From: Megan Kogut

To: Chris Roberts; Shari Winstead; Will Hall; Doris McConnell; Keith McGlashan; Jesse Salomon; Keith Scully

Cc: <u>Eric Friedli; Dan Eernissee; City Council</u>

Subject: Parks Impact Fee, agenda item 9(d) for the February 13, 2017 City Council meeting

**Date:** Thursday, February 09, 2017 11:02:16 AM

Dear Councilmembers,

This letter addresses the topic of Park Impact Fees as agenda item 9(d) for the February 13, 2017 City Council meeting.

As you might remember, in 2015 I brought to you many technical and philosophical problems with the Transportation Impact Fee as applied in the City of Shoreline. Many of the inaccurate assumptions came report provided to Council by a consultant with a very narrow perspective regarding impact fees. After much consideration and effort on my part and on the part of City staff, the nonresidential TIF was waived until December 2017 by a vote of 6-1, with Will Hall remaining in support of the nonresidential TIF.

My motivation at the time was the protection of Shoreline's goals to encourage economic development and neighborhood centers.

To be clear, I love parks as much as anyone. I could go on about how much I love parks – I love them much more than transportation projects to relieve commuter traffic, to say the very least. But I want to keep this letter brief.

So again, I write to ask that Council ensures that one major city goal is not sacrificed at the expense of another, as was the case for the TIF.

Now that another consulting company is poised to develop recommendations this spring, I write to remind you about a few of those issues I had with the first consulting company. In particular, the Discussion Draft in the staff report makes me worry that the current consultant's perspective could be similarly narrow and history might repeat itself. Here is the troubling section in part:

- 1. Development That Pays Park Impact Fees, page 3
  - Employees, customers, and visitors at nonresidential development may use Shoreline's parks... and they may receive indirect benefits from the healthier benefits... even if they do not personally use Shoreline's parks.
  - Charging impact fees to nonresidential development ensures that all new development pays a proportionate share...
  - Of 79 Washington cities with park impact fees, 11 charge nonresidential fees, including Edmonds, Redmond, Mountlake Terrace, and Bothell.

Here's my read of those bullet points:

- The first bullet admits that the benefit to visitors is less than that of residents, so it actually argues that the nonresidential fee should be less than the residential fee, if one is assessed at all.
- I don't think that the second bullet, which is in support of "spreading the pain", is a legitimate argument for assessing all new development a fee. Proportionate does not mean fair. See my argument for bullet point one.
- The third bullet could be interpreted a few ways. I see it to say that there are probably a few lessons for us behind why only 11 of 72 Washington cities assess nonresidential park fees. Of the four examples selected, three (Edmonds, Redmond and Bothell) have, I think, strong town centers and business communities. There might be other factors too; I'm speculating here, but I hope my point is made.

The report's recommendation for this section is to calculate park impact fees using two approaches, for residential only and for residential and nonresidential development. If someone is really interested in PIFs for all development, I suggest that they ask the consultant to bring a proposal for a fair, not just "proportionate", PIF for nonresidential development considering the lesser benefit that the nonresidential occupants receive from parks. And, I would ask them to explore why so few other cities assess park impact fees on nonresidential development.

And, if a nonresidential PIF is considered by Council, I would hope that this time around Council receives input from the business community before voting, so that Council understands all the potential impacts of their vote.

I conclude with this vision: like parks, the nonresidential development near both light rail stations will be part of the overall experience of local residents and visitors. Everyone loves parks, and many residents use them on a regular basis. But ideally the non-residential development will be used nearly daily by nearly everyone. There is a good chance, I think, that developers will pass on the cost of a significant PIF to commercial tenants in the form of higher rent. Higher rent will reduce the diversity of businesses able to move into those spaces. And that will affect the character and success of the non-residential development. Multiple City documents, such as the light rail station Long Term Visions and Vision 2029, anticipate that nonresidential development will be a key part of the City's future success. To quote one of my favorite parts of Vision 2029, Shoreline will be "a city of neighborhoods, each with its own character and sense of place" with "local shops and services". And I am a voice in support of maximizing the chances of this vision in balance with other considerations such as parks.

Thank you for your time. I am happy I am able to be able to contribute to this issue on time this time.

Megan Kogut PhD