



City of Olympia Impact Fee Scaling



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Outline



Key Characteristics of Impact Fees



Statutory Basis



Impact Fee Scaling



Comparison

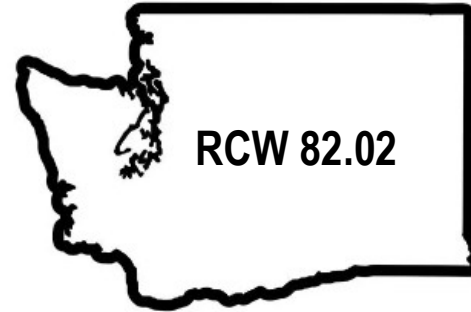


Key Characteristics of Impact Fees

- Impact fees are one-time charges, not ongoing rates. They are paid at the time of development (or re-development)
- Impact fees are available for public streets, public parks, school facilities, and fire protection facilities.
- Impact fees are for capital only, in both their calculation and in their use
- Impact fees include both existing and future (planned) infrastructure cost components.
- Impact fees are for "system" facilities, not "local" facilities.



Statutory Basis



- 82.02.050 Impact fees—Intent—Limitations.
- 82.02.060 Impact fees—Local ordinances—Required provisions—Exemptions.
- 82.02.070 Impact fees—Retained in special accounts—Limitations on use—
Administrative appeals.
- 82.02.080 Impact fees—Refunds.
- 82.02.090 Impact fees—Definitions.
- 82.02.100 Impact fees—Exception, mitigation fees paid under chapter 43.21C RCW.
- 82.02.110 Impact fees—Extending use of school impact fees.



Statutory Basis

Introduced in 2023:

RCW 82.02.060 - Impact fees—Local ordinances—Required provisions—Exemptions.

The local ordinance by which impact fees are imposed:

(1) Shall include a schedule of impact fees which shall be adopted for each type of development activity that is subject to impact fees, specifying the amount of the impact fee to be imposed for each type of system improvement. The schedule shall be based upon a formula or other method of calculating such impact fees. **The schedule shall reflect the proportionate impact of new housing units, including multifamily and condominium units, based on the square footage, number of bedrooms, or trips generated, in the housing unit in order to produce a proportionally lower impact fee for smaller housing units.** In determining proportionate share, the formula or other method of calculating impact fees shall incorporate, among other things, the following:



Statutory Basis

Introduced in 2023:

RCW 36.70A.681 - Accessory dwelling units—Limitations on local regulation.

(1) In addition to ordinances, development regulations, and other official controls adopted or amended to comply with this section and RCW 36.70A.680, a city or county must comply with all of the following policies:

(a) **The city or county may not assess impact fees on the construction of accessory dwelling units that are greater than 50 percent of the impact fees that would be imposed on the principal unit;**

The City's code **15.04.040A (ORD 7444)** was updated to include this language as of December 22, 2025. As a result, the City is in compliance.



Current Impact Fees

Type of Dwelling Unit	Impact Fee
Single Family	\$ 6,995
Multi Family	\$ 5,991
Downtown Multi Family	\$ 4,709
Mobile Home	\$ 5,230
Accessory Dwelling Unit	\$ 2,991



