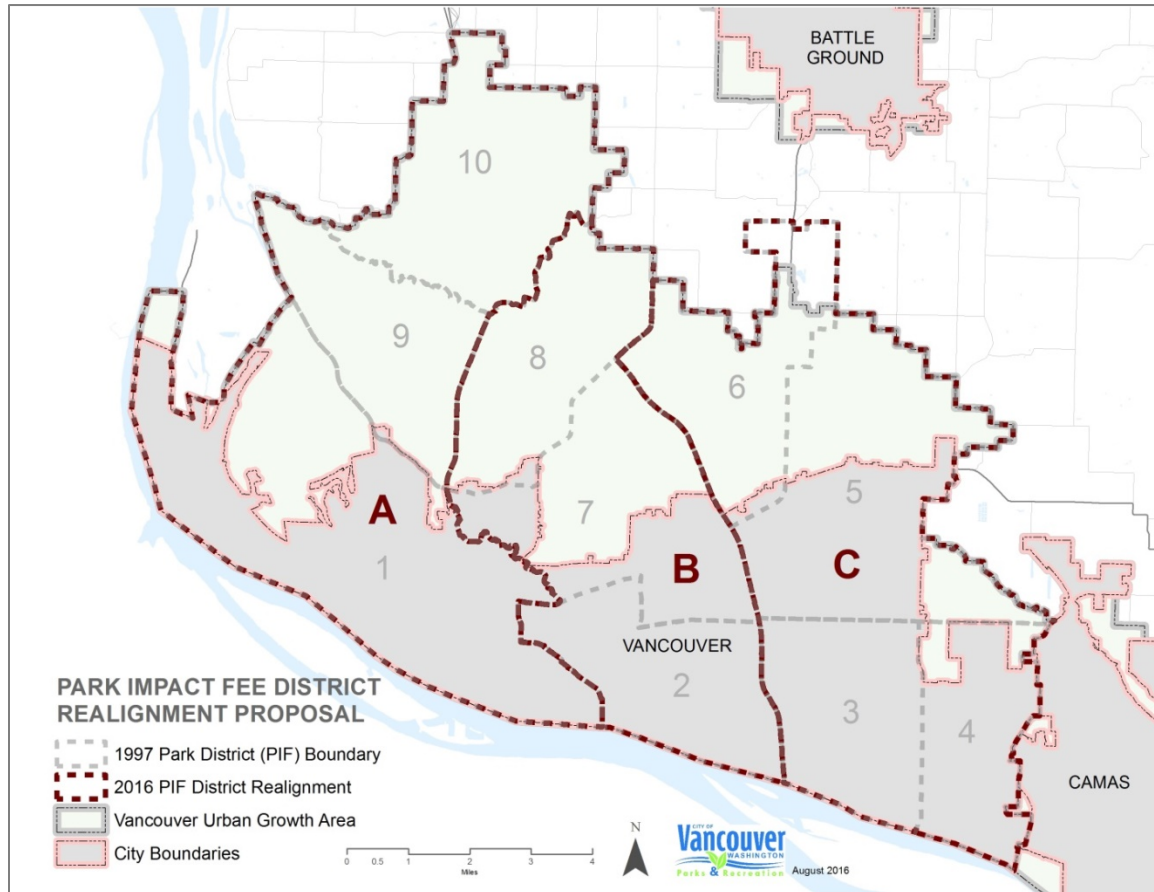


Figure 22 – Park Impact Fee Districts (2016)

Park Overlay Service Areas

Park Overlay Service Areas are identified in **Figure 33**, as provided in VMC 20.915.030(C)(3), for situations ‘where a system improvement is designed to serve an established service area, or service areas, but is located entirely or partly outside of the City and/or urban growth area, and provides a substantial benefit to the assigned service area’.

The overlays are part of the underlying Districts A, B, and/or C, as identified in the **Figure 32**, and do not constitute a new park impact fee district or unique fee schedule. Properties within an overlay service area are not subject to City impact fees to the extent those properties are outside the City.

Park Overlay Service Areas have been generally defined adjacent to and outside city limits and the VUGA, as shown in **Figure 33**. This delineation intends to capture the service area gaps proximate to the Vancouver city limits and provide the flexibility needed for site acquisition or development to address system deficits. The overlays are drawn to extend outside city limits one-half of the Community Park service area as defined in the Vancouver Comprehensive Parks, Recreation and Natural Areas Plan (Park Plan). When this provision is utilized for a Neighborhood Park outside city limits, projects will be located one-half of the applicable service area as defined in the Park Plan for Neighborhood Parks.

