

Chairperson **Denny Legro** called the meeting to order. Present were Commissioners **Mike Urban, Kim Kelley, Tom Twedt, Warren Cheney** and **Gary Molenaar**. Staff members include **Jana Hanson, Rebecca Bradley-Lowell, Marianne Manville-Ailles, Esco Bell** and **Victor Salemann** with the consulting firm David Evans and Associates.

Public Hearing on 2007 Comprehensive Plan Amendments:

Mount Vernon School District CFP: Impact Fees

Mr. Legro stated tonight's meeting is a continuation of the December 4th public hearing. He reminded Planning Commission and the audience they are holding a quasi-judicial hearing and asked for conflict of interests. **Ms. Kelley** questioned the methodology used by the School District; how the surplus land is calculated back, and what becomes of fees previously collected. She calculated that collected fees should bring the District's impact fee for single family units to \$5,000.00, not the proposed \$6,900.00. **Mr. Cheney** stated he noticed a policy discount of 35% applied to the calculated amount of the capital cost per dwelling unit. Although this analysis may not factor in everything it should, it looks like they built in a hefty discount right off the top. **Mr. Cheney** stated it looks like we are recovering fewer fees than we could. He would consider further analysis of the methodology.

Carl Bruner, Superintendent, Mount Vernon School District; stated public schools use a methodology from a variety of sources. They are aware they may be vulnerable by challenges from the development community. Their legal counsel has worked with other school districts. This formula has been used in other counties. **Mr. Bruner** referenced the questions Jeff Hansell submitted and their consultant responded to them. He added property acquisition due to new development is legitimate in factoring impact fees. The School District is required annually to provide a report to the City that shows how impact fees are expended. Impacts fees collected to date are committed to growth capacity. They are earmarked to pay debt that currently exists. **Ms. Kelley** asked if surplus lands are needed for the future. **Mr. Bruner** stated other properties are being looked at for future needs. The District currently has an offer on a parcel on Swann Road for a middle or elementary school. **Mr. Twedt** asked if Jeff Hansell is satisfied with the School's response to his questions. **Ms. Hanson** stated she has not heard from Mr. Hansell since sending him and the Planning Commission the District's response. **Mr. Urban moved, second by Mr. Cheney, to forward the Mount Vernon School District CFP, school impact fee increase for approval to City Council. Motion carried.**

Mr. Urban moved, second by Mr. Twedt, to recommend to City Council for approval the change to Appendix A of Mount Vernon Municipal Code Title 3 Chapter 3.36 to revise the school impact fee schedule to \$6,903.00 for single family units and \$1,664.00 for multi-family units. Motion carried.

LU07-001 Dan Brim, 16768 Blodgett Road:

Mr. Legro described the applicant's request for a Comprehensive Plan amendment and rezone. The applicant is requesting to be re-designated from Comprehensive Plan designation of Single-Family Medium Density and a zoning designation of Single-Family Residential with a maximum density of 4.54 du/acre (R-1,4.0) to a Comprehensive Plan designation Commercial/Limited Industrial and a zoning designation of Commercial/Limited Industrial.

Mr. Urban moved, second by Mr. Warren, to recommend to City Council denying this request. Motion carried.

LU07-002 Hansell Mitzel, Properties on Gunn Road:

Mr. Legro described the applicant's request for a Comprehensive Plan amendment and rezone as a Comprehensive Plan designation of Neighborhood Commercial on the approximate north ½ of parcel P29194 and Single-Family Medium Density on the rest of the remaining parcels and a zoning designation of C-4 on the approximate north ½ of parcel P29194 and Single-Family Residential with a maximum density of 4.54 du/acre (R-1,4.0) on the rest of the remaining parcels to a Comprehensive Plan designation Commercial/Limited Industrial and a zoning designation of Commercial/Limited Industrial for all the parcels.

Mr. Urban moved, second by Mr. Twedt to recommend to City Council approval for this request. Motion carried.

LU07-010 Wallace-Hanson, 3656 E. College Way:

The request for a Comprehensive Plan amendment and rezone was is to be re-designated from Comprehensive Plan designation of Single Family Medium Density, (southern—majority of property), and Medium High Density Multifamily, (northern 300+/- feet of property). Zoning designation of Single Family Residential with a maximum density of 4.54 du/acre (R-1, 4.0) to a Comprehensive Plan designation of Neighborhood Retail, Mixed Use Center (NR) (northern portion of the property) and Low Density Multifamily, (southern portion of the property), and a zoning Designation of Neighborhood Commercial District (C-4) (northern portion of property) and Two Family Residential (R-2) (southern portion of the property).

