



**A STRONGER
VANCOUVER**

Finalize Capital Package Programs & Revenues



CITY OF
Vancouver
WASHINGTON

City Council Workshop
January 27, 2020

Outcomes of Session

- Finalization of Capital Package & Revenues
 - PIF Adjustment
 - Economic Development
- Review and Confirmation of Programs & Services and associated revenues
- Review transparency and accountability measures
- Next Steps



Materials Provided

- Executive Sponsors Council recommendation
- Presentation and related materials on programs and services as recommended by the Executive Sponsors Council (September 2019)
- Presentation and related materials focused on more detail with expect to parks portion of the capital package (July 2019).
- Presentation and related materials on revenues, including Park Impact Fees (October 28)



Materials Provided

- Park Impact Fee scenario reflecting January 13 Council direction
- Updated parks capital map
- Updated project & program revenue matrix spreadsheet reflecting council direction to date
- A matrix of revenue generation potential of a range of property tax levy rates



Capital Package & Revenues



Park Impact Fee Adjustment - Residential

January 13 Council direction:

- Target 100% level of service standard (6 acres/1000 population)
- 6 year phase-in
- Indexing after phase-in
- Explore commercial PIF



Park Impact Fee Adjustment – Level of Service

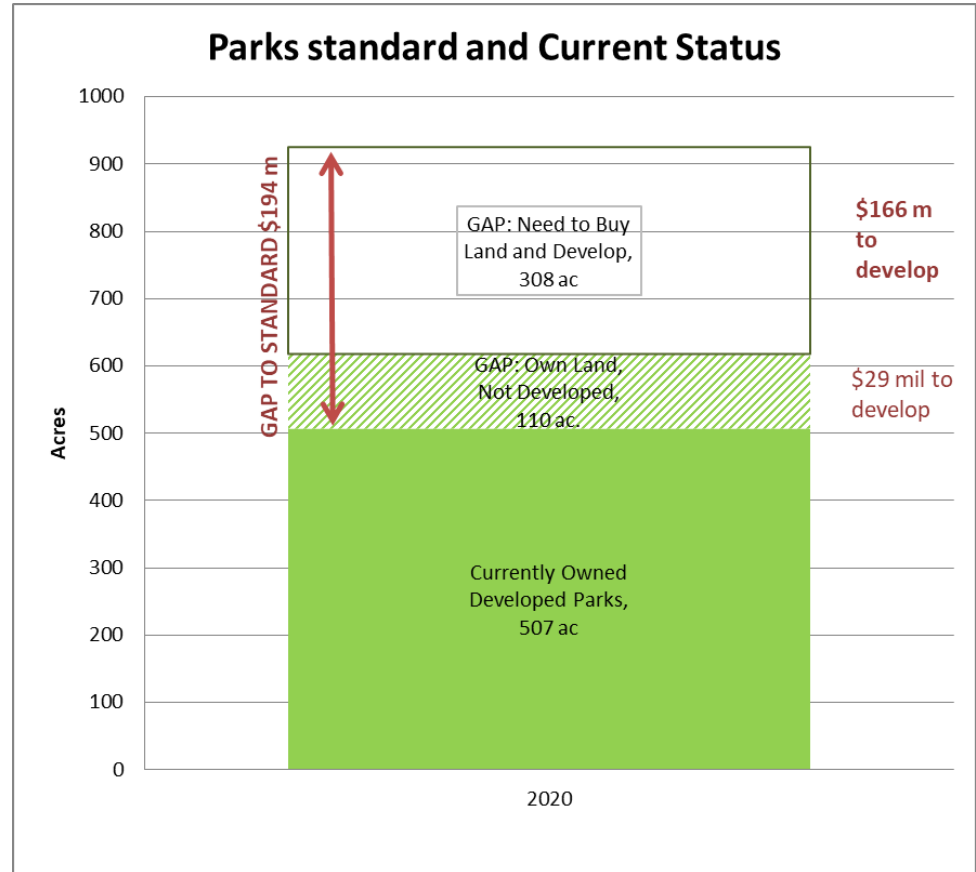
City Level Of Service Standard:

