

SCHOOL IMPACT FEES

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16.02.010 Purpose. The city council hereby finds and determines that continuing growth and development in the city of Tenino will create additional need and demand for school facilities, and that new growth and development should pay a proportionate share of the cost of developing new facilities needed as a result. Therefore, pursuant to Chapter [82.02](#) RCW, the council adopts this chapter to address identified impacts of new residential development on schools and to ensure that new development bears a proportionate share of the cost of capital expenditures necessary to meet demands for schools in order to protect the public health, safety and welfare.

16.02.020 Definitions. For purposes of this chapter, the following terms shall have the indicated meanings:

Capacity. The number of students the district's facilities can accommodate district-wide, based on the district's standard of service, as determined by the district.

Capital facilities plan. The school district's facilities plan as adopted by the school board, consisting of:

1. A forecast of future needs for school facilities based on the district's enrollment projections;
2. An identification of additional demands placed on existing public facilities by new development;
3. The long-range construction and capital improvement projects of the district;
4. The schools under construction or expansion;
5. The proposed locations and capacities of expanded or new school facilities;
6. An inventory of existing school facilities, including permanent, transitional and relocatable facilities;
7. At least a six-year financing component, updated as necessary to maintain at least a six-year forecast period, for financing needed for school facilities within projected funding levels, and identifying sources of financing for such purposes, including bond issues authorized by the voters;

8. An identification of deficiencies in school facilities serving the student populations and the means by which existing deficiencies will be eliminated within a reasonable period of time; and
9. Any other long-range projects planned by the district.

Capital improvement. Land, improvements to land, structures and relocatable structures (including site planning, acquisition, design, permitting and construction), initial furnishings and selected equipment. Capital improvements have an expected useful life of at least 10 years. Other capital costs, such as motor vehicles and motorized equipment, computers and office equipment, office furnishings, and small tools are considered to be minor capital expenses and are not considered capital improvements.

City. The city of Tenino.

Classrooms. Educational facilities of the district required to house students for its basic educational program. The classrooms are those facilities the district determines are necessary to best serve its student population. Specialized facilities as identified by the district, including but not limited to gymnasiums, cafeteria, libraries, administrative offices, and child care centers, shall not be counted as classrooms.

Construction cost per student. The estimated cost of construction of a permanent school facility in the district for the grade span of school to be provided, as a function of the district's design standard per grade span.

Design standard. The space required, by grade span and taking into account the requirements of students with special needs, that is needed in order to fulfill the educational goals of the district as identified in the district's capital facilities plan.

Developer. The person or entity who owns or holds purchase options or other development control over property for which development activity is proposed.

Development activity. Any residential construction, including the placement of a mobile home, or expansion of a building, structure or use, any change in use of a building or structure, or any change in the use of land that creates additional demand for school facilities.

District. The Tenino School District or successor entities.

Encumbered. To reserve, set aside, or otherwise earmark the impact fees to pay for commitments, contractual obligations, or other liabilities incurred for public facilities as set out in the adopted capital facilities plan.

Grade span. The categories into which the district groups its grade of students; e.g., elementary, middle or junior high school, and high school.

Impact fee. A payment of money imposed upon development as a condition of development approval to pay for school facilities needed to serve new growth and development, that is reasonably related to the new development that creates additional demand and need for public facilities, that is a proportionate share of the cost of the school facilities, and that is used for such facilities that reasonably benefit the new development. "Impact fee" does not include the reasonable permit or application fee.

Impact fee schedule. The impact fees to be charged per dwelling unit of development that shall be paid as a condition of residential development within the city.

Interlocal agreement. The agreement between the district and the city, governing the operation of the school impact fee program and describing the relationship, duties and liabilities of the parties.

Permanent facilities. Facilities of the district with a fixed foundation which are not relocatable facilities.

Relocatable facilities. Any structure, transportable in one or more sections that is intended to be used as an education space to meet the needs of service areas within the district, to provide specialized facilities, or to cover the gap between the time that families move into new residential developments and the date that construction is completed on permanent school facilities.

Relocatable facilities cost per student. The estimated cost of purchasing and siting a relocatable facility in the district for the grade span of the school to be provided, as a function of district's design standard per grade span.

