



City Council

Approval of an Ordinance Adopting 2019 Park Impact Fee Rates

Agenda Date: 12/18/2018
Agenda Item Number: 4.P
File Number: 18-1173

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

Title

Approval of an Ordinance Adopting 2019 Park Impact Fee Rates

Recommended Action

Committee Recommendation:

The Finance Committee recommends freezing park impact fees at 2018 levels in order to encourage new housing construction.

City Manager Recommendation:

Move to approve an ordinance amending Olympia Municipal Code Section 15.16.101, Park Impact Fee Rates, and adopting the same rate in 2019 as 2018 on second reading.

Report

Issue:

Whether to amend the Park Impact Fee ordinance.

Staff Contact:

Laura Keehan, Parks Planning & Design Manager, Parks, Arts and Recreation, 360.570.5855

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

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

In 2018 the City commissioned FCS Group to complete a Park Impact Fee Study. The study updated level of service standards, updated costs of park land, design, and development, and updated occupancy rates by dwelling unit type as reported by the U.S. Census Bureau. The Study's findings resulted in a significant increase in park impact fee rates across all types of new housing.

In an effort to encourage more new housing construction in Olympia, Finance Committee recommends freezing park impact fee rates at their 2018 levels, rather than increasing rates to the levels determined in the Park Impact Fee Study. In 2019, City Council anticipates further study of

fees and charges related to new development, which may result in further adjustments to impact fee rates.

The ordinance adopts the updated fee analysis with a discount in each housing type that results in no net change in the fee.

Neighborhood/Community Interests (if known):

The development community has significant interest in fees and charges related to new development. Park advocates have significant interest in park impact fees as an important revenue source for paying for growth-related park development projects.

Options:

1. Approve the ordinance amending Olympia Municipal Code Section 15.16.010, Park Impact Fee Rates, to freeze rates at 2018 levels.
2. Do not approve the ordinance amending Olympia Municipal Code Section 15.16.010, Park Impact Fee Rates.

Financial Impact:

It is difficult to predict the precise financial impact from freezing the rates at 2018 levels since the type and amount of housing constructed varies widely from year to year. Freezing of the Park Impact Fees at 2018 levels would result in a discount of 4 percent - 38 percent (depending on housing type) from what the study calculated the rate would need to be to provide park facilities for the new residents in the housing constructed. Should this “freeze” be in place for a significant length of time, assuming the cost of park land and development continues to rise, it will likely become increasingly difficult to finance the existing level of service as the population grows.

Attachments:

Ordinance