

SUBSTITUTE ORDINANCE O-4901

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO PARK AND FIRE IMPACT FEES, AMENDING SECTIONS OF CHAPTERS 27.06 AND 27.10 OF THE KIRKLAND MUNICIPAL CODE, AND ESTABLISHING NEW FEE SCHEDULE FOR THE CITY'S PARKS AND FIRE IMPACT FEES.

1 WHEREAS, RCW 82.02.050(2) authorizes cities that are required to plan under RCW
2 36.70A.040, which includes the City of Kirkland, to impose impact fees on development activity
3 to provide fire protection facilities, and for the creation and maintenance of publicly owned
4 parks, open space, and recreation facilities to serve new development; and
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6 WHEREAS, in 2023, the Washington State Legislature added a new section, RCW
7 36.70A.681, to the Growth Management Act, stating in relevant part that cities may not assess
8 impact fees on accessory dwelling units that are greater than 50 percent of the impact fees
9 that would be imposed on the principal unit; and
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11 WHEREAS, also in 2023, the Washington State Legislature amended RCW
12 82.02.060(1) to require that impact fees reflect the proportionate impact of new housing units
13 based on the square footage, number of bedrooms, or trips generated, in the housing unit in
14 order to produce a proportionally lower impact fee for smaller housing units and that such
15 proportional fees be in effect six months after the City's next periodic comprehensive plan
16 update; and
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18 WHEREAS, in December 2024, the City adopted amendments to its Comprehensive
19 Plan, pursuant to the provisions of RCW 36.70A.070, to address growth and development in
20 the City through 2044; and
21

22 WHEREAS, the City has calculated park and fire impact fees for system improvements
23 to ensure that new development pays its proportionate share of the costs of public facilities
24 needed to serve new growth and development based on the proportionate impact based on
25 trips generated, as provided in RCW 82.02.060(1), and elects to defer full implementation of
26 the full fees over a period of years.
27

28 NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:
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30 Section 1. Kirkland Municipal Code (KMC) 27.06.020, and the corresponding portions
31 of Ordinance O-4503 §1 (2015), relating to park impact fees, is amended as follows, with new
32 text shown in underline and deleted text shown in ~~strikethrough~~:
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34 **27.06.020 Definitions.**
35

36 The following words and terms shall have the following meanings unless the context clearly
37 requires otherwise. Terms otherwise not defined herein shall be defined pursuant to
38 RCW 82.02.090, or given their usual and customary meaning.
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40 (a) "Act" means the Growth Management Act, Chapter 36.70A RCW.
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42 (b) "Applicant" means the owner of real property according to the records of the King County
43 recorder's office, or the applicant's authorized agent.
44

45 (c) "Building permit" means the official document or certification that is issued by the planning
46 and building department and authorizes the construction, alteration, enlargement, conversion,

47 reconstruction, remodeling, rehabilitation, erection, tenant improvement, demolition, moving or
48 repair of a building or structure.

49
50 (d) "Capital facilities" means the facilities or improvements included in the capital facilities plan.

51
52 (e) "Capital facilities plan" means the capital facilities plan element of the city's comprehensive
53 plan adopted pursuant to Chapter 36.70A RCW, and such plan as amended.

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55 (f) "City" means the city of Kirkland, Washington.

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57 (g) "Council" means the city council of the city.

58
59 (h) "Department" means the parks and community services department.

60
61 (i) "Director" means the director of the planning and building department, or the director's
62 designee.

63
64 (j) "Encumbered" means to reserve, set aside or otherwise earmark the impact fees in order to
65 pay for park planning, design, land surveys and acquisition, engineering, permitting, financing,
66 administrative expenses, construction of parks and related facilities and any other
67 commitments, contractual obligations or other liabilities incurred for public facilities.

68
69 (k) "Hearing examiner" means the person who exercises the authority of Kirkland Municipal
70 Code Chapter 3.34.

71
72 (l) "Impact fee" means a payment of money imposed by the city on an applicant prior to
73 issuance of a building permit in order to pay for the public facilities needed to serve new
74 residential growth and development. "Impact fee" does not include a reasonable permit fee or
75 application fee.

76
77 (m) "Impact fee account" or "account" means the account established for the system
78 improvement for which impact fees are collected. The account shall be established pursuant
79 to this chapter, and shall comply with the requirements of RCW 82.02.070.

80
81 (n) "Independent fee calculation" means the study or data submitted by an applicant to support
82 the assessment of an impact fee other than the fee in the schedule in Section 27.06.150.

83
84 (o) "Interest" means the interest rate earned by local jurisdictions in the State of Washington
85 Local Government Investment Pool, if not otherwise defined.

86
87 (p) "Interlocal agreement" or "agreement" means a park interlocal agreement, authorized in
88 this chapter, by and between the city and other government agencies concerning the collection
89 and expenditure of impact fees, or any other interlocal agreement entered by and between the
90 city and another municipality, public agency or governmental body to implement the provisions
91 of this chapter.

