

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, RELATING TO THE EXPENDITURE OR ENCUMBERANCE OF IMPACT FEES PURSUANT TO RCW 82.02.070 AND AMENDING SECTIONS 15.04.020, 15.04.100 AND 15.04.110 OF THE OLYMPIA MUNICIPAL CODE.

WHEREAS, RCW 82.02.050 - .090 authorizes the City of Olympia to adopt an ordinance imposing impact fees; and

WHEREAS, in Ordinance No. 5490 and No. 6164, the City of Olympia did adopt such impact fees, also known as "transportation impact fees," "park impact fees, and "school impact fees;" and

WHEREAS, RCW 82.02.070 was amended to allow a city a maximum of ten years to expend or encumber impact fees; and

WHEREAS, the City Council wishes to amend Olympia Municipal Code Sections 15.04.020, 15.04.100, and 15.04.110 to be consistent with state law;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:

Section 1. Amendment of OMC 15.04.020. Olympia Municipal Code Section 15.04.020 is hereby amended to read as follows:

15.04.020 Definitions

The following words and terms shall have the following meanings for the purposes of this title, unless the context clearly requires otherwise. Terms otherwise not defined herein shall be defined pursuant to RCW 82.02.090, or given their usual and customary meaning.

- A. "Act" means the Growth Management Act, as codified in RCW 36.70A, as now in existence or as hereafter amended.
- B. "Accessory Dwelling Unit" means a dwelling unit that has been added onto, created within, or separated from a single-family detached dwelling for use as a complete independent living unit with provisions for cooking, eating, sanitation, and sleeping.
- C. "Building Permit" means an official document or certification which is issued by the Building Official and which authorizes the construction, alteration, enlargement, conversion, reconstruction, remodeling, rehabilitation, erection, demolition, moving or repair of a building or structure.
- D. "Capital Facilities" means the facilities or improvements included in a capital budget.
- E. "Capital Facilities Plan" means the capital facilities plan element of a comprehensive plan adopted by the City of Olympia pursuant to Chapter 36.70A RCW, and such plan as amended.
- F. "City" means the City of Olympia.
- G. "Council" means the City Council of the City of Olympia.
- H. "Concurrent" or "Concurrency" means that the improvements are in place at the time the impacts of development occur, or that the necessary financial commitments are in place, which shall include the

impact fees anticipated to be generated by the development, to complete the improvements necessary to meet the specified standards of service defined in the Parks Study, the Transportation Study, and the Schools Study within ~~six (6)~~ ten (10) years of the time the impacts of development occur.

- I. "County" means Thurston County.
- J. "Department" means the Department of Community Planning and Development.
- K. "Development Activity" means any construction, expansion, or change in the use of a building or structure that creates additional demand and need for public facilities.
- L. "Development Approval" means any written authorization from the City of Olympia which authorizes the commencement of a development activity.
- M. "Director" means the Director of the Department of Community Planning and Development or the Director's designee.
- N. "District No. 111" means the Olympia School District No. 111, Thurston County, Washington.
- O. "Downtown Impact Fee Payment Area" means all properties located within the downtown area, which is currently bounded by: Budd Inlet on the north; Budd Inlet and Capitol Lake on the west; along 14th Avenue extending between Capitol Lake and Capitol Way, then east on 14th Avenue extending to Interstate 5 on the south; Eastside Street on the east; and along Olympia Avenue in a westerly direction reconnecting with the Budd Inlet on the north, including properties owned by the Port of Olympia, as shown in Figure 15-04-1.
- P. "Dwelling Unit" means a single unit providing complete and independent living facilities for one or more persons, including permanent facilities for living, sleeping, eating, cooking, and sanitation needs.
- Q. "Elderly" means a person aged 62 or older.
- R. "Encumbered" means to reserve, set aside, or otherwise earmark the impact fees in order to pay for commitments, contractual obligations, or other liabilities incurred for public facilities.
- S. "Feepayer" is a person, corporation, partnership, an incorporated association, or any other similar entity, or department or bureau of any governmental entity or municipal corporation commencing a land development activity which creates the demand for additional capital facilities, and which requires the issuance of a building permit. "Feepayer" includes an applicant for an impact fee credit.
- T. "Gross Floor Area" means the total square footage of any building, structure, or use, including accessory uses.
- U. "Hearing Examiner" means the Examiner who acts on behalf of the Council in considering and applying land use regulatory codes as provided under Chapter 18.82 of the Olympia Municipal Code. Where appropriate, "Hearing Examiner" also refers to the office of the hearing examiner.
- V. "Impact fee" means a payment of money imposed by the City of Olympia on development activity pursuant to this title as a condition of granting development approval in order to pay for the public facilities needed to serve new growth and development. "Impact fee" does not include a reasonable permit fee, an application fee, the administrative fee for collecting and handling school impact fees, or the cost of reviewing independent fee calculations.
- W. "Impact Fee Account" or "Account" means the account(s) established for each type of public facility for which impact fees are collected. The Accounts shall be established pursuant to Sections 15.04.100 and 15.04.110 of this title, and comply with the requirements of RCW 82.02.070.