The use of PIF for a system improvement within a Park Overlay Service Area shall meet these criteria:

1. The presence of a system deficit within the applicable park district(s) and a lack of reasonable alternatives available within the district or within city boundaries to address the identified need.
2. Park needs located within city limits and/or the Vancouver Urban Growth Area would be met through the proposed system improvement(s).
3. System improvements within the overlay area align with projects identified in the capital facilities plan.
4. Benefits provided by projects within the overlay areas equal or exceed benefits from alternatives available within the established underlying service area(s).
5. Potential partnerships with other jurisdictions or public agencies within the overlay service area lying outside city limits have been explored to address planning, funding, management, and/or maintenance opportunities.

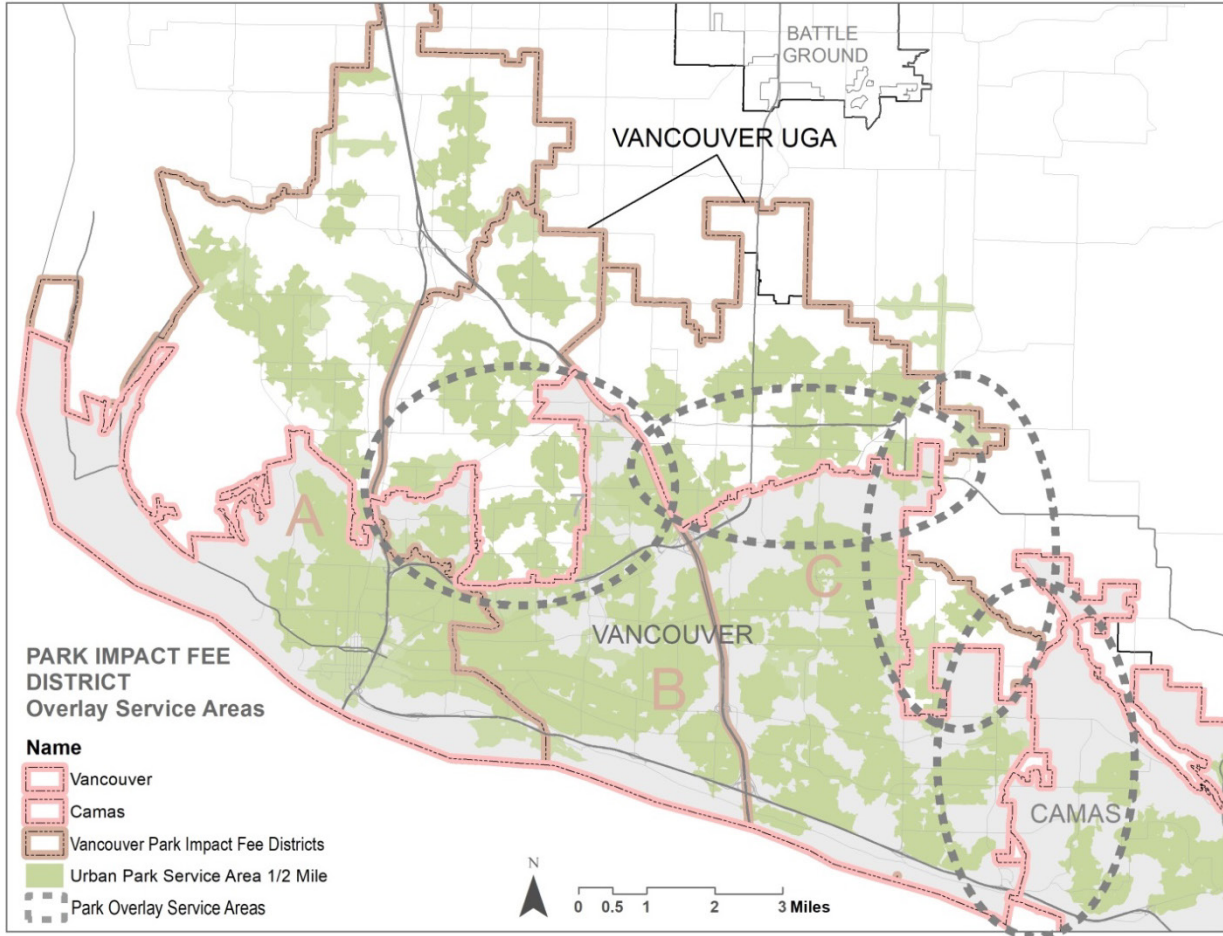


Figure 33 –Park Overlay Service Areas (2019)

