



INFORMATIONAL MEMORANDUM

TO: Finance & Governance Committee
FROM: David Rosen, Parks & Recreation Fiscal Analyst
Vicky Carlsen, Finance Director
DATE: October 19, 2022
SUBJECT: Ordinance Updating Fire and Parks Impact Fees Rate Schedule

ISSUE

Per TMC 16.26.080, the Fire Impact Fee Schedule is to be updated annually. Additionally, per TMC 16.28.080, the Park Impact Fee schedule is to be updated annually. The last updates were made via Ordinance 2643 for Fire Impact Fees and Ordinance 2644 for Park Impact Fees, approved by City Council in December of 2020, creating the 2021 Fire Impact Fee Schedule in Figure 16-1 "Fee Schedule" as Exhibit B to Ordinance 2643 and the 2021 Parks Impact Fee Schedule in Figure 16-1 "Fee Schedule" as Exhibit B to Ordinance 2644. No updates were made to the fee schedules in 2022. Staff seeks to update the Fire and Park Impact Fee schedules for 2023 to include revised rate structures reflecting current economic conditions.

BACKGROUND

Fire and Park Impact Fees are one-time charges assessed by a given government against a new development project as a means of helping pay for new or expanded public facilities that will be needed to address increased demand for services created by the development itself. Fire Impact fees support the development of facilities related to Fire and the purchase of capital items for Fire. Park Impact fees support the acquisition and development of parks, trails, natural areas and recreation facilities. The developer or builder of a proposed residential or commercial development pay the impact fees at the time a building permit is issued.

ANALYSIS

Authority to impose these fees is granted via Revised Code of Washington (RCW) as well as the Washington Administrative Code (WAC). While no RCW or WAC exists that imposes any restrictions on or creates any requirements concerning how a city updates its fee schedule, the City has adopted an index to inform the setting of fees. TMC 16.26.080 (1) for Fire Impact Fees and TMC 16.28.080 (1) for Park Impact Fees require the use of the Construction Cost Index for Seattle (June-June) published by the Engineering News Record to calculate annual inflation adjustments in the impact fee rates. The index calculates general construction costs across 20 U.S. cities. The table below reflects the Construction Cost Index (CCI) for Seattle from June 2020 to June 2022.

Note: Due to rounding, the proposed fee increase is not the same in terms of percentage change.

Table with 3 columns: Date, CCI, % Change. Rows include June 2022, June 2021, June 2020, and Total Change 2020-2022.

FINANCIAL IMPACT

Fire Impact Fees and Park Impact Fees are not a general fund revenue source; therefore, passage of this ordinance does not directly create any general fund inflows or outflows. Also, due to Fire Impact and Park Impact Fees only being earned when development occurs, they are considered a volatile revenue source.

RECOMMENDATION

Department staff recommends the Finance & Governance Committee approve the proposed ordinances and forward it to the Committee of the Whole.

ATTACHMENTS

- A --- Proposed Ordinance for Fire Impact Fees (Includes proposed rate schedule)
- B --- Proposed Ordinance for Park Impact Fees (Includes proposed rate schedule)
- C --- Full Construction Cost Index Data (Seattle, WA June 2020 to June 2022)

DRAFT

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, AMENDING ORDINANCE NO. 2571 TO UPDATE THE FIRE IMPACT FEE SCHEDULE, AS CODIFIED IN TUKWILA MUNICIPAL CODE CHAPTER 16.26 AS FIGURE 16-1, "FEE SCHEDULE;" REPEALING ORDINANCE NO. 2643; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council adopted Ordinance No. 2571 related to fire impact fees on May 7, 2018; and

WHEREAS, Tukwila Municipal Code Sections 16.26.060, 16.26.070 and 16.26.080 provide direction on annual updates to fire impact fees; and

WHEREAS, the City desires to promote economic recovery in the construction industry and provide flexibility on the payment of fire impact fees by delaying the effective date to April 1, 2023;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

Section 1. Repealer. Ordinance No. 2643 is hereby repealed in its entirety.

Section 2. Fire Impact Fee Schedule Amended. Exhibit B to Ordinance No. 2571 is hereby amended to update the Fire Impact Fee Schedule codified as Figure 16-1, "Fee Schedule," as attached hereto.

Section 3. Corrections by City Clerk or Code Reviser Authorized. Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

Section 4. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance or its application to any person or situation should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such

invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

Section 5. Effective Date. This ordinance or a summary thereof shall be published in the official newspaper of the City, and shall take effect and be in full force April 1, 2023.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2022.

ATTEST/AUTHENTICATED:

Christy O'Flaherty, MMC, City Clerk

Allan Ekberg, Mayor

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____

Passed by the City Council: _____

Published: _____

Effective Date: _____

Ordinance Number: _____

Office of the City Attorney

Attachment: Updated Figure 16-1, "Fee Schedule," for Fire Impact Fees
(Exhibit B to Ordinance No. 2571)

Figure 16-1 “Fee Schedule”

Exhibit B

CITY OF TUKWILA FIRE IMPACT FEE SCHEDULE

	FIRE Impact Fee
RESIDENTIAL – per dwelling unit	
(a) Single family	\$1,882 <u>\$2,273</u>
(d) with fire sprinkler system installed	\$1,769 <u>\$2,136</u>
(b) Multi-family	\$2,168 <u>\$2,618</u>
 COMMERCIAL/NON-RESIDENTIAL	
- per 1,000 square feet of development	
(c) Retail	\$2,108 <u>\$2,546</u>
(c) Office	\$ 824 <u>\$994</u>
(c) Industrial/manufacturing	\$ 176 <u>\$213</u>

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- (a) Attached accessory dwelling units are exempt from impact fees.
 - (b) A structure with more than two dwelling units.
 - (c) See the more detailed land use descriptions in the Land Use Categories document.
 - (d) 6% discount for single family units with fire sprinkler system installed representing the portion of all incidents that were fire only—as opposed to emergency medical incidents. Per Section 16.26.120.B.9. of the Tukwila Municipal Code, "A fee payer installing a residential fire sprinkler system in a single-family home shall not be required to pay the fire operations portion of the impact fee."

DRAFT

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, AMENDING ORDINANCE NO. 2572 TO UPDATE THE PARKS IMPACT FEE SCHEDULE AS CODIFIED IN TUKWILA MUNICIPAL CODE CHAPTER 16.28 AS FIGURE 16-1, "FEE SCHEDULE,"; REPEALING ORDINANCE NO. 2644; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council adopted Ordinance No. 2572 related to parks impact fees on May 7, 2018; and

WHEREAS, Tukwila Municipal Code Sections 16.28.060, 16.28.070, and 16.28.080 provide direction on annual updates to parks impact fees; and

WHEREAS, the City desires to promote economic recovery in the construction industry and provide flexibility on the payment of parks impact fees by delaying the effective date to April 1, 2023;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

Section 1. Repealer. Ordinance No. 2644 is hereby repealed in its entirety.

Section 2. Parks Impact Fee Schedule Amended. Exhibit B to Ordinance No. 2572 is hereby amended to update the Parks Impact Fee Schedule codified as Figure 16-1, "Fee Schedule," as attached hereto.

Section 3. Corrections by City Clerk or Code Reviser Authorized. Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

Section 4. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance or its application to any person or situation should be held to be

invalid or unconstitutional for any reason by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

Section 5. Effective Date. This ordinance or a summary thereof shall be published in the official newspaper of the City, and shall take effect and be in full force April 1, 2023.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2022.

ATTEST/AUTHENTICATED:

Christy O'Flaherty, MMC, City Clerk

Allan Ekberg, Mayor

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____
Passed by the City Council: _____
Published: _____
Effective Date: _____
Ordinance Number: _____

Office of the City Attorney

Attachment: Updated Figure 16-1, "Fee Schedule," for Parks Impact Fees
(Exhibit B to Ordinance No. 2572)

Figure 16-1 “Fee Schedule”

Exhibit B

CITY OF TUKWILA
PARKS IMPACT FEE SCHEDULE (2023)

PARKS Impact Fee

RESIDENTIAL – per dwelling unit

(a) Single family	\$3,006 <u>\$3,629</u>
(b) Multi-family	\$2,618 <u>\$3,162</u>

COMMERCIAL/NON-RESIDENTIAL

- per 1,000 square feet of development

(c) Retail	\$1,375 <u>\$1,660</u>
(c) Office	\$1,239 <u>\$1,496</u>
(d) K-12 Educational Facilities	\$248 <u>\$300</u>
(c) Industrial/Manufacturing	\$687 <u>\$830</u>

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- (a) Attached accessory dwelling units are exempt from impact fees.
 - (b) A structure with more than two dwelling units.
 - (c) See the more detailed land use descriptions in the Land Use Categories document.
 - (d) 80% discount for K-12 educational facilities.

ENR Cost Index - Seattle, WA
June 2020 - June 2022

YEAR	MONTH	CCI	%CHG
2022	June	14661.2	11.4
2022	May	14623.7	12.5
2022	April	14493.3	12
2022	March	14451	12.3
2022	February	14425.3	12.5
2022	January	13722.8	6.8
2021	December	13682.7	6.6
2021	November	13595.6	6.2
2021	October	13573.9	6.20%
2021	September	13525.7	5.9
2021	August	13466.9	8.3
2021	July	13248.3	9.1
2021	June	13165	8.4
2021	May	12994.4	7
2021	April	12945.2	6.6
2021	March	12865.1	7.3
2021	Feb	12826.1	5.9
2021	Jan	12845.4	6
2020	Dec	12840.4	6
2020	Nov	12796.6	5.80%
2020	Oct	12776.2	5.6
2020	Sept	12771.7	5.6
2020	Aug	12431	2.8
2020	July	12140.5	1.2
2020	June	12141.8	0.9