



## City Council

### Approval of an Ordinance Authorizing the Collection of Impact Fees for North Thurston School District

**Agenda Date:** 10/18/2022  
**Agenda Item Number:** 4.I  
**File Number:** 22-0847

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

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#### **Title**

Approval of an Ordinance Authorizing the Collection of Impact Fees for North Thurston School District

#### **Recommended Action**

##### **Committee Recommendation:**

The Land Use and Environment Committee recommend approval of the Ordinance.

##### **City Manager Recommendation:**

Move to approve an Ordinance Authorizing the Collection of Impact Fees for North Thurston School District.

#### **Report**

##### **Issue:**

Whether to approve and Ordinance authorizing collection of impact fees for the North Thurston School District.

##### **Staff Contact:**

Tim Smith, Deputy Director, Community Planning and Development Department, 360.570.3915

##### **Presenter(s):**

None - Consent Calendar Item.

##### **Background and Analysis:**

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

Certain types of new development in the City are charged impact fees in accordance with RCW 82.02 and Chapter 15.04 of the Olympia Municipal Code. Impact fees are intended to ensure that new growth pays a proportionate share of the cost of new facilities needed to serve the new development. The City currently assesses impact fees for City parks and transportation facilities and collects impact fees for school facilities at the request of the Olympia School District.

The North Thurston School District recently requested the City to begin assessing impact fees for all

new single and multifamily developments located within the District's boundary. The boundary is located east of Fones and Franz Anderson roads. For example, properties located along Lilly and Sleater Kinney roads are within the North Thurston School District.

The District's current practice with the City of Olympia is to review and request mitigation fees for residential projects that meet the City's adopted threshold for review under the State Environmental Policy Act (SEPA). Currently, residential projects of 10 residential units or more require SEPA review. Adoption of an impact fee ordinance would permit the City to collect impact fees for the District for all residential single and multifamily developments. While more developments would be subject to impact fees when compared to fees collected under SEPA, an impact fee program would allow the City to inform applicants of required fees earlier in the permitting process. Impact fees also require less coordination between applicants and the school district on the determination and collection of fees.

City Staff coordinated with both the North Thurston and Olympia School District to prepare the ordinance. A large portion of the changes to Chapter 15.04 were made to ensure a similar approach is provided with both districts on the assessment of school impact fees. The ordinance incorporates the following three key changes:

1. Adds North Thurston School District to the City's Impact Fee Chapter (OMC 15.04).
2. Creates a new section (15.04.040.C) that lists projects not subject to impact fees. This list includes accessory dwelling units, single room occupancy buildings, expansions and other development types that are currently found in the exemptions section (15.04.060).
3. Revises the exemption section in 15.04.060 to include only those uses where exemptions or reductions may be granted if certain requirement and conditions are met. This list includes senior housing, assisted care living, low-income housing, and early learning center projects.

This ordinance will authorize the City to collect impact fees for the North Thurston School District. The City is also working with the District to adopt its Capital Facilities Plan (CFP) into the City's CFP. This process will be completed by the end of the year and will allow the City to begin collecting impact fees starting in 2023.

**Neighborhood/Community Interests (if known):**

Permit fee costs are of strong interest to community members interested in developing within the City of Olympia.

**Options:**

1. Approve an Ordinance authorizing collection of impact fees for the North Thurston School District.
2. Approve an Ordinance authorizing collection of impact fees for the North Thurston School District with revisions.
3. Do not approve an Ordinance authorizing collection of impact fees for the North Thurston School District.

**Financial Impact:**

Impact fees would be charged to new single family and multifamily residential development located in the City and within the boundary of the North Thurston School District.

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**Attachments:**

Ordinance