Site cost per student. The estimated cost of a site in the district for the grade span of school to be provided, as a function of the district's design standards per grade span.

Standard of service. The standard adopted by the district which identifies the program year, the class size by grade span and taking into account the requirement of students with special needs, the number of classrooms, the types of facilities the district believes will best serve its student population, and other factors as identified by the district. The district's standard of service shall not be adjusted for any portion of the classrooms housed in relocatable facilities which are used as transitional facilities or any other specialized facilities housed in relocatable facilities.

Student factor. The number derived by the district to describe how many students of each grade span are expected to be generated by a dwelling unit. Student factors shall be based on district records of average actual student generated rates for comparable developments constructed over a period of not more than five years prior to the date of the fee calculation; provided, that if such information is not available in the district, data from adjacent districts, or districts with similar demographics or county-wide averages, may be used. Student factors must be updated on an annual basis, and separately determined for single-family and multifamily dwelling units and for grade spans.

Transitional facilities. Those school facilities that are being used pending the construction of permanent facilities; provided, that the necessary financial commitments are in place to construct the permanent facilities.

16.02.030 Determination of the amount of the impact fees. The amount of the impact fees shall be determined for the school district as agreed to by the city and the Tenino school district. The methodology to determine the fees will be based upon what other jurisdictions have used to determine their school impact fees and will address the terms and concepts defined in TMC 16.02.020, Definitions. The city shall adopt the impact fee schedule of the school district.

- A. If the city annexes property and the school district has an approved Capital Facilities Plan with an impact fee schedule, which has been incorporated into the city's comprehensive plan under the Growth Management Act, then that schedule shall continue in effect and become affective for the land(s) within the annexation area.
- B. If residential development occurs within the city of Tenino, and an impact fee schedule has been approved by an adopted capital facilities plan, which has been incorporated into the city's comprehensive plan under the Growth Management Act, that schedule shall be the effective fee schedule.
- C. Any impact fee imposed shall be reasonably related to the impact caused by the development and shall not exceed a proportionate share of the cost of system

improvements that are reasonably related to the new development. The impact fee formula shall take into account the future revenues the district will receive from the development, along with system costs related serving the new development.

- D. The impact fee shall be based on a capital facilities plan adopted by the district and incorporated by reference by the city as part of the capital facilities element of the city's comprehensive plan, adopted pursuant to Chapter [36.70A](#) RCW, for the purpose of establishing the fee program.
- E. Separate fees shall be calculated for single-family and multifamily types of dwelling units, and separate student generation rates must be determined by the district for each type of dwelling unit. For the purpose of this chapter, mobile homes shall be treated as single-family dwellings, and duplexes and attached single-family dwellings shall be treated as multifamily dwellings.
- F. Accessory Dwelling Units shall be assessed the fee as calculated at the single-family dwelling rate.
- G. The fee shall be calculated on a district-wide basis using the appropriate factors and data to be supplied by the district. The fee calculations shall also be made on a district-wide basis to assure maximum utilization of all available school facilities in the district which meet district standards.
- H. Credit shall be given for school facilities or sites offered by the developer which the district accepts and approves as meeting district needs and standards, consistent within capital facilities plan.

16.02.040 Interlocal agreement between the city and district. As a condition of the city's authorization and adoption of a school impact fee ordinance, the city and the applicable district shall enter into an interlocal agreement governing the operation of the school impact fee program, and describing the relationship and liabilities of the parties thereunder. The agreement must provide that the district shall be liable and hold the city harmless for all damages which may occur as a result of any failure by the district to comply with the provisions of this chapter, Chapter 82.02 RCW or other applicable law. The agreement must provide that the district shall be liable, hold the city harmless and reimburse the city for defense and payment of all claims, including claims for damages, which may occur or arise as a result of any failure or alleged failure to comply with the provisions of this chapter, Chapter 82.02 RCW or other applicable law in the adoption, administration, or implementation of this chapter and any actions related to it.