PARK IMPACT FEE RATE SCHEDULE

CITY OF VANCOUVER PARK IMPACT FEE SCHEDULE – 2004		
Park District	Single-Family	Multi-Family
1	\$2,243	\$1,639
2	\$2,751	\$2,011
3	\$2,385	\$1,743
4	\$2,116	\$1,546
5	\$1,926	\$1,407
6	\$1,683	\$1,203
7	\$2,007	\$1,467
8	\$1,927	\$1,408

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City of Vancouver, Washington

9	\$2,132	\$1,558
10	\$1,674	\$1,223

~~The 2004 fee schedule listed above was adopted by Ordinance M-3653, and became effective June 3, 2004. The 2016 PIF Technical Document does not propose an update to the factors used to calculate park impact fee rates for land acquisition or development based upon current costs. However, with the merging of park districts from ten into three, a simple methodology was utilized to create an average fee from the existing fee schedule based on the districts located within the realigned Districts A, B, and C. Current (1997) park districts 6, 8, 9 and 10 are completely or predominantly outside the City of Vancouver. The current fees for these districts were, therefore, excluded from the 2016 rate schedule calculation.~~

~~The 2016 fee rate for District A includes the 2004 fee rate for District 1, excluding Districts 9 and 10. District B averages the 2004 rates for Districts 2 and 7 (city portion), excluding District 8. District C averages the 2004 rates for Districts 3, 4, and 5 (city portion), excluding District 6. The 2016 rate schedule is listed in the table below.~~

PARK IMPACT FEE TECHNICAL DOCUMENT – NOVEMBER 2020

City of Vancouver, Washington

CITY OF VANCOUVER PARK IMPACT FEE SCHEDULE – 2016			
2016 Realigned — Park Districts	1997 Original — Park Districts	Single Family*	Multi-Family*
A	1	\$2,243	\$1,639
	9		
	10		
B	2	\$2,379	\$1,739
	7		
	8		
C	3	\$2,142	\$1,565
	4		
	5		
	6		

2019 PARK IMPACT FEE COST ANALYSIS

Prior to adoption of the 2020 edition of the PIF Technical Document, PIF rates were based on a cost analysis implemented in 2004 using 2001-2002 property value and construction cost data. Multiple analyses were completed between 2004 and 2019, but neither fee adjustments nor fee indexing were implemented. Following a similar methodology to prior studies, the 2019 analysis reviewed the most current data available for land and development costs as well as applicable updates to formula factors.

Calculating the average land value estimates began with generating data on vacant and underutilized parcels within the City of Vancouver. The Assessor values represent the market value on January 1, 2018 for 2019 taxes. This data was then progressively filtered to identify reasonably viable future park land acquisition parcels.

Due to the declining availability of undeveloped parcels within city limits, the filter criteria were modified to include vacant and underutilized multi-family, commercial and industrial zoned parcels as viable future park sites. Additional adjustments included using group-market value per acre versus value per acre by parcel, and the threshold building value was increased to reflect the significant rise in residential structure values, yet maintain representing the bottom 20th percentile of Building Value Average (BVA) as in prior fee studies. The revised criteria resulted in a reduced BVA and increased the sample set of viable parcels for future park use.

Land value estimates include average transactions costs associated with land purchases such as closing costs, appraisals, land surveys, environmental and cultural studies, and Level-1 improvements. Level-1 improvements represent initial site improvements following a land purchase in order to remove liability and safety concerns, preserve existing natural resources and to prepare a site master plan (conceptual plan) for future site development.

Development cost estimates were based on average costs per acre using prior city and county park construction projects completed between 2009 and 2018. Per acre costs were adjusted with a modest annual inflation rate since the date of construction and the addition of irrigation and themed play structures to Level-2 development standards.

Based on the cost analysis, the resulting acquisition and development cost per person, and per acre, are listed by park district in **Table 1**. The cost variations per park district reflect the differences in property values across the city, whereas the development costs are consistent across park districts. With the acquisition and development cost estimates per person, **Table 2** applies the Cost Adjustment Factor (variable 'A') to calculate the PIF rate per single family and multi-family housing unit. **Table 3** provides a comparison of the 2004 to the 2019 estimate of housing unit costs.

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**Table 1: ACQUISITION AND DEVELOPMENT COST PER ACRE AND PER PERSON
(2019 Cost Analysis)**

PIF DISTRICT	ACQUISITION ¹		DEVELOPMENT ²		TOTAL Per District	
	Average \$ Per Acre ⁴	Acquisition \$ / Person	\$ Per Acre	Development \$ / Person	PIF District	Cost Per Person
A	316,231	1,976	260,333	1,106	A	3,082
B	547,021	3,360	260,333	1,106	B	4,467
C	456,538	2,817	260,333	1,106	C	3,924
Average	\$ 483,223	\$ 2,718	\$ 260,333	\$ 1,106	Average	\$ 3,824

NOTES:

1. Average 2018 Grouped Market Land Values based on Clark County GIS dataset. County data removed for city only analysis.
2. Development costs reflect combined average of Neighborhood and Community Parks.
2. Includes development standard upgrades including irrigation and themed play equipment.
4. Average value per Park Impact Fee District.

