



City Council

Approval of an Ordinance Revising Fees for Engineering, Building and Land Use Permits, and Plan Review

Agenda Date: 3/19/2024
Agenda Item Number: 4.D
File Number:24-0193

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

Title

Approval of an Ordinance Revising Fees for Engineering, Building and Land Use Permits, and Plan Review

Recommended Action

Committee Recommendation:

Not referred to a Committee

City Manager Recommendation:

Move to approve an ordinance on second reading to revise fees for Engineering, Building and Land Use Permits, and Plan Review.

Report

Issue:

Whether to approve an ordinance revising fees for Engineering, Building and Land Use Permits, and Plan Review.

Staff Contact:

Leonard Bauer, Director, Community Planning and Development, 360.753.8206

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

The City of Olympia collects fees to offset a portion of the cost of reviewing applications for new development and inspecting new construction. Fee amounts are adopted by the City Council and codified in Olympia Municipal Code Title 4. They include Engineering Fees (OMC 4.04), Building Code Review and Permit Fees (OMC 4.36), Fire Plan Review and Permit Fees (OMC 4.38), and Land Use Application Review (OMC 4.40).

The City periodically conducts cost recovery studies to analyze whether the development fees are set appropriately to recover the City Council's goal that they recover 85% of the cost of delivering development review services. [Note: that goal was adopted in 2004 and reaffirmed in Resolution No.

6983, which also created a Development Fee Revenue Fund].

The most recent cost recovery study, in 2021, recommended the City update its development fees annually, which the City Council has done. The most recent annual update to development fees was adopted December 12, 2023. Shortly after that, City staff became aware of additional fee changes needing adjustment, which are included in the attached ordinance:

1. Document recording fees to match increases put in place by the Thurston County Auditor's Office
2. Plan review fees for areas of Special Flood Hazard which are necessary to meet review standards of the Federal Emergency Management Agency (FEMA)
3. Establishment of a resubmittal fee for land use applications that require more than two review cycles by city staff, to offset a recent increase in application resubmittals that are not responsive to staff comments.

Climate Analysis:

This agenda item is not expected to directly result in impacts to greenhouse gas emissions. However, development review services enable energy-efficient construction consistent with the City's comprehensive plan policies for denser patterns of development. This will support increased use of alternative transportation modes that help reduce greenhouse gas emissions.

Equity Analysis:

One of the goals of the City's budget process is to ensure that city services are provided equitably to our residents and business communities, as well as the greater Olympia community. This agenda item is not expected to further impact known disparities in our community.

Neighborhood/Community Interests (if known):

Members of the community will likely have an interest in this agenda item as it deals with City finances and fiscal governance. Stakeholders in the development construction and finance industry have a direct interest in costs to obtain required permits and inspections.

Financial Impact:

Revenue from development fees is deposited into the City's Development Fee Fund and are exclusively used to fund the cost of delivering development review services. The attached ordinance adjusts development fees to help projected revenues keep pace with the increased cost of delivering development review services.

Options:

1. Move to approve an ordinance revising fees for Engineering, Building and Land Use Permits, and Plan Review on second reading.
2. Do not approve the Ordinance.
3. Approve the Ordinance with specific changes.

Attachments:

Ordinance