92
93 (q) "Low-income housing" means: (1) an owner-occupied housing unit affordable to
94 households whose household income is less than eighty percent of the King County median
95 income, adjusted for household size, as determined by the United States Department of
96 Housing and Urban Development (HUD), and where no more than thirty percent of the
97 household income is paid for housing expenses, or (2) a renter-occupied housing unit

98 affordable to households whose income is less than sixty percent of the King County median
 99 income, adjusted for household size, as determined by HUD, and where no more than thirty
 100 percent of the household income is paid for housing expenses (rent and an appropriate utility
 101 allowance). In the event that HUD no longer publishes median income figures for King County,
 102 the city may use or determine such other method as it may choose to determine the King
 103 County median income, adjusted for household size. The director will make a determination of
 104 sales prices or rents which meet the affordability requirements of this section. An applicant for
 105 a low-income housing exemption may be a public housing agency, a private nonprofit housing
 106 developer or a private developer.

107
 108 (r) "Owner" means the owner of real property according to the records of the King County
 109 recorder's office; provided, that if the real property is being purchased under a recorded real
 110 estate contract, the purchaser shall be considered the owner of the real property.

111
 112 (s) "Parks" means parks, open space, trails and recreational facilities.

113
 114 (t) "Project improvements" means site improvements and facilities that are planned and
 115 designed to provide service for a particular development or users of a project, and are not
 116 system improvements. No improvement or facility included in the capital facilities plan shall be
 117 considered a project improvement.

118
 119 (u) "Public facilities" means the public parks, open space, trails, and recreational facilities.

120
 121 (v) "Rate study" means the "Rate Study for Impact Fees for Parks and Recreational Facilities,"
 122 city of Kirkland, by Henderson, Young and Company, dated August 13, 2015, as updated and
 123 amended from time to time.

124
 125 ~~(w) "Residential" means housing, such as detached, attached or stacked units (includes~~
 126 ~~cottage, carriage and two /three-unit homes approved under Chapter 113 KZC), and senior~~
 127 ~~and assisted living units intended for occupancy by one or more persons and not offering other~~
 128 ~~services. For the purpose of this chapter, an accessory dwelling unit as regulated in~~
 129 ~~Chapter 115 KZC is considered an adjunct to the associated primary structure and is not~~
 130 ~~charged a separate impact fee.~~

131
 132 (w) "Residential non-stacked" means any dwelling unit considered an attached dwelling unit,
 133 as defined in KZC 5.255 or a detached dwelling unit as defined by KZC 5.260. For the purpose
 134 of this chapter, an accessory dwelling unit as regulated in Chapter 115 KZC is considered a
 135 separate dwelling unit and charged a separate impact fee.

136
 137 (x) "Residential stacked" means any dwelling unit as defined in KCZ 5.265.

138
 139 ~~(y)~~ "System improvements" means public facilities included in the capital facilities plan and
 140 designed to provide service to service areas within the community at large, in contrast to
 141 project improvements.

142 Section 2. KMC 27.06.030, and the corresponding portions of Ordinance O-4503 §2
143 (2015), relating to park impact fees, is amended as follows:

144
145 **27.06.030 Assessment of impact fees.**

146
147 (a) The city shall collect impact fees, based on the schedule in Section 27.06.150, from any
148 applicant seeking a building permit from the city.

149
150 (b) All impact fees shall be collected from the applicant prior to issuance of the building permit.
151 Unless the use of an independent fee calculation has been approved, or unless a development
152 agreement entered into pursuant to RCW 36.70B.170 provides otherwise, the fee shall be
153 calculated based on the impact fee schedule in effect at the time a complete building permit
154 application is filed.

155
156 (c) The city shall establish the impact fee rate for a land use that is not listed on the rate
157 schedule set forth in Section 27.06.150. The applicant shall submit all information requested
158 by the department for purposes of determining the impact fee rate pursuant to Section
159 27.06.040.

160
161 (d) For building permits for mixed use developments, impact fees shall be imposed on the
162 residential component of the development found on the schedule in Section 27.06.150.

163
164 (e) For building permits within new subdivisions approved under Kirkland Municipal Code
165 Title 22 (Subdivisions), a credit shall be applied for the square footage of any dwelling unit that
166 exists on the land within the subdivision prior to the subdivision if the dwelling unit is
167 demolished. The credit for that square footage shall apply to the first complete building permit
168 application submitted to the city subsequent to the demolition of the existing dwelling unit,
169 unless otherwise allocated by the applicant of the subdivision as part of approval of the
170 subdivision.

171
172 (f) At the time of issuance of any detached or attached residential building permit, the applicant
173 may elect to have the impact fee payment deferred until the building permit is complete or
174 eighteen months after issuance of the building permit, whichever occurs first. The impact fee
175 due and owing, less any credits awarded, shall be paid prior to building permit final inspection,
176 building permit final occupancy, or eighteen months after the date of building permit issuance,
177 whichever is applicable. Applicants electing to use this deferred impact fee process shall pay
178 a two-hundred-forty-dollar administration fee with each respective building permit prior to
179 issuance of such building permit.

180
181 (g) Except as otherwise provided in this section, the city shall not issue any building permit
182 unless and until the impact fee has been paid.

183
184 (h) The payment of impact fees may be delayed through a development agreement approved
185 by the city council pursuant to Chapter 36.70B RCW, provided the following criteria are met:

186
187 (1) Payment of fees may be delayed to no later than issuance of the certificate of
188 occupancy;

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190 (2) The development agreement shall provide mechanisms, such as withholding of
191 the certificate of occupancy and/or property liens, to assure that the city will collect the
192 deferred fees;

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(3) The delay shall not reduce the availability of funds to implement the city's adopted capital improvement program in a timely manner; and

(4) Projects must provide significant public benefit, including but not limited to:

- (A) Projects that implement adopted city council goals;
- (B) Projects with economic benefit to the city;
- (C) Projects that involve partnerships with other governmental agencies; and
- (D) Projects that include affordable housing as defined by the Kirkland Zoning Code.

(i) For any alteration, expansion, enlargement, remodeling, rehabilitation, or conversion of an existing structure, the impact fee shall be assessed based on the net new square footage added to the structure.

(j) For any replacement of an existing structure, a credit shall be applied for the square footage of the existing structure being replaced, provided the existing structure is demolished and that the replacement occurs within five years of the demolition of the prior structure.

(k) For any credit granted for an existing structure under this chapter, the square footage of the existing structure shall be based on property information utilized by the King County Department of Assessments.

(l) To ensure compliance with RCW 36.70A.681(1)(a), the impact fee assessed on the construction of an accessory dwelling unit regulated in Chapter 115 KZC will not be greater than 50 percent of the impact fee that would be imposed on the principal unit.

Section 3. KMC 27.06.050, and the corresponding portions of Ordinance O-4641 §2 (2018), relating to park impact fees, is amended as follows:

27.06.050 Exemptions.

(a) The following building permit applications shall be exempt from impact fees:

~~(1) Replacement, alteration, expansion, enlargement, remodeling, rehabilitation or conversion of an existing dwelling unit where no additional units are created. Replacement must occur within five years of the demolition or destruction of the prior structure. For replacement of structures in a new subdivision, see Section 27.06.030(e).~~

~~(1.2)~~ Any building permit for a legal accessory dwelling unit approved under Title 23 of this code, the Kirkland Zoning Code, with a floor area of 800 square feet or fewer.

~~(2.3)~~ Miscellaneous improvements, including but not limited to fences, walls, swimming pools, mechanical units, and signs.

~~(3.4)~~ Demolition or moving of a structure.

~~(4.5)~~(A) Any applicant for the construction or creation of low-income housing may request an exemption of eighty percent of the required impact fee for low-

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income housing units subject to the criteria in subsection ~~(a)(5)(C)~~ of this section.

(B) Any applicant for an exemption from the impact fee which meets the criteria set forth in subsection ~~(a)(5)(C)~~ of this section shall apply to the city manager for an exemption. The application shall be on forms provided by the city and shall be accompanied by all information and data the city deems necessary to process the application.

(C) Exemption Criteria. To be eligible for the impact fee exemption established by this section, the applicant shall meet each of the following criteria:

(i) The applicant must be proposing a greater number of low-income housing units or a greater level of affordability for those units than is required by the Kirkland Zoning Code and/or the Kirkland Municipal Code. The allowed exemption shall only apply to those units in excess of the minimum required by code unless the development will be utilizing public assistance targeted for low-income housing.

(ii) The applicant must demonstrate to the city manager's satisfaction that the amount of the impact fee exemption is justified based on the additional affordability provided above that required by code and is necessary to make the project economically viable.

(iii) The proposed housing must meet the goals and policies set forth in Section VII of the city of Kirkland comprehensive plan.

(D) The city manager shall review applications for exemptions under subsection ~~(a)(5)(A)~~ of this section pursuant to the above criteria and shall advise the applicant, in writing, of the granting or denial of the application. In addition, the city manager shall notify the city council when such applications are granted or denied.

(E) The determination of the city manager shall be the final decision of the city with respect to the applicability of the low-income housing exemption set forth in this subsection.

(F) Any claim for exemption must be made before payment of the impact fee. Any claim not so made shall be deemed waived. The claim for exemption must be accompanied by a draft lien and covenant against the property guaranteeing that the low-income housing use will continue. Before approval of the exemption, the planning and building department shall approve the form of lien and covenant, which shall, at a minimum, meet the requirements of RCW 82.02.060. Prior to issuance of a certificate of occupancy for any portion of the development, the applicant shall execute and record the approved lien and covenant with the King County recorder's office. The lien and covenant shall run with the land. In the event the property is no longer used for low-income housing, the current owner shall pay the current impact fee plus interest to the date of the payment.

