

# City of Medical Lake

## Proposed Park Impact Fee Methodology Report

### Prepared for City Council

## Executive Summary

The purpose of a Park Impact Fee is to ensure that new residential development contributes its proportionate share toward the cost of acquiring and developing park facilities needed to serve future residents. Impact fees are one-time charges assessed at the time of building permit issuance and are restricted to capital projects that accommodate growth.

This report presents the methodology used to develop a proposed Park Impact Fee for the City of Medical Lake. The methodology is based on:

- Projected residential growth within identified expansion areas.
- The City's adopted park level of service.
- Estimated land acquisition costs.
- Estimated park development costs.
- An equitable allocation of costs based on expected population generation.

Using this methodology, the calculated cost of providing neighborhood park facilities to serve new growth is approximately **\$638.20 per person**, resulting in the following proposed fee schedule:

| Unit Type          | Proposed Fee      |
|--------------------|-------------------|
| Studio / 1 Bedroom | \$638             |
| 2 Bedroom          | \$1,276           |
| 3 Bedroom          | \$1,915           |
| 4+ Bedroom         | \$2,553           |
| Group Living       | \$638 per bedroom |

## Purpose of Park Impact Fees

As Medical Lake continues to grow, additional park facilities will be necessary to maintain the community's existing level of recreational service. Without a Park Impact Fee, the cost of new parks would be borne primarily by existing residents.

The proposed Park Impact Fee is intended to:

- Ensure growth pays for growth.
- Maintain park service levels for existing and future residents.
- Provide a dedicated funding source for park acquisition and development.
- Support implementation of the City's Capital Improvement Plan.

## Methodology Overview

The City followed a six-step methodology:

1. Identify areas likely to accommodate future residential growth.
2. Estimate future population increases.
3. Establish the level of park service to be maintained.
4. Determine land acquisition costs.
5. Determine neighborhood park development costs.
6. Allocate costs proportionately to new residential development.

## Future Growth Analysis

The City evaluated three primary areas with significant development potential.

### Growth Area 1: Nike Site and Northern UGA Expansion Area

| Item                               | Value                    |
|------------------------------------|--------------------------|
| Gross Area                         | 126 acres                |
| Less Infrastructure/Wetlands (50%) | 63 acres                 |
| Net Developable Area               | 2,744,280 sq. ft.        |
| Density                            | 1 unit per 6,000 sq. ft. |
| Estimated Units                    | 457                      |
| OFM Household Size                 | 2.54 persons             |
| Population Capacity                | 1,160 residents          |

## Growth Area 2: Southeast Bible Camp UGA Expansion Area

| Item                               | Value             |
|------------------------------------|-------------------|
| Gross Area                         | 115 acres         |
| Less Infrastructure/Wetlands (50%) | 57.5 acres        |
| Net Developable Area               | 2,504,700 sq. ft. |
| Estimated Units                    | 414               |
| Population Capacity                | 1,059 residents   |

## Growth Area 3: Brooks Road Northeast Development Area

| Item                               | Value             |
|------------------------------------|-------------------|
| Gross Area                         | 115 acres         |
| Less Infrastructure/Wetlands (50%) | 57.5 acres        |
| Net Developable Area               | 2,504,700 sq. ft. |
| Estimated Units                    | 414               |
| Population Capacity                | 1,059 residents   |

## Total Growth Potential

| Growth Area  | Estimated Population |
|--------------|----------------------|
| Area 1       | 1,160                |
| Area 2       | 1,059                |
| Area 3       | 1,059                |
| <b>Total</b> | <b>3,278</b>         |

The City recognizes that additional growth will also occur through infill development and redevelopment of existing properties. These projects will contribute to future demand for park facilities and support the application of the fee citywide.

## Level of Service Standard

The City's park level of service objective is that every residence should be located within a one-quarter-mile walking distance of a public park, measured along streets, sidewalks, trails, or other publicly accessible pedestrian routes.

To maintain this level of service as the community grows, the City assumes:

- One neighborhood park per approximately 1,000 residents.
- Neighborhood parks of approximately 10,000 square feet.
- Basic amenities sufficient to serve neighborhood recreation needs.

Because each of the three major growth areas is expected to accommodate approximately 1,000 new residents, each area will likely require the development of at least one neighborhood park.

## Park Land Acquisition Costs

Recent vacant land sales within Medical Lake were reviewed to estimate future park acquisition costs. To reduce the influence of outlier transactions, the highest and lowest cost-per-square-foot sales were removed and the remaining sales were averaged.

### Adjusted Average Land Value

| Metric                       | Value          |
|------------------------------|----------------|
| Average Lot Size             | 10,000 sq. ft. |
| Average Sale Price           | \$76,214       |
| Average Cost per Square Foot | \$7.62         |

For planning purposes, the estimated acquisition cost for a 10,000-square-foot neighborhood park site is: **Land Acquisition Cost = \$76,200**

## Park Development Costs

To maintain a consistent level of service, each neighborhood park is assumed to include:

- Playground equipment
- Safety surfacing
- Shelter structure
- Benches and tables
- Pathways
- Landscaping and trees
- Lighting
- Utility connections
- Site preparation
- Design and permitting

## Estimated Development Cost

| Improvement                   | Cost             |
|-------------------------------|------------------|
| Design & Permitting           | \$20,000         |
| Site Work                     | \$75,000         |
| Utilities                     | \$60,000         |
| Playground Equipment          | \$75,000         |
| Safety Surfacing              | \$20,000         |
| Shelter Structure             | \$50,000         |
| Pathways                      | \$25,000         |
| Benches & Tables              | \$12,000         |
| Landscaping                   | \$75,000         |
| Lighting                      | \$50,000         |
| Contingency                   | \$100,000        |
| <b>Total Development Cost</b> | <b>\$562,000</b> |

## Cost Allocation Calculation

The total cost to provide one neighborhood park serving approximately 1,000 new residents is:

| Component         | Amount           |
|-------------------|------------------|
| Land Acquisition  | \$76,200         |
| Park Improvements | \$562,000        |
| <b>Total Cost</b> | <b>\$638,200</b> |

**Cost Per Resident:**  $\$638,200 \div 1,000 = \$638.20$

Therefore, the estimated park system cost attributable to each new resident is: **\$638.20 per person**

## Fee Structure

Many jurisdictions assess park impact fees based on dwelling type, square footage, or bedroom count. Because Medical Lake's recently adopted zoning regulations allow a broad range of residential housing types, and because local occupancy data for those housing types are not currently available, a bedroom-based methodology was selected.

The methodology assumes:

- One bedroom equals one resident.
- Costs increase proportionally with expected occupancy.
- Larger homes contribute proportionately more due to expected population impacts.
- Group living facilities are charged based on actual bedroom count.

## Proposed Park Impact Fee Schedule

| Residential Unit   | Residents Assumed | Proposed Fee      |
|--------------------|-------------------|-------------------|
| Studio / 1 Bedroom | 1                 | \$638             |
| 2 Bedroom          | 2                 | \$1,276           |
| 3 Bedroom          | 3                 | \$1,915           |
| 4+ Bedroom         | 4                 | \$2,553           |
| Group Living       | Per Bedroom       | \$638 per bedroom |

## Findings

The proposed methodology demonstrates:

1. A direct nexus between projected growth and future park demand.
2. Consistency with the City's adopted level of service standards.
3. Reliance on local growth projections and local market data.
4. A rational and proportionate allocation of costs to new development.
5. Flexibility to accommodate future updates in growth assumptions, land values, and construction costs.

## Recommendation

Staff recommends that the City Council:

1. Accept the Park Impact Fee methodology outlined in this report.
2. Incorporate eligible park acquisition and construction projects into the City's Capital Improvement Plan.
3. Adopt the proposed Park Impact Fee schedule.
4. Direct staff to review population projections, land values, construction costs, and fee calculations annually as part of the budget process.

## Conclusion

The proposed Park Impact Fee methodology provides a legally defensible, data-driven, and equitable approach to funding park facilities needed to serve future residents of Medical Lake. By basing the fee on growth projections, local land and construction costs, and a measurable level of service standard, the City can ensure that new development contributes its fair share toward maintaining access to neighborhood parks while protecting existing taxpayers from bearing the cost of growth.