Table 2: PIF RATE PER HOUSING TYPE BASED ON 2019 COST ANALYSIS

Costs Per Person (2019 Cost Analysis)					PIF Rate per Housing Type (2019 Cost Analysis)	
PIF District	Acq. \$ Per Person	Devel. \$ Per Person	Total \$ Per Person	Minus 5% CAF	Single Family (2.67 persons)	Multi-Family (2.11 persons)
A	1,976	1,106	3,082	2,928	7,822	6,182
B	3,360	1,106	4,467	4,243	11,336	8,959
C	2,817	1,106	3,924	3,728	9,959	7,870
Average	2,718	1,106	3,824	3,633	9,706	7,671

NOTES:

Assumes 2.671569 PPH based on 2018 estimate provided by OFM for SFR and 2.111388 PPH for MFR
Includes Stronger Vancouver Development Cost Upgrade Values
2018 Parcel Property Value dataset
Based on average cost of land per acre by district (avg. of \$483,000 per ac)

Table 3: PIF RATE COMPARISON-2019 COST ANALYSIS (\$483,000 PER ACRE LAND VALUE)

Current PIF Rates 2004 - 2020		PIF Rate per Housing Type (2019 Cost Analysis)		PIF Rate % Change	
Single Family Unit (2.6 persons)	Multi-Family Unit (1.9 persons)	Single Family (2.67 persons)	Multi-Family (2.11 persons)	Single Family % Change	Multi-Family % Change
2,243	1,639	7,822	6,182	249%	277%
2,379	1,739	11,336	8,959	377%	415%
2,142	1,565	9,959	7,870	365%	403%
2,255	1,648	9,706	7,671	330%	365%

NOTES:

Assumes 2.671569 PPH based on 2018 estimate provided by OFM for SFR and 2.111388 PPH for MFR

Includes Stronger Vancouver Development Cost Upgrade Values

2018 Parcel Property Value dataset

Based on average cost of land per acre by district (avg. of \$483,000 per ac)

The cost analysis was reviewed internally regarding assumptions and methodology and evaluated by a private financial consultant, which confirmed the approach was consistent with the intent of the PIF Technical Document and prior analyses.

Although the cost analysis accurately reflects typical land acquisition and development market costs based on the best available data, the land value component is the most challenging factor in the PIF formula to evaluate due to the multitude of variables that influence land prices. The declining availability of developable land with city limits and the resulting rise in land costs played a significant factor in the cost analysis results. Although it would reduce the size of the data set significantly and diverge from the criteria of prior studies, future cost analyses could consider the removal of all parcels under one-half acre. These smaller parcels are typically too small to be stand-alone parks but do provide the opportunity for site expansion or to consolidate multiple parcels to secure a viable park area.

Recognizing the potential impact of the calculated increase on the vulnerable margins of affordable housing, land costs were reevaluated based upon prior land purchases (in the last 10 years) with a three percent (3%) inflation factor for each year since the transaction occurred. This exercise identified an average per acre land only cost of approximately \$250,000 per acre for park and open space properties compared to \$483,000 per acre based upon the assessor land value data.

With the adjusted land value of \$250,000 per acre, **Table 4** reflects the average percent of increase in park impact fee rates at 203% and 227% for single family/duplex and multi-family units, respectively, compared to 2004 rates. This represents a 40% reduction from the rate calculated in the 2019 cost

analysis using the 2018 land value data. This decrease provides some relief to the challenges of providing affordable housing and the impact to the housing industry. By using a consistent land cost variable for all districts, the fee rates are the same regardless of district.

Table 4: PIF RATE COMPARISON - ADJUSTED FOR \$250,000 PER ACRE LAND VALUE

PIF District	2004 - 2020 PIF Rates		PIF Rate per Housing Type (2019 Cost Analysis w/ Adjusted Land Cost of \$250,000/ac)		PIF Rate % Change	
	Single Family (2.6 persons)	Multi-Family (1.9 persons)	Single Family (2.67 persons)	Multi-Family (2.11 persons)	Single Family % Change	Multi-Family % Change
A	2,243	1,639	6,813	5,385	204%	229%
B	2,379	1,739	6,813	5,385	186%	210%
C	2,142	1,565	6,813	5,385	218%	244%
Average	2,255	1,648	6,813	5,385	203%	227%

NOTES:

Assumes 2.671569 PPH based on 2018 estimate provided by OFM for SFR and 2.111388 PPH for MFR
Uses \$250,000/ac land value across all districts.