295 (5) Buildings or structures constructed as shelters that provide emergency housing
 296 for people experiencing homelessness and emergency shelters for victims of domestic
 297 violence as defined by state law.

298 (b) Unless otherwise established in this section, the director shall be authorized to determine
 299 whether a particular development for a proposed building permit falls within an exemption of
 300 this chapter or of this code. Determinations of the director shall be subject to the appeals
 301 procedures set forth in Section 27.06.130.
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304 Section 4. KMC 27.06.150, and the corresponding portions of Ordinance O-4761 §2
 305 (2021), relating to park impact fees, is amended as follows:
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307 **27.06.150 Fee schedule.**
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309 The impact fee schedule below is based on the city's latest rate study. As authorized under
 310 KMC 27.06.120(a), the fees on the schedule may be increased at the discretion of the Director
 311 of Finance and Administration each January 1st based on the June-to-June Seattle-Tacoma-
 312 Bellevue Area CPI-W. The fee for each year is effective as of January 1st of that year. See the
 313 public works department's fee schedule for the current impact fee.
 314

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

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<u>Park Impact Fee Schedule</u>	<u>Unit</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
<u>Residential Non-Stacked</u>	<u>sq ft</u>	<u>\$5.04</u>	<u>\$5.04</u>	<u>\$5.04</u>
<u>Maximum Residential Non-Stacked Fee</u>	<u>dwelling unit</u>	<u>\$9,072.00</u>	<u>\$10,206.00</u>	<u>\$11,340.00</u>
<u>Residential Stacked</u>	<u>sq ft of gross floor area</u>	<u>\$5.04</u>	<u>\$5.04</u>	<u>\$5.04</u>
<u>Accessory Dwelling Unit >800 sq ft (Residential Non-Stacked)</u>	<u>sq ft</u>	<u>\$0.00</u>	<u>\$2.52</u>	<u>\$5.04</u>
<u>Cottages (Residential Non-Stacked)</u>	<u>sq ft</u>	<u>\$3.69</u>	<u>\$4.37</u>	<u>\$5.04</u>

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317 Section 5. KMC 27.10.020, and the corresponding portions of Ordinance O-4758 §1
 318 (2021), relating to fire impact fees, is amended as follows:

319
 320 **27.10.020 Definitions.**

321
 322 The following words and terms shall have the following meanings unless the context clearly
 323 requires otherwise. Terms otherwise not defined herein shall be defined pursuant to
 324 RCW 82.02.090, or given their usual and customary meaning.

325
 326 (a) "Act" shall mean the Growth Management Act, Chapter 36.70A RCW.

327
 328 (b) "Applicant" means the owner of real property according to the records of the King County
 329 department of records and elections, or the applicant's authorized agent.

330
 331 (c) "Building permit" means the official document or certification that is issued by the planning
 332 and building department and that authorizes the construction, alteration, enlargement,
 333 conversion, reconstruction, remodeling, rehabilitation, erection, tenant improvement,
 334 demolition, moving or repair of a building or structure.

335
 336 (d) "Capital facilities" means the facilities or improvements included in the capital facilities plan.

337
 338 (e) "Capital facilities plan" means the capital facilities plan element of the city's comprehensive
 339 plan adopted pursuant to Chapter 36.70A RCW, and such plan as amended.

340
 341 (f) "City" means the city of Kirkland.

342
 343 (g) "Council" means the city council of Kirkland.

344
 345 (h) "Conditioned floor area" has the same meaning as it is defined in Chapter 2, Section R202
 346 of the 2021 Washington State Energy Code.

347
 348 (i) "Department" means the fire department.

349
 350 (j) "Director" means the director of the planning and building department, or the director's
 351 designee.

352
 353 (k) "Fire protection facilities" means fire stations, fire training facilities and structures, fire trucks
 354 and apparatus, and any furnishings and equipment that are used with fire stations, fire training
 355 facilities and structures, fire trucks and apparatus which can be capitalized.

356
 357 (l) "Fire protection system improvements" means fire protection facilities that will benefit new
 358 development and that have been included in the city of Kirkland's capital facilities plan and are
 359 designed to provide service to service areas within the community at large (not private
 360 facilities).

361
 362 (m) "Gross floor area" is the total square footage of all floors in a structure as defined in
 363 Chapter 5 KZC.

364
 365 (n) "Hearing examiner" means the person who exercises the authority of Chapter 3.34.
 366

367 (q~~a~~) "Impact fee" means a payment of money imposed by the city on an applicant prior to
 368 issuance of a building permit as a condition of granting a building permit in order to pay for the
 369 public facilities needed to serve new growth and development. "Impact fee" does not include a
 370 reasonable permit fee or application fee.

371
 372 (p~~e~~) "Impact fee account" or "account" means the account established for the fire protection
 373 facilities' impact fees collected. The account shall be established pursuant to this chapter and
 374 shall comply with the requirements of RCW 82.02.070.

