

# Park Impact Fee Administrative Procedures Guide

City of Washougal

DISCUSSION DRAFT

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Prepared by:



Prepared for:



Community Attributes Inc. tells data-rich stories about communities  
that are important to decision makers.

**President & CEO**  
Chris Mefford

**Analysts**  
Michaela Jellicoe

Community Attributes Inc.  
500 Union Street, Suite 200  
Seattle, Washington 98101

[www.communityattributes.com](http://www.communityattributes.com)

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# INTRODUCTION

## Background and Purpose

The City of Washougal first adopted the park impact fee program in 1995 and updated the rates and methodology in 2006. In conjunction with the update to the Comprehensive Park and Recreation Master Plan and the Capital Improvement Plan contained therein, the City of Washougal adopted the Rate Study for Impact Fees for Parks, Open Space and Recreation Facilities, dated April 19, 2021 and the accompanying ordinance on September 27, 2021 updating the City’s park impact fee chapter of the municipal code.

This Administrative Procedures Guide is intended to serve as a supplementary resource to the City of Washougal for the administration of the park impact fee program. Throughout this report impact fee or impact fee program refers to the park impact fee and park impact fee program. This supplementary resource includes citations to the Revised Code of Washington and the City of Washougal Municipal Code to allow readers to review the exact language of the statutes and code.

## Organization of this Report

The remainder of this report is organized as follows:

- **Statutory Requirements for Impact Fees.** Broadly summarizes the statutory requirements applicable to the administration of park impact fees in Washington.
- **Administrative Responsibility.** Overview of City departments and offices responsible for the administration of the park impact fee program.
- **Assessment of Park Impact Fees.** Summarizes who pays impact fees, how impact fees are calculated and generally the collection of park impact fees.
- **Credits.** Discusses options for credits to developers and procedures for implementing those credits.
- **Exemptions.** Overview of exemptions to park impact fees as codified in the municipal code.
- **Developer Options.** Documents options available to developers including independent fee calculations, refunds and appeals.
- **Disposition and Use of Funds.** Discusses the disposition of impact fee funds, including accounting requirements and limitations on the use of funds.
- **Impact Fee Review and Annual Indexing.** Summarizes the process for impact fee review and annual indexing.

## STATUTORY REQUIREMENTS FOR IMPACT FEES

The Growth Management Act of 1990 (Chapter 17, Washington Laws, 1990, 1<sup>st</sup> Ex. Sess.) authorizes local governments in Washington to charge impact fees. RCW 82.02.050 - 82.02.110 contain the provisions of the Growth Management Act that authorize and describe the requirements for impact fees. Some of the statutory requirements are fulfilled in the calculation of the park impact fee, as documented in the Rate Study for Impact Fees for Parks, Open Space and Recreation Facilities, while others are fulfilled in through the administration of the park impact fee program.

The following summarizes the most significant requirements of the law applicable to the administration of the park impact fee program and includes citations to the Revised Code of Washington as an aid to readers who wish to review the exact language of the statutes.

### **Types of Improvements**

Impact fees can be spent on “system improvements” (which are typically outside the development), as opposed to “project improvements” (which are typically provided by the developer on-site within the development). RCW 82.02.050 (4)(a) and RCW 82.02.090 (5) and (9)

### **Reductions of Impact Fee Amounts**

Impact fee rates must be adjusted to account for other revenues that the development pays (if such payments are earmarked for or proratable to particular system improvements). RCW 82.02.050 (1)(c) and (2) and RCW 82.02.060 (1)(b). Impact fees may be credited for the value of dedicated land, improvements or construction provided by the developer (if such facilities are in the adopted CFP as system improvements eligible for impact fees and are required as a condition of development approval). RCW 82.02.060 (4)

### **Exemptions from Impact Fees**

Local governments have the discretion to provide exemptions from impact fees for low-income housing and other “broad public purpose” development, but all such exempt fees must be paid from public funds (other than impact fee accounts). RCW 82.02.060 (2) and (3)

