

Council to discuss rise in park impact fees tonight

olympia: Draft study shows fee would rise 23% per unit

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The fee added to new housing units downtown to fund parks would rise 23 percent to \$2,126 per unit, a city-funded draft study recommends.

The parks fee for building multifamily units elsewhere would rise 10 percent to \$3,368, and the fee for single family homes would rise 4 percent to \$5,263.

The increase would provide between \$20,000 and \$115,000 more a year for city parks acquisition and development, the city estimates. But that all depends on how much actual home construction goes on, which has been at a low ebb for the last several years due to the economic downturn.

The Olympia City Council will discuss the matter at its meeting tonight, and the public will have another opportunity to comment at a public meeting Thursday. The council is expected to adopt its park impact fees by the end of the year.

Jonathon Turlove, an associate planner with the city's Parks Department, said the larger increase for downtown units is due to a change in how impact fees are calculated.

The city looks at what its park plan proposes and how much park land it needs to acquire based on public input, he said. Then it considers how many people live in different housing types – from 2.5 people on average for single-family homes to about one per multifamily housing unit downtown.

The city then reduces the fees by how much the average household would pay in 10 years in the city's 2 percent tax on private utilities that funds parks and pathways, he explained. That way, the city isn't "double-dipping," he said.

Since the city's last park impact study in 2007, it has reduced the fee by \$566 for each housing type. But in the new study, the amount of the discount is spread out more proportionately, by housing type, Turlove said. That resulted in the larger increase for downtown units.

Reaction to the proposed fee increase was mixed.

Laura Worf, executive officer for the Olympia Master Builders, said charging higher fees won't encourage downtown housing.

"Certainly making it even more expensive to build downtown is the opposite direction I would think the City Council would want to go to try to accelerate their goal of having a viable and vibrant downtown," she said.

She said the builders association is generally against anything that adds to the cost of a home, and increasing fees is an impediment to an improving economy.

But Jim Lazar, a consulting economist in Olympia, said he was delighted with the new plan. Lazar, who helped push for the 2 percent private utility tax for parks and pathways, disagrees with the Master Builders' argument.

"The evidence is that that's not the case," he said. "Most of what happens with impact fees is that the land value gets depressed, that the market sets the price for houses, and impact fees don't change that price."

Lazar said the new method of calculating the fees is more accurate. He pointed out that downtown residents pay less in transportation impact fees, because they tend to drive shorter distances.

Downtown residents also pay less in school impact fees.

The city has collected \$7.4 million in park impact fees since it began charging the fee in 1992, according to a staff report. Last year, the city collected about \$1 million, the highest yearly collection on record. The average yearly collection is about \$500,000.

have your say

The Olympia City Council will discuss a study that proposes raising park impact fees at its weekly meeting at 7 tonight at City Hall, 601 Fourth Ave. E.

A public meeting to get feedback on the study will begin at 6:30 p.m. Thursday at The Olympia Center, 222 Columbia St. N.W.

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