5 Acres Developed per 1,000 people

1 Acre Urban Natural Area (UNA) land per 1,000 people

Current Inventory:

- **507 Acres of Developed Parks**
 - **110 Acres of Undeveloped Parks**
 - **936 Acres of Urban Natural Area**
 - *Additional 21 ac. Developed and 107 ac. of UNA owned but not included in LOS calculation*
- Sufficient ownership on Urban Natural Area land to standard
 - Significant remaining gap on developed parks to standard



Park Impact Fee Adjustment – Level of Service

- Gap to bring up to the current Level of Service (LOS) could only partially be funded by PIFs:
 - Develop a portion of the undeveloped parks
 - Upgrade community parks to serve more residents in a variety of ways



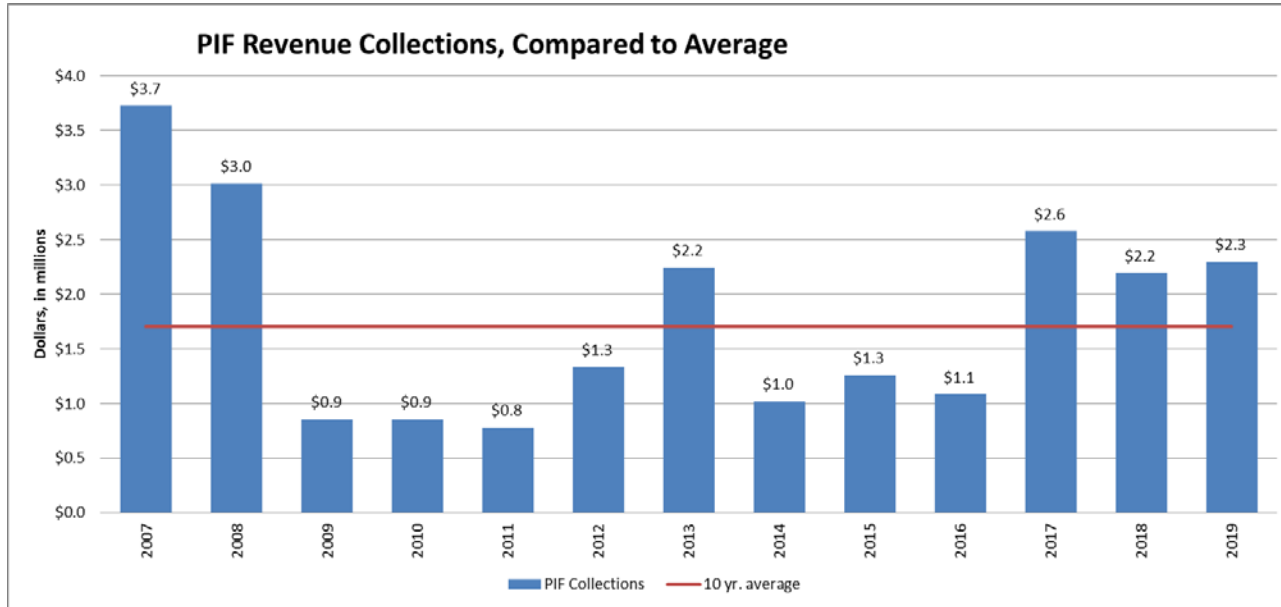
Park Impact Fee Adjustment - Residential

- Assumptions: Based on Future Growth
 - Phasing over the first 6 years (50%, 25%, 15%, 10%, 5%, 4%)
 - 4% indexing beginning year 7
 - Impact on a single-family residential unit (SFR) and on a multi-family residential unit (MFR):