Scaling Calculation

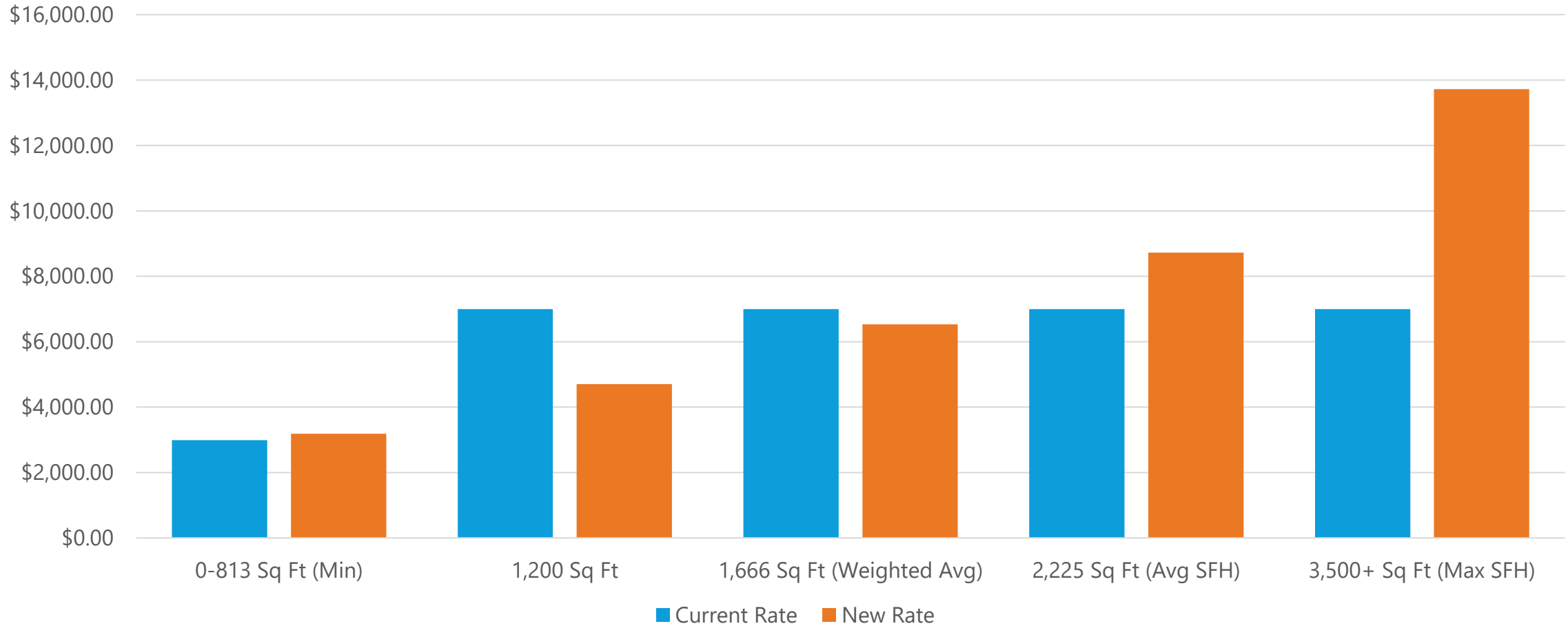
Description	Amount
Blended Impact Fee per DU *	\$6,535.26
Average Occupants per DU	2.05
Average Size (Sq Ft) per DU **	1,666
Impact Fee per Occupant	\$3,187.93
Impact Fee per Sq Ft	\$3.92
Minimum DU Size (Sq Ft)	813
Minimum Fee	\$3,187.93
Maximum DU Size (Sq Ft)	3,500
Maximum Fee	\$13,720.00

