



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5770
November 2, 2020
Special Business

AGENDA BILL INFORMATION

TITLE:	AB 5770: Updating School Impact Fees	<input type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Adopt Ordinance No. 20C-24 amending MICC Chapter 19.17 and updating the school impact fees	<input checked="" type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	Community Planning and Development
STAFF:	Alison Van Gorp, Deputy Director
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Mercer Island School District Six-Year Capital Facilities Plan 2. Ordinance No. 20C-24
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

SUMMARY

The purpose of the Agenda Bill is to update the school impact fees the City collects on behalf of the Mercer Island School District (District). The school impact fees are updated annually based on the district’s Six-Year Capital Facilities Plan (see Exhibit 1). The District is now projecting a decline in enrollment and is unable to impose impact fees for the coming year. Ordinance No. 20C-24 (see Exhibit 2) reduces the school impact fees for both single-family and multi-family dwellings to \$0.00. Tyrell Bergstrom, the Executive Director of Finance and Operations for Mercer Island School District, will be available for questions during the City Council meeting on Tuesday evening.

BACKGROUND

School impact fees are imposed on certain residential developments pursuant to chapter 19.17 MICC. The impact fees are collected by the City on behalf of the District, and the amount of the impact fees is calculated and determined annually by the District in its Six-Year Capital Facilities Plan. Since school impact fees were first imposed in 2015, the City has collected \$826,330.31 (through 9/30/2020 and not including deferred payments) for the District.

The District updates its Six-Year Capital Facilities Plan (CFP) annually, including projecting enrollment and assessing any needed facility improvements to provide additional capacity. The projections are used to

calculate the amount of the impact fees to be imposed and collected by the City. Currently, the impact fees are \$5,843.11 per Single Family Residence Unit and \$0.00 per Multi-Family Unit. However, in the updated CFP adopted in June 2020 (see Exhibit 1), the District is projecting declining enrollment and therefore no facility improvements are needed related to capacity. Thus, the District is unable to impose impact fees at this time.

Based on these findings in the CFP, the City must update our code to reduce the Single-Family Residence Unit impact fee to \$0.00. The school impact fees are codified in MICC 19.17.070(A) consistent with RCW 82.02.060(1). Provisions in chapter 19.17 MICC already contemplate the possibility of changes to the amount of the impact fees based on the District's CFP, and Ordinance No. 20C-24 (see Exhibit 2) amends chapter 19.17 MICC to amend the Single-Family impact fee. The impact fees are also included in the permit fee schedule, which will be updated later this year.

It is recommended that the second reading of the ordinance be waived to allow for adoption after the first reading.

RECOMMENDATION

1. Suspend City Council Rules of Procedure 6.3 requiring a second reading of an ordinance.
2. Adopt Ordinance No. 20C-24 amending MICC Chapter 19.17 and updating the school impact fees.