		PHASE-IN						INDEXED			
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<i>Current</i>		<i>50%</i>	<i>25%</i>	<i>15%</i>	<i>10%</i>	<i>5%</i>	<i>4%</i>	<i>4%</i>	<i>4%</i>	<i>4%</i>	<i>4%</i>
SF	\$2,255	\$3,383	\$4,228	\$4,862	\$5,349	\$5,616	\$5,841	\$6,074	\$6,317	\$6,570	\$6,833
MF Rat	\$1,648	\$2,472	\$3,090	\$3,554	\$3,909	\$4,104	\$4,268	\$4,439	\$4,617	\$4,801	\$4,993

Park Impact Fee Adjustment – Trends and Volatility

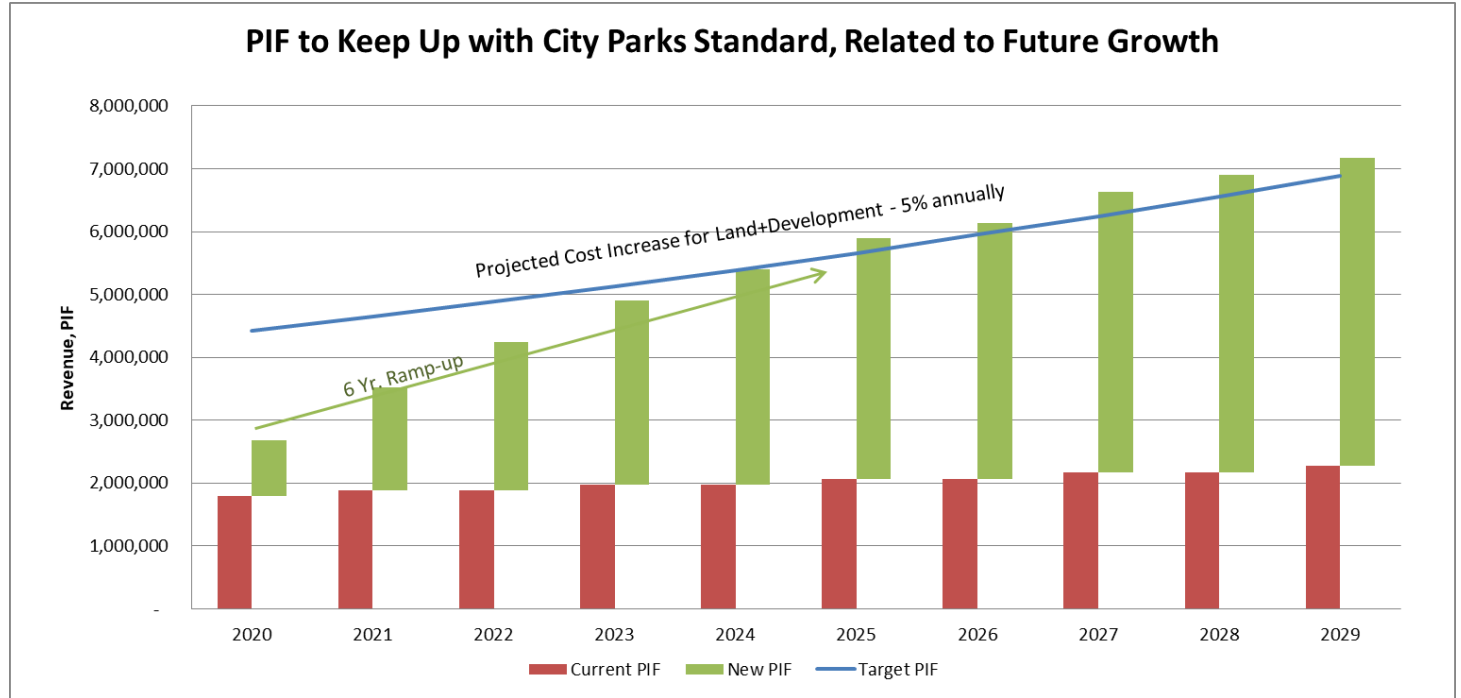
- PIFs are linked to development – volatile revenue
- Trend has been in shifting from SFR to MFR (in 2019: 300 SFR & 1046 MFR)



