



## City Council

### Approval of an Ordinance Updating Impact Fees

**Agenda Date:** 12/13/2022  
**Agenda Item Number:** 4.L  
**File Number:** 22-1143

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

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**Title**

Approval of an Ordinance Updating Impact Fees

**Recommended Action**

**Committee Recommendation:**

Not referred to a committee.

**City Manager Recommendation:**

Move to approve an Ordinance amending Olympia Municipal Code Chapters 15.04 and 15.16 relating to impact fees.

**Report**

**Issue:**

Whether to approve an Ordinance updating transportation, park and school impact fees.

**Staff Contact:**

Tim Smith, Deputy Director, Community Planning & Development, 360.570.3915

**Presenter(s):**

None - Consent Calendar Item.

**Background and Analysis:**

Background and Analysis did not change 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 City will start assessing impact fees for North Thurston Public Schools starting in 2023, as authorized in an ordinance approved by the City Council in October 2022.

Transportation Impact Fees:

Olympia has used transportation impact fees since the 1990s to help fund infrastructure

improvements. The City's first Transportation Master Plan was adopted by the City Council in February 2021 and included changes to the City's Transportation Concurrency and Impact Fee Programs. Transportation impact fees are now multi-modal, adding capacity to our street system by making bike, pedestrian, and transit improvements, in addition to improvements for vehicles.

The current transportation impact fee is \$2,679 per new "person" trip. Staff proposes a 10% increase in the impact fee to keep up with inflation and increased costs of construction materials and labor. The cost per new "person" trip is proposed to be \$2,946 in 2022.

**Park Impact Fees:**

The City's Parks Master Plan was adopted by the City Council in February 2022 and included an updated capital investment strategy project list of capital projects. An increase in park impact fees is proposed to match anticipated funding and projects listed in the 2022 Parks Plan.

**Olympia School District Impact Fees:**

The Olympia School District has updated its Capital Facilities Plan and proposes impact fees as reflected in the School District's adopted 2023-2028 Capital Facilities Plan.

**North Thurston Public Schools Impact Fees:**

North Thurston Public Schools updated its Capital Facilities Plan and proposes impact fees as reflected in the School District's adopted 2023-2028 Capital Facilities Plan.

**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. Move to approve the Ordinance amending the Olympia Municipal Code relating to impact fees.
2. Move to approve the Ordinance with changes.
3. Do not approve the Ordinance.

**Financial Impact:**

Revenues generated by impact fees will support needed infrastructure as the City grows.

**Attachments:**

Ordinance