16.02.050 Submission of district capital facilities plan and data

- A. On an annual basis (by July 1st, or on a date agreed to by district and the city and stipulated in the interlocal agreement) the Tenino School district shall submit an updated Tenino School district capital facilities plan as adopted by the school board consisting of:
 - 1. Enrollment projections over the next six years, current enrollment and the district's enrollment projections and actual enrollment from the previous year;
 - 2. The adopted standard of service;
 - 3. The overall capacity over the next six years, which shall take into account the available capacity from school facilities planned by the district but not yet built and be a function of the district's standard of service as measured by the number of students which can be housed in district facilities;
 - 4. An inventory of the district's existing facilities;

5. Any adjusted fee schedule adopted by the School Board.
- B. To the extent that the district's standard of service identifies a deficiency in its existing facilities, the district's capital facilities plan must identify the sources of funding other than impact fees for building or acquiring the necessary facilities to serve the existing student population in order to eliminate the deficiencies within a reasonable period of time.
- C. Facilities to meet future demand shall be designed to meet the adopted standard of service. If sufficient funding is not projected to be available to fully fund a capital facilities plan which meets the adopted standard of service, the district's capital facilities plan should document the reason for the funding gap, and identify all sources of funding that the district plans to use to meet the adopted standard of service.
- D. The district shall also submit annually to the city a report showing the capital improvements for which the impact fees have been used.
- E. In its development of the financing plan component of its capital facilities plan, the district shall plan on a six-year horizon and shall demonstrate its best efforts by taking the following steps:
 1. Establish a six-year financing plan, and propose the necessary bond issues, levies, and/or financing measures required by and consistent with that plan and as approved by the school board consistent with state law; and
 2. Where applicable, apply to the state for funding, and comply with the state requirements for eligibility to the best of the district's ability.

16.02.060 Annual council review. On at least an annual basis, the city council shall review the information submitted by the district pursuant to TMC 16.02.050. The review shall be in conjunction with any update of the capital facilities plan element of the city's comprehensive plan. The city council may also, at this time, determine if an adjustment to the amount of the impact fees is necessary.

16.02.070 Fee collection. The school impact fee shall be imposed, based on the impact fee schedule, at the time of application to the city for a development activity permit. The school impact fee shall be imposed based on the adopted impact fee schedule. School impact fees shall be paid to the district's school impact fee account, and the developer shall provide the city with a letter from the school district verifying that the school impact fee obligation has been satisfied.

- A. Impact fees shall be imposed upon development activity in the city concurrent with the issuance of a building permit. The fees are based upon the adopted fee schedule where such development activity requires issuance of a residential building permit or a building permit for a manufactured or mobile home located on platted lots or within a mobile home park, and the fee has not been previously paid. Impact fees are only collected and disbursed within the boundaries of a school district that has executed an interlocal agreement with the city of Tenino.
- B. Applicants for single-family and multifamily residential building permits, and for manufactured/mobile home building permits shall pay the total amount of the impact fees assessed before the building permit is issued, using the impact fee schedules then in effect. The owner of the manufactured/mobile home park shall be responsible to pay the fee.

- C. The city shall not issue the required building permit or manufactured/mobile home building permit unless and until the impact fees set forth in the impact fee schedule have been paid.

