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City Council

Approval of an Ordinance Amending Olympia Municipal Code Sections 15.16.030 and 15.16.040 Relating to Impact Fees

Agenda Date: 12/14/2021
Agenda Item Number: 4.J
File Number: 21-1157

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

Title

Approval of an Ordinance Amending Olympia Municipal Code Sections 15.16.030 and 15.16.040
Relating to Impact Fees

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve an Ordinance amending Olympia Municipal Code Sections 15.16.030 and
15.16.040 relating to impact fees on second reading.

Report

Issue:

Whether to approve an Ordinance updating school and transportation impact fees on second
reading.

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 did not change from first to second readings.

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

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

The current transportation impact fee is \$2,551 per new "person" trip. Staff proposes a 5% increase in the impact fee to keep up with inflation and increased costs of construction materials and labor. The cost per new "person" trip is proposed to be \$2,679 in 2022.

Olympia School District Impact Fees:

The Olympia School District has updated its Capital Facilities Plan and revised its proposed impact fees as reflected in the School District's adopted 2022-2027 Capital Facilities Plan.

Neighborhood/Community Interests (if known):

A public hearing on the City's 2022-2027 Capital Facilities Plan was held on October 12, 2021. The City Council did not receive comments related to the proposed impact fee changes.

Options:

1. Approve an Ordinance amending Olympia Municipal Code Sections 15.16.030 and 15.16.040 relating to impact fees on second reading. The impact fee programs will be updated as shown in the attached Ordinance.
2. Approve the Ordinance with Council directed changes.
3. Do not approve the Ordinance. Impact fees will remain unchanged in 2022 and will not reflect increased costs to build new infrastructure.

Financial Impact:

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

Attachments:

Ordinance