Park Impact Fee Adjustment – Projections

- 6 yr. proposed paced ramp-up creates a \$4.1 one-time gap in revenue during first 6 years
- Recommendation – rely on anticipated robust activity in 2020-2025 to make up the gap

Total Revenue
Estimated at =
\$56.2 mil over
10 years



Residential Park Impact Fees: Recommendations

- Increase PIF rates by 159 % over a 6 year time period, compared to 2019 PIF Rates
- One time shortfall during the slow phase-in is to be made up by robust growth
- No changes to current practice of vesting
- Revisit rate adjustment pace and indexing in 3 years

PHASE-IN						INDEXED				
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	
50%	25%	15%	10%	5%	4%	4%	4%	4%	4%	

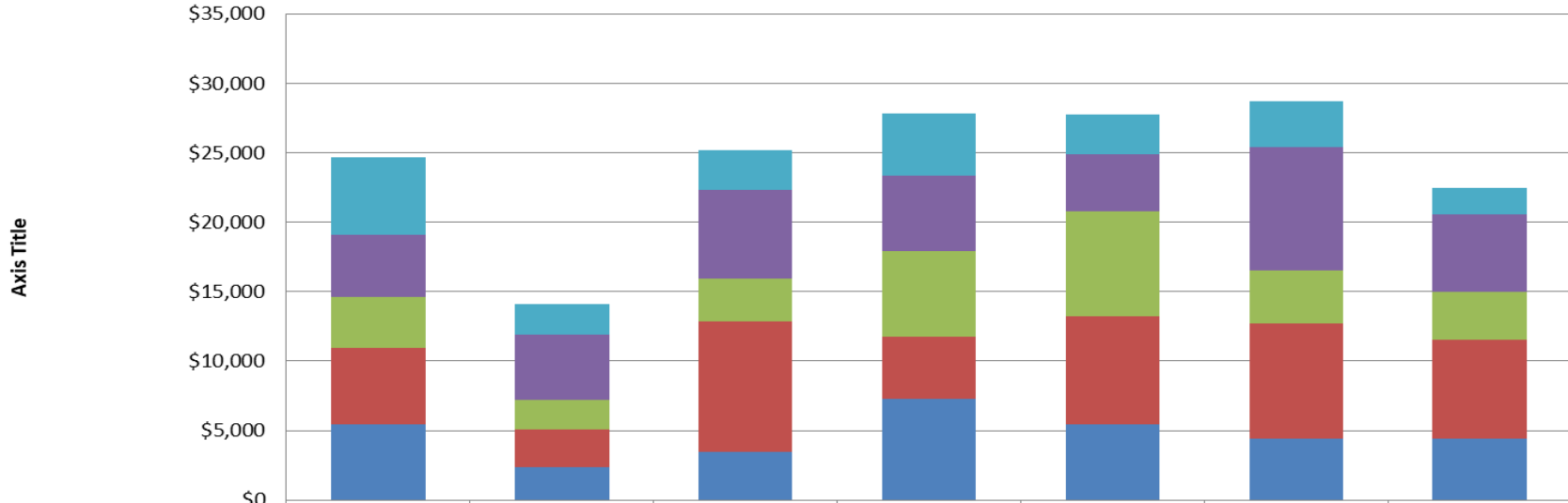
Total Residential SDC/Impact Fee Cost/Comparison

- PIF is one component of new construction costs
- Total costs include sewer, water, drainage system development charges and traffic and school impact fees
- Total cost comparison is relevant to understanding affordability impacts