Mr. Cheney moved, second by Mr. Urban, to recommend approval to City Council. Motion carried.

LU07-012 Viewcrest Assembly of God, south of McLaughlin Road and east of Martin Road:

Mr. Legro described the applicant's request to be re-designated from Comprehensive Plan designation of Churches, Community Colleges, Schools (P), and a Zoning designation of Public (P) to Comprehensive Plan designation of Multifamily Low Density; with a fall back to Single Family Medium Density; and a zoning designation of Two Family Residential (R-2) with a fall back to Single Family Residential with a maximum density of 4.54 du/acre (R-1, 4.0).

Mr. Urban moved, second by Ms. Kelley, to recommend approval for Single Family Medium density (R-1,4.0). Motion carried.

LU07-014 Skagit Council Housing, 1212 Blackburn Road:

On the appearance of fairness **Mr. Legro** turned the meeting over to vice-chairperson **Ms. Kelley** and excused himself for this request. **Ms. Kelley** described the request to be re-designated from Comprehensive Plan designation of Single Family Medium Density; and a zoning designation of Single Family Residential with a maximum density of 4.54 du/acre (R-1, 4.0). to a Comprehensive Plan designation of Medium High Density Multifamily (MF-MH); and a zoning designation of Multifamily Residential (R-4). **Mr. Urban** asked for clarification on a contract rezone. **Ms. Hanson** stated the state statute addresses contract rezones, however City procedures do not. She will need to discuss with the City Attorney the process and applicability.

Ms. Kelley feels multi-family high density is a lot of units. **Ms. Manville-Ailles** stated the code allows up to 96 units based on the size of property. **Ms. Kelley** stated affordable housing is needed and asked if there is another zoning that would be compatible with the surrounding neighborhood. **Ms. Hanson** explained a PUD would allow up to 20% density of the single family to be developed as multi-family. **Mr. Cheney** stated he is not opposed to increasing density closer to downtown. He recommends a carry over to next year to see if another option would work for the applicant. **Mr. Urban** agreed to carry over to next year's Comprehensive Plan requests. **Ms. Hanson** stated staff recommends taking action on this proposal as it is presented. **Ms. Hanson** and **Ms. Manville-Ailles** both stated for the record that the application is only for a

Comprehensive Plan amendment and rezone. Though the applicant has discussed plans to build affordable housing no project application has been submitted. If Planning Commission recommends in favor of request and City Council approves there is no guarantee that such a project will be built. Property could sell and another developer could build multi-family units without any consideration for affordable housing. **Ms. Hanson** and **Ms. Manville-Ailles** discussed the issue regarding spot zoning.

Mr. Vandermey, President of Skagit Council Housing, was asked if a carry over to next year would be an option for their proposal. He stated they have not applied for any grants, but have researched the process; step one is to have it appropriately zoned. With regards to timing, it moves them out another year; they would prefer a decision tonight, but would rather have it carried over to next year than be denied. He added they are not interested in breaking new ground with a spot zone.

Mr. Cheney feels a rezone here is exceptional but needed. **Mr. Urban** is tentative about a spot zone in that area and encourages a contract rezone possibility. **Mr. Twedt** stated he typically agrees with staff recommendation but agrees with Mr. Cheney. **Ms. Hanson** stated new staff findings and conclusions need to be amended if the recommendation is to approve the request. **Mr. Molenaar** stated if this project materializes it needs to be on a smaller level. He favors a contract rezone. **Mr. Cheney** seconded **Mr. Twedt's** motion; Mr. Urban and Ms. Kelley voted nay. A discussion ensued regarding setting a precedent. **Mr. Urban moved, second by Mr. Twedt, to recommend to City Council this request be carried over to next year's 2008 Comprehensive Plan amendment docket with a request that staff look into the issue of contract rezones. Motion carried.**

Mr. Legro returned to the meeting.

LU07-015 MVSD, north of E. Division and east of Skagit Highlands Parkway:

Mr. Legro described request to be re-designated from a Comprehensive Plan designation of Single Family Medium Density (SF-MED); and a zoning designation of Single Family Residential with a maximum density of 4.54 du/acre (R-1, 4.0), to Comprehensive Plan designation of Public, and a zoning designation of Public (P).