PARK IMPACT FEE RATE SCHEDULE

Following City Council deliberations, a modified rate schedule and phasing plan were adopted to align with the Stronger Vancouver ten-year vision. The phasing plan provides a gradual increase over six years followed by annual indexing per the methodology contained herein for a total cumulative increase of approximately 218% over a ten-year period. This approach was designed to soften the impact of the revised rates on the building community and affordable housing market.

Table 5 reflects the phasing plan for fee implementation effective January 1, 2021. Fee increases will be implemented effective January 1st of each year thereafter to align with all other fee changes in the permit process. This alignment with other fee changes allows for comprehensive, consistent and efficient technical testing for implementation purposes.

Consistent with VMC 20.915.100 Council will review a fee analyses in 2023 to evaluate actual fund collection since implementation compared to forecasting and adjust rates as needed. City Council also directed staff to explore the adoption of a commercial and industrial park impact fee for consideration. Commercial/Industrial land uses benefit from the park system infrastructure by business patrons as well as employees. The adoption of commercial and industrial park impact fee programs by other Washington jurisdictions have been used to share the funding burden with residential land uses and/or to provide a separate funding source for additional types of recreational amenities not within the scope of existing PIF program (e.g., trails, sports fields, etc.).

Table 5: 6-YEAR PIF PHASING IMPLEMENTATION SCHEDULE

Year	Park District	% Increase	SF	MF
2004-Dec. 1, 2020	A, B, C		2,255 (Avg)	1,648 (Avg)
January 1, 2021	A, B, C	25% Increase	\$2,819	\$2,060
January 1, 2022	A, B, C	25% Increase	\$3,523	\$2,575
January 1, 2023	A, B, C	35% Increase	\$4,757	\$3,476
January 1, 2024	A, B, C	10% Increase	\$5,232	\$3,824
January 1, 2025	A, B, C	10% Increase	\$5,756	\$4,206
January 1, 2026	A, B, C	6.5% Increase	\$6,130	\$4,480

NOTES:

Automatic annual Indexing of fees begins 2027

Adopted by Resolution M-XXXX, effective date January 1, 2021.

~~(As adopted by Resolution M-XXXX, effective November X, 2016)~~

~~*Rates are the average of the 2004 fee schedule of those districts merged within the respective 2016 Realigned Park Districts.~~

FUND MANAGEMENT

RCW 82.020.070 and Vancouver Municipal Code 20.915.100 both specify that a non-lapse impact fee fund will be established and separate accounts within the fund will be established for each type of facility and service area. These references are applied in the context of the collection of funds for transportation, school and park facilities.

The park impact fee calculation formula includes an acquisition and development component. Prior to 2016 there were separate acquisition and development accounts for each of the park districts although this was not required by either state law or city code. Acquisition and development accounts were merged in 2016 into a single account retrospectively for each of the original ten districts, and each of the realigned park districts (A, B and C) have a single account prospectively.

This revised approach to fund management provides improved flexibility and responsiveness to meet community needs and adopted standards. In the long term, every effort should be made to implement

the intent of the Park Impact Fee Program to provide equitable distribution of parks and natural areas throughout each park district as identified in the Park Plan, providing a long term balance between land acquisition and site development. This management policy is consistent with the historic calculation and tracking of concurrency by park district with the merging of the acquisition and development accounts.

The use of park impact fees will continue to be restricted to the district from which they were collected. For example, a fee collected in what was District 3, should only be spent within the District 3 service area until these original district funds are exhausted. In the future, fees collected in District B may be spent anywhere within the service area of District B. Exceptions to the use of PIF funds within the park impact fee district where it was collected are based upon the conditions and factors outlined for *Park Overlay Service Areas* above and VMC 20.915.030.

PARK IMPACT FEE INDEX ~~METHODOLOGY~~

~~Purpose~~

The intent of impact fee indexing is simply to keep impact fees rates as current as possible between major program updates by accounting for inflation fluctuations in the economic market or deflation adjustments over time using a known recognized industry standards or common factors, such as the consumer price index or the a construction cost index. Annually adjusted adjustments impact fees also minimize potential the progressive accumulation of public share obligations to the park system, which are caused by the deficits created by under-collection of fees for the private share created by new growth. Likewise, it adjusts for an over-collection of fees if market costs decline. difference between current rates and the annually eroding value of those rates as they are impacted by inflation. Indexing is implemented based on by City Code VMC20.915.100 (Other Provisions).

