

Ordinance No. _____

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON AMENDING OLYMPIA MUNICIPAL CODE SECTIONS 15.04.020, 15.16.010, 15.16.030 AND 15.16.040 RELATING TO IMPACT FEES

WHEREAS, the Washington State Growth Management Act, Chapter 36.70A RCW, requires that cities plan for growth; and

WHEREAS, RCW 82.02.050 - .090 authorize cities to impose impact fees to ensure that adequate facilities are available to serve new growth and development; and

WHEREAS, in Ordinance Nos. 5490 and 6164, the City of Olympia adopted such impact fees, including "Park Impact Fees," "School Impact Fees," and "Transportation Impact Fees," which the City uses as a funding mechanism to help build new transportation and parks infrastructure, as well as help the Olympia School District and the North Thurston School District build infrastructure; and

WHEREAS, the Parks Master Plan was adopted by the City Council in February 2022 and included an updated capital investment strategy project list of capital projects planned for the next twenty years; and

WHEREAS, Olympia has updated the park impact fees to match the anticipated funding and projects listed in the 2022 Parks Plan; and

WHEREAS, Olympia has used transportation impact fees since the 1990s to help fund infrastructure improvements focused on increasing capacity on city streets for motor vehicles; and

WHEREAS, the City's first Transportation Master Plan was adopted by the City Council in February 2021 and included changes to the City's Transportation Concurrency and Impact Fee Programs; and

WHEREAS, transportation impact fees are multi-modal, adding capacity to our street system by making bike, pedestrian, and transit improvements, in addition to improvements for vehicles; and

WHEREAS, the City Council has called for an annual review of impact fees, concurrent with the annual review of the Capital Facilities Plan element of the City's Comprehensive Plan, to consider adjustments to the impact fees; and

WHEREAS, the Olympia School District has updated its Capital Facilities Plan and revised its proposed impact fees as reflected in the School District's adopted 2023-2028 Capital Facilities Plan; and

WHEREAS, the North Thurston School District has updated its Capital Facilities Plan and has proposed impact fees as reflected in the School District's adopted 2023-2028 Capital Facilities Plan; and

WHEREAS, the City Council conducted a public hearing on the City's 2023-2028 Capital Facilities Plan on October 18, 2022, and did not receive any additional comments related to the proposed impact fee changes; and

WHEREAS, following that review of the 2023-2028 Capital Facilities Plan, the City Council desires to amend Transportation and Park Impact Fees for inflation in costs of labor, construction materials, and real property, revise School Impact Fees as adopted in the Olympia School District's and North Thurston School District's 2023-2028 Capital Facilities Plans, and amend the Olympia Municipal Code accordingly; and

WHEREAS, this Ordinance is adopted pursuant to Article 11, Section 11, of the Washington Constitution;

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 have the following meanings for the purposes of this title, unless the context clearly requires otherwise. Terms otherwise not defined herein are defined pursuant to RCW_82.02.090 or given their usual and customary meaning.

- A. "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.
- B. "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.
- C. "Capital Facilities" means the facilities or improvements included in a capital budget or capital facilities plan.
- D. "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.
- E. "City" means the City of Olympia.
- F. "Council" means the City Council of the City of Olympia.
- G. "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 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, the Olympia School District Schools Study, and the North Thurston School District Capital Facilities Plan within 10 years of the time the impacts of development occur.
- H. "Department" means the Department of Community Planning and Development.
- I. "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.
- J. "Development Approval" means any written authorization from the City of Olympia which authorizes the commencement of a development activity.
- K. "Director" means the Director of the Department of Community Planning and Development or the Director's designee.

- L. "Downtown " 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.
- M. "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.
- N. "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.
- O. "Feepayer" is a person, collection of persons, 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.
- P. "Gross Floor Area" or "GFA" means the total square footage of any building, structure, or use, including accessory uses.
- Q. "Gross Leasable Area" or "GLA" means the total square footage of leasable space in any building, structure, or use, including accessory uses. This does not include common spaces like lobbies, elevator shafts, stairwells, etc.
- R. "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 OMC. Where appropriate, "Hearing Examiner" also refers to the office of the hearing examiner.
- S. "High Density Corridor" or "HDC" only includes HDC-1, HDC-2, HDC-3 land use zoning areas and has the same meaning as set forth in OMC 18.06.020(B)(10), (11), and (12).
- T. "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, the cost of reviewing independent fee calculations, or the fee for deferring payment of impact fees.
- U. "Impact Fee Account" or "Account" means the account(s) established for each type of public facility for which impact fees are collected. The Accounts are established pursuant to OMC 15.04.100 and OMC 15.04.110 and must comply with the requirements of RCW 82.02.070.
- V. "Alternative and Independent Fee Calculation" means the park impact calculation, the school impact calculation, the transportation impact calculation, or economic documentation prepared by a feepayer, to support the assessment of an impact fee other than by the use of schedules in chapter 15.16 OMC, or the calculations prepared by the Director or the Olympia School District or the North Thurston School District where none of the fee categories or fee amounts in the schedules in chapter 15.16 OMC accurately describe or capture the impacts of the new development on public facilities.

- W. "Interest" means the average interest rate earned by the City of Olympia, or the Olympia School District, or the North Thurston School District with respect to school fees, in the last fiscal year, if not otherwise defined.
- X. "Interlocal Agreement" or "Agreement" means the school interlocal agreement by and between the City of Olympia and the Olympia School District and the school interlocal agreement by and between the City of Olympia and the North Thurston School District, as authorized in OMC 15.04.110 herein.
- Y. "Low-income housing" means housing with a monthly housing expense, that is no greater than thirty percent of eighty percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development.
- Z. "North Thurston School District" means the North Thurston School District No. 3.
- AA. "North Thurston School District Capital Facilities Plan" means the North Thurston School District No. 3's capital facilities plan, as the same may be amended or updated.
- BB. "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.
- CC. "Olympia School District" means the Olympia School District No. 111, Thurston County, Washington.
- DD. "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).
- EE. "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 is considered the owner of the real property.
- FF. "Parks" means parks, open space, and recreational facilities, including 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.
- GG. "Parks Study" means the City of Olympia Park Impact Fee Study dated October ~~2012~~2022, and as amended.
- HH. "Planned Residential Development" or "PRD" has the same meaning as set forth in chapter 18.56 OMC.
- II. "Project Improvements" means 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 may be considered a project improvement.
- JJ. "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.
- KK. "Residential" or "Residential Development" means all types of construction intended for human habitation. This includes single-family, duplex, triplex, and other multifamily development.

LL. "Olympia School District Schools Study" means the "Olympia School District - Rate Study for Impact Fees for School Facilities, 1994," and as amended.

MM. "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.

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

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

PP. "State" means the State of Washington.

QQ. "System Improvement" means a public facility that is included in the City of Olympia's capital facilities plan, the Olympia School Study, or the North Thurston School District Capital Facilities Plan and are designed to provide service to service areas within the community at large, in contrast to project improvements.

RR. "Transportation Study" means the City of Olympia Multimodal Transportation Impact Fee Rate Study dated October 2020, and as amended.

Section 2. Amendment of OMC 15.16.010. Olympia Municipal Code Section 15.16.010 is hereby amended to read as follows:

15.16.010 Schedule A, Park Impact Fees

For complete building permit applications, the following schedule ~~shall apply~~applies to residential development:

Housing Type:

TYPE OF DWELLING UNIT	Neighborhood Park	Community Park	Open Space	TOTALS
Single Family including Manufactured Homes on individual lots, Townhouses	\$890	\$3,383	1,308	\$5,581 <u>\$5,987</u>
Multi Family including Apartments, Duplex, Triplex, Fourplex, Cottage Housing, and Courtyard Apartments	\$605	\$2,301	\$890	\$3,796 <u>\$4,471</u>
Units in Senior Housing Developments (including single family units)	\$605	\$2,301	\$890	\$3,796 <u>\$4,471</u>
Mobile Home in Mobile Home Parks	\$605	\$2,301	\$890	\$3,796 <u>\$4,225</u>
Single Room Occupancy Units, Studios, Accessory Dwelling Units (except Accessory Dwelling Units created within existing Single Family structure, which are exempt)	\$356	\$1,353	\$524	\$2,233 <u>\$2,458</u>

TYPE OF DWELLING UNIT	Neighborhood Park	Community Park	Open Space	TOTALS
Downtown Multi Family (including apartments, Duplex, Triplex, Fourplex, Cottage Housing, Courtyard Apartments) and Townhouses	\$463	\$1,759	\$680	\$2,902 <u>\$3,460</u>

Section 3. Amendment of OMC 15.16.030. Olympia Municipal Code Section 15.16.030 is hereby amended to read as follows:

15.16.030 Schedule C, School Impact Fees

A. Developments within the Olympia School District service area: For complete building permit applications for developments within the Olympia School District Service Area submitted after the effective date of this title, the following schedule shall applyapplies:

(Applies to residential development only)

Housing Type (fees are per unit):

Single Family – detached (including manufactured homes on individual lots)	\$6,029 <u>\$6,475</u>
Multifamily (including Apartments, Duplex, Triplex, Fourplex, Cottage Housing, Courtyard Apartments) and Townhouses (Non-Downtown)	\$2,477
Senior Housing, Accessory Dwelling Unit, Single Room Occupancy, Studio (Exempt)	\$0
Downtown Multifamily (including Apartments, Duplex, Triplex, Fourplex, Cottage Housing, Courtyard Apartments) and Townhouses	\$2,040

B. Developments within the North Thurston School District service area: For complete building permit applications for developments within the North Thurston School District Service Area submitted after the effective date of this title, the following schedule applies:

(Applies to residential development only)

Housing Type (fees are per unit):

<u>Single Family</u>	<u>\$4,867</u>
<u>Multifamily</u>	<u>\$2,962</u>

Section 4. Amendment of OMC 15.16.040. Olympia Municipal Code Section 15.16.040 is hereby amended to read as follows:

15.16.040 Schedule D, Transportation Impact Fees**SCHEDULE D****TRANSPORTATION IMPACT FEE RATE SCHEDULE****Effective January 1, ~~2022~~2023**

Land Uses	Unit of Measure	Rate
Cost per New Person Trip Generated:		\$2,679 <u>\$2,946</u>
<i>Residential</i>		
Single Family (Detached), Townhouse and Manufactured Home	dwelling	\$3,845 <u>\$4,229</u>
Multifamily, including Apartment (1 to 2 levels), Duplex, Triplex, Fourplex, Cottage Housing and Courtyard Apartment	dwelling	\$2,175 <u>\$2,392</u>
Apartment (3 to 10 levels) includes Studio	dwelling	\$1,708 <u>\$1,880</u>
Senior Housing, Accessory Dwelling Unit and Single-Room Occupancy Unit	dwelling	\$1,088 <u>\$1,196</u>
Mobile Home	dwelling	\$1,786 <u>\$1,965</u>
<i>Commercial – Services</i>		
Bank	sq ft / GFA	\$44.50 <u>\$48.95</u>
Day Care	sq ft / GFA	\$30.78 <u>\$33.85</u>
Hotel/Motel	room	\$3,457 <u>\$3,802</u>
Service Station ¹	fueling position	\$20,609 <u>\$22,670</u>
Quick Lubrication Vehicle Shop	servicing positions	\$11,366 <u>\$12,503</u>
Automobile Care Center	sq ft / GLA	\$7.81 <u>\$8.59</u>
Movie Theater	screen	\$39,386 <u>\$43,324</u>
Health Club	sq ft / GFA	\$8.66 <u>\$9.53</u>
Marina	berth	\$637 <u>\$702</u>

Land Uses	Unit of Measure	Rate
<i>Institutional</i>		
Elementary /Jr. High/ High School	student	\$378 <u>\$416</u>
University/College	student	\$323 <u>\$356</u>
Church	sq ft / GFA	\$1.65 <u>\$1.82</u>
Hospital	sq ft / GFA	\$2.61 <u>\$2.88</u>
Assisted Living, Nursing Home, Group Home	sq ft / GFA	\$2.00 <u>\$2.19</u>
<i>Industrial</i>		
Light Industry/Manufacturing/Industrial Park	sq ft / GFA	\$1.16 <u>\$1.27</u>
Warehousing/Storage	sq ft / GFA	\$0.55 <u>\$0.60</u>
Mini Warehouse	sq ft / GFA	\$0.49 <u>\$0.54</u>
<i>Restaurant</i>		
Restaurant	sq ft / GFA	\$14.63 <u>\$16.09</u>
Fast Food Restaurant	sq ft / GFA	\$54.69 <u>\$60.16</u>
Coffee/Donut Shop with Drive-Through Window	sq ft / GFA	\$72.62 <u>\$79.88</u>
Coffee/Donut Shop with Drive-Through Window and No Indoor Seating	sq ft / GFA	\$30.69 <u>\$33.76</u>
<i>Commercial – Retail</i>		
Retail Shopping Center:		
up to 49,999	sq ft / GLA	\$10.89 <u>\$11.98</u>
50,000-99,999	sq ft / GLA	\$10.78 <u>\$11.86</u>
100,000-199,999	sq ft / GLA	\$9.83 <u>\$10.81</u>
200,000-299,999	sq ft / GLA	\$9.31 <u>\$10.25</u>
300,000-399,999	sq ft / GLA	\$9.20 <u>\$10.11</u>

Land Uses	Unit of Measure	Rate
over 400,000	sq ft / GLA	\$9.51 <u>\$10.47</u>
Supermarket > 5,000 SF	sq ft / GFA	\$19.80 <u>\$21.78</u>
Convenience Market < 5,000 SF	sq ft / GFA	\$80.57 <u>\$88.62</u>
Furniture Store	sq ft / GFA	\$0.82 <u>\$0.90</u>
Car Sales – New/Used	sq ft / GFA	\$10.05 <u>\$11.05</u>
Nursery/Garden Center	sq ft / GFA	\$16.26 <u>\$17.89</u>
Pharmacy/Drugstore	sq ft / GFA	\$14.79 <u>\$16.27</u>
Hardware/Building Materials Store < 25,000 SF	sq ft / GFA	\$4.14 <u>\$4.55</u>
Discount Merchandise Store (Free Standing)	sq ft / GFA	\$9.86 <u>\$10.84</u>
Home Improvement Superstore > 25,000 SF	sq ft / GFA	\$4.53 <u>\$4.98</u>
Miscellaneous Retail	sq ft / GLA	\$8.42 <u>\$9.26</u>
<i>Commercial – Office</i>		
Administrative Office:		
0-99,999	sq ft / GFA	\$3.35 <u>\$3.68</u>
100,000-199,999	sq ft / GFA	\$3.28 <u>\$3.61</u>
200,000-299,999	sq ft / GFA	\$3.20 <u>\$3.52</u>
over 300,000	sq ft / GFA	\$3.17 <u>\$3.49</u>
Medical Office/Clinic	sq ft / GFA	\$8.48 <u>\$9.33</u>
<i>Downtown² and High Density Corridor³ Fees</i>		
Multifamily (including Apartment, Duplex, Triplex, Fourplex, Cottage Housing, and Courtyard Apartment), Townhouse, and Studio	dwelling	\$1,244 <u>\$1,368</u>
Senior Housing, Accessory Dwelling Unit, and Single Room Occupancy Unit	dwelling	\$660 <u>\$726</u>

Land Uses	Unit of Measure	Rate
Assisted Living, Nursing Home, Group Home	sq ft / GFA	\$1.55 <u>\$1.71</u>
Hotel/Motel	room	\$1,825 <u>\$2,008</u>
Movie Theater	screen	\$30,721 <u>\$33,793</u>
Marina	berth	\$498 <u>\$547</u>
Downtown Services/Retail ⁴	sq ft / GLA	\$6.83 <u>\$7.50</u>
Administrative Office:		
0-99,999	sq ft / GFA	\$2.61 <u>\$2.87</u>
100,000-199,999	sq ft / GFA	\$2.56 <u>\$2.82</u>
200,000-299,999	sq ft / GFA	\$2.50 <u>\$2.74</u>
over 300,000	sq ft / GFA	\$2.47 <u>\$2.72</u>
Medical Office/Clinic	sq ft / GFA	\$6.62 <u>\$7.28</u>

Notes: For uses with Unit of Measure in "sq ft/-GFA" or "sq ft/GLA," impact fee is dollars per square foot.

- 1) "Service Station can include Mini Mart (less than or equal to 2,500 square feet) ~~and/or~~ Car Wash ~~(or both)~~. Mini-Mart greater than 2,500 square feet is calculated separately.
- 2) Downtown: As defined in Olympia Municipal Code 15.04.020-~~(O)~~.
- 3) High Density Corridor (HDC): ~~will only~~ includes HDC-1, HDC-2, HDC-3 land use zoning areas and ~~shall have~~ has the same meaning as set forth in Olympia Municipal Code Subsections 18.06.020-~~(B)~~, ~~(10)~~, ~~(11)~~, and ~~(12)~~.
- 4) Downtown Services/Retail includes Retail Stores, Restaurants, Supermarkets, Convenience Markets, Video Rentals, Banks, Health Clubs, Day Cares, and Libraries.

Section 5. 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 6. 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 remains unaffected.

Section 7. Ratification. Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

Section 8. Effective Date. This Ordinance takes effect January 1, 2023, after passage by the Olympia City Council and publication, as provided by law.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

Michael M. Young

DEPUTY CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED: