

EXHIBIT A: Chapter 3.88 Poulsbo Fire Impact Fee Ordinance | June 3, 2026 | City Council Workshop

Note: Chapter 3.88 is an entirely new chapter, therefore no underline is being presented.

3.88.010 Short Title.

This chapter shall be known and may be cited as the “Poulsbo Fire Impact Fee Ordinance.”

3.88.020 Findings and Authority.

The Poulsbo city council hereby finds and determines that:

- A. New growth and development, including but not limited to new residential, commercial, retail, office, and industrial development, in the City of Poulsbo will create additional demand and need for fire protection facilities in the City of Poulsbo.
- B. New growth and development should pay a proportionate share of the cost of fire protection facilities needed to serve the new growth and development.
- C. The Poulsbo Fire Department (Kitsap County Fire District #18) has conducted a study documenting the procedures for measuring the impact of new developments on fire protection facilities.
- D. This chapter is enacted under the authority of the Washington State Growth Management Act, codified at Chapter 36.70A RCW and at RCW 82.02.050 through 82.02.110, as currently enacted or hereafter amended.
- E. Pursuant to the requirements of RCW 82.02.060, the city has reasonably adjusted the fire impact fee amount for taxes and other revenue sources that are anticipated to be available to fund the facility improvements, as identified in the city’s capital facilities plan, and as outlined in the Poulsbo Fire Department technical document.
- F. The fire system improvements funded through this chapter are identified within the City’s adopted Comprehensive Plan, Capital Facilities Plan, and are necessary to maintain the City’s adopted level of service as growth occurs.
- G. Impact fees imposed pursuant to this chapter shall be used only for system improvements reasonably related to new development and shall not be used to remedy existing deficiencies in facilities or levels of service.

3.88.030 Purpose.

- A. The purpose of this chapter is to implement the capital facilities element of the Poulsbo comprehensive plan and the Growth Management Act by:
 - 1. Ensuring that adequate fire protection facilities are available to serve new development;
 - 2. Maintaining the high quality of life in Poulsbo by ensuring that growth pays for growth and that existing service levels for existing residents and businesses are not adversely impacted by growth and new development activity; and
 - 3. Establishing standards and procedures whereby new development pays its proportionate share of the cost of fire protection facilities that are reasonably related to the new development, and whereby fire protection facilities are jointly financed by public and private interests.
- B. The provisions of this chapter shall be liberally construed to effectively carry out its purpose in the interest of the public health, safety and welfare.

3.88.040 Interlocal agreement.

As a condition of the city’s authority to adopt fire impact fees pursuant to Chapters [36.70A](#) and [82.02](#) RCW, the city and the Poulsbo Fire Department shall enter into an interlocal agreement governing the administration of the fire impact fee program. The interlocal agreement shall describe the relationship and liabilities of the parties and shall speak to the process for the collection, distribution, expenditure, and reporting of fire impact fees. No impact fee shall be collected by the city until an interlocal agreement has been approved and fully executed by the city and the fire department.

3.88.050 Definitions.

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As used in this chapter, the following terms have the meanings set forth below:

“Building permit” means a permit issued by the Poulsbo building official and which authorizes the construction, alteration, enlargement, conversion, reconstruction, remodeling, rehabilitation, erection, demolition, moving or repair of a building or structure. As the term relates to fire impact fees, “building permit” includes a permit issued for the siting or location of a mobile home.

“Capital facilities plan (CFP)” means the capital facilities plan element of the Poulsbo Comprehensive Plan, including adopted appendices and supporting capital facilities planning documents associated with the Poulsbo Fire Department, as the same now exists or may be hereafter amended.

“Certificate of occupancy” means the certificate issued by the City of Poulsbo where a development activity results in a change in use of the preexisting structure, or the creation of a new use where none previously existed.

“City” means the city of Poulsbo.

“Commercial Development” means all non-residential development.

“Developer” means an individual, group of individuals, partnership, corporation, association, municipal corporation, state agency, or other person undertaking development activity within the city.

“Development” or “development activity” means any construction, expansion, or change in the use of a building or structure that creates additional demand and need for public facilities and requires a development activity permit or certificate of occupancy.

“Development approval” means any written authorization from the city that authorizes commencement of a development activity, including but not limited to final plat approval, short plat approval, binding site plan approval, planned residential development approval, planned mixed use development approval, site plan approval, conditional use permit approval, and building permit approval. As the term relates to fire impact fees, “development approval” includes a permit issued for the siting or location of a mobile home.

“Dwelling” or “dwelling unit” means a single unit providing a complete independent living space for one or more persons, including permanent facilities for living, sleeping, eating, cooking and sanitation.

“Encumber” means to reserve, set aside, or otherwise earmark the impact fees in order to pay for commitments, contractual obligations, or other liabilities incurred for public facilities.

“Existing development” means that development which physically exists or for which the developer holds a valid building permit as of the effective date of the first ordinance establishing this chapter.