Mr. Urban moved, second by Mr. Cheney, to recommend approval to City Council. Motion carried.

LU07-016 MVSD, south of Martin Road and west of Trumpeter Drive:

Mr. Legro describes request as a re-designated from a Comprehensive Plan designation of Public (P), and a zoning designation of Public (P), to a Comprehensive Plan designation of Single Family Medium Density (SF-MED), and a zoning designation of Single Family Residential with a maximum density of 4.54 du/acre (R-1, 4.0).

Ms. Kelley moved, second by Mr. Twedt, to recommend approval to City Council. Motion carried.

Chapter 14 Concurrency Management, Transportation Impact Fee:

City staff and David Evans and Associates have been working together with a stakeholder group on the city's transportation concurrency management and transportation impact fees. This work included a review of the City's LOS (Level of Services) standards, transportation capital facilities plan, development review procedures. The current impact fee program is unable to fund improvements necessary to accommodate growth, and in many circumstances it is unable to match grant funds. A wide range of solutions was reviewed including the LOS standard, historic transportation revenue sources, the affect of impact fee credits, the administration of concurrency/traffic reviews, and the required level of impact fees to

adequately fund the transportation program. Consultant **Victor Salemann** provided an overview to the proposed amendments to the Transportation Element of the Comprehensive:

Chapter 2:

- Revise Table 2.1 to reflect proposed ADT and peak hour volume ranges based on the capacity calculation for 3 lane roads.
- Revise Table 2.2 to reflect proposed ADT and peak hour volume ranges based upon the new capacity calculation for all road sections.

Chapter 3:

- Revise Section 3.2.2 to reference the proposed capacity monitoring system

Chapter 4:

- Revise Table 4.3:
 - Change several 5 lane projects to 3 lane projects based upon the new capacity policy
 - Eliminate the railroad grade separation on College Way (not directly growth related)
 - Move the Hickox Road Interchange completion to beyond the 20 year horizon
 - Add future traffic signals/roundabouts, (referred to as intersection improvements), to all intersections of arterials with arterials that do not currently have signals or roundabouts. In progress improvements can be added to provide fee credits for some projects now under construction.
- Revise Table 4.6 to be consistent with the new road section capacities.
 - Revise figures to show the new LOS with new projects, and the LOS D standard is still met

Chapter 5:

- Revise Section 5.3 to remove the reference to general tax revenues from commercial developments being dedicated to transportation. The new impact fee calculation will use trip length to justify a reduced commercial rate.

Chapter 6:

- LOS requirements have been added to this section rather than referencing the concurrency ordinance. This is a clarification of the current policy.

Mr. Salemann then outlined each of the proposed amendments to Chapter 14 of the Mount Vernon Municipal Code:

Section 14.10.030 Concurrency Monitoring

- Revise this section to establish city/consultant procedures for concurrency testing and monitoring.

Section 14.10.060 Exemptions

- No exemptions are technically allowed in the GMA, however the practice is not uncommon and is seldom challenged. Subsection C will be rewritten to establish modified LOS standards instead of the exemptions.

Section 14.10.100

- This section updated with the new city/consultant concurrency testing methodology.

Section 14.10.130

- This section replaced with requirements to identify off-peak transportation impacts.

Section 14.10.140

- This section clarified to allow impact fee credits for impact fee funded projects only.

Mr. Salemann recommends establishing a methodology for concurrency testing and monitoring. He added land use applications are coming in faster than the infrastructure. **Mr. Legro** opened the public hearing.

Dan Mitzel, 12537 Eagle Drive, Burlington, stated he is a member of the stakeholder committee referenced by Mr. Salemann. He felt they made a lot of head way and identified deficiencies; it was an open process. He stated much of infrastructure in the city has been built by the development community as part of projects that have been constructed. At one time there was an abundance of credits. A number of these credits have expired due to the 6 year rule, so now there is more of a balance but does not think deep discounts will continue. Mr. Mitzel stated it's important to be real clear what qualifies for credit. Road construction, curbs, sidewalks, excavation, and fill should qualify but should not include water lines and other things like sanitary sewer that are a separate capital facility issue for the City. The time for issuance of the credit should be established. **Mr. Mitzel** added he would like to keep a reduced fee for multi-family. Need to establish a clear definition of what a multi-family project is versus an attached single family project. A set multi-family fee at the .60 factor, .6 pm peak hour trips, is preferred over an independent fee analysis. Mr. Mitzel further stated he would like to meet as an advisory committee to work with the City and consultants every other year or every year; to look at this on a regular basis, instead of every 5 or 6 years. When an applicant wants to propose a project be added they would bring it to this type of committee for discussion and recommendations would be brought to the Planning Commission for action. This could be reviewed like comprehensive plan updates. For larger more complex projects, most proponents will want to have an independent analysis. He thanked the staff and reiterated the process needs to be ongoing, and continue year to year.

