

May 11, 2026

To: Tammy LeDoux, Parks Finance and Policy Coordinator
Laura Keehan, Director of Parks Planning & Maintenance

From: John Ghilarducci
Luke Nelson

Re: Residential Scaling for Park Impact Fee

This memorandum summarizes the methodology used to scale the City's current park impact fee. It is accompanied by the spreadsheet reviewed with City staff on March 19, 2026, containing supporting calculations and data sources.

INTRODUCTION

Background

In 2026, the City of Olympia (City) contracted with FCS to scale its current park impact fee to comply with recent changes in state law. A fee update was not included as a part of this study.

Legal Basis

Impact fees are enabled by state statutes, authorized by local ordinance, and constrained by the United States Constitution. They allow cities to recover some of the cost of expanding public facilities necessitated by growth. These fees allow "growth to pay for growth" in a fair and equitable manner. In Washington, impact fees are enabled by RCW 82.02.050 through 82.02.110 and are permitted for:

- Public streets and roads
- Publicly owned parks, open space, and recreation facilities
- School facilities
- Fire protection facilities

In 2023, two new laws affecting the imposition of impact fees were passed. First, Senate Bill 5258 added language to RCW 82.02.060 requiring that "the [impact fee] schedule shall reflect the proportionate impact of new housing units, including multifamily and condominium units, based on the square footage, number of bedrooms, or trips generated, in the housing unit in order to produce a proportionally lower impact fee for smaller housing units." Second, House Bill 1337 amended RCW 36.70A to add that an impact fee on an accessory dwelling unit may not be charged more than 50 percent of the corresponding impact fee charged for the principal unit. This change is already reflected in City code, OMC 15.04.040A.

SCALING CALCULATION

Current Fee Structure

The City’s current park impact fee is charged separately to single-family, multi-family, accessory dwelling units (ADUs), and mobile homes. As a first step in scaling the fee, it is necessary to calculate a consistent fee per square foot for all residential types. To do that, FCS used housing data from the US Census Bureau to find the percentage of single-family, multifamily, and mobile dwellings within the City. These were multiplied by the corresponding dwelling unit fees being charged and then added together to give a blended residential fee.

Based on housing data, 58% of dwelling units within the City are single-family, 2% are mobile homes, and 40% are multi-family. The City currently charges impact fees ranging from \$4,709 and \$6,995 for different types of dwelling units within the City. This leads to a blended impact fee of \$6,535.26, as shown in **Exhibit 1** below.

Exhibit 1. Current Impact and Equivalent Blended Fee

Current Park Impact Fee	
Single-Family Dwelling Unit	\$ 6,995.00
Multi-Family Dwelling Unit	5,991.00
Downtown Multi-Family Dwelling Unit	4,709.00
Mobile Home	5,230.00
Blended Impact Fee per DU	\$ 6,535.26

Housing Characteristics

In order to scale the blended fee calculated above, the average occupancy and size of dwelling units within the City must be estimated. To find the average occupancy for the City, we use the same data from the US Census Bureau to find the number of people living in different dwelling unit types and the total number of each type of dwelling unit. By dividing the total number of people by the number of dwelling units, we find that the average occupancy for the City is 2.05 residents per dwelling unit.

The City estimates that the average size of single family residences and mobile homes is 2,225 square feet. According to Rentcafe.com, the average size of multifamily dwelling units is 841 square feet. By multiplying these average sizes for each dwelling unit type by the proportion of units within the City, we find that the average dwelling unit size within the City is approximately 1,666 square feet. **Exhibit 2** summarizes the calculation of the average dwelling unit size within the City.

Exhibit 2. Average Dwelling Unit Size

Single Family / Mobile Home Portion		Multifamily Portion		Average DU Size (Sq Ft)
Single Family Home Size	2,225	Multifamily Home Size	841	
Proportion of SFR / Mobile Homes	60%	Proportion of MFRs	40%	
SFR Proportion of Average (Sq Ft)	1,331	SFR Proportion of Average (Sq Ft)	335	1,666

Scaled Fee

Using the housing characteristics and blended impact fee above, an impact fee per square foot and estimated fee per single resident can be found by dividing the blended fee by the average home size and occupancy. This leads to an impact fee per square foot of \$3.92, as shown in **Exhibit 3**.

Exhibit 3. Scaled Impact Fee

Park Impact Fee	
Impact Fee per Occupant	\$3,187.93
Impact Fee per Sq Ft	\$3.92

Minimum and Maximum Fees

FCS recommends setting a minimum and maximum fee as a means to maintain the proportionality of the fee to the impact of residential development. These should be set at the points where (1) dwelling unit size is equivalent to the average home size of one resident (minimum fee) and (2) the correlation between square footage and occupancy no longer holds (maximum fee).

The average home size for one resident can be found using the housing statistics provided above. Dividing the average home size by the average occupancy leads to 813 square feet per resident. FCS recommends setting the minimum fee based on this dwelling unit size.