### **Developer Options**

Developers who are liable for impact fees can submit data and/or analysis to demonstrate that the impacts of the proposed development are less than the impacts calculated in this rate study. RCW 82.02.060 (6). Developers can pay impact fees under protest and appeal impact fee calculations. RCW 82.02.070 (4) and (5). The developer can obtain a refund of the impact fees if the local government fails to expend or obligate the impact fee payments within ten years, or terminates the impact fee requirement, or the developer does not proceed with the development (and creates no impacts). RCW 82.02.080

## Capital Facilities Plans

Impact fees must be expended on public facilities in a capital facilities plan (CFP) element or used to reimburse the government for the unused capacity of existing facilities. The CFP must conform to the Growth Management Act of 1990 and must identify existing deficiencies in facility capacity for current development, capacity of existing facilities available for new development, and additional facility capacity needed for new development. RCW 82.02.050 (5), RCW 82.02.060 (8) and RCW 82.02.070 (2)

## New Versus Existing Facilities

Impact fees can be charged for new public facilities (RCW 82.02.060 (1)(a)) and for the unused capacity of existing public facilities (RCW 82.02.060 (8)) subject to the proportionate share limitation described above.

## Accounting Requirements

The local government must separate the impact fees from other monies, expend or obligate the money on CFP project within ten years, and prepare annual reports of collections and expenditures. RCW 82.02.070 (1)-(3)

## ADMINISTRATIVE RESPONSIBILITY

Administration of park impact fees involves multiple departments at the City of Washougal.

The **Community Development Department** will administer the program and make decisions around park impact fees.

- The **Community Development Director** will make determinations on park impact fees, including
  - Planning level review of park impact fees when required
  - Credits
  - Exemptions
  - Deferrals
  - Independent fee calculations
- The **Building Department** calculates the impact fees during the permitting process, unless a planning level review is required. The permitting and fee system used by the system provides the current rates and automatically calculates the park impact fees.
- The Community Development Department, with support from the **Parks Department**, will make determinations on the expenditure of park impact fees to ensure conformance with the requirements of Washington state law.

The **Finance Department** is responsible for annual reporting as well as updating the park impact fee rates within the City's permitting and fee system.

- RCW 82.02.070 (1) requires both that impact fees be deposited in separate accounts and annual reporting. The Finance Department prepares annual reports on the park impact fee account.
- The Finance Department is also responsible for updating annually the City's permitting and fee system (Intergov), which contains the current park impact fee rates. The annual indexing of the fee requires annual updates to the City's system.

Other departments and offices will provide support, data, information and other services as needed on the request of the Community Development Director. This other departments may include **Public Works**, including the Parks Department.

All legal matters regarding the administration of the park impact fee program and ordinances will be referred to the **City Attorney**.

## ASSESSMENT OF PARK IMPACT FEES

### Feepayer

Any applicant seeking a residential building permit is required to pay a park impact fee. Washougal Municipal Code (WMC) 15.62.050 (1) This includes applicants for new residential development and the expansion of existing residential development the increases the number of dwelling units. This also includes residential units within mixed use development.

Exemptions, as outlined in subsequent sections of this manual, as well as WMC 15.62.110.

### Determination of Fee

The amount of the park impact fee is determined based on the park impact fee schedule in WMC 15.62.140, unless the following are applicable:

- The applicant qualifies for exemptions as documented in WMC 15.62.110
- The applicant requests a credit based on the value of dedicated land, improvements or construction provided (WMC 15.62.060)
- The applicant requests an independent fee calculation (WMC 15.62.130).

Unless one of the conditions above is applicable, the park impact fee is determined based on the fee schedule documented in WMC 15.62.140, through 2023. Thereafter, the park impact fee will be based on the park impact fee schedule after the annual automatic fee increase, beginning January 1, 2024.

