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## COMMUNITY DEVELOPMENT

### STAFF REPORT

TO: Clark County Planning Commission  
FROM: Marty Snell, Director   
DATE: May 16, 2013  
SUBJECT: Public Hearing; Waiver of Traffic Impact Fees

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### BACKGROUND

The recession in Clark County has resulted in a significant loss of private sector jobs. The Washington Department of Employment Security has reported unemployment in the county as high as 15% (August 2010), and the unemployment rate has been above 10% since December of 2008. Against this backdrop the Board of County Commissioners is considering a Job Creation Resolution.

### PROPOSED ACTION

The Job Creation Resolution would do two things. The first is to waive all application and service fees for non-residential projects. The second is to waive the collection of traffic impact fees (TIF). The proposal is for these waivers to remain in place until the unemployment rate in Clark County is at or below the statewide average. The county currently has a fee holiday in place for projects that create 10 or more jobs in certain zones in the county.

The TIF waiver will change the funding source(s) for projects identified in the CFP, and is a comprehensive plan amendment. It can be considered out-of-cycle because the change in funding can be accomplished through a budget action. However, because it is technically a comprehensive plan amendment, a hearing before the Clark County Planning Commission is required.

### BUDGET AND POLICY IMPLICATIONS

Pursuant to RCW 36.70A.070(3), the sources of funding over the next 6-year term for needed capital facilities must be clearly identified in the capital facilities plan (CFP) of the Clark County Comprehensive Growth Management Plan. Funding for capital facilities projects is identified in the Clark County Capital Facilities Financial Plan, which states that traffic impact fees are a source of funding (see table below). Traffic impact fees are assessed against a particular development according to the number of daily vehicular trips expected to be generated by the development.

For trips caused by development projects eligible for waiver pursuant to the Job Creation Resolution, the proposed amendment to the Capital Facilities Financial Plan will indicate that the funds expected to be collected as traffic impact fees will instead be paid from the Clark County Road Fund.

For information purposes, the transportation improvement programs for 2007-2012 and 2013-2018 are presented in the table below.

	2007-2012 <sup>1</sup>	2013-2018 <sup>2</sup>
<b>Expenditures</b>		
Total Capital Improvement Projects	\$176,232,000	\$174,081,000
<b>Resources</b>		
Traffic Impact Fees	\$9,830,000	\$5,989,000
Grants and Loans	40,805,000	63,852,000
County Road Fund	123,201,000	98,400,000
Other	2,396,000	5,840,000
<b>Total Resources</b>	\$176,232,000	\$174,081,000

<sup>1</sup>Figures are from the Capital Facilities Financial Plan 2007-2012.

<sup>2</sup>Figures are from the adopted 2013-2018 Transportation Improvement Program. Reductions in TIF resources could result in reduced grant resources, because grant applications are scored, in part, on having a percentage of private funding.

## PUBLIC OUTREACH

On May 7, 2013, the Board of County Commissioners held a public hearing on the Job Creation Resolution. The hearing was continued to May 28, 2013, at which time the Board will adopt the waiver of application and service fees. The waiver of traffic impact fees requires a Planning Commission public hearing, so a Board hearing to adopt the traffic impact fee waiver will be held sometime in June. The Development and Engineering Advisory Board has reviewed and commented on the fee waiver. Although a majority of DEAB supports the resolution, there are several concerns and questions DEAB wishes to share with the commissioners.

**JOB CREATION RESOLUTION NO. 2013-05-\_\_\_\_\_**

**A resolution fostering jobs in Clark County by streamlining the permit process and waiving application, service/development review fees and traffic impact fees under the county's transportation impact fee program found in CCC Title 6 and CCC 40.610.040.**

For the purposes of this resolution, a "job creation permit" shall include site plan and other nonresidential development applications regulated by Title 40.

**WHEREAS**, RCW 82.02.020 authorizes counties to charge an applicant reasonable fees to cover the cost of processing applications, inspections, and plan and SEPA review;

**WHEREAS**, RCW 82.02.50 authorizes counties to charge traffic impact fees to cover a proportionate share of the cost of providing road improvements listed in the Capital Facilities Plan; and

**WHEREAS**, in accordance with RCW 82.02.050-82.02.070 and Clark County policy, the Board has adopted a traffic impact fee program, as set forth in Title 40.610 of the CCC; and

**WHEREAS**, the recession experienced in Clark County prior to 2009 has caused a significant loss of private sector jobs, an unemployment rate exceeding fifteen percent as reported by the Washington State Department of Economic Security (August 2010), and unemployment consistently exceeding ten percent every month from December 2008 to May 2013 with consequent damaging and debilitating ripple effects throughout every sector of the economy; and

**WHEREAS**, because of the economic recession, the construction of industrial, mixed use, business park, commercial retail, and office developments has slowed down, resulting in adverse effects on the creation of private sector jobs within the County and negative effects on sales, real estate excise tax, and other forms of County revenue that would otherwise flow from development activity; and

**WHEREAS**, due to a chronic lack of good jobs in Clark County, more than 60,000 Clark County residents commute daily for work out of state, and this results in an economic loss to the economy of Clark County exceeding \$130 million per year and a Clark County tax revenue loss of over \$12 million per year; and

**WHEREAS**, the cost, time, and difficulty of obtaining permits act as significant deterrents to the creation/expansion of places of employment for business and jobs; and

**WHEREAS**, the Board desires to spur private sector jobs-producing economic development by waiving certain fees for a temporary period as a key strategic initiative to help reduce business costs and thereby stimulate development in Industrial, Mixed Use, Business Park, Commercial, and zones within County; and