X. "Independent Fee Calculation" means the park impact calculation, the school impact calculation, the transportation calculation, and/or economic documentation prepared by a fee payer, to support the assessment of an impact fee other than by the use of Schedules A, C and D of Chapter 15.16, or the calculations prepared by the Director or District No. 111 where none of the fee categories or fee amounts in the schedules in Chapter 15.16 accurately describe or capture the impacts of the new development on public facilities.

Y. "Interest" means the average interest rate earned by the City of Olympia or District No. 111 with respect to school fees in the last fiscal year, if not otherwise defined.

Z. "Interlocal Agreement" or "Agreement" means the school interlocal agreement by and between the City of Olympia and District No. 111 as authorized in Section 15.04.110 herein.

AA. "Occupancy Permit" means the permit issued by the City of Olympia where a development activity results in a change in use of a pre-existing structure.

BB. "Open Space" means for the purposes of this title undeveloped public land that is permanently protected from development (except for the development of trails or other passive public access or use).

CC. "Owner" means the owner of record of real property, or a person with an unrestricted written option to purchase property; provided that, if the real property is being purchased under a recorded real estate contract, the purchaser shall be considered the owner of the real property.

DD. "Parks" means parks, open space, and recreational facilities, including but not limited to ball fields, golf courses, athletic fields, soccer fields, swimming pools, tennis courts, volleyball courts, neighborhood parks, community parks, special use parks, trails, and open space.

EE. "Parks Study" means the City of Olympia Park Impact Fee Study dated October 2012, and as may be amended in the future.

FF. "Planned Residential Development" or "PRD" shall have the same meaning as set forth in Chapter 18.56 of the Olympia Municipal Code.

GG. "Project Improvements" mean site improvements and facilities that are planned and designed to provide service for a particular development or users of the project, and are not system improvements. No improvement or facility included in a capital facilities plan adopted by the Council shall be considered a project improvement.

HH. "Public Facilities" means the following capital facilities owned or operated by the City of Olympia or other governmental entities: (1) publicly owned parks, open space, and recreational facilities; (2) public streets, and roads; and (3) public school facilities.

II. "Residential" or "Residential Development" means all types of construction intended for human habitation. This shall include, but is not limited to, single-family, duplex, triplex, and other multifamily development.

JJ. "Schools Study" means the "Olympia School District - Rate Study for Impact Fees for School Facilities, 1994," and as may be amended in the future.

KK. "Senior Housing Development" means a residential development of 10 units or more that is occupied exclusively by residents 55 years of age or older. In order to qualify for the "Senior Development" impact fee rate, a restrictive covenant is required to be placed on the deed limiting the development to residents 55 years of age or older.