The City of Washougal park impact fee schedule outlines per dwelling unit park impact rates, one for single family residential units and one for multi-family dwelling units. WMC 15.62.140 contains the per dwelling unit rate schedule.

### Exhibit 1. WMC Park Impact Fee Schedule



<b>Type of Land Use</b>	<b>Impact Fee 2021</b>	<b>Impact Fee 2022</b>	<b>Impact Fee 2023</b>	<b>Per Unit</b>
Single Family	\$3,490.66	\$4,977.43	\$6,464.19	Dwelling Unit
Multifamily	\$2,529.85	\$3,607.37	\$4,684.90	Dwelling Unit

Sources: WMC 15.62.140.

The park impact fee for each applicant is calculated as follows:

For example: The fee for a multifamily apartment with 20 units will be calculated as follows in 2021.

The calculation example above is the same if the application is for a mixed -used development including 20 multifamily residential units.

Single family dwelling units are defined as “single family attached units as well as mobile homes and each unit of a duplex.” WMC 15.62.020 (17) Multifamily dwelling units are defined as “detached or attached building containing three or more dwelling units. For impact fee calculations this will include triplexes, fourplexes, apartments, townhouse and accessory dwelling units.” WMC 15.62.020 (13)

The same procedure is applied for all applicable residential building permit applications. If the applicant qualifies for an exemption, requests a credit, or submits an independent fee calculation, the Community Development Director will determine the amount of the fee. Other departments will provide assistance in the determination of the fee amount, as needed.

## Timing and Payment of Fee

Impact fees are assessed at the time a complete building permit application is submitted for each unit in the development. According to WMC 15.62.050 (2) a completed building permit application is an application that complies with zoning ordinances and building codes.

The park impact fee is collected at the time the building permit is issued. WMC 15.62.050 (2) Exceptions to this are as follows, documented in WMC 15.62.050 (2):

- For applicants that are approved through the deferral program, fees are collected at the time approved
- For manufactured homes and associated parks, impact fees are collected at the time of site plan approval

The City will not issue the building permit unless the park impact fee has been paid, unless specifically exempt. WMC 15.62.050 (3) As required by RCW 82.02.070 (4) and documented in WMC 15.62.070 the feepayer may pay impact fees under protest in order to obtain the required building permit.

## Impact Fee Deferral

The City of Washougal has a deferral program which allows for the required park impact fees to be deferred and paid at a later date, as required by Washington State Law. To date, the City of Washougal has had no applicants use the deferral program.

According to RCW 82.02.050 (3) the deferral program must include the following:

- Applies to single family attached and detached residential construction.
- Allows deferral of impact fee payments for the first 20, at minimum, single family residential dwelling building permits within the City each year.
- Allows deferral of the payment of required impact fees until:
  - Final inspection
  - Certificate of occupancy; or
  - Time of closing of the first sale of the property after the issuance of the applicable building permit.
- The term of deferral may not exceed 18 months after the building permit is issued.
- The City may withhold the above certifications until the required impact fees have been paid.
- The amount of the impact fee is determined based on the impact fee rates in effect at the time of the deferral application.
- An applicant seeking deferral must grant and record a lien against the property in the amount of the deferred park impact fee, meeting the requirements of RCW 82.02.050 (3)(c).
- If the applicant does not pay the deferred park impact fees, the City may institute foreclosure proceedings.

- Once the deferred impact fees are paid, the City must execute a release of the lien, to be recorded by the property owner.
- The City may require an administrative fee for the implementation of the deferral program.

According to RCW 82.02.050 (3)(i) the City must provide requested data, materials and assistance regarding the impact fee deferral program to the Department of Commerce and the Joint Legislative Audit and Review Committee.

