

Published October 16, 2007

## Park fees may be tripled

Matt Batcheldor

For every new single-family house built in Olympia developers would have to pay up to \$6,359 in park impact fees — more than triple what developers pay now — under a consultant's proposal the Olympia City Council might hear tonight.

Money from the fee increase, the first since 1998, would go toward developing new parks to keep up with demand as the city's population increases.

The council won't take action tonight, but it is scheduled to listen to testimony during a public hearing on the city's capital budget. However, Councilman Jeff Kingsbury said he and Councilman Joe Hyer want to delay the issue because only members of the council's finance committee have been briefed on it — TJ Johnson, Karen Messmer and Laura Ware.

"It's a hot topic and it's going to be pulled off the agenda," he said. Kingsbury said he's for some increase, but needs to know why and hasn't decided on how much of an increase. "It's bad timing and bad process."

City Manager Steve Hall emphasized that the fee is not a done deal. Before voting on the impact fee, the city will hold discussions with the Olympia Master Builders and the parks department's advisory committee and hold at least one more public hearing that is scheduled for Nov. 13 on the overall budget.

"We're just starting the conversation," he said. "We're hoping the number doesn't overshadow what's happening here."

The City Council has the final authority to pass the fee increase and could do so by passing an ordinance at any time.

Laura Kimbrough, executive officer of the Olympia Master Builders, said she was also taken by surprise by the proposed increase.

"It was a surprise to us when we got a call on Friday telling us there was going to be a public hearing on Tuesday," she said. "We are ... urging the council members to not hold a public hearing on Tuesday."

Maintaining park land is a priority in South Sound. Tumwater is considering raising its parks impact fees from \$563 per new house to \$3,595. Lacey doesn't assess impact fees for parks, but requires the developer of a subdivision to set aside 10 percent of land as open space, which the city may develop and maintain as a park.

In one scenario in Olympia, the proposed fee increase could generate \$9 million over the next 10 years and fund facilities at one 12-acre community park, a 2- to 4-acre neighborhood park, an 8-acre special-use park and 43-acres of open space.

### Complex calculations

The formula for determining the fee is so complicated, the city hired a consultant to come up with it. Basically, the fee is calculated to maintain the same ratio of park land to residents in the future.

Hall said the fee increase is reasonable because the cost of acquiring neighborhood park land has nearly tripled, from \$55,000 an acre in 1998 to \$146,290 today.

But the increased parks impact fee also could discourage builders from building downtown housing — a city goal for three decades. Rates are also going up for six other categories of housing, including apartments and condos. The cost of parks impact fees for downtown multifamily housing would jump 206 percent, from \$840 per unit to \$2,569 per unit. The change would come soon after the city reduced school impact fees in order to encourage downtown housing.

"It seems to me for a City Council that's very interested in developing downtown, this would be a very significant deterrent to that," Kimbrough said.

Hall said he's not sure whether state law allows the city to lower impact fees just in downtown. And the fee could be discounted \$566 in a proposal that hasn't been finalized, said Senior Program Specialist Jonathan Turlove.

The topic would come three years after voters approved a 3 percent utility-tax increase to pay for more parks and sidewalks. That generates \$2.25 million a year, with two-thirds set aside for parks and the rest for sidewalks.

That money has been used to acquire 11.7 acres along West Bay, the 10-acre Ward Lake property, the 4-acre Evergreen Park Drive Park and the 4-acre Eighth Avenue Park. Additionally, 7,000 linear feet of sidewalk has been built.

### Seeking new money

Hall said the city needs more money because the utility tax is being used to acquire land and build sidewalks and that impact fees would be used to develop the parks, with playgrounds, ballfields, trails and the like. However, parks impact fees could not be used for repair, like the rotting Percival Landing boardwalk.

Councilwoman Karen Messmer said if the city doesn't act, current parks could become crowded as the population increases. By increasing the fee, the city is simply giving people what they want, she said. "There's ... a lot of expectation in the community about what we're going to provide in terms of parks."

Matt Batcheldor covers the city of Olympia for The Olympian. He can be reached at 360-704-6869 or mbatcheldor@theolympian.com.