Joe Woodmansee, 17146 Britt Road, stated it has been good process, and thanked the staff. He stated he is concerned about the multi-family rate. He estimated \$26,000 in impact fees for a 4 unit building, not including school impact and permit fees. He is very concerned about the rising costs. He directed a question to staff regarding a traffic study he had recently had done but the City's consultant's study was used in lieu of. He asked if this will be the process in the new ordinance in the future. **Ms. Hanson** stated the applicant will turn in their project description with the number of trips and the City's consultant will run the study. He asked are the number of trips generated by the unit count. **Ms. Hanson** stated yes. **Mr. Woodmansee** added it is important to review the list on a regular basis. He stated it was a good process although he does not want to see an increase. **Mr. Legro** asked if he thought the market would absorb the increases. **Mr. Woodmansee** stated the school and traffic fees plus construction costs take a big kick at affordable housing. It is really difficult to build something at an affordable level. He feels it's important to do a good job at analyzing where we need to be; thinks these are conservative numbers but using an independent fee count to ensure they have accurate numbers. **Mr. Woodmansee** also commented on the lack of Impact fee credits. There are not credits out there to buy, there is no discount. He added credits shouldn't expire.

Mr. Cheney inquired about the pavement condition level of service. **Mr. Salemann** explained a road designed for residential traffic loads but someone proposes heavy use by large commercial vehicles is addressed within the Level of Service standard in case things change dramatically. **Mr. Legro** commented about the traffic fees for commercial. **Mr. Salemann** summarized the proposed revisions to the impact fees. He explained the methodology used in determining banks and other development fees; and the process the City would implement to establish those fees. **Mr. Legro** asked shouldn't we be attracting commercial/retail development to offset new infrastructure. **Mr. Salemann** stated the new revenue of development over the past 10 years has not resulted in a surplus that can go towards transportation. **Mr.**

Salemann cited an example of Wal Mart's traffic fees paid to the City of Mount Vernon at \$157.00 per pm peak hour trip versus the City of Arlington at \$3,000 per pm peak hour trip. It did not deter Wal Mart from building a store in Arlington. **Ms. Hanson** stated the city of Burlington is also going through the same process as Mount Vernon for the same reasons, to pay for transportation projects that are necessary to support all of their development.

Dan Mitzel, 12537 Eagle Drive, stated Burlington has taken 25% of sales tax revenue and put towards transportation. Burlington has been kept fees relatively low. Burlington has paid for city structures from retail tax revenue. He believes that although we have recently annexed land for commercial use we will not attract big box retail.

Mr. Cheney stated the fees will be shared between the seller and developer of land. Part of the fee increase will be born by seller and developer. Can not pass on the full impact by retailer as they wouldn't be able to bare the burden. **Mr. Legro** would like to see Mr. Mitzel's comments forwarded to City Council. He agreed this committee should continue to meet annually with the City and consultants. **Mr. Legro** further stated he would like to see emphasis on bringing some alterations to the current proposal. **Ms. Kelley** reiterated Mr. Mitzel's earlier comments regarding the issuance of credits and the clarification of multi-family. **Mr. Urban** stated the word Director is not included in the definitions, or does the amendment specify which director. He recommends changing the verbage him/her to LLC or corporation. **Mr. Salemann** recommends using fee payer. **Ms. Kelley** stated she is happy to see the commercial to residential ratio, believes it a benefit to the citizens of Mount Vernon.

Mr. Urban moved, second by Mr. Molenaar, to forward to City Council the proposed amendments with modifications to the Comprehensive Plan for approval with the recommendations made by Mr. Mitzel. Motion carried. Mr. Urban moved, second by Mr. Twedt, to recommend to City Council approval of the amendments with modifications to the Mount Vernon Municipal Code section 3.40. and section 14.10. Motion carried.

There being no further business the meeting adjourned.