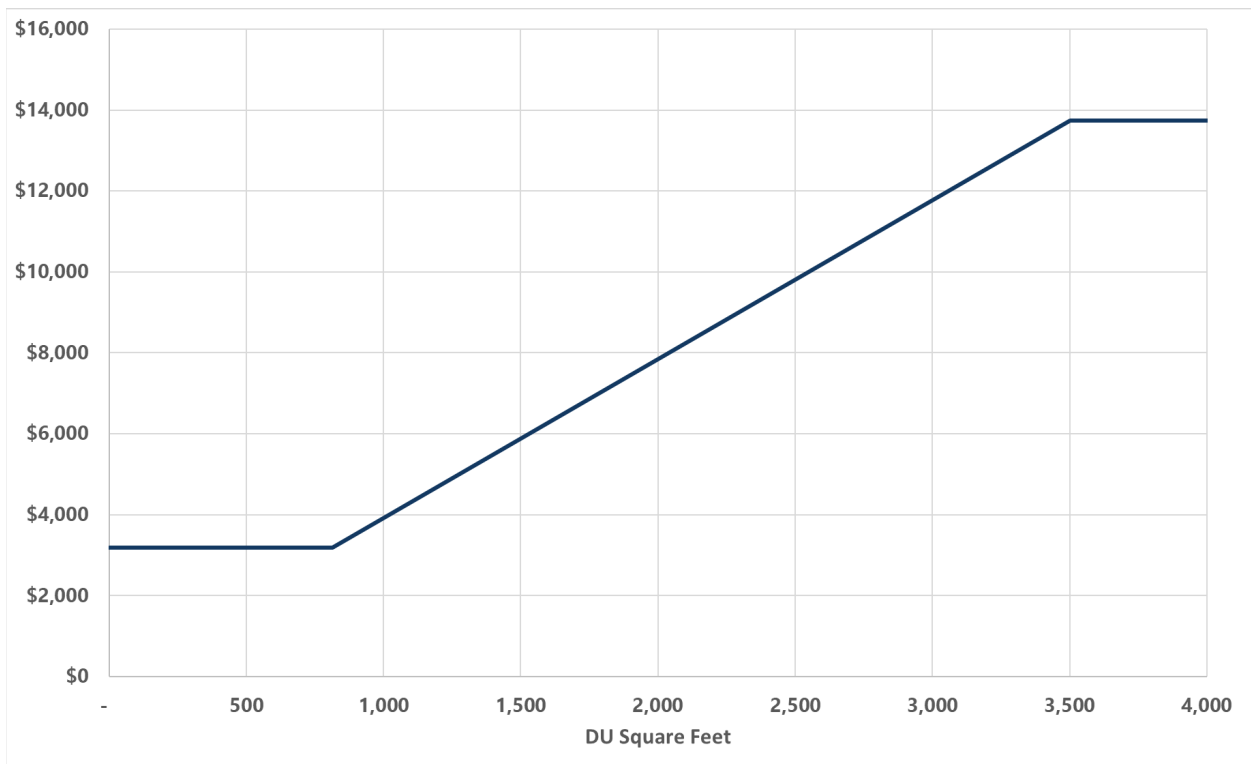
The maximum fee for each service should be implemented where a larger residence no longer suggests a higher occupancy. To find the point where the correlation between size and occupancy no longer holds, FCS ran a regression analysis on 2023 American Housing Survey data for the Seattle metro area. The fitted curve reaches its maximum at approximately 3,500 square feet, suggesting any additional square feet are not associated with additional occupants. FCS recommends multiplying this maximum square footage by the fee per square foot calculated above to find the suggested maximum charge. The minimum and maximum impact fees are summarized in **Exhibit 4**.

Exhibit 4. Impact Fee Schedule

Park Impact Fee	
Impact Fee per Sq Ft	\$3.92
Minimum DU Size (Sq Ft)	813
Minimum Fee	\$3,187.93
Maximum DU Size (Sq Ft)	3,500
Maximum Fee	\$13,720.00

These fee schedules can be charted on a graph to show the minimum and maximum as horizontal lines before the minimum square footage and past the maximum square footage with the impact fee per square foot representing the slope of a line connecting the two points. This is shown in **Exhibit 5**.

Exhibit 5. Impact Fee Graph



IMPLEMENTATION

Setting Scaled Impact Fees

The scaling calculated above is intended to be revenue-neutral in aggregate. The scaled fee represents the maximum defensible fee the City can adopt without revisiting the applicable calculation methodology. As such, the City is free to adopt a scaled fee up to that provided in this report.

Accessory Dwelling Units

In addition to principal residences, the City currently charges impact fees on accessory dwelling units (ADUs). Amended by HB 1337, RCW 36.70A.681 (2) limits the impact fees on ADUs to “50 percent of the impact fees that would be imposed on the principal unit.” This limit has been incorporated into City code, OMC 15.04.040A (ORD 7444), as of December 2025. FCS recommends that, when charging a fee on an ADU, the City calculate the scaled fee on both the ADU and principal residence. If the methodology above finds a fee for the ADU above half of the fee for the principal residence, the fee must be lowered to comply with the new law. In other words, the impact fee for an ADU should be the lesser of the calculated size-based fee or one half the (scaled) fee for the principal residence.

Habitable vs Non-Habitable Square Footage

Statute does not specify the type of square footage that should be charged an impact fee. However, at the time of development, the staff member who calculates the impact fee for the developer is typically also collecting a lot of information about the development—including square footage—for other purposes. FCS encourages cities and counties to use the version of building square footage that they are already collecting for impact fee purposes as well.