Park impact fee rates may be revised using the following process:

1. The adopted Park Impact Fee Program Technical Document may be revised periodically by the City Council when financial analysis establishes that there is a need for a major program update. Such adjustments shall only become effective upon adoption by the City Council.

2. Between major program updates, the calculated park impact fee will be adjusted annually to account for inflation/deflation using the indexing methodology described in the adopted Park Impact Fee Technical Document. Such adjustments shall only become effective upon adoption by the City Council.

Indexing Models Used by Other Jurisdictions Index Models Commonly Used

Numerous jurisdictions across Washington and Oregon apply an annual inflation index to their impact fees or system development charges. Several common indices are used, as include:

- **Producer Price Index (PPI)** – shows the direction and magnitude of price changes for finished goods; published by the Bureau of Labor Statistics.
- **Consumer Price Index (CPI)** – shows day-to-day inflation in prices as experienced by urban consumers for a representative basket of consumer goods and services; also published by the Bureau of Labor Statistics.
- **Engineering News Record (ENR)** – calculates national index of building cost changes using a 20-city average and individual costs as local average. ENR offers two indices, the Construction Cost Index (CCI) and the Building Cost Index (BCI)¹. The CCI can be used where labor costs are a high proportion of total costs. The BCI is more applicable for structures. A comparable Southwest Washington-specific index is not available, so the ENR index for the City of Seattle provides the best comparable available.

The difference is in their labor component. The CCI uses 200 hours of common labor, multiplied by the 20-city average rate for wages and fringe benefits. The BCI uses 68.38 hours of skilled labor, multiplied by the 20-city wage-fringe average for three trades—bricklayers, carpenters and structural ironworkers. For their materials component, both indexes use 25 cwt of fabricated standard structural steel at the 20-city average price, 1.128 tons of bulk Portland cement priced locally and 1,088 board ft. of 2x4 lumber priced locally. The ENR indexes measure how much it costs to purchase this hypothetical package of goods compared to what it was in the base year. The difference between ENR's Construction Cost Index and Building Cost Index is the approach to the labor component. The CCI uses 200 hours of common labor, multiplied by the 20-city average rate for wages and fringe benefits. The BCI uses 68.38 hours of skilled labor, multiplied by the 20-city wage-fringe average for three trades—bricklayers, carpenters and structural

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ironworkers. For their materials component, both indexes use 25 cwt of fabricated standard structural steel at the 20-city average price, 1,128 tons of bulk Portland cement priced locally and 1,088 board ft. of 2 x 4 lumber priced locally. The ENR indexes [sic] measure how much it costs to purchase this hypothetical package of goods compared to what it was in the base year. (Source: enr.construction.com)

Additionally, two primary approaches exist to apply indexed adjustments: uniformly across components or uniquely to each component.

▪ **Uniform Indexing Approach**

—The uniform approach merely applies an index to the composite impact fee, and in the case of park fees, it would apply to the combined acquisition and development rates equally. No distinction is made between components or between the relative impacts of how each component is affected by the index. Upon initial review of the application of indices throughout the region, it was noted that most jurisdictions elected to index impact fee rates uniformly.

▪ **Unique, Component-Specific Indexing Approach**

—An alternative approach is to annually adjust each impact fee component based on a unique index, both pertinent and suitable to that component. For example, the development component is adjusted based on a construction cost index, and the acquisition component is adjusted based on a real estate or land valuation index as appropriate. By design, component-specific indexing allows for a higher degree of congruence between the component and the index, along with providing a ~~more true~~clearer reflection of local changes on an annual basis.

~~A component-specific indexing approach would provide a more direct relationship between the fees and construction and/or real estate market changes, but could result in dramatic annual fluctuations in rates in response to local and national economic conditions. In Oregon, jurisdictions can choose to use the local tax assessor's annual ratio report to index the acquisition component. In Washington, no similar report is required, but some cities have indexed acquisition costs based on annual changes in land value. The indexing approach used by the City of Olympia offers a compelling model, as described below from their PIF program documentation:~~

~~The change in property value is calculated based on information from the Thurston County Assessor's Office. Thurston County is on an annual valuation cycle, meaning that all real property is physically inspected at least once every six years, but is statistically updated every year. The County Assessor does not create values, but interprets current market activity to estimate the values of parcels in Thurston County for the purposes of property taxation. Fair market value is the amount a willing buyer would pay a willing seller when neither is under undue pressure. The Thurston County Assessor's Office uses valid recent sales data of similar properties and the replacement cost of buildings (based on the cost of current labor and material, less depreciation), to arrive at fair market value. For projects where the location of the property is known, the property value factor will be calculated based on the difference between the current year and preceding year's fair market value for land. For projects where the location of the property is not known, the property value factor will be calculated based on the average of the changes in land value for representative similar facility type projects in the CFP.~~