## CREDITS

The City of Washougal allows feepayers to request a credit, as required by RCW 82.02.060 (4). In compliance with the requirements of the RCW, WMC 15.62.060 allows feepayers to request a credit for the value of dedicated land, improvements, or construction that serve the goals and objectives of the capital facilities plan. WMC 15.62.060 outlines the following steps in determining credits toward park impact fees:

- The City first determines the suitability of the land, improvements or construction for the City's purposes.
- Then, the City determines if the land, improvements or construction are included within the adopted capital facilities plan, or the City Council may make a determination that the land, improvements or construction would serve the goals and objectives of the capital facilities plan.
  - The City will make a determination on the suitability of the land, improvements or construction.
  - They City may decline to allow a credit or may make an alternative determination.
  - The City will document the alternative determination and rationale in writing.
- If the City determines to award a credit, the feepayer will supply an independent appraisal of the land, improvements or construction, documenting the fair market value of the dedicated land, improvements or construction based on objective standards.
- The amount credited will be applied to the park impact fee amount for the particular development.
  - If the credit is less than the total required park impact fee amount, the feepayer will be responsible for the difference.
  - If the credit exceeds the value of the park impact fee required, the City is not liable to the feepayer for the difference.

The process for reviewing and determining credits as documented in the Washougal Municipal Code is typical among cities implementing a park impact fee program. Some other cities outline additional specificity in the application and determination of credits. Selected specific credit processes are outlined below for reference.

The City of Ridgefield (RMC 18.07.150) specifies that:

- The amount of the credit must be determined before the recording of a final plat for subdivision, recording of short plat, issuance of building permit, or on-site plan approval, whichever is first.
- The Director will issue a document with the value of the credit, the date of issuance, the date of credit expiration, the reason for the credit, and the legal description of the land or improvements for which the credit is issued.
- The applicant must sign, date and return the document recording the credit within 60 days.

The City of Camas (CMC 3.88.140) includes language requiring the following:

- The amount of the credit will be the amount assigned to the land or improvement in the CFP. If only a portion of the land or improvement is dedicated, then the amount of the credit will be prorated.
- Credits are granted after the improvements have been designed engineered or constructed, or the land has been dedicated and accepted by the city council.
- If impact fees are due prior to the issuance of credits, the applicant may apply to the Director for a deferral of impact fees.
- The applicant may also request that the city council review the Director's determination.

Other specifications required in various cities park impact fee credits program include:

- Independent appraisals must be submitted by appraisers acceptable to the city or independent appraisals must be submitted by appraisers with an MAI or SRA designation from the Appraisal Institute.
- Application for credits must be made no later than the time of permit application.
- The amount of credit, as determined by the Director, must be made prior to the issuance of a building permit or final plat or site plan approval, whichever is first.
- Requirement of security if credits are provided before the eligible improvement is completed.
- Appeals to the Director's determination must be submitted no later than 10 days after the official determination.

## EXEMPTIONS

RCW 82.02.060 (2) and (3) allow jurisdictions charging impact fees to “provide an exemption for low-income housing, and other development activities with broad public purposes” as long as the value of exempted impact fees are “paid from public funds other than impact fee accounts.”

RCW 82.02.060 (3) sets certain rules for low-income housing exemptions:

- For exemptions of up to 80% of the impact fee, there is no requirement to pay the exempted portion of the fee from other public funds.
- For exemptions greater than 80%, the remaining percentage above 80% must be paid from other public funds.
- Exemptions must be conditioned on requiring a developer to record a covenant that prohibits the property from being used for anything other than low-income housing.
- The covenant must:
  - Address price restrictions and household income limits.
  - If the property is converted to a use other than low-income housing, the property owner must pay the impact fees applicable at the time of conversion.
  - Be recorded with the applicable recording officer.
- Jurisdictions granting exemptions for low-income housing cannot increase impact fees unrelated to the exemption to collect revenue lost through the exemption.

The City of Washougal municipal code provides for the following exemptions, as documented in WMC 15.62.110.