Total Residential SDC/Impact Fee Cost/Comparison

COMPARISON OF IMPACT and SYSTEM DEVELOPMENT FEES AND CHARGES for NEW CONSTRUCTION



Axis Title	CPU/CRWWD/Clark Co. (2020)	Vancouver (2020)	Battle Ground (2020)	Camas (2020)	La Center (2020)	Ridgefield (2020)	Washougal (2020)
■ Parks Impact Fees SFR	\$5,572	\$2,255	\$2,840	\$4,500	\$2,842	\$3,272	\$1,880
■ School Impact Fees - AVG	\$4,490	\$4,656	\$6,397	\$5,371	\$4,111	\$8,884	\$5,600
■ Traffic Impact Fees - AVG	\$3,673	\$2,125	\$3,062	\$6,216	\$7,561	\$3,783	\$3,398
■ Sewer SDC's	\$5,508	\$2,740	\$9,436	\$4,420	\$7,800	\$8,350	\$7,145
■ Water SDC's	\$5,455	\$2,360	\$3,449	\$7,310	\$5,455	\$4,388	\$4,418

Park Impact Fee – Commercial Industrial

- Impact fee on commercial/industrial authorized by statute
- Feasible - adopted in several other Washington cities
- Methodology options from other jurisdictions:
 - Per square foot
 - Per trip (correlate to traffic generation)
 - Per employee
- Not feasible to develop program for action with ASV on current schedule
 - At a minimum, PRAC and PC review required
- Will only apply to future commercial, industrial development



Park Impact Fee Summary Recommendation

- Adopt Residential PIF rate adjustment over the next 6 years and set an inflationary increase beginning in year 7 at 4%

PHASE-IN						INDEXED				
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	
50%	25%	15%	10%	5%	4%	4%	4%	4%	4%	

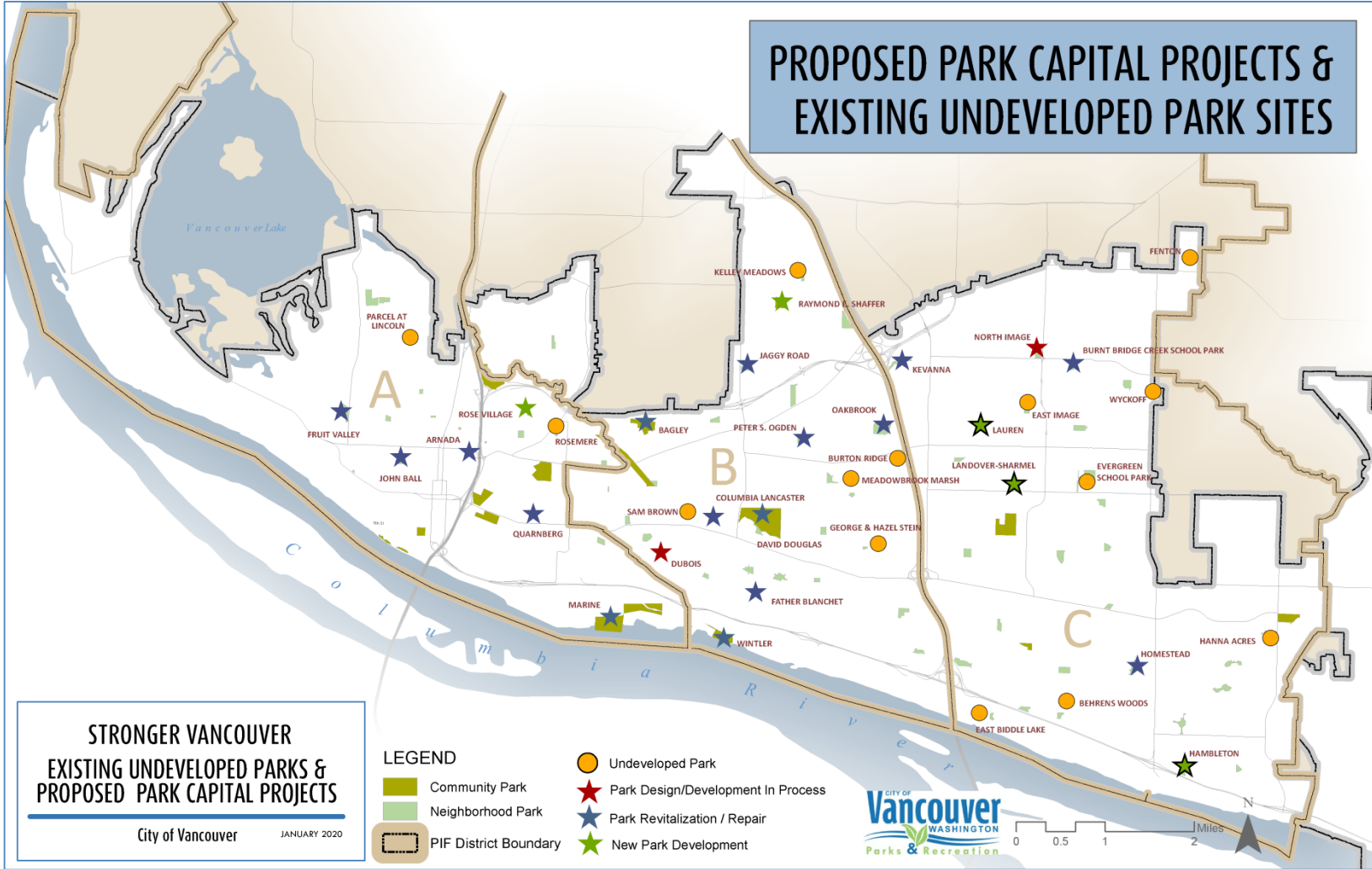
- Revisit actual collections compared to forecast and adjust rates as needed in 2023
- Explore commercial/industrial PIF over first year of implementation
- Vesting discussion for all impact fees to be reviewed in the context of the 2021-2022 Biennial Budget



