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City Council

Approval of Ordinance Adopting 2014 Park Impact Fee Rate Adjustment

Agenda Date: 12/17/2013
Agenda Item Number: 4.L
File Number: 13-0980

Type: ordinance **Version:** 3 **Status:** Passed

Title

Approval of Ordinance Adopting 2014 Park Impact Fee Rate Adjustment

Recommended Action

City Manager Recommendation:

Move to approve on second reading an ordinance amending Olympia Municipal Code Sections 15.16.010 Park Impact Fee rate that results in an increase in Park Impact Fee rate of approximately 2.85%.

Report

Issue:

Consider an ordinance amending the Olympia Municipal Code relating to Park Impact Fee rate.

Staff Contact:

Dave Okerlund, Planning Program Manager, 360.570.5855

Presenter(s):

None.

Background and Analysis:

The background and analysis information has not changed from the first reading.

In 2008, Council implemented a Park Impact Fee rate adjustment mechanism to ensure that Park Impact Fees accurately reflect the current costs of park land, design, and development. The adjustment mechanism adjusts each of these three components annually.

The land component is adjusted by the Thurston County Assessor's Office median change in residential values for residential vacant land in Thurston County for assessment year 2013. This represents the change from 1/1/12 - 1/1/13. For assessment year 2013, this was a 1.03% increase.

The design component represents staff time for design, permitting, contracting, and construction oversight. This is based on the City of Olympia Cost of Living Adjustment (COLA). There was a 2% COLA in 2013.

The construction component utilizes the Seattle Construction Cost Index (CCI) published by the Engineering News Record. The Seattle CCI during the period 1/1/12-1/1/13 was a 4% increase.

Following is the adjustment formula that is applied separately for each of Olympia's three park types;

community parks, neighborhood parks and open space:

FTCA = $(DS^*(1+COLA)) + (DV^*(1+CCI)) + (LD^*(1+PV))$, where:

FTCA = Facility Type Cost per Acre

DS - Current Year Design Cost

DV = Current Year Development Cost

LD = Current Year Land Cost

COLA = Cost of Living Adjustment Percent

CCI = Construction Cost Index (Seattle) Percent

PV = Property Value Change Percent

Neighborhood/Community Interests (if known):

Council considered the proposed rate increase as part of the discussion of the Capital Facilities Plan on October 8th and November 12th.

Options:

1. Move to approve on second reading an ordinance amending Olympia Municipal Code Sections 15.16.010 Park Impact Fee rate that results in an increase in the Park Impact Fee rate of approximately 2.85%.

Implications

- a. Park Impact Fee rate would increase 2.85%. This would result in an increase of \$140 per single family residence, from \$4,950 to \$5,090.
- b. Park Impact Fee rate would more closely reflect actual costs of park acquisition and development.

2. Do not approve on second reading an ordinance amending Olympia Municipal Code Sections 15.16.010 Park Impact Fees that result in an increase in the Park Impact Fee rate of approximately 2.85%.

Implications

- a. The Park Impact Fee rate on new residential development would remain unchanged.
- b. Park Impact Fees collected on new residential development would be less than the actual cost of park land acquisition, design and development needed to serve the occupants of the new residential development.

Financial Impact:

The proposed change would result in a Park Impact Fee rate approximately 2.85% higher in 2014 than in 2013.