16.02.080 Exemptions. The following development activities are exempt from the requirements of this chapter:

- A. Reconstruction, remodeling or construction of housing projects for the elderly, including nursing homes, retirement centers, assisted living facilities or other types of housing projects for persons age 55 and over, which have recorded covenants or recorded declaration of restrictions precluding school-aged children as residents of those projects. This exemption does not include individual single-family homes on platted lots unless the subject plat has such recorded covenants. Where such covenants have not already been recorded, but the exemption is sought, the city may require the recording of a covenant or recorded declaration of restriction precluding use of the property for other than the exempt purpose. If property using this exemption is subsequently used for a nonexempt purpose, then the school impact fees then in effect shall be paid.
- B. Rebuilding of legally established dwelling unit(s) destroyed or damaged by fire, flood, explosion, act of nature or other accident or catastrophe; provided, that such rebuilding takes place within a period of one year after destruction and that no additional dwelling units are created.
- C. Alteration, expansion, reconstruction, remodeling, or rebuilding of existing single-family or multifamily dwelling units; provided, that no additional dwelling units are created.
- D. Condominium projects in which existing dwelling units are converted into condominium ownership and where no new dwelling units are created.
- E. Any development activity that is exempt from the payment of an impact fee pursuant to RCW [82.02.100](#).
- F. Any development activity for which school impacts have been mitigated pursuant to a condition of a plat, PUD or similar approval to pay fees, dedicate land or construct or improve school facilities, unless the condition of the plat or PUD approval provides otherwise. The condition of the plat, PUD or similar approval must also predate the effective date of fee imposition by the city or its predecessor in interest as provided herein and/or was actually imposed by the city or its predecessor in interest, specifically as a mitigation for impacts addressed in this chapter. Proof must also be submitted to the city as verified by the School district that the required mitigation has been tendered for the development activity which would otherwise be subject to this chapter.
- G. Any development activity for which school impacts have been mitigated pursuant to a voluntary agreement entered into with the district to pay fees, dedicate land or construct or improve school facilities, unless the terms of the voluntary agreement provide otherwise. The agreement and development activity application must also predate the effective date of fee imposition by the city or its predecessor in interest as provided herein. Proof must also be submitted to the city, prior to issuance of the development activity permit, that the required mitigation has been tendered for the development activity which would otherwise be subject to this chapter.
- H. The replacement of a mobile home with another mobile home within an existing mobile home park where the lot has not been vacant for a period more than one-year.

16.02.090 Adjustments, exceptions and appeals.

- A. Arrangements may be made for later payment of the impact fee with the approval of the district only if the district determines that it will be unable to use or will not need the payment until a later time; provided, that sufficient security, as defined by the district, is provided to assure payment. Security shall be made to and held by the district, which will be responsible for tracking and documenting the security interest.
- B. The fee amount established in the schedule shall be reduced by the amount of any eligible payment previously made for the lot or development activity in question, either as a condition of approval or pursuant to a voluntary agreement.
- C. Whenever a development is granted approval subject to a condition that the development actually provide a school site or facility acceptable to the district, the developer shall be entitled to a credit for the value of the facility, based on the actual cost of providing the facility, against the fee that would be required by this chapter. The value of the facility shall be estimated at the time of approval, but must be documented and confirmed after the facility is completed to assure that an accurate credit amount is provided. If facility value based on actual costs is less than the calculated fee amount, the remaining difference shall be chargeable as a school impact fee.
- D. The standard impact fees may be adjusted by the planning director, if one of the following circumstances exist:
 - 1. The developer demonstrates that an impact fee assessment was improperly calculated; or
 - 2. Unusual circumstances identified by the developer demonstrate that if the standard impact fee amount was applied to the development, it would be unfair or unjust, taking into account the purposes and intent of this chapter and Chapter 82.02 RCW.
- E. In cases where a developer requests a fee calculation adjustment, exception or a credit pursuant to subsection (C) of this section, the planning director shall consult with the district and the district shall advise the planning director prior to the planning director making the final impact fee determination.
- F. A developer may provide, and the planning director shall review, studies and data as a part of a request for a fee calculation adjustment, exception, or credit.
- G. Any appeal of the final decision of the planning director with regard to fee amounts may be made by the developer, district, or other aggrieved party and shall follow the process for the appeal of the underlying development application, as set forth in the TMC 18. The planning director's decision shall be given substantial weight and the appellant shall have the burden of proof that the final fee determination is unfair, taking into account the purposes and intent of Chapter 82.02 RCW and this chapter.
- H. Impact fees may be paid under protest in order to obtain a permit or other approval of development activity. However, such payment under protest shall not excuse the applicant's obligation to timely exhaust all administrative remedies and to comply with all applicable time limitation periods.

16.02.100 Impact fee accounts and refunds.

- A. Impact fee receipts shall be earmarked specifically and retained in a special interest-bearing account established by the district solely for the district's school impact fees. All interest shall be retained in the account and expended for the purposes or purposes for which impact fees were imposed. Annually, the district, based in part on its report

prepared pursuant to TMC 16.02.050, shall prepare a report on the impact fee account showing the source and amount of all moneys collected, earned or received, and capital or system improvements for which impact fees were used. The district shall submit a copy of this report to the city, where the planning director shall submit the report on the source and amount of all school impact fees collected by the district for city council review.