- Replacement of an existing structure with a new structure of the same size within 12 months of demolition of the existing structure. Longer time periods may be allowed upon approval of the Director.
- Alteration, expansion, remodeling or rehabilitation of an existing dwelling as long as no additional dwelling units are added and the use is not changed.
- ADUs that do not create an impact on park facilities.
- Various improvements, such as fences, walls, swimming pools and signs.
- Demolition or moving of an existing structure within the City.
- Housing exclusively for the use of persons 62 years and older, which is ensured by covenant.
- Low-income housing developed by individuals, non-profits, or housing authorities, which are granted at the discretion of City staff, and may be granted subject to:
  - “Fiscal impact analysis of the effect of the exemption upon the low-income household in the public sector,
  - Adequate documentation that the housing meets appropriate standards regarding household income, rent levels, sale prices, locations and number of units, and
  - Adequate documentation that the housing will remain available to low-income households for a suitable time period.”
- Housing that does not qualify as low-income, but which will be owned and occupied by or leased to low-income persons. The exemption may be a total or partial exemption. Any exemption is subject to:
  - Provision for the impact fees to be paid from other public funds,

- Adequate documentation that the housing meets standards for household income, rent levels, sales price, location and number of units,
- Adequate documentation that the housing will remain exclusively available to low-income households at affordable rents for a minimum of 15 years, in the case of rental units, and
- Adequate documentation that the housing will only be sold or leased at affordable rates to low-income households for 10 years, in the case of owner occupied units, and
- Adequate documentation that the owner will pay the impact fee plus interest that was exempt if the property is no longer used for low-income housing during the required period.

WMC 15.62.110 (9) allows developers to submit an application, supported by studies and data, for a reduction or elimination of the impact fee under unusual circumstances or specific cases.

The amount of exempted impact fees will be calculated and paid for with public funds, which may be made by including the amount in the public share of the applicable system improvements. (WMC 15.62.110 (10))

## DEVELOPER OPTIONS

Washington State Law requires that jurisdictions provide developers with options to submit an independent fee calculation, receive a refund for unused impact fees, and appeal impact fee determinations.

### Independent Fee Calculation

Developers may submit independent calculations for impact fees on a particular development, providing studies and data supporting the adjustment of the fee. (RCW 82.02.070 (6))

The City of Washougal requires the following for an independent fee calculation submitted by a developer, as documented in WMC 15.62.130:

- The applicant, or developer, may submit an independent fee calculation. The independent calculation will be paid for by the applicant.
- An applicant submitting an independent fee calculation will pay a fee to the City of Washougal to cover the cost of reviewing the independent study.
- The applicant can request that the building permit be issued before an independent fee calculation is complete. In this case, the applicant must pay the impact fee based on the rate schedule. If the City accepts the independent fee calculation's finding and the impact fees collected exceed the amount determined in the independent calculation, then the applicant may be due a refund.
- The Director is not required to accept the independent fee calculation, if the Director deems it inaccurate or unreliable.

- The Director may also modify or deny the request or ask the applicant to provide additional documentation.
- The Director will consider the independent fee study and may adjust the impact fee on a case-by-case basis.

## Refunds

Owners of property on which impact fees have been paid, may receive a refund of impact fees under specific circumstances, as required by RCW 82.02.070 (3)(a) and 82.02.080.

The current owner of a property on which impact fees were paid, may receive a refund if the City does not spend or encumber the impact fees within 10 years of when the fees were paid. Impact fees are spent or encumbered on a first in, first out basis. (RCW 82.02.070 (3)(a), RCW 82.02.080 (1), and WMC 15.62.080)

The following process is used to issue refunds (RCW 82.02.080 (1) and WMC 15.62.080):

- The City will notify potential recipients of refunds by first-class mail with the United States Postal Service at their last known address of the potential refund.
- The recipient must submit a written request for the refund of impact fees within one year of the notice is given or the date of the right to claim the refund.
- Refunds given will include interest earned on the impact fees.
- Refunds that are unclaimed within the one-year period will be retained by the City and expended on eligible capital facilities.