* Weighted average fee for all dwelling unit types

** Weighted average size of all dwelling unit types



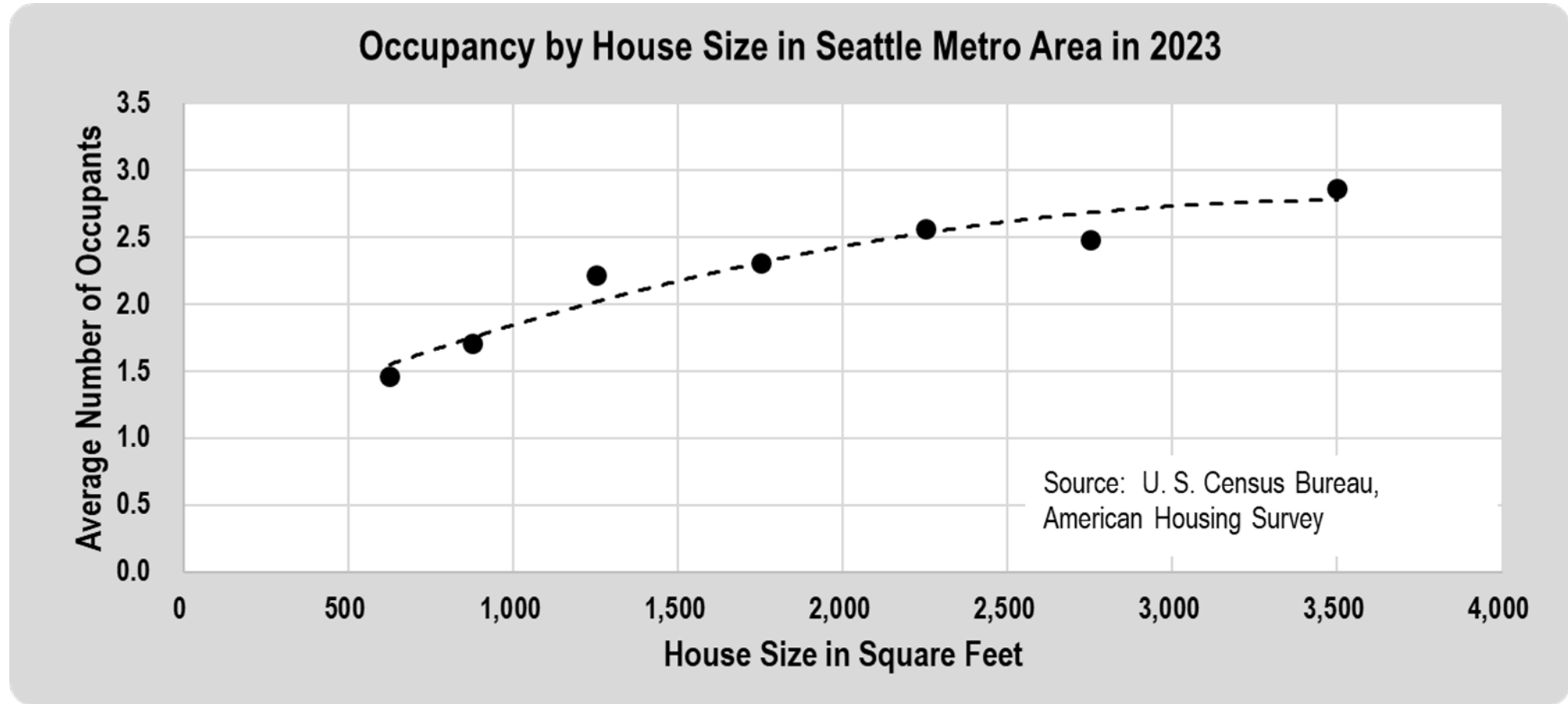
Current Rate vs New Rate



Scaling methodology is intended to result in a “revenue neutral” fee structure.