~~Thurston County's approach to annual assessment re-evaluation is consistent with that of Clark County's and is identified as a viable approach. During the current PIF assessment, staff from the Clark County Assessment office was contacted to discuss and coordinate a comparable approach for local, annual PIF adjustments based on Clark County data and modeling.~~

~~With readily accessible, quality indexing datasets, the component-specific approach can offer the City of Vancouver a stronger nexus between the selected index and the base PIF rate. As a historically high-growth region, an approach using a uniform index for both components, such as a construction index, does not accurately reflect the differences in and changes to real property valuations, and does not reflect value differentiation across the urban area. As such, when the City of Vancouver is ready to proceed with implementation of an annual index of Park Impact Fee rates, a component-specific indexing option will be used, whereby the acquisition base rate is indexed to recent real property changes and the development base rate is tied to a construction related index, such as the ENR CCI. The establishment of the real property index is the most complex task, and it is a uniquely local exercise. The following section details the methodology.~~

Using a uniform indexing approach for both the acquisition and development components of the fee calculation, such as the CPI or construction index, may not reflect applicable cost changes in the short term. However, the CPI could offer a more stable adjustment pattern and prove to be more essential to the long-term success in the implementation of annual indexing. The following section details the index methodology.

Indexing Methodology

The Vancouver Municipal Code provides for automatic annual fee adjustments between major fee studies using the methodology described below. The Consumer Price Index Consumer Price Index (CPI-W, Seattle-Tacoma-Bellevue) will be applied equally to the acquisition (“Ia”) and development (“Id”) components of the fee calculation on an annual basis. The index should be implemented at the same time each year to provide the most predictability for the building industry. Following the six-year phasing plan from 2021 through 2026, automatic annual index will be applied to the then current fee beginning January 1, 2027.

PIF Acquisition Component

In close collaboration with Clark County Assessment and GIS staff, land valuation tables for the Vancouver urban area were isolated and reviewed for the three most recent property tax assessment cycles (2007, 2008, and 2009). The primary goal was to establish the rate of change in land valuations between consecutive property tax cycles as the basis for a potential PIF acquisition rate index. Secondly, the data were reviewed to evaluate the appropriateness of applying a single, urban area-wide index factor versus unique index factors per each PIF districts.

See **Table 6** for an example of the CPI factor:

Table 6: ANNUAL CONSUMER PRICE INDEX

Month / Year	12-Month % Change - All Items
Jan-20	2.5%

The primary goal was to establish the rate of change in land valuations between consecutive property tax cycles as the basis for a potential PIF acquisition rate index. Secondly, the data were reviewed to evaluate the appropriateness of applying a single, urban area-wide index factor versus unique index factors per each PIF districts.

Acreage valuations from the Assessor’s Neighborhood Land Tables were the primary input. Clark County annually updates the assessment land tables with a physical inspection of ¼th of the county per cycle and statistical revisions of the remainder. The data used in this analysis are consistent with the assessed valuations used for annual property tax assessments.

The land coverage of the Assessor's Neighborhood Land Tables was correlated to that of the PIF districts using GIS. The acreage and percentage of total land area of each Neighborhood was calculated as it relates to each PIF district. Using these relative coverages, a weighted average land valuation was calculated by PIF district. Additionally, a single average was calculated for the Vancouver urban growth area (VUGA) as a whole.

In comparing the valuations of each PIF district to that of VUGA composite, significant differences were noted. While the average valuation change of the sum of the 10 PIF districts was the same as the valuation change of the VUGA as a whole, a wide degree of variability was noted between PIF districts for each comparative cycle reviewed. In looking at the differences between the 2009 and 2008 tax years, a 14% spread exists between the highest and lowest change between PIF districts. Given this variability, the acquisition component will be indexed based on the unique rate of change by PIF district, instead of using a VUGA average, to best reflect the specific changes in valuation within the urban area. This approach is consistent with that taken to establish the acquisition base rates, and the data and calculations required to determine these unique index factors have been tested.

Using the weighted average land valuation by PIF district, the acquisition index factors for each PIF district are determined by the ratio of the current tax year to the previous. Table 1 shows these results.

