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Reassess mitigation fees

Members of the North Thurston school board must take a hard look at the fees they are charging to offset the costs of new students enrolling in the district.

North Thurston Public Schools is the largest school district in Thurston County, but it charges the lowest State Environmental Protection Act school mitigation fee. SEPA mitigation fees are paid on a per-home or per-business basis by developers to offset part of the costs of growth.

School mitigation fees in North Thurston, for example, are used to recoup some of the costs to purchase property or for portable classrooms to accommodate new students generated when new homes are constructed.

Mitigation or impact fees do not cover the entire costs of accommodating growth. The median price for a Thurston County house was \$230,000 in 2005, while the median income in Thurston County decreased 3 percent from 2004 to 2005. It's getting harder for young families to afford their own home in Thurston County. The districts must consider: At what level will school mitigation fees be too high and potentially drive people out of the market? While mitigation and impact fees are assessed against developers, those costs are merely passed on directly to the homebuyer.

When homebuyers don't pay the full costs of their impact, that financial burden falls to others — in the case of schools, it results in higher bond issues for all residents for new construction.

North Thurston school district board members recently took a look at their mitigation fees — the amount of money they are generating and the policies governing the use of those dollars. What the school board members learned is that since the school mitigation fee was first initiated in 1993, the district has negotiated for \$9.2 million and collected \$3.5 million so far. Some of the value comes in the form of land donated by developers in lieu of a fee. The school district can then use the property for new school construction.

The level of the mitigation fee North Thurston is collecting was an issue in the most recent school bond campaign. Some residents questioned whether the district's fee is sufficient. It's a legitimate question, and mere comparison with others shows that North Thurston is out of step with neighboring districts and is even below the statewide average.

Mitigation fees paid in:

- Olympia: \$4,336 per home.
- Tumwater: \$3,582 per home.
- Statewide average: \$2,725 per home.
- North Thurston: \$2,025 per home.

North Thurston assesses about 18 percent of the full mitigation fee, while Olympia collects 40 percent. That's why Judy Wilson, president of the North Thurston school board, is right to ask, "Are we receiving what we should be receiving?"

The disparity between North Thurston, Olympia and Tumwater school districts suggests an evaluation is needed. Also, the board must re-examine policies that do not allow the district to spend mitigation fees on anything but land and portables.

"The city has 9,000 lots in the pipeline," Assistant Superintendent Shawn Lewis warned. "We do believe in the next six years we will have a need for additional buildings."

Lewis is right when he says, "Once we have enough land, we'd like to use it on buildings."

While reassessing policies and the level of the mitigation fee, the board would be wise to continue receiving land in lieu of fees. Given the pace of growth in the North Thurston district, it's prudent for school board members to do a reassessment to ensure that new residents are helping to offset the costs of their effect in the community.