“Fee payer” is a person, corporation, partnership, incorporated association, or any other similar entity, or department or bureau of any governmental entity or municipal corporation, which begins a development activity that creates the demand for additional system improvements and requires the issuance of a site development activity permit or certificate of occupancy. “Fee payer” includes an applicant for an impact fee credit.

“Fire district” means Kitsap County Fire District #18, also known as the Poulsbo Fire Department.

“Fire impact rate study” means the technical analysis, capital facilities planning assumptions, and associated fire impact fee rate schedule supporting the City’s adopted fire impact fee program and capital facilities plan.

“Fire protection facilities” means emergency response apparatus, and fire stations, and any furnishings and equipment that are used with emergency response apparatus or fire stations and which can be capitalized.

“Gross floor area” means the total square footage of livable area of any dwelling unit and the gross leasable area square footage of any nonresidential building, structure, or use, including accessory uses.

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“Impact fee” means a payment of money imposed by the City of Poulsbo on development activity pursuant to this chapter in order to pay for the public facilities needed to serve new growth and development. “Impact fee” does not include a reasonable permit fee, an application fee, the administrative fee for collecting and handling school impact fees, or the cost of reviewing independent fee calculations.

“Impact fee account” or “account” means the account established for the fire protection facilities’ impact fees collected. The account shall be established and comply with the requirements of RCW [82.02.070](#).

“Independent fee calculation” means the fire impact fee calculation and/or economic documentation prepared by a fee payer, to support the imposition of an impact fee other than by the use of the adopted rates of this chapter.

“Interest” means the money earned from investing unexpended impact fees at the average interest rate earned in an impact fee account in the last fiscal year.

“Interlocal agreement” or “agreement” means an executed legal instrument that structures a binding relationship between the City of Poulsbo and other public agencies as defined in and authorized by Chapter 39.34 RCW.

“Level of service (LOS)” means the qualitative measure adopted by the Poulsbo Fire Department’s Board of Fire Commissioners to analyze the delivery for fire protection services based on acceptable performance measures and standards as set forth in the fire department’s mitigation and level of service policy.

“Low-income housing” means:

An owner-occupied housing unit affordable to households whose household income is less than eighty percent of the City of Poulsbo median income, adjusted for household size, as determined by the United States Department of Housing and Urban Development (HUD); or

A renter-occupied housing unit affordable to households whose income is less than sixty percent of the City of Poulsbo median income, adjusted for household size, as determined by HUD.

In the event that HUD no longer publishes median income figures for the City of Poulsbo, the city may use or determine such other method as it may choose to determine the City of Poulsbo median income, adjusted for household size. The director will make a determination of sales prices or rents that meet the affordability requirements of this section. An applicant for a low-income housing exemption may be a public housing agency, a private nonprofit housing developer, or a private developer.

“New development” means any and all development for which a development approval is issued after the effective date of the first ordinance establishing this chapter.

“Owner” means the owner of record of real property; provided, that when real property is being purchased under a real estate contract, the purchaser shall be considered to be the owner of the real property if the contract is recorded.

“Residential” or “residential development” means all types of construction intended for human habitation. This shall include, but is not limited to, single-family, duplex, triplex, other multifamily development, mobile homes, and manufactured homes.

“State” means the state of Washington.

“System improvements” means public facilities that are included in the City of Poulsbo’s capital facilities plan and are designed to provide service to service areas within the community at large, in contrast to project improvements.

3.88.060 Applicability.

A. The requirements of this chapter apply to all new development, as defined in Section 3.88.050, that creates additional demand and need for fire protection facilities or emergency response infrastructure.

B. Fire impact fees shall apply to:

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1. New residential development;
 2. New commercial, retail, office, industrial, institutional, and mixed-use development;
 3. Expansions, additions, or changes in use that increase demand for fire protection services;
 4. Development activity requiring issuance of a building permit, development approval, or certificate of occupancy.
- C. For mixed-use development, residential and nonresidential portions of the development shall be calculated separately according to the applicable fire impact fee schedule.
- D. Fire impact fees shall not apply to:
1. Remodeling, replacement, reconstruction, or alteration of an existing structure that does not increase demand for fire protection services;
 2. Interior tenant improvements that do not increase occupancy, intensity of use, or gross floor area;
 3. Development specifically exempted pursuant to this chapter or state law.

3.88.070 Geographic scope.

The boundaries within which impact fees shall be charged and collected by the city are coextensive with the corporate city limits, and shall include all unincorporated areas annexed to the city on and after the effective date of the first ordinance establishing this chapter, as they exist now or as they may be amended through annexation or other means from time to time.

3.88.080 Imposition of fire impact fees.

- A. Fire impact fees shall be required as a condition of development approval for all new development within the city to which this chapter applies.
- B. The impact fee shall become due and payable to the City at the time of issuance of a certificate of occupancy. If a certificate of occupancy is not required, the impact fee shall become due at the time of final inspection or, if no final inspection is required, at the time of development approval.
- C. For a change in use of an existing building or dwelling unit, the impact fee shall be the applicable impact fee, less any impact fee previously paid for the prior use.
- D. The building official shall not issue a certificate of occupancy, or final approval where a certificate of occupancy is not required, unless and until the impact fee has been paid.