Parks Capital and Revenues

Investment	Sources		
	Estimated Cost: Council	Voted Property Tax levy (rate/\$1,000)	Park Impact Fees
4 Community Parks	\$37.5 m	\$21.5 m (\$0.07/1,000)	\$16 m
Revitalize 12 neighborhood parks + parking/playground at David Douglas	\$9 m	\$9 m (\$0.03/1,000)	n/a
Construct 3 current neighborhood park sites	\$7.3 m	\$4.8 m (\$0.02/1,000)	\$2.5 m
Operations and Maintenance - annual	\$1.4 m	\$1.4 m (\$0.05/1,000)	n/a
Land Purchases + Development for future growth	\$37.7 m	-	\$37.7 m
TOTAL	\$92.5 m	\$35.3 m Capital + \$1.4 m/yr. (\$0.17/1,000 AV)	\$56.2 m

PROPOSED PARK CAPITAL PROJECTS & EXISTING UNDEVELOPED PARK SITES



Preliminary Voted Property Tax Summary – Capital

Capital Investment	Estimated Cost: Council	Property Tax (rate/\$1000)
Fire Stations	\$25.5 m	\$25.5 m (\$0.08/1,000)
Parks	\$53.8 m Capital +\$1.4 m/yr.	\$35.3 m Capital + \$1.4 m Operating (\$0.17/1,000)
Economic Development (GAP?)	\$23 m (GAP \$29 m)	\$13 m (\$0.04/1,000)
Total	\$102 m + \$1.4 m/yr.	\$73.5 m + \$1.4 m/yr. (\$0.24+\$0.05)



Economic Development Infrastructure

Project	Original Estimated Cost (millions)	Sources (millions)				Gap
		Voted Property tax levy (rate/\$1000)	Business License Surcharge	B&O	License Tab	?
Strategic infrastructure (streets, utilities, public spaces) in four targeted areas	\$52 m	\$13 m <i>(\$0.04/\$1,000)</i>	\$10 m <i>(\$20/FTE)</i>	\$0	\$0	(\$29 m)



Other Council Priorities:

- Should Any Additional Desired Projects or Elements be added?
 - Trails: \$1 m per mile
 - Portland loos: \$0.25 m per Loo
 - Other?



