## **ORDINANCE NO. 1309**

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING TO IMPACT FEES; ADJUSTING SCHOOL IMPACT FEES AND GENERAL IMPACT FEE PROCESSES; AMENDING SECTIONS 19.12.010, 19.12.070, 19.12.080, 19.12.120, AND 19.12.170 OF THE GIG HARBOR MUNICIPAL CODE; REPEALING SECTION 19.12.130 AND REPLACING WITH NEW SECTION 19.12.130; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City has the authority to adopt impact fees to address the impact on school facilities caused by new development, pursuant to RCW 82.02.050 through 82.02.110; and

WHEREAS, the City and the Peninsula School District (District) entered into an Interlocal Agreement in April 2004 establishing duties and responsibilities of the parties with regard to implementation of school impact fees; and

WHEREAS, the entire limits of the City are located within the District's boundary; and

WHEREAS, the District has requested the City amend the school impact fee to correspond with the District's Six-Year Capital Facilities Plan for 2015-2020 and to be consistent with school impact fee changes recently made by Pierce County; and

WHEREAS, the District has requested the City adjust the school impact fee annually according to the Consumer Price Index for the Seattle/Tacoma/Bremerton Standard Metropolitan Statistical area; and

WHEREAS, recent changes in state law allow school, transportation, and park impact fees collected by the City be expended or encumbered for use within ten years instead of the previous six years; and

WHEREAS, as a general housekeeping measure, the City desires to make the process for appeals of all impact fees consistent with other City appeal processes;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, DOES ORDAIN AS FOLLOWS:

<u>Section 1.</u> Section 19.12.010(A) of the Gig Harbor Municipal Code is hereby amended to read as follows:

This chapter is enacted pursuant to the city's police powers, the Growth Management Act as codified in Chapter 36.70A RCW, the impact fee

statutes as codified in RCW 82.02.050 through 82.02.100 82.02.110, Chapter 58.17 RCW relating to platting and subdivisions, and the State Environmental Policy Act (SEPA), Chapter 43.21C RCW.

<u>Section 2</u>. Section 19.12.070 of the Gig Harbor Municipal Code is hereby amended to read as follows:

## 19.12.070 Fee schedules and establishment of service area.

- A. Impact fee schedules setting forth the amount of the impact fees to be paid by developers are listed in Appendix B for roads, and Appendix C for parks, and Appendix D\* for schools, attached to the ordinance codified in this chapter and incorporated herein by this reference.
- B. <u>Impact fees for schools to be paid by developers shall be as</u> follows:
- 1. The amount of the impact fees to be paid by developers for schools effective February 1, 2015 shall be:

Single-Family Residential \$3,270 per dwelling unit

Multi-Family Residential \$1,725 per dwelling unit

- 2. The amount of the impact fee shall automatically be adjusted on February 1 of each subsequent year according to the Consumer Price Index for the Seattle/Tacoma/Bremerton Standard Metropolitan Statistical area (utilities) and rounded to the nearest \$1, using January 2015 as the base year.
- 3. At no time shall the school impact fee imposed by the City exceed the impact fee calculation identified in the school district's Capital Facilities Plan adopted by the school district's Board of Directors.
- <u>C.</u> For the purpose of this chapter, the entire city shall be considered one service area.

<u>Section 3.</u> Section 19.12.080(A) of the Gig Harbor Municipal Code is hereby amended to read as follows:

Director Calculates the Fees. The director shall calculate the impact fees set forth in Appendices B and C, more specifically described in the Gig Harbor six-year road plan and the parks, open space and recreation plan. The superintendent shall calculate the school impact fees set forth in GHMC 19.12.070. Appendix D.\* The city council shall have the final

decision on the calculation of the impact fees to be imposed under this chapter as set forth in Appendices B and C.

<u>Section 4.</u> Section 19.12.120(E) of the Gig Harbor Municipal Code is hereby amended to read as follows:

The school district shall annually review and update its capital facilities portion of the city's comprehensive plan and submit such updated plan to the city by April July 1st of each year. The school district's updated capital facilities plan shall identify projects that are growth-related, include the amount of school impact fees paid, and may include a proposed school impact fee schedule adjustment.

<u>Section 5</u>. Section 19.12.130 of the Gig Harbor Municipal Code is hereby repealed in its entirety and replaced with the following new Section 19.12.130 to read as follows:

## 19.12.130 Funding of projects.

- A. Park and Transportation Funding
- An impact fee trust and agency fund is hereby created for parks and transportation fees. The director shall be the manager of the city's fund. The city shall place park and transportation impact fees in appropriate deposit accounts within the impact fee fund.
- 2. The parks and transportation impact fees paid to the city shall be held and disbursed as follows:
- The fees collected for each project shall be placed in a deposit account within the impact fee fund;
- b. When the council appropriates capital improvement project (CIP) funds for a park or transportation project on the project list, the park or transportation fees held in the impact fee fund shall be transferred to the CIP fund. The non-impact fee moneys appropriated for the project shall comprise both the public share of the project cost and an advancement of that portion of the private share that has not yet been collected in park or transportation impact fees;
- c. The first money spent by the director on a project after a council appropriation shall be deemed to be the fees from the impact fee fund;
- Fees collected after a project has been fully funded by means of one or more council appropriations shall constitute reimbursement to the city of

the funds advanced for the private share of the project. The public moneys made available by such reimbursement shall be used to pay the public share of other projects;

- All interest earned on impact fees paid shall be retained in the account and expended for the purpose or purposes for which the impact fees were imposed.
- 3. Projects shall be funded by a balance between impact fees and public funds, and shall not be funded solely by impact fees.
- 4. Impact fees shall be expended or encumbered for a permissible use for ten years after receipt, unless there exists an extraordinary or compelling reason for fees to be held longer than ten years. The director may recommend to the council that the city hold park or transportation fees beyond ten years in cases where extraordinary or compelling reasons exist. Such reasons shall be identified in written findings by the council.
- B. School District Funding
- 1. The school impact fees paid to the City shall be receipted by the City and transmitted to the school district on a monthly basis.
- 2. In accordance with Chapter 82.02 RCW, the school district shall be responsible for establishing and maintaining school impact fee accounts, expending school impact fees, and the refund of any such fees.
- C. The school district and the director shall prepare an annual report on the impact fee accounts showing the source and amount of all moneys collected, earned or received and projects that were financed in whole or in part by impact fees.

<u>Section 6.</u> Section 19.12.170(D)(1) of the Gig Harbor Municipal Code is hereby amended to read as follows:

An appeal of the impact fee after reconsideration may be filed without appealing the underlying permit. This procedure is exempt from the project permit processing requirements in Chapters 19.01 through 19.06 GHMC, pursuant to RCW 36.70B.140. If the developer files an appeal of the underlying permit and the impact fee, the city may consolidate the appeals.

<u>Section 7. Severability</u>. If any section, sentence, clause or phrase of this ordinance should be held to be unconstitutional by a court of competent jurisdiction,

such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

<u>Section 8</u>. <u>Effective Date</u>. This ordinance shall take effect and be in full force and effect on February 1, 2015 and after passage and publication of an approved summary consisting of the title.

PASSED by the Council and approved by the Mayor of the City of Gig Harbor, this 26th day of January 2015.

CITY OF GIG HARBOR

Mayor Jill Guernsey

ATTEST/AUTHENTICATED:

Molly M. Towslee, City Clerk

APPROVED AS TO FORM: Office of the City Attorney

Angela G. Summerfield

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