375
 376 (g~~p~~) "Independent fee calculation" means the study of data submitted by an applicant to
 377 support the assessment of an impact fee other than the fee in the schedule attached as set
 378 forth in Section 27.10.150.

379
 380 (r~~i~~) "Interest" means the interest rate earned by local jurisdictions in the State of Washington
 381 Local Government Investment Pool, if not otherwise defined.

382
 383 (s~~f~~) "Low-income housing" means (1) an owner-occupied housing unit affordable to
 384 households whose household income is less than eighty percent of the King County median
 385 income, adjusted for household size, as determined by the United States Department of
 386 Housing and Urban Development (HUD), and no more than thirty percent of the household
 387 income is paid for housing expenses, or (2) a renter-occupied housing unit affordable to
 388 households whose income is less than sixty percent of the King County median income,
 389 adjusted for household size, as determined by HUD, and no more than thirty percent of the
 390 household income is paid for housing expenses (rent and appropriate utility allowance). In the
 391 event that HUD no longer publishes median income figures for King County, the city may use
 392 or determine such other method as it may choose to determine the King County median
 393 income, adjusted for household size. The director will make a determination of sales prices or
 394 rents which meet the affordability requirements of this section. An applicant for a low-income
 395 housing exemption may be a public housing agency, a private non-profit housing developer or
 396 a private developer.

397
 398 (t~~s~~) "Multifamily dwelling" means attached, stacked, duplex, or assisted living unit as defined
 399 in Chapter 5 of Title 23 (Zoning Code) and cottage, carriage and two/three-unit homes
 400 approved under Chapter 113 of Title 23 (Zoning Code).

401
 402 (u~~t~~) "Owner" means the owner of real property according to the records of the King County
 403 recorder's office; provided, that if the real property is being purchased under a recorded real
 404 estate contract, the purchaser shall be considered the owner of the real property.

405
 406 (u) "~~Residential~~" means ~~housing, such as detached, attached or stacked dwelling units~~
 407 ~~(includes cottage, carriage and two/three-unit homes approved under Chapter 113-KZC, and~~
 408 ~~senior and assisted dwelling units intended for occupancy by one or more persons and not~~
 409 ~~offering other services). For the purpose of this chapter, an accessory dwelling unit, regulated~~
 410 ~~in Chapter 115-KZC, is considered an adjunct to the associated primary structure, and is not~~
 411 ~~charged a separate impact fee.~~

412
 413 (v) "Residential non-stacked" means any dwelling unit considered an attached dwelling unit as
 414 defined in KZC 5.255 or a detached dwelling unit as defined by KZC 5.260. For the purpose of
 415 this chapter, an accessory dwelling unit, regulated in Chapter 115 KZC, is considered an
 416 adjunct to the associated primary structure, and is not charged a separate impact fee

417

418 (w) "Residential stacked" means any dwelling unit as defined in KZC 5.265.

419

420 ~~(w) "Square footage" means the square footage of the gross floor area of the development as~~
421 ~~defined in Chapter 5-KZC.~~

422

423 ~~(xv) "Single-family dwelling" means detached living unit as defined in Chapter 5 of Title 23~~
424 ~~(Zoning Code).~~

425

426

427 Section 6. KMC 27.10.030, and the corresponding portions of Ordinance O-4758 §1
428 (2021), relating to fire impact fees, is amended as follows:

429

430 **27.10.030 Assessment of impact fees.**

431

432 (a) The city shall collect impact fees, based on the fee schedule in Section 27.10.150, from
433 any applicant seeking a building permit from the city.

434

435 (b) All impact fees shall be collected from the applicant prior to issuance of the building permit
436 based on the land use categories in Section 27.10.150. Unless the use of an independent fee
437 calculation has been approved by the director, or unless a development agreement entered
438 into pursuant to RCW 36.70B.170 provides otherwise, the fee shall be calculated based on the
439 impact fee schedule in effect at the time a complete building permit application is filed.

440

441 (c) The city shall establish the impact fee rate for a land use that is not listed on the rate
442 schedule in Section 27.10.150. The applicant shall submit all information requested by the
443 department for purposes of determining the impact fee rate pursuant to Section 27.10.040.

444

445 (d) For mixed use buildings or developments, impact fees shall be imposed for the
446 proportionate share of each land use based on the applicable unit of measurement found on
447 the schedule in Section 27.10.150.

448

449 (e) For building permits within new subdivisions approved under Title 22 (Subdivisions), a
450 credit shall be applied for the square footage of any dwelling unit that exists on the land within
451 the subdivision prior to the subdivision if the dwelling unit is demolished. The credit for that
452 square footage shall apply to the first complete building permit application submitted to the city
453 subsequent to demolition of the existing dwelling unit, unless otherwise allocated by the
454 applicant of the subdivision as part of approval of the subdivision.