- B. Impact fees for the district's capital improvements shall be expended by the district only in conformance with the School districts capital facilities plan.
- C. Impact fees shall be expended or encumbered by the district for a permissible use within six years of receipt by the district, unless there exists an extraordinary or compelling reason for fees to be held longer than six years. Such extraordinary or compelling reasons shall be identified to the city by the district in a written report. In any decision approving such an extension, the city council shall identify the district's extraordinary and compelling reasons for the fees to be held longer than six years in written findings.
- D. The current owner of property on which an impact fee has been paid may receive a refund of such fees if the impact fees have not been expended or encumbered within six years or an extension granted under subsection (C) of this section of receipt of the funds by the district on school facilities intended to benefit the development activity for which the impact fees were paid. Impact fees shall be considered encumbered on a first in, first out basis. The district shall notify potential claimants by first-class mail deposited with the United States Postal Service addressed to the current owner of the property as shown in the county tax records.
- E. An owner's request for a refund must be submitted to the district in writing within one year of the date the right to claim the refund arises or the date that notice is given, whichever date is later. Any impact fees that are not expended or encumbered by the district in conformance with the capital facilities plan within these time limitations, and for which no application for a refund has been made within this one-year period, shall be retained and expended consistent with the provisions of this section. Refunds of impact fees shall include any interest earned on the impact fees.
- F. Should the city seek to terminate any or all school impact fee requirements, all unexpended or unencumbered funds, including interest earned, shall be refunded to the current owner of the property for which a school impact fee was paid. Upon the findings that any or all fee requirements are to be terminated, the city shall place notice of such termination and the availability of the refunds in a newspaper of general circulation at least two times and shall notify all potential claimants by first-class mail addressed to the owner of the property as shown in the county tax records. All funds available for refund shall be retained for a period of one year. At the end of one year, any remaining funds shall be retained by the district, but must be expended by the district, consistent with the provisions of this section. The notice requirement set forth above shall not apply if there are no unexpended or unencumbered balances within the account or accounts being terminated.
- G. A developer may request and shall receive a refund, including interest earned on the impact fees, when:
 - 1. The developer does not proceed to finalize the development activity as required by statute or city provisions including the Building Code; and

2. No impact on the district has resulted. "Impact" shall be deemed to include cases where the district has expended or encumbered the impact fees in good faith prior to the application for a refund. In the event that the district has expended or encumbered the fees in good faith, no refund shall be forthcoming. However, if within a period of three years the same or subsequent owner of the property proceeds with the substantially similar development activity, the owner shall be eligible for a credit. The owner must petition the district and provide receipts of impact fees paid by the owner for a development of the same or substantially similar nature on the same property or some portion thereof. The district shall determine whether to grant a credit and such determination may be appealed by following the procedures set forth in TMC 16.02.090.
- H. Interest due upon the refund of impact fees required by this section shall be calculated according to the average rate received by the district on invested funds throughout the period during which the fees were retained.

16.02.110 Impact fee calculation and schedule for the Tenino School District. The impact fee calculation and schedule is based upon the impact fee calculation for single-family residences and for multifamily residences set forth in the Tenino School District's Capital Facilities Plan, initially adopted by the School Board effective June 20, 2005. The calculation is the determination of the appropriate proportionate share of the costs of public school capital facilities needed to serve new growth and development to be funded by school impact fees based on the factors defined in TMC 16.02.020.

- A. Effective January 1, 2006, the school impact fees shall be as follows:
 1. Per Single-Family Dwelling Unit - \$1,859.39.
 2. Per Multifamily Dwelling Unit - \$929.70.
- B. Should the net fee obligation identified in the most recent capital facilities plan adopted by the Tenino School district be less than amounts listed in paragraph (A) of this section, then the fee obligation shall be in accordance with the net fee obligation identified in said plan and adopted by reference as part of the capital facilities element of the city of Tenino's comprehensive plan.
- C. Beginning August 1, 2006, and every August 1st thereafter, the school impact fee shall be in accordance with the net fee obligation identified in the most recently adopted Tenino School district capital facilities plan, which shall be adopted by reference as part of the capital facilities plan element of city of Tenino's comprehensive plan.