Washington State law also requires that a developer who does not proceed with the development activity, resulting in no impacts on the system for which impact fees are charged, receive a refund for impact fees collected and interest earned on those impact fees. (RCW 82.02.080 (3))

If the City decides to terminate any impact fee, RCW 82.02.080 (2), the following process must be observed to refund any unexpended or unencumbered funds and interest.

- The City must place notice of the termination of impact fees and the availability of refunds in a newspaper of general circulation at least twice.
- The City must also notify all potential claimants by first-class mail at their last known address.
- The City must retain all funds for one year. At the end of the year, any funds not refunded will be retained by the City and expended on eligible public facilities.
- If there are no unexpended or unencumbered funds at the time of termination there are no notice requirements.

## Appeals

The City of Washougal has a process outlined in WMC 15.62.070 for administrative appeals of impact fee determination, as required by RCW 82.02.070 (5).

The City's process allows feepayers to pay impact fees under protest, to obtain a building permit. Appeals of impact fees are only allowed if the impact fee has been paid. Feepayers may appeal the determination of the fee, credit, independent fee calculation, or exemption to the city council. (WMC 15.62.070 and 15.62.110 (9))

A feepayer seeking an appeal must file the notice of appeal within 10 working days of payment of the fee or 10 working days of the issuance of a written determination by the city. The notice of appeal must specify the grounds on which the appeal is based and pay the required fee for appeals of land use decisions. (WMC 15.62.070 (3))

## DISPOSITION AND USE OF FUNDS

Impact fees may only be used to fund specific types of public facilities and there are specific accounting requirements for impact fee funds collected.



## Use of Funds

Washington State law sets forth limitations on the use of impact fee funds. The City of Washougal additionally codifies the limitations on the use of park impact fee funds in WMC 15.62.090.

- The City must establish one or more service areas to calculate and collect impact fees. (RCW 82.02.060 (8)) The City of Washougal's established service area for park impact fees is the City of Washougal boundary.
- Impact fees are limited to four types of public facilities, public streets and roads; publicly owned parks, open space and recreation facilities; school facilities; and fire protection facilities. (RCW 82.02.090 (7)) The impact fees codified in WMC 15.62 are for the City of Washougal parks, open space and recreation facilities.
- Impact fees may not be used to correct an existing deficiency in the level of service of parks, open space and recreation facilities. (RCW 82.02.050 (5)(a) and WMC 15.62.090 (1)(b))
- Additionally, impact fees cannot be used for maintenance or operation uses. (WMC 15.62.090 (1)(c))
- Impact fees may be imposed on development activities as long as the funds are used to finance system improvements to serve new development and as long as there is a balance between impact fees and other sources of public funds. (RCW 82.02.050 (2))
- Impact fees may only be imposed for system improvements that are reasonably related to new development, must be proportionate to the impact of new development, and must be used for system improvements that will benefit the new development. (RCW 82.02.050 (4))
- System improvements, as defined by RCW 82.02.090 (9) are public facilities that are "designed to provide service to service areas within the community at large, in contrast to project improvements."
- Impact fees may not be used for project improvements, which, as defined by RCW 82.02.090 (5) are "site improvements and facilities that are planned and designed to provide service for a particular development project and that are necessary for the use and convenience of the occupants of users of the project, and are not system improvements."
- The City of Washougal has identified the following capital costs that park impact fees may be used for: land acquisition, site improvements, construction, engineering, architectural, permitting, financing and administrative expenses, applicable impact fees and mitigation costs, capital equipment pertaining to parks, open spaces and recreational facilities, as well as other capital improvements. (WMC 15.62.090 (2))
- The City may also use impact fees to recoup the cost of previously constructed eligible parks capital facilities, as long as the project serves new development. (WMC 15.62.090 (3))
- Impact fee funds may also be used to pay the principal on bonds or similar debt instruments issued for eligible parks, open space and

recreation facilities as long as the project serves new development.  
(WMC 15.62.090 (4))