Capital Summary – voted elements (?)

Capital Investment	Estimated Cost: Council	Sources			Excess/ (Gap) to ESC
		Property Tax (rate)	BLS (rate)	PIF	
Fire Stations	\$25.5 m	\$25.5 m (\$0.08/1,000)	-	-	
Parks	\$53.8 m + \$1.4 m/yr.	\$35.3 m + \$1.4 m/yr. (\$0.17/1,000)	-	\$18.5 m	
Economic Development	\$23 m	\$13 m (\$0.04/1,000)	\$10 m (\$20/FTE)	-	(\$29 m)
Other	?			\$37.7 m	
Total	\$102 m + \$1.4 m/yr.	73.5 m + \$1.4 m/yr. (\$0.29/1,000)	\$10 m (\$20/FTE)	\$56.2 m	(\$29 m)

Programs and Services



Public Safety

Program (FTEs)	Estimated Annual Cost (m)	Sources (millions)				Excess/ (Gap)
		Property tax levy	BLS	Utility Tax	Admissions Tax	
Four EMS Rescue units (8 FTEs)	\$2.3 m	\$2.3 m <i>(\$0.09/1,000)</i>				
Fire Prevention Program	\$0.6 m		\$0.6 m <i>(\$12/FTE)</i>			
Problem Oriented Policing (4)	\$1 m					(\$1.0 m)
Traffic Safety Program (1)	\$0.6 m		\$0.6 m <i>(\$12/FTE)</i>			
Fire Sprinkler Grants	\$1.0 m			(\$1.0 m)		Excess \$1.0 m

Economic Vitality

Program (FTEs)	Estimated Annual Cost (millions)	Sources (millions)				Gap
		Property tax levy	BLS	Utility Tax	Admissions Tax	
District Plans/ Implementation	\$0.6 m					(\$0.6 m)
Transportation Alternatives (1 FTE)	\$0.3 m		\$0.3 m (\$6/FTE)			
Culture, Arts & Heritage Program	\$0.5 m				\$0.5 m (\$0.75/ticket)	



Economic Vitality

Program	Estimated Annual Cost (millions)	Sources (millions)				Gap
		Property tax levy	BLS	Utility Tax	Admissions Tax	
Homelessness						
Day Center	\$1.4	\$0.1 m				(\$1.3 m)
HART	\$0.6					(\$0.6 m)
Transitional Shelter (80 beds)	\$2.0					(\$2.0 m)



Neighborhood Vibrancy

Program	Estimated Annual Cost (millions)	Sources (millions)				Gap
		Property tax levy	BLS	Utility Tax	Admissions Tax	
Recreation program fee reduction for low income participants	\$2 m	\$0.2 m	\$0.1 m	\$1.7 m		
Summer playground program	\$0.4 m		\$0.4 m			
Multi-lingual outreach (3 FTEs)	\$0.5 m		\$0.5 m			



Neighborhood Vibrancy

Program	Estimated Annual Cost (millions)	Sources (millions)				Gap
		Property tax levy	BLS	Utility Tax	Admissions Tax	
Expanded Community Events program (3 FTEs)	\$0.3 m		\$0.3 m			
At risk youth program (1 FTE)	\$0.1 m		\$0.1 m			
Expanded neighborhoods program (1 FTE)	\$0.3 m		\$0.3 m			



Summary – Programs and Services

Program	Estimated Annual Cost	Sources (millions)				Gap
		Property tax levy	BLS	Utility Tax	Admissions Tax	
Public Safety	\$4.5 m	\$2.3 m <i>(\$0.09/1,000)</i>	\$1.2 m <i>(\$12/FTE)</i>			(\$1.0 m)
Economic Vitality	\$5.4 m	\$0.1 m	\$0.3 m <i>(\$3/FTE)</i>		\$0.5 m <i>(\$0.75/ticket)</i>	(\$4.5 m)
Neighborhood Vibrancy	\$3.6 m	\$0.2 m <i>(\$0.01/1,000)</i>	\$1.7 m <i>(\$17/FTE)</i>	\$1.7 m		
Total	\$13.5 m	\$2.6 m <i>(\$0.1/1,000)</i>	\$3.2 m <i>(\$32/FTE)</i>	\$1.7 m	\$0.5 m <i>(\$0.75/ticket)</i>	(\$5.5 m)

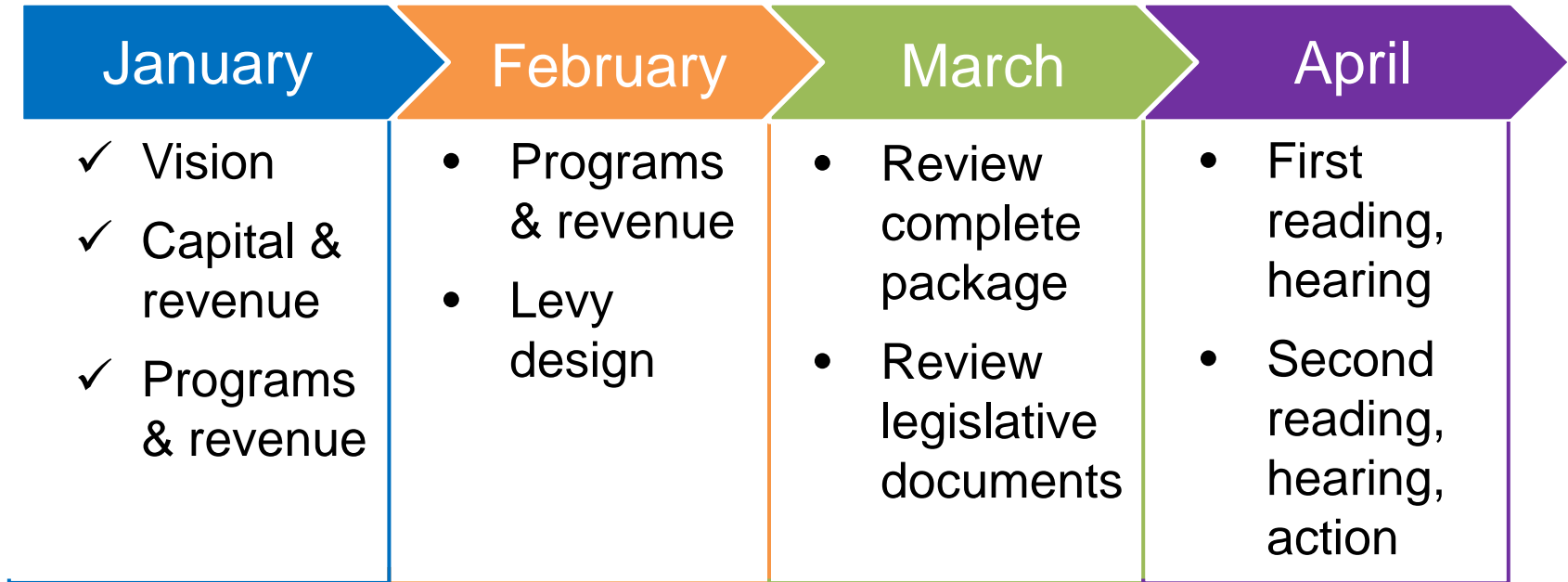
Note: Council's decision on not moving forward with Fire sprinkler grants also freed up \$1 million in Utility tax/yr.

Accountability measures

- Council project list resolution
- Ongoing community engagement
- Public Private collaboration on certain projects
- Visual dashboards
- Equity benchmarks
- ESC Oversight
- Annual reporting



Next Steps



Discussion