455

456 (f) At the time of issuance of any single-family detached or attached residential building permit,
457 the applicant may elect to have the impact fee payment deferred until the building permit is
458 completed or eighteen months after issuance of the building permits, whichever occurs first.
459 The impact fee due and owing per subsection (c) of this section shall be paid prior to building
460 permit final inspection, building permit final occupancy, or eighteen months after the date of
461 building permit issuance, whichever is applicable. Applicants electing to use this deferred
462 impact fee process shall pay a two-hundred-forty-dollar administration fee with each respective
463 building permit prior to issuance of such building permit.

464

465 (g) Except as otherwise provided in this section, the city shall not issue any building permit
466 unless and until the impact fee has been paid.

467

468 (h) The payment of impact fees may be delayed through a development agreement approved
 469 by the city council pursuant to Chapter 36.70B RCW, provided the following criteria are met:

470
 471 (1) Payment of fees may be delayed to no later than issuance of the certificate of
 472 occupancy;

473
 474 (2) The development agreement shall provide mechanisms, such as withholding of
 475 the certificate of occupancy and/or property liens, to assure that the city will collect the
 476 deferred fees;

477
 478 (3) The delay shall not reduce the availability of funds to implement the city's adopted
 479 capital improvement program in a timely manner; and

480
 481 (4) Projects must provide significant public benefit, including but not limited to:

482 (A) Projects that implement adopted city council goals;

483 (B) Projects with economic benefit to the city;

484 (C) Projects that involve partnerships with other governmental agencies; and

485 (D) Projects that include affordable housing as defined by the Kirkland Zoning
 486 Code.

487
 488 (i) For any alteration, expansion, enlargement, remodeling, rehabilitation, or conversion of an
 489 existing structure, the impact fee shall be assessed based on the net new square footage
 490 added to the structure.

491
 492 (j) For any replacement of an existing structure, a credit shall be applied for the square footage
 493 of the existing structure being replaced, provided the existing structure is demolished and that
 494 the replacement occurs within five years of the demolition of the prior structure.

495
 496 (k) For any credit granted for an existing structure under this chapter, the square footage of
 497 the existing structure shall be based on property information utilized by the King County
 498 Department of Assessments.

499
 500 (l) To ensure compliance with RCW 36.70A.681(1)(a), the impact fee assessed on the
 501 construction of an accessory dwelling unit regulated in Chapter 115 KZC will not be greater
 502 than 50 percent of the impact fee that would be imposed on the principal unit.

503
 504 (m) When an attached accessory dwelling unit, as regulated in Chapter 115 KZC, is added
 505 or constructed as part of a single-family dwelling unit, the attached accessory dwelling unit will
 506 be considered together with the single-family dwelling unit for purposes of applying the
 507 maximum impact fee cap stated in the schedule in KMC 27.10.150.

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 509
 510 Section 7. KMC 27.10.050, and the corresponding portions of Ordinance O-4758 §1
 511 (2021), relating to fire impact fees, is amended as follows:

512
 513 **27.10.050 Exemptions.**

514
 515 (a) The following building permit applications shall be exempt from impact fees:

516
 517 (1) Replacement of a structure with a new structure of the same gross floor area at
 518 the same site or lot when such replacement occurs within five years of the demolition

519 or destruction of the prior structure. For replacement of structures in a new subdivision,
520 see Section 27.10.030(e).

521
522 ~~(2) Replacement, alteration, expansion, enlargement, remodeling, rehabilitation, or~~
523 ~~conversion of an existing dwelling unit where no additional units are created.~~

524
525 (2 3) Any building permit for a legal accessory dwelling unit approved under Title 23,
526 the Kirkland Zoning Code, with a floor area of 800 square feet or fewer as it is
527 considered part of the single family use associated with this fee.

528
529 (3 4) Alteration of an existing nonresidential structure that does not expand the usable
530 space.

531
532 (4 5) Miscellaneous improvements, including but not limited to fences, walls,
533 swimming pools, mechanical units, and signs.

534
535 (5 6) Demolition or moving of a structure.

536
537 (6 7)(A) Any applicant for the construction or creation of low-income housing may
538 request an exemption of eighty percent of the required impact fee for low-income
539 housing units subject to the criteria in subsection ~~(a)(7)(C)~~ of this section.

540
541 (B) Any applicant for an exemption from the impact fees which meets the criteria
542 set forth in subsection ~~(a)(7)(C)~~ of this section shall apply to the city manager for an
543 exemption. The application shall be on forms provided by the city and shall be
544 accompanied by all information and data the city deems necessary to process the
545 application.

546
547 (C) Exemption Criteria. To be eligible for the impact fee exemption established by
548 this section, the applicant shall meet each of the following criteria:

549
550 (i) The applicant must be proposing a greater number of low-income housing
551 units or a greater level of affordability for those units than is required by the
552 Kirkland Zoning Code and/or the Kirkland Municipal Code. The allowed
553 exemption shall only apply to those low-income units in excess of the minimum
554 required by code unless the development will be utilizing public assistance
555 targeted for low-income housing.