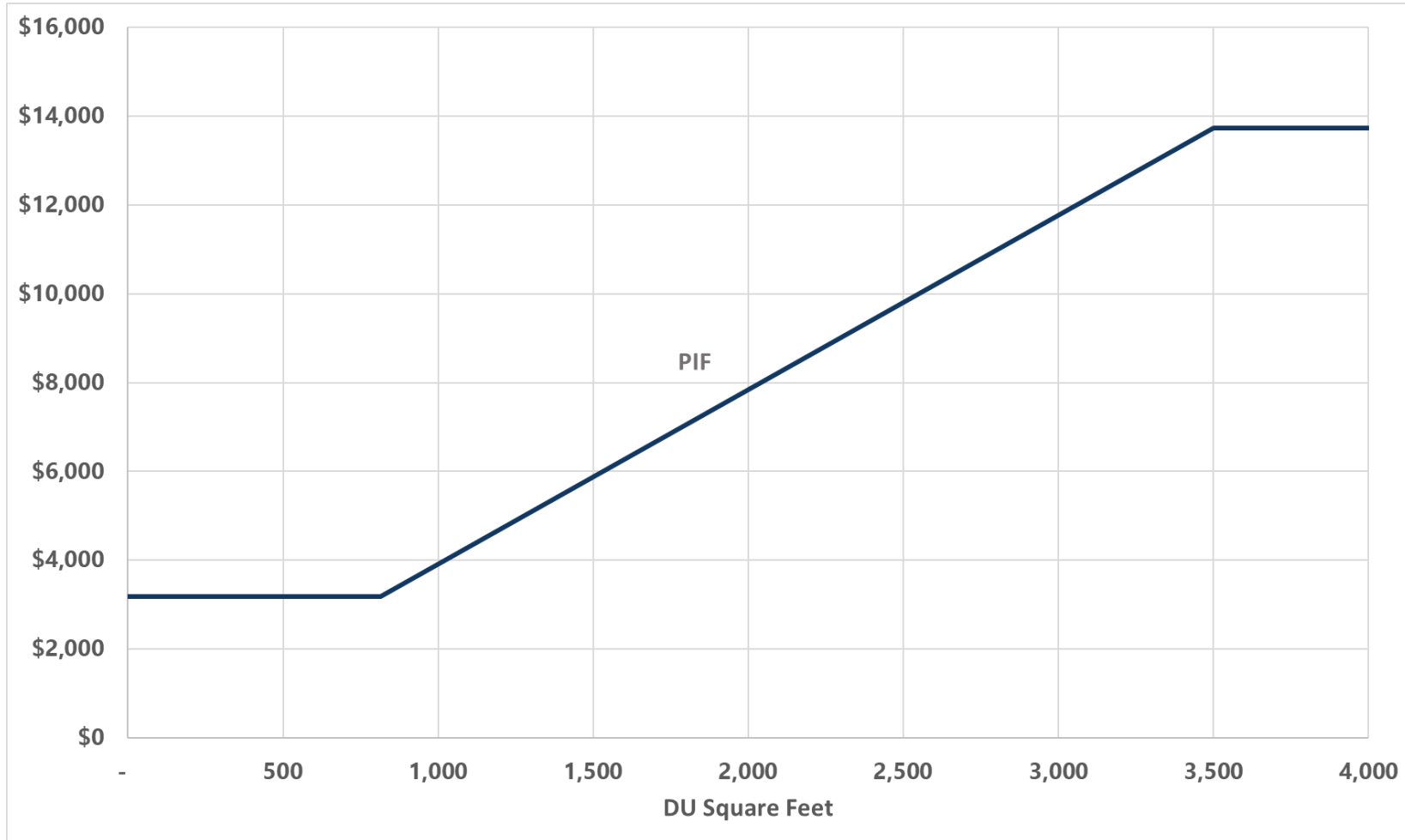


Maximum DU Size





Fee Scaling



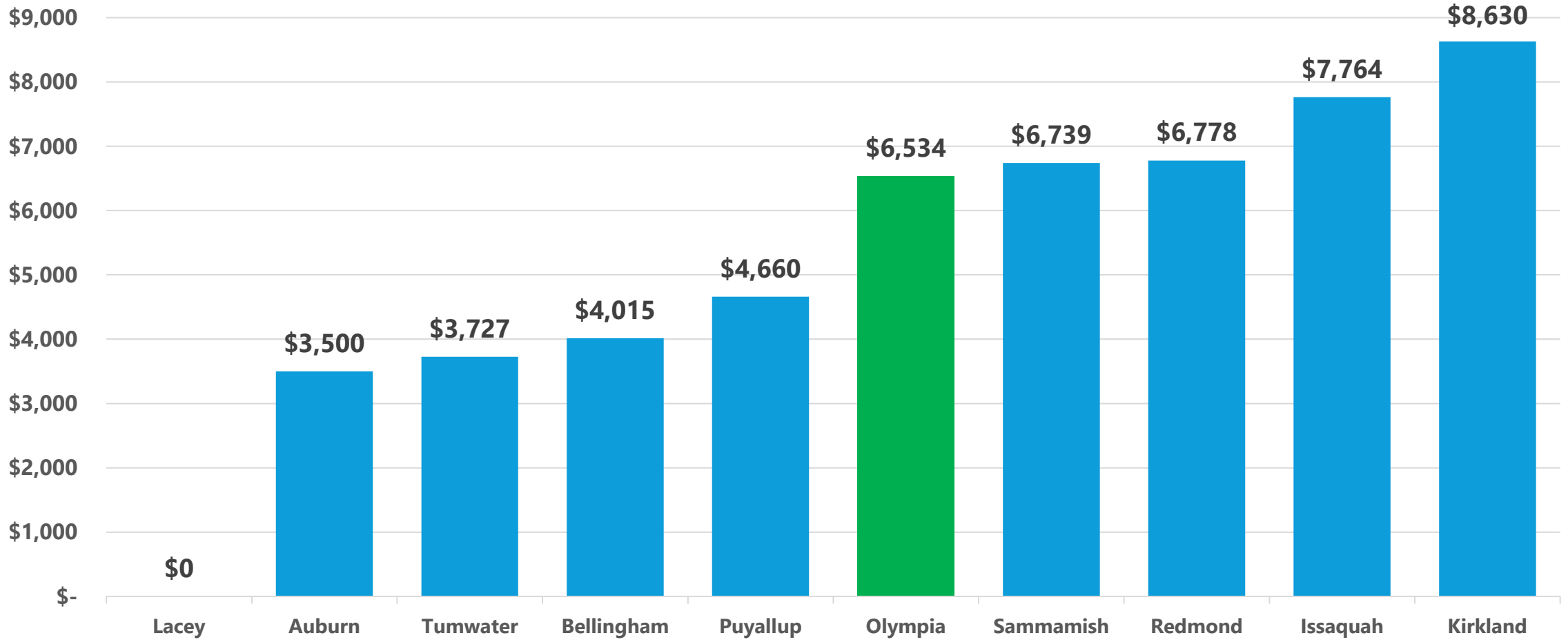


Accessory Dwelling Units

- ADUs will be charged the lesser of:
 - » the calculated fee based on the size of the ADU or
 - » half the calculated fee that would be charged to the primary residence
- This ensures compliance with RCW 36.70A.681 and that no ADU is paying more than its estimated impact



Comparisons





Options

- Approve the recommended New Park Impact Fee Methodology
- Modify the New Park Impact Fee Methodology, based on a different basis, such as the dwelling unit's number of bedrooms or trip generation
- Do not approve the New Park Impact Fee Methodology - will delay compliance with State law

Thank you!
Questions?

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