Table 1: Acquisition Index Factors by District (2008-09)

PIF District	Tax Year 2009	Tax Year 2008	Index Factor	Index Change
1	\$ 136,135	\$ 138,890	0.980	-2.0%
2	\$ 149,378	\$ 149,619	0.998	-0.2%
3	\$ 165,304	\$ 175,479	0.942	-5.8%
4	\$ 160,373	\$ 168,254	0.953	-4.7%
5	\$ 154,999	\$ 179,888	0.862	-13.8%
6	\$ 156,412	\$ 176,384	0.887	-11.3%
7	\$ 148,720	\$ 159,786	0.931	-6.9%
8	\$ 161,771	\$ 162,060	0.998	-0.2%
9	\$ 168,909	\$ 168,910	1.000	0.0%
10	\$ 169,001	\$ 169,001	1.000	0.0%
Average	\$ 157,100	\$ 164,827	0.955	-4.5%
VUGA Average	\$ 154,079	\$ 162,135	0.950	-5.0%

Using the established PIF acquisition base rates for each district, Table 2 shows how the index would be applied by multiplying the index factor with the PIF base rate to establish a revised PIF acquisition rate.

Table 2: Application of Index to PIF Acquisition Component

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PIF District	Base Acquisition Rate		Index Factor		Revised PIF Rate (Acq)	Change (\$)
1	\$ 1,227	*	0.980	=	\$ 1,203	\$ (24)
2	\$ 1,524	*	0.998	=	\$ 1,521	\$ (2)
3	\$ 1,357	*	0.942	=	\$ 1,279	\$ (79)
4	\$ 1,519	*	0.953	=	\$ 1,448	\$ (71)
5	\$ 863	*	0.862	=	\$ 744	\$ (119)
6	\$ 777	*	0.887	=	\$ 689	\$ (88)
7	\$ 1,275	*	0.931	=	\$ 1,187	\$ (88)
8	\$ 868	*	0.998	=	\$ 867	\$ (2)
9	\$ 993	*	1.000	=	\$ 993	\$ (0)
10	\$ 721	*	1.000	=	\$ 721	\$ (0)
Average	\$ 1,112		0.955		\$ 1,065	\$ (47)

~~NOTE: The Clark County Assessor's Office does not release land valuation tables until the early fall of the tax year in question (i.e., October 2009 for the 2009 property tax assessment). Given this known and reliable lag time, it is recommended that annual PIF indexing occur in the early fall of each year to accommodate delivery of the most recent Assessor's data.~~

~~PIF Development Component~~

~~The application of a construction cost index to the PIF development component is simple and direct. Using the Seattle ENR-CCI monthly data available from ENR, calculate the index factor as the percentage change based on the ratio of the current month to the previous period (see).~~

~~TABLE 3: CONSTRUCTION COST INDEX (OCT '07 – OCT '08)~~

ENR-CCI Periods		ENR-CCI Factor		Index Change
October '08:: 8812.22	=	1.023	or	2.3% Increase
October '07:: 8612.75				

~~Using the established PIF development base rates for each district, the index is applied by multiplying the index factor with the PIF base rate to establish a revised PIF development rate. Since development rates are uniform across all PIF districts, this calculation is completed only once as shown in Table 4. Indexing alone is insufficient over long periods of time to align fee rates with the market. Every three years a complete fee analysis is required per VMC 20.915.100 (B)(1) for review by City Council to consider benchmark adjustments to PIF rates based upon current market conditions. Major fee analysis will also include consideration of accomplishments in site acquisition and development to meet anticipated growth and concurrency compliance.~~

~~Table 4: APPLICATION OF CCI TO PIF DEVELOPMENT COMPONENT~~

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PIF Base Rate (Dev)		ENR-CCI Factor		Revised PIF Rate (Dev)		Change (\$)
\$553	*	1.023	=	\$566		\$13

Conclusion—Indexing Methodology

~~The Vancouver Municipal Code already includes a provision for periodic revisions and indexing adjustments to the park impact fee schedule through adoption of a Technical Document. To date, this provision has not been utilized. The indexing methodology included in this document does not suggest that the City implement the indexing provision at this time, but that this methodology be considered and implemented at some point in the near future to ensure the viability of the Park Impact Fee Program.~~

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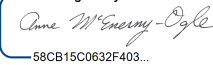
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 City of Vancouver
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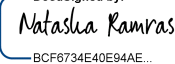
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 natasha.ramras@cityofvancouver.us
 City of Vancouver
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Electronic Record and Signature Disclosure:
 Not Offered via DocuSign

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	11/16/2020 8:27:33 PM
Certified Delivered	Security Checked	11/17/2020 11:09:33 AM
Signing Complete	Security Checked	11/17/2020 11:09:43 AM
Completed	Security Checked	11/17/2020 11:09:43 AM
Payment Events	Status	Timestamps