



City Council

Approval of Ordinance Adopting 2016 Park Impact Fee Rate Adjustment

Agenda Date: 12/15/2015
Agenda Item Number: 4.M
File Number: 15-1158

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

Title

Approval of Ordinance Adopting 2016 Park Impact Fee Rate Adjustment

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve an ordinance amending Olympia Municipal Code Section 15.16.010, Park Impact Fee Rates, resulting in a 1.93% increase in Park Impact Fee rates.

Report

Issue:

The City amends the Park Impact Fee ordinance annually to update the rates based on changes in park land acquisition and development costs.

Staff Contact:

Jonathon Turlove, Associate Planner, Parks, Arts and Recreation, 360.753.8068

Presenter(s):

None. Consent calendar item..

Background and Analysis:

Background and analysis have not changed from first to second 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 2015. This represents the change from 1/1/14 - 1/1/15. For assessment year 2015, there was no change in value.

- **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 3% COLA in 2015.
- **The construction component** utilizes the Seattle Construction Cost Index (CCI) published by the Engineering News Record. The Seattle CCI during the period 1/1/14-1/1/15 was a 2.5% 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):

Updating Park Impact Fees reflects inflationary increases or decreases in project costs and ensures that new developments pay their fair share of project costs.

Options:

1. Move to approve an ordinance amending Olympia Municipal Code Section 15.16.010, Park Impact Fee Rates, resulting in a 1.93% increase in the Park Impact Fee rates.

Implications

- a. Park Impact Fee rate would increase 1.93%. This would result in an increase of \$103 per single family residence, from \$5,334 to \$5,437.
- b. Park Impact Fee rate would more closely reflect actual costs of park acquisition and development.

2. Do not approve an ordinance amending Olympia Municipal Code Section 15.16.010, Park Impact Fee Rates that result in an increase in the Park Impact Fee rate of 1.93%.

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 1.93% higher in 2016 than in 2015.