556
557 (ii) The applicant must demonstrate to the city manager's satisfaction that
558 the amount of the impact fee exemption is justified based on the additional
559 affordability provided above that required by code and is necessary to make
560 the project economically viable.

561
562 (iii) The proposed housing must meet the goals and policies set forth in
563 Section VII of the city of Kirkland comprehensive plan.

564
565 (D) The city manager shall review applications for exemptions under subsection
566 ~~(a)(7)(A)~~ of this section pursuant to the above criteria and shall advise the applicant,
567 in writing, of the granting or denial of the application. In addition, the city manager
568 shall notify the city council when such applications are granted or denied.
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(E) The determination of the city manager shall be the final decision of the city with respect to the applicability of the low-income housing exemption set forth in this subsection.

(F) Any claim for exemption must be made before payment of the impact fee. Any claim not so made shall be deemed waived. The claim for exemption must be accompanied by a draft lien and covenant against the property guaranteeing that the low-income housing use will continue. Before approval of the exemption, the planning and building department shall approve the form of lien and covenant, which shall, at a minimum, meet the requirements of RCW 82.02.060. Prior to issuance of a certificate of occupancy for any portion of the development, the applicant shall execute and record the approved lien and covenant with the King County recorder's office. The lien and covenant shall run with the land. In the event the property is no longer used for low-income housing, the current owner shall pay the current impact fee plus interest to the date of the payment.

(7.8)(A) Development activities of community-based human services agencies which meet the human services needs of the community such as providing employment assistance, food, shelter, clothing, or health services for low- and moderate-income residents.

(B) Any applicant for an exemption from the impact fee which meets the criteria set forth in subsection (a)(8)(C) of this section shall apply to the city manager for an exemption. The application shall be on forms provided by the city and shall be accompanied by all information and data the city deems necessary to process the application.

(C) Exemption Criteria. To be eligible for the impact fee exemption established by this section, the applicant shall meet each of the following criteria:

(i) The applicant must have secured federal tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

(ii) The applicant's services must be responsive to the variety of cultures and languages that exist in the city.

(iii) The applicant must provide services and programs to those considered most vulnerable and/or at risk, such as youth, seniors, and those with financial needs, special needs, and disabilities.

(iv) The applicant's services must meet the human services goals and policies set forth in Section XII of the city of Kirkland comprehensive plan.

(v) The applicant shall certify that no person shall be denied or subjected to discrimination in receipt of the benefit of services and programs provided by the applicant because of sex, marital status, sexual orientation, race, creed, color, national origin, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability.

620 (vi) The applicant must provide direct human services at the premises for
621 which the applicant is seeking exemption.

622
623 (D) The city manager shall review applications for exemptions under subsection
624 ~~(a)(9)(A)~~ of this section pursuant to the above criteria and shall advise the applicant,
625 in writing, of the granting or denial of the application. In addition, the city manager
626 shall notify the city council when such applications are granted or denied.

627
628 (E) The determination of the city manager shall be the final decision of the city
629 with respect to the applicability of the community-based human services exemption
630 set forth in this subsection.

631
632 (F) Any claim for exemption must be made before payment of the impact fee. Any
633 claim not so made shall be deemed waived. The claim for exemption must be
634 accompanied by a draft lien and covenant against the property guaranteeing that
635 the human services use will continue. Before approval of the exemption, the
636 department shall approve the form of lien and covenant. Within ten days of
637 approval, the applicant shall execute and record the approved lien and covenant
638 with the King County recorder's office. The lien and covenant shall run with the
639 land. In the event the property is no longer used for human services, the current
640 owner shall pay the current impact fee plus interest to the date of the payment.

641
642 (G) The amount of impact fees not collected from human services agencies
643 pursuant to this exemption shall be paid from public funds other than the impact fee
644 account.

645
646 (8 9) Buildings or structures constructed as shelters that provide emergency housing
647 for people experiencing homelessness and emergency shelters for victims of domestic
648 violence as defined by state law.

649
650 (9 10) Fire stations and fire protection facilities.

651
652 (b) Unless otherwise established in this section, the public works director shall be authorized
653 to determine whether a particular development for a proposed building permit falls within an
654 exemption of this chapter or in this code. Determinations of the planning and building director
655 shall be subject to the appeals procedures set forth in Section 27.04.130.

656
657
658 Section 8. KMC 27.10.110, and the corresponding portions of Ordinance O-4758 §1
659 (2021), relating to fire impact fees, is amended as follows:

660
661 **27.10.110 Review of schedule and fee increases.**

662
663 (a) The schedule in Section 27.10.150 will be amended to reflect changes to the capital
664 facilities plan in Chapter XIII of Title 17 (the comprehensive plan). Amendments to the schedule
665 for this purpose shall be adopted by the council.

666
667 (b) The fees on the schedule in Section 27.10.150 shall may be indexed to provide for an
668 automatic fee increase each January 1st ~~beginning in the year 2022~~. The June-to-June Seattle-
669 Tacoma-Bellevue Area Consumer Price Index (CPI-W) will be used to determine the increase
670 in fees for each year to reflect increased project costs. In the event that the fees on the
671 schedule in Section 27.10.150 are increased during the preceding calendar year due to

672 changes to the capital facilities plan pursuant to subsection (a) of this section, the fees will not
 673 be indexed the following January. The finance and administration department shall compute
 674 the fee increase, if any, and the new schedule shall become effective immediately after the
 675 annual fee increase calculation.

676
 677 (c) A new rate study, which establishes the schedule in Section 27.10.150, shall be updated
 678 every three years, unless the city determines that circumstances do not warrant an update.

679
 680
 681 Section 9. KMC 27.10.150, and the corresponding portions of Ordinance O-4758 §1
 682 (2021), relating to fire impact fees, is amended as follows:

683
 684 **27.10.150 Fire impact fee schedule.**

685
 686 The impact fee schedule below is based on the city's latest rate study. As authorized under
 687 Section 27.10.110(b), the schedule may automatically be increased at the discretion of the
 688 Director of Finance and Administration each January 1st based on the June-to-June Seattle-
 689 Tacoma-Bellevue Area Consumer Price Index. See the public works department's fee
 690 schedule for the current impact fee.
 691

Land Use Type	Total Fee	Unit of Development	2025	2026	2027
Commercial	\$1.40	per sq ft of gross floor area	<u>\$1.30</u>	<u>\$1.30</u>	<u>\$1.30</u>
Office and Industrial	0.07	per sq ft of gross floor area	<u>\$0.11</u>	<u>\$0.11</u>	<u>\$0.11</u>
Schools	0.53	per sq ft of gross floor area	<u>\$1.14</u>	<u>\$1.14</u>	<u>\$1.14</u>
Health Care	3.24	per sq ft of gross floor area	<u>\$6.40</u>	<u>\$6.40</u>	<u>\$6.40</u>
Government	3.03	per sq ft of gross floor area	<u>\$2.93</u>	<u>\$2.93</u>	<u>\$2.93</u>
Single-Family	1,019.38	per Dwelling Unit			
<u>Residential Non-Stacked</u>		per sq ft of conditioned floor area	<u>\$0.73</u>	<u>\$0.73</u>	<u>\$0.73</u>
<u>Accessory Dwelling Unit >800 sq ft (Residential Non-Stacked)</u>		per sq ft of conditioned floor area	<u>\$0.00</u>	<u>\$0.37</u>	<u>\$0.73</u>
<u>Cottages (Residential Non-Stacked)</u>		per sq ft of conditioned floor area	<u>\$0.29</u>	<u>\$0.51</u>	<u>\$0.73</u>
<u>Maximum Residential Non-Stacked Fee</u>		<u>dwelling unit</u>	<u>\$2,336.00</u>	<u>\$2,628.00</u>	<u>\$2,920.00</u>

Multifamily	412.92	per Dwelling Unit			
<u>Residential Stacked</u>		<u>per sq ft of gross floor area</u>	<u>\$0.29</u>	<u>\$0.29</u>	<u>\$0.29</u>

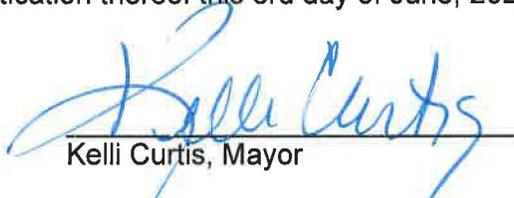
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Section 10. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.

Section 11. This ordinance shall be in force and effect on July 1, 2025, after publication, as required by law, in the summary form attached to the original of this ordinance.

Passed by majority vote of the Kirkland City Council in open meeting this 3rd day of June, 2025.

Signed in authentication thereof this 3rd day of June, 2025.


Kelli Curtis, Mayor

Attest:


Elizabeth Adkisson, Acting City Clerk

Approved as to Form:


Darcey Eilers, City Attorney

PUBLICATION SUMMARY
OF ORDINANCE NO. O-4901

SUBSTITUTE

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO PARK AND FIRE IMPACT FEES, AMENDING SECTIONS OF CHAPTERS 27.06 AND 27.10 OF THE KIRKLAND MUNICIPAL CODE, AND ESTABLISHING NEW FEE SCHEDULE FOR THE CITY'S PARKS AND FIRE IMPACT FEES.

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SECTION 1-4. Amends the Kirkland Municipal Code related to park impact fees.

SECTIONS 5 - 9. Amends the Kirkland Municipal Code related to fire impact fees.

SECTION 10. Provides a severability clause for the ordinance.

SECTION 11. Authorizes publication of the ordinance by summary and establishes the effective date as July 1, 2025.

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 3rd day of June, 2025.

I certify that the foregoing is a summary of Ordinance O-4901 approved by the Kirkland City Council for summary publication.



Elizabeth Adkisson, Acting City Clerk