LL. "Single Room Occupancy Dwelling" means a housing type consisting of one room, often with cooking facilities and with private or shared bathroom facilities.

MM. "Square Footage" means the square footage of the gross floor area of the development.

NN. "State" means the State of Washington.

OO. "System Improvements" means public facilities that are included in the City of Olympia's capital facilities plan and are designed to provide service to service areas within the community at large, in contrast to project improvements.

PP. "Transportation Study" means the City of Olympia Transportation Impact Fee Program Update dated December 2008, and as may be amended in the future.

Section 2. Amendment of OMC 15.04.100. Olympia Municipal Code Section 15.04.100 is hereby amended to read as follows:

15.04.100 Establishment of impact fee accounts for parks and transportation

A. Impact fee receipts shall be earmarked specifically and deposited in special interest-bearing accounts. The fees received shall be invested in a manner consistent with the investment policies of the City.

B. There are hereby established two separate impact fee accounts for the fees collected pursuant to this title: the Parks Impact Account and the Transportation Impact Account. Funds withdrawn from these accounts must be used in accordance with the provisions of Section 15.04.130 of this title. Interest earned on the fees shall be retained in each of the accounts and expended for the purposes for which the impact fees were collected.

C. On an annual basis, the Financial Director shall provide a report to the Council on each of the two impact fee accounts showing the source and amount of all moneys collected, earned, or received, and the public improvements that were financed in whole or in part by impact fees.

D. Impact fees shall be expended or encumbered within ~~six (6) ten (10)~~ years of receipt, unless the Council identifies in written findings extraordinary and compelling reason or reasons for the City to hold the fees beyond the ~~six (6) ten (10)~~ year period. Under such circumstances, the Council shall establish the period of time within which the impact fees shall be expended or encumbered.

Section 3. Amendment of OMC 15.04.110. Olympia Municipal Code Section 15.04.110 is hereby amended to read as follows:

15.04.110 Authorization for the school interlocal agreement and the establishment of the school impact account

A. The City Manager is authorized to execute, on behalf of the City, an interlocal agreement for the collection, expenditure, and reporting of school impact fees; provided that, such interlocal agreement complies with the provisions of this Section.

B. As a condition of the interlocal agreement, District No. 111 shall establish a School Impact Account with the Office of the Thurston County Treasurer, who serves as the Treasurer for District No. 111. The account shall be an interest-bearing account, and the school impact fees received shall be invested in a manner consistent with the investment policies of District No. 111.

C. For administrative convenience while processing the fee payments, school impact fees may be temporarily deposited in a City account, with interest earned retained by the City. As soon as practicable, the City shall transmit the school impact fees collected for District No. 111 to District No. 111. District No. 111 shall deposit the fees in the School Impact Account established by the District.

D. Funds withdrawn from the School Impact Account for District No. 111 must be used in accordance with the provisions of Section 15.04.130 of this title. The interest earned shall be retained in this account and expended for the purposes for which the school impact fees were collected.

E. On an annual basis, pursuant to the interlocal agreement, District No. 111 shall provide a report to the Council on the School Impact Account, showing the source and amount of all monies collected, earned, or received, and the public improvements that were financed in whole or in part by impact fees.

F. School impact fees shall be expended or encumbered within ~~six (6) ten (10)~~ years of receipt, unless the Council identifies in written findings extraordinary and compelling reason or reasons for District No. 111 to hold the fees beyond the ~~six (6) ten (10)~~ year period. Under such circumstances, the Council shall establish the period of time within which the impact fees shall be expended or encumbered, after consultation with District No. 111.

Section 4. Corrections. The City Clerk and codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance, including the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 5. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the Ordinance or application of the provisions to other persons or circumstances shall remain unaffected.

Section 6. Ratification. Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

Section 7. Effective Date. This Ordinance shall take effect thirty (30) days after publication, as provided by law.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:



CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED: