

Impact Fees

Impact fees are utilized to assist in funding capital improvement projects required to serve new development. For example, local bond monies from the 1990 authority and impact fees were used to plan, design, and construct Hansen Elementary School and Marshall Middle School. The district paid part of the costs of these new schools with a portion of the impact fees collected. Using impact fees in this manner delays the need for future bond issues and/ or reduces debt service on outstanding bonds. Thurston County, the City of Olympia and the City of Tumwater all collect school impact fees on behalf of the district.

Impact fees must be reasonably related to new development and the need for public facilities. While some public services use service areas or zones to demonstrate benefit to development, there are four reasons why the use of zones is inappropriate for school impact fees: 1) the construction of a new school benefits residential developments outside the immediate service area because the new school relieves overcrowding in other schools; 2) some facilities and programs of the district are used by students throughout the district (Special Education, Options and ALPS programs); 3) school busing is provide for a variety of reasons including special education students traveling to centralized facilities and transportation of students for safety or due to distance from schools; 4) a uniform system of free public schools throughout the district is a desirable public policy objective.

The use of zones of any kind, whether municipal, school attendance boundaries, or some other method, conflict with the ability of the school board to provide reasonable comparability in public school facilities. Based on this analysis, the district impact fee policy shall be adopted and administered on a district-wide basis.

Current impact fee rates, current student generation rates, and the number of additional single and multi-family housing units projected over the next six-year period are sources of information the district uses to project the fees to be collected.

These fees are then allocated for capacity-related projects as recommended by a citizens' facilities advisory committee and approved by the Board of Directors.

The fee calculation is prescribed by law:

- The calculation is designed to identify the cost of the new classrooms space for new students associated with new development.
- The cost of constructing classrooms for current students is not included in the impact fee calculation.
- The calculation includes site acquisition costs, school construction costs, and any costs for temporary facilities.
 - $\text{Facility Cost} / \text{Facility Capacity} = \text{Cost per Seat} / \text{Student Generation Rate} = \text{Cost per Single Family Home (or Cost Per Multi-Family Home)}.$
 - The Cost Per Single Family home is then discounted for 1) any state construction funding the district receives and 2) a credit for the taxes that the home will generate for the upcoming 10 years.
 - As an example, a \$15,000,000 facility, and a .20 single-family home student generation rate is calculated as such: $\$15,000,000 / 500 = \$30,000 \times .20 = \$6,000.$ This \$6,000 is then reduced by state construction funds (\$9 per home in 2015) and a 10-year tax credit (\$1,912 in 2015). This leaves a single-family home rate of \$4,079 (*example amount only*).

- The Olympia School District Board of Directors would then reduce the \$4,079 by a “discount rate”. This is the margin that districts use to ensure that they do not collect too much impact fee (and possibly pay back part of the fees if construction costs are reduced or state construction funding is increased.) The Olympia School District has typically used a discount rate of 15%, which would leave a single-family home impact fee of \$3,467 or ($\$4079 * .85$).

The prescribed calculation, the district’s construction plan in the CFP planning horizon, expected state revenue and expected taxes credited to new housing developments, and the district’s decision with regard to the discount applied, yield an impact fee as follows:

- Beginning January 1, 2021 Single Family residences: \$5,448 (Includes Downtown Area Single Family) (15% Discount)
- Beginning January 1, 2021, Non-Downtown Area Multi-family: \$2,133 (15% Discount)
- Beginning January 1, 2021, Downtown Area Multi-family: \$1,756 (30% Discount)

Table 9 identifies the impact fee history.

Table 9: Historical Impact Fees with 2020 Fee (Fee structure for July 1, 2020 is displayed)

Year	Discount Percentage	Single Family Home Fee	Multi-Family Home Fee	Downtown Residence Fee	Mobile Home Fee
1995	70	\$1,754	\$661	---	\$1,033
1996	52	\$1,725	\$661	---	\$1,176
1997	51	\$1,729	\$558	---	---
1998	56	\$1,718	\$532	---	---
1999	50 & 70	\$2,949	\$1,874	---	---
2000	50 & 70	\$2,949	\$1,874	---	---
2001	50 & 70	\$2,949	\$1,874	\$841	---
2002	50 & 70	\$2,949	\$1,874	\$841	---
2003	50 & 70	\$2,949	\$1,874	\$841	---
2004	50 & 70	\$2,949	\$1,874	\$841	---
2005	40 & 60	\$4,336	\$3,183	\$957	---
2006	45 & 60	\$4,336	\$3,183	\$957	---
2007	15	\$5,042	\$1,833	\$874	---
2008	15	\$5,042	\$1,833	\$0	---
2009	15	\$4,193	\$1,770	\$0	---
2010	15	\$2,735	\$1,156	\$0	---
2011	15	\$659	\$1,152	\$0	---
2012	15	\$2,969	\$235	\$0	---
2013	15	\$5,179	\$0	\$0	---
2014	15	\$5,895	\$1,749	\$0	---
2015	15	\$4,978	\$1,676	\$0	---
2016	15	\$5,240	\$2,498	\$0	---
2017	15	\$5,298	\$2,520	\$0	---
2018	15	\$5,350	\$2,621	\$0	---
2019	15	\$4,972	\$2,575	\$0	---
1-Jan-20	15	\$5,177	\$2,033	\$0	---
1-Jul-20	15 / 32	\$5,177	\$2,033	\$1,627*	---
2021	15 / 30	\$5,448	\$2,133	\$1,756	---
Prior 10-Yr Avg	---	\$4,328	\$1,618	\$0	---
10-Yr Avg Incl 2021	---	\$5,051	\$1,804	\$286	---

*In 2020, this is the fee for multi-family homes in the Downtown Area, which begins July 1, 2020. Single family homes are levied the same impact fee districtwide; \$5,177 for the 2020 calendar year, beginning January 1, 2020.

Appendix C- Figures 11: Single Family and Multi- Family Residences Impact Fee Calculations for 2021

Figure 11 is a picture of the legal calculation of the impact fee.

SCHOOL IMPACT FEE CALCULATIONS							
DISTRICT	Olympia School District						
YEAR	2021 - SF and MF Residence						
School Site Acquisition Cost:							
((AcresxCost per Acre)/Facility Capacity)xStudent Generation Factor							
				Student	Student		
	Facility	Cost/	Facility	Factor	Factor	Cost/	Cost/
	Acreage	Acre	Capacity	SFR	MFR	SFR	MFR
Elementa	10.00	\$ -	400	0.304	0.100	\$0	\$0
Middle	20.00	\$ -	600	0.127	0.059	\$0	\$0
High	40.00	\$ -	1,000	0.143	0.054	\$0	\$0
					TOTAL	\$0	\$0
School Construction Cost:							
((Facility Cost/Facility Capacity)xStudent Generation Factor)x(permanent/Total Sq Ft)							
				Student	Student		
	%Perm/	Facility	Facility	Factor	Factor	Cost/	Cost/
	Total Sq.Ft.	Cost	Capacity	SFR	MFR	SFR	MFR
Elementa	94.8%	\$ 5,732,000.00	189	0.304	0.100	\$8,740	\$2,875
Middle	94.8%		1	0.127	0.059	\$0	\$0
High	94.8%	\$ 32,310,000.00	597	0.143	0.054	\$7,337	\$2,771
					TOTAL	\$16,077	\$5,646
Temporary Facility Cost:							
((Facility Cost/Facility Capacity)xStudent Generation Factor)x(Temporary/Total Square Feet)							
				Student	Student	Cost/	Cost/
	%Temp/	Facility	Facility	Factor	Factor	SFR	MFR
	Total Sq.Ft.	Cost	Size	SFR	MFR		
Elementa	5.20%	\$ 250,000	25	0.304	0.100	\$158	\$52
Middle	5.20%	\$ 250,000	25	0.127	0.059	\$66	\$31
High	5.20%	\$ 250,000	25	0.143	0.054	\$74	\$28
						\$298	\$111

State Matching Credit:							
Boeckh Index X SPI Square Footage X District Match % X Student Factor							
				Student	Student		
	Boeckh	SPI	District	Factor	Factor	Cost/	Cost/
	Index	Footage	Match %	SFR	MFR	SFR	MFR
Elementa	\$238.22	90	57.39%	0.304	0.100	\$3,740	\$1,230
Middle	\$238.22	117		0.127	0.059	\$0	\$0
High	\$238.22	130		0.143	0.054	\$0	\$0
						\$3,740	\$1,230
Tax Payment Credit:						SFR	MFR
Average Assessed Value						\$372,970	\$120,795
Capital Bond Interest Rate						1.81%	1.81%
Net Present Value of Average Dwelling						\$3,383,784	\$1,095,919
Years Amortized						10	10
Property Tax Levy Rate						\$1.8400	\$1.8400
	Present Value of Revenue Stream					\$6,226	\$2,016
	Fee Summary:			Single	Multi-		
				Family	Family		
	Site Acquisition Costs			\$0	\$0		
	Permanent Facility Cost			\$16,077	\$5,646		
	Temporary Facility Cost			\$298	\$111		
	State Match Credit			(\$3,740)	(\$1,230)		
	Tax Payment Credit			(\$6,226)	(\$2,016)		
	FEE (AS CALCULATED)			\$6,409	\$2,509		
	FEE (AS DISCOUNTED 15%)			\$5,448	\$2,133		