



City Council

Approval of an Ordinance Amending Olympia Municipal Code Chapters 15.04, 15.08, and 15.16 Related to Impact Fees

Agenda Date: 12/15/2020
Agenda Item Number: 4.C
File Number:20-0993

Type: ordinance **Version:** 2 **Status:** Passed

Title

Approval of an Ordinance Amending Olympia Municipal Code Chapters 15.04, 15.08, and 15.16
Related to Impact Fees

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve an ordinance amending portions of Olympia Municipal Code Chapters 15.04, 15.08, and 15.16 related to impact fees on second reading.

Report

Issue:

Whether to amend an ordinance updating impact fees.

Staff Contact:

Mark Russell, P.E., Deputy Director, Public Works Department, 360.753.8762

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

Background and analysis has not changed from first to second reading.

The Washington State Growth Management Act (GMA) requires that cities plan for growth. One tool that cities can use to respond to growth are impact fees for new developments. These fees are a funding mechanism that help the City build new transportation and parks infrastructure, as well as help Olympia School District (OSD) build infrastructure.

Transportation Impact Fees:

Olympia has used transportation impact fees since the 1990s to help fund infrastructure

improvements. Historically, these projects have focused on increasing capacity on our streets for motor vehicles. Changes are proposed to allow the City to use impact fees to help fund projects that will add capacity to our streets for walking, biking, transit, as well as driving.

This transportation impact fee program update will establish a new project list. The methodology for establishing impact fees has also been revised. The result is a new person trip rate instead of a vehicle trip rate, and new impact fees for different land uses. Depending on the land use, some fees increase, some decrease. The changes will not increase the amount of transportation impact fee revenues collected overall, approximately \$1 million annually. Changes to the transportation impact fee rates would go into effect July 1, 2021.

Parks Impact Fees:

Some land use categories in the Parks impact fee schedule were modified to be consistent with both the Transportation and OSD impact fee schedules. Beyond these minor clarifications to land use categories, the Parks impact fee rates are not changing.

Olympia School District Impact Fees:

Under state statute, school districts are responsible for expending impact fees, however they are not authorized to collect them. The City collects impact fees for the OSD, then forwards them to the district for use on their capital projects.

Some land use categories in the OSD impact fee schedule were modified to be consistent with both the Transportation and Parks impact fee schedules. In addition, the OSD impact fee rates are being updated.

Neighborhood/Community Interests (if known):

A public hearing on the Capital Facilities Plan was held on November 17. The City Council did not receive comments related to the proposed impact fee changes.

In addition, the Planning Commission and Bicycle and Pedestrian Advisory Committee were briefed earlier this year as the transportation program changes were under development. Staff has reached out to stakeholders in the development community about changes to the transportation concurrency and impact fee programs and invited the public to view the August 19 Finance Committee discussion of the changes. Staff also met with the Olympia Master Builders Government Affairs Committee on the transportation impact fee program changes on October 22. The OMB submitted a letter to the City Council regarding transportation impact fees on November 10, 2020.

Options:

1. Approve an ordinance amending portions of Olympia Municipal Code Chapters 15.04, 15.08, and 15.16 related to impact fees on second reading. The impact fee programs will be updated as shown in the attached ordinance.
2. Do not approve the ordinance.

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Financial Impact:

Revenues generated by impact fees will support needed infrastructure as the City grows.

Attachments:

Ordinance