**WHEREAS**, the Board has previously adopted resolutions waiving Development/Inspection and Traffic Impact fees under Resolutions numbered 2012-05-02 and 2012-05-03; 2013-02-18; and

**WHEREAS**, the Board seeks to make these options available to particular developments by amending Resolutions named above; and

**WHEREAS**, following its own duly advertised public hearing, the Board finds adoption of this resolution will further the public welfare; now, therefore,

**BE IT ORDERED AND RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CLARK COUNTY, STATE OF WASHINGTON**

**SECTION 1. Findings.**

The Board hereby adopts the findings and conclusions contained in the recital clauses above as findings supporting this resolution. The Board recognizes our local jobs crisis and the necessity to take decisive action to make job creation permits, a top priority to ensure the economic viability of Clark County. These corrective actions include investments from the General Fund to provide for needed staff, to cover the costs, and to speed the permit process for job creation permits.

**SECTION 2. Amendatory.** To the extent Resolutions numbered 2012-05-02, 2012-05-03, and 2013-02-18 are inconsistent with this Resolution, each of them is amended.

**SECTION 3. Applicability.**

Clark County shall not collect application and service fees normally collected under CCC 6.110A.010 Section 1, 2A, 2B, 2D through 2AI, 2“O”, 2W (excluding cost of EIS), 2X, 2Y, 2Z, 2AA, and 2BB, 6.110A.020, 6.110A.030-.040, CCC 6.120 Sections 1-10, and CCC 6.140 1., 2., and nonresidential portions of 4. at the time of application for developments meeting the requirements of this resolution. Similarly, Clark County will not collect traffic impact fees required by CCC 40.610.040 for developments that meet the requirements qualifying them for the county’s development Traffic Impact fees (TIF) waiver program. The criteria are restated below for reference:

- A. Non-residential developments involving tenant improvements to existing buildings, the construction of new/additional buildings or subject to Site Plan approval (Eligible Developments) shall receive a one hundred percent (100%) waiver of application and service fees set out above and TIFs (Eligible fees).
- B. This Resolution does not authorize waiver of Eligible Fees to a Development by any type of governmental agency, district or unit, except the waiver is available to non-residential developments in the University Zoning District.
- C. Where questions of applicability arise, the Community Development Director shall determine development eligibility.
- D. Eligibility under this resolution is limited to those, who by written agreement, commit to the obligations under this resolution. Purchasers of real property with development approvals, subject to

waivers under this resolution, must sign an agreement with Clark County and accept both the obligations and benefits under this resolution or pay the fees subject to waiver.

**SECTION 4. Commencement of Construction.**

Applicants receiving waivers of Eligible Fees pursuant to this Resolution must obtain approval of the first required building inspection on projects subject to this Resolution as follows:

- A. For tenant improvements in existing commercial, office, and industrial buildings, no later than six (6) months from the date of permit issuance; and
- B. For new construction, no later than nine (9) months from completion and acceptance of site improvements.

The applicant shall diligently pursue construction thereafter. “Diligently pursue” shall mean that the Applicant shall obtain an inspection approval at least every two months (or four months for buildings valued at greater than three million dollars).

**SECTION 5 Fully-funded Transportation Improvement Program.**

Eligible Applicants may also have the TIF fees, otherwise due, waived if they develop in compliance with this resolution. Developments, for which TIF fees are waived, are not entitled to TIF credits. Public Works staff shall calculate each TIF waived, monitor, and track each project as they qualify for a waiver to ensure compliance with the provisions of this resolution.

Once the development is granted final occupancy (or final approval for developments not requiring occupancy) the TIF waiver becomes permanent for each development. Public Works staff shall semi-annually prepare a supplemental appropriation to repay the TIF districts from the road fund for the amount of the TIF fee waived.

**SECTION 6. Abandoned Developments.**

An Applicant receiving a waiver of Fees pursuant to this Resolution who fails to satisfy all of the requirements of this resolution and Applicants who fail to diligently commence or diligently pursue construction shall forfeit their approvals, and their applications will be deemed abandoned and expired, Provided, if an Applicant completes all the requirements for one class of permits such as site plan or subdivision approval, such approvals and waivers shall be final. In the event of a dispute regarding the applicability of this section, the Community Development Director shall make the final decision pursuant to the standards in this Resolution.

**SECTION 7. Program Monitoring and Automatic Review of Resolution**

To monitor the effectiveness of the job creation program, staff will report to the Board every six months, the number of job creation permits, the economic health, the unemployment status of Clark County, and the cost and revenue attributed to the projects that have received fee reductions or waivers.

**SECTION 8. Termination.**

The Board will review eligibility for waiver of Fees including TIF’s, permitting, and development/inspection fees within sixty days after the unemployment rate for covered employment in Clark County is lower than the Washington State average. If this program is discontinued or modified

by a vote of the BOCC, changes shall affect only new projects that have not already filed a fully complete application for a development or building permit, as applicable.

**SECTION 9. Effective Date.**

This resolution shall take effect immediately upon adoption.

ADOPTED this \_\_ day of May 2013.

BOARD OF COMMISSIONERS  
FOR CLARK COUNTY

Attest:

\_\_\_\_\_  
Clerk to the Board

By: \_\_\_\_\_  
Steve Stuart, Chair

Approved as to form only:  
ANTHONY F. GOLIK  
Prosecuting Attorney

By: \_\_\_\_\_  
Tom Mielke, Commissioner

\_\_\_\_\_  
Christopher Horne, WSBA #12557  
Civil Deputy

By: \_\_\_\_\_  
David Madore, Commissioner