## Capital Facilities Plan

Impact fees also may only be collected and spent on public facilities in the adopted Capital Facilities Plan. (RCW 82.02.050 (5)(a) and 82.02.070 (2))

The City of Washougal's Capital Facilities Plan, as adopted as part of the Comprehensive Plan must include the following elements, as codified in WMC 15.62.030 (1):

- Existing capacity over the next six years, based on the inventory of existing facilities or facilities under construction.
- Forecast of future needs for parks, open space or recreational facilities based on population projections.
- Six year financing plan that maintains a six year forecast of funding required within projected funding levels.

RCW 82.02.050(5)(a) also requires that the capital facilities plan include:

- Any existing deficiencies in public facilities that service existing development.
- How any existing deficiencies will be corrected within a reasonable time period.
- The demand placed on existing public facilities created by new development.
- New public facilities required to serve new development.

## Accounting Requirements

Washington State law sets forth specific requirements for the accounting of impact fees. (RCW 82.02.070 (1))

- Impact fees must be retained in "special interest-bearing" accounts. The City of Washougal deposits impact fee collections into the Park Development Fund.
- Interest must be retained in the account and spent for the same purposes that the impact fee was established.
- The City of Washougal must provide a report on each impact fee account annually. The report must include the source and amount of revenues collected and the capital facilities, or system improvements that were funded by impact fees.
- Impact fees must be spent or encumbered within 10 years of receipt. The City can identify "extraordinary and compelling reasons" if fees are to be held longer than 10 years, and these must be documented in written findings by the governing body. (RCW 82.02.070 (3)(a))
- Impact fee revenues that are unexpended within 10 years, and for which no "extraordinary or compelling reason" is identified must be refunded per the refund requirements in the RCW and WMC.

- For the purposes of accounting and potential refunds, impact fees are accounted on a first-in, first-out basis.

## IMPACT FEE REVIEW AND ANNUAL INDEXING

As of the 2021 update to the City of Washougal's park impact fees, the City will apply an annual index to update the park impact fees starting January 1, 2024. Park impact fees may also be amended because of changes to the capital facilities plan or an update to the park impact fee study. When the park impact fees are updated based on changes to the fee study or the capital facilities plan, the fees will not be automatically increased through the annual adjustment the following January. Changes based on updates to the capital facilities plan must be adopted by the City Council. (WMC 15.62.100 (b))

The City will apply the June-to-June Engineering News Record Construction Cost Index for Seattle (ENR-CCI), to calculate an automatic increase to the park impact fees. (WMC 15.62.100 (b))

The annual index is calculated as follows:

$CCI_{2022}$  is the Construction Cost Index for 2022 and  $CCI_{2023}$  is the Construction Cost index for 2023. Adjustment is the annual index to calculate the automatic increase to the park impact fees.

Hypothetically if,  $CCI_{2022}=11436$  and  $CCI_{2023}=12112$ , then the adjustment is calculated as:

$$12112 \div 11436 = 1.05911 \text{ or } 105.91\%$$

The increase indicated in this sample calculation is a 5.91% increase between June 2022 to June 2023.

The calculated adjustment is applied to the park impact fees for the automatic annual increase as follows:

Single Family PIF Rate<sub>2023</sub> and Multifamily PIF Rate<sub>2023</sub> are the Single Family and Multifamily park impact fee rates for 2023, respectively. Single Family PIF Rate<sub>2024</sub> and Multifamily PIF Rate<sub>2024</sub> are the resulting park impact fee rates for single family and multifamily dwelling units respectively.

If the calculated adjustment is hypothetically a 5.91% increase, the updated park impact fee rates are calculated as:

Single Family Park Impact Fee Rate:  $1.05911 \times \$6,646.19 = \$6,846.30$

Multifamily Park Impact Fee Rate:  $1.05911 \times \$4,684.90 = \$4,961.8$

Park impact fees will be adjusted annually using the above method.