ORDINANCE 0-4761

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO PARK IMPACT FEES.

WHEREAS, the Washington State Legislature passed the Growth Management Act of 1990 and 1991, RCW 36.70A et seq. and RCW 82.02 et seq. (the "Act"), which authorizes the collection of impact fees on development activity to provide for the creation and maintenance of publicly owned parks, open space, and recreation facilities to serve new development (hereinafter referred to as "park impact fees"); and

WHEREAS, by Ordinance O-3703, the City Council of the City of Kirkland adopted its first park impact fee ordinance, which has since been amended; and

WHEREAS, the City Council finds that new development will create additional demand and need for additional publicly owned parks, open space, and recreation facilities, and that the City's current park impact fees should be updated to meet this new and additional demand; and

WHEREAS, the City prepared a study dated December 2020 by FCS Group to set the City's new park impact fees. Based on this study the Council determines that the City's park impact fee rate schedule should be increased by the same percentage increase as the assessed value increase, which has increased 80.74% since the City last set its rate schedule; and

WHEREAS, Council wishes to phase in the new rate schedule over a three-year period with the first increase being effective on January 1, 2022; the second increase being effective on January 1, 2023; and the third increase being effective on January 1, 2024. A three-year phase-in recognizes that the City will be updating its Comprehensive Plan and the related master plans in 2022-2023. This update will extend the planning horizon to 2043, will recognize growth to date and revised growth targets, and will identify needed public parks, open space and recreation facilities to serve that growth; and

WHEREAS, Council has chosen not to add a non-residential component to the park impact fee at this time as Council has determined it will not materially reduce the residential fees; and

WHEREAS, the City previously included the development of residential suites in the same category as multi-family development, but is including it as a separate category now as the new study calculated a lower fee specific to that use; and

 WHEREAS, impact fees may only be imposed for "system improvements," meaning public capital facilities in the City's capital facilities plan that are designed to provide service to the community at large (not private facilities), are reasonably related to new development, and will benefit from the new development, WAC 365-196-850; and

WHEREAS, the Act states that impact fees may only be collected for system improvements which are addressed by a capital facilities element of a comprehensive land use plan; and

WHEREAS, the City has prepared a Capital Facilities Plan in compliance with the Act and has plans to update the Capital Facilities Plan in the future to support the phased increases to the park impact fee rate schedule.

NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:

<u>Section 1</u>. Kirkland Municipal Code Section 27.06.120 is amended to read as follows:

27.06.120 Review of schedule and fee increases.

(a) The schedule in Section 27.06.150 will be amended to reflect changes to the capital facilities plan in Chapter XIII of Title 17 of this code (the comprehensive plan). Amendments to the schedule for this purpose shall be adopted by the council.

- (ab) The fees on the schedule in Section 27.06.150 shall may be indexed to provide for an automatic fee increase each January 1st beginning in the year—2017_2025. The June to June Seattle-Tacoma-Bremerton—Bellevue Area Consumer Price Index (CPI-W) will be used to determine the increase in fees for each year to reflect increased project costs. In the event that the fees on the schedule in Section 27.06.150 are increased during the preceding calendar year due to changes to the capital facilities plan—a new rate study pursuant to subsection (ab) of this section, the fees will not be indexed the following January. The finance and administration department shall compute the fee increase and the new schedule shall become effective immediately after the annual fee increase calculation.
- (be) A new rate study, which establishes the schedule in Section 27.06.150, shall be updated every three years, unless the city determines that circumstances do not warrant an update.

<u>Section 2</u>. Kirkland Municipal Code Section 27.06.150 is amended to read as follows:

27.06.150 Fee schedule.

The impact fee schedule below is based on the city's latest rate study. The fee for each year is effective as of January 1st of that year. As authorized under Section 27.06.120(b), the schedule may

automatically increase each January 1st based on the CPI-W

Park Impact Fee Schedule

Type of Land Use	Impact iee	Per Unit
Detached unit	\$3,968	Dwelling unit
Attached, stacked, senior or assisted living unit development, and cottage, carriage and two-/three-unit homes approved under Chapter 113 KZC	\$3,015	Dwelling unit

Index. See the public works department's fee schedule for the current impact fee.

Park Impact Fee Schedule	<u>Unit</u>	<u>Current</u> <u>Fee</u>	<u>Year</u> 2022 Fee	<u>Year</u> 2023 Fee	<u>Year</u> 2024 Fee
Single-Family Residential	Per Dwelling Unit	<u>\$4,435</u>	<u>\$5,629</u>	\$6,822	<u>\$8,016</u>
Multifamily	Per Dwelling Unit	<u>\$3,371</u>	<u>\$4,278</u>	<u>\$5,186</u>	<u>\$6,093</u>
Residential Suites	Per Dwelling Unit	<u>\$0</u>	<u>\$2,264</u>	<u>\$2,744</u>	<u>\$3,224</u>

<u>Section 3</u>. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.

Section 4. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication pursuant to Section 1.08.017, Kirkland Municipal Code in the summary form attached to the original of this ordinance and by this reference approved by the City Council.

110 111 112	Passed by majority vote of the Kirkland City Council in open meeting this 6 day of July, 2021.				
113	Signed in authentication thereof this 6 day of July, 2021.				
	Penny Sweet, Mayor				
	Attest:				
	Kathi Anderson, City Clerk				
	Approved as to Form:				
	Kevin Raymond, City Attorney				
	Publication Date: 07/12/2021				

PUBLICATION SUMMARY OF ORDINANCE NO. 4761

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO PARK IMPACT FEES.

<u>SECTION 1</u>. Amends Kirkland Municipal Code Section 27.06.120 related to park impact fee schedule review and fee increases.

<u>SECTION 2</u>. Amends Kirkland Municipal Code Section 27.06.150 by amending rates for park impact fees.

SECTION 3. Provides a severability clause for the ordinance.

<u>SECTION 4</u>. Authorizes publication of the ordinance by summary, which summary is approved by the City Council pursuant to Section 1.08.017 Kirkland Municipal Code and establishes the effective date as five days after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the 6 day of July, 2021.

I certify that the foregoing is a summary of Ordinance 4761 approved by the Kirkland City Council for summary publication.

Kathi Anderson, City Clerk