



INFORMATIONAL MEMORANDUM

TO: Finance & Governance Committee

FROM: David Rosen, Parks & Recreation Fiscal Analyst
Vicky Carlsen, Finance Director

DATE: August 4, 2023

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 2694 for Fire Impact Fees and Ordinance 2695 for Park Impact Fees, approved by City Council in December of 2022, creating the 2023 Fire Impact Fee Schedule in Figure 16-1 “Fee Schedule” as Exhibit B to Ordinance 2694 and the 2023 Parks Impact Fee Schedule in Figure 16-1 “Fee Schedule” as Exhibit B to Ordinance 2695. Staff seeks to update the Fire and Park Impact Fee schedules for 2024 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 operations and the purchase of capital items for Fire operations. Park Impact fees are apportioned out to specific projects and support the acquisition and development of parks, trails, natural areas, and recreation facilities and are accounted for within the six-year parks Capital Improvement Plan. 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 2022 to June 2023.

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

| Date | CCI | % Change |
|-----------|----------|----------|
| June 2023 | 15241.71 | +3.96% |
| June 2022 | 14661.19 | N/A |

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 for the purposes of budgeting.

RECOMMENDATION

Department staff recommends the Finance & Governance Committee approve the proposed ordinances and forward it to the August 28th Committee of the Whole meeting.

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 2021 to June 2023)

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. 2694; 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;

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

Section 1. Repealer. Ordinance No. 2694 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 January 1, 2024.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Special Meeting thereof this _____ day of _____, 2023.

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 | \$2,273 <u>\$2,363</u> |
| (d) with fire sprinkler system installed | \$2,136 <u>2,221</u> |
| (b) Multi-family | \$2,618 <u>\$2,722</u> |
| COMMERCIAL/NON-RESIDENTIAL | |
| - per 1,000 square feet of development | |
| (c) Retail | \$2,546 <u>\$2,647</u> |
| (c) Office | \$994 <u>\$1,033</u> |
| (c) Industrial/manufacturing | \$213 <u>\$221</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. 2695; 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;

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

Section 1. Repealer. Ordinance No. 2695 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 January 1, 2024.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Special Meeting thereof this _____ day of _____, 2023.

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 | \$3,629 <u>\$3,773</u> |
| (b) Multi-family | \$3,162 <u>\$3,287</u> |

COMMERCIAL/NON-RESIDENTIAL

- per 1,000 square feet of development

| | |
|---------------------------------|-----------------------------------|
| (c) Retail | \$1,660 <u>\$1,726</u> |
| (c) Office | \$1,496 <u>\$1,555</u> |
| (d) K-12 Educational Facilities | \$300 <u>312</u> |
| (c) Industrial/Manufacturing | \$830 <u>863</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

| YEAR | MONTH | CCI | %CHG |
|------|-----------|----------|------|
| 2023 | June | 15241.71 | 4.0 |
| 2023 | May | 15030.95 | 2.8 |
| 2023 | April | 15031.28 | 3.7 |
| 2023 | March | 15106.78 | 4.5 |
| 2023 | February | 15087.53 | 4.6 |
| 2023 | January | 15132.08 | 10.3 |
| 2023 | December | 15115.33 | 10.5 |
| 2023 | November | 15202.68 | 11.8 |
| 2023 | October | 15197.93 | 12.0 |
| 2023 | September | 15202.41 | 12.4 |
| 2023 | August | 14873.27 | 10.4 |
| 2023 | July | 14738.6 | 11.2 |
| 2022 | June | 14661.19 | 11.4 |
| 2022 | May | 14623.69 | 12.5 |
| 2022 | April | 14493.29 | 12 |
| 2022 | March | 14451.04 | 12.3 |
| 2022 | February | 14425.33 | 12.5 |
| 2022 | January | 13722.83 | 6.8 |
| 2021 | December | 13682.71 | 6.6 |
| 2021 | November | 13595.58 | 6.2 |
| 2021 | October | 13573.94 | 6.2 |
| 2021 | September | 13525.69 | 5.9 |
| 2021 | August | 13466.93 | 8.3 |
| 2021 | July | 13248.3 | 9.1 |
| 2021 | June | 13165.01 | 8.4 |