3.88.090 Calculation of fire impact fee amount.

- A. The fire impact fee schedule shall be established by City Council ordinance and supported by a Fire Impact Fee Technical Rate Study. The methodology shall reflect the proportionate impacts of different development types and dwelling unit characteristics consistent with state law.
- B. Each development application shall mitigate its impacts on the fire district's fire protection facilities by payment of a fee that is based on the type of land use and square footage of the development, and proportional to the cost of fire protection facility improvements necessary to serve the needs of growth.
- C. Residential fire impact fees shall be calculated based upon the gross square footage of the dwelling unit.
- D. Commercial fire impact fees shall be calculated based upon the gross square footage of the commercial occupancy.
- E. Applications for a change of use shall receive credit based on the existing use. This credit is calculated by deducting the fee amount of the existing use from the fee of the proposed use.
- F. All data and other information necessary to determine impact fee amounts will be made available to the public. Data such as apparatus and building needs, emergency service requests, facility improvement

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projects and costs, and related fee schedules will be updated as necessary, but no less than every ten years as part of the Poulsbo comprehensive plan periodic update cycle.

- G. The City of Poulsbo shall assess a processing fee, as determined by the City Council, for the collection and distribution of Fire Impact fees, which will be added to the fire impact fee amount.

3.88.100 Exemptions.

The following are exempt from the payment of impact fees under this chapter:

- A. Existing development for which a fire impact fee has previously been paid under this chapter.
- B. Development for which a voluntary agreement has been entered into pursuant to RCW 82.02.020 that provides for the dedication of land, construction of improvements, or payment of fire impact fees.
- C. Alteration, expansion, remodeling, reconstruction, or replacement of an existing dwelling unit or structure that does not create additional dwelling units, commercial space, occupancy, or demand for fire protection facilities.
- D. Interior tenant improvements that do not increase occupancy, intensity of use, or gross floor area.
- E. Any legal accessory dwelling unit approved under Title 18, Zoning, as authorized by RCW 82.02.060 and RCW 36.70A.680.
- F. Any building permit associated with a home occupation or home business approved under Title 18, Zoning, where the use remains accessory to the residential use of the property.
- G. Any development activity exempt from impact fees pursuant to RCW 82.02.100, as currently enacted or hereafter amended, including the early learning facility portion of a development.
- H. Any building permit associated with a public park or public recreational facility.
- I. Shelters or temporary housing units intended for occupancy for not more than ninety days.
- J. Development consisting of two hundred square feet or less that does not involve hazardous materials or create a life safety risk.
- K. Miscellaneous improvements that do not create additional demand for fire protection facilities, including but not limited to fences, walls, swimming pools, signs, and accessory structures as defined in Title 18.
- L. Exemptions granted pursuant to this section shall not require the City or Poulsbo Fire Department to expend fire impact fee funds to serve the exempted development.

3.88.110 Credits.

- A. Pursuant to RCW 82.02.060(5), an applicant may request that a credit or credits for impact fees be awarded to that applicant for the total value of system improvements, including dedications of land and improvements, past payments for system improvements, and/or construction provided by the applicant. In addition to the preceding sentence, the following actions may result in a credit:
 - 1. An applicant installing a residential fire sprinkler system in a single-family residence shall be entitled to a 30 percent credit for impact fees as provided in RCW [82.02.100\(2\)](#).
 - 2. An applicant may be entitled to a credit or credits based on service capacity criteria developed by the Poulsbo Fire Department as set forth in the mitigation and LOS policy. If the calculated credit results in the impact fee being a negative amount, the applicant will not be required to pay impact fee nor will the applicant be compensated by the Poulsbo Fire Department for a negative impact fee. Total credits are based on an individual building permit application and may not be transferred to another application.

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- B. Any claim for a credit under this provision must be received by the city prior to issuance of the certificate of occupancy. The failure to timely file such a claim shall constitute an absolute bar to later request any such credit.
- C. Credits shall not be transferable from one property, project, or development activity to another.

3.88.120 Adjustments.

The Poulsbo Fire Department is authorized to adjust the impact fees to be calculated under this chapter where the developer demonstrates that unusual circumstances make the standard impact fee applied to such development unfair or unjust. The circumstances that form the basis for the adjustment shall not be circumstances that are generally applicable to similar land uses or to all development activity in the vicinity. Unusual circumstances may include that the development specifically improves public safety or that the development activity will have substantially less impact on the system demand than other development activities in the same land use category. Any request for an adjustment shall be made no later than the time of the application triggering imposition of impact fees. Adjustments granted under this section shall not be transferable from one property, project or development activity to another.

3.88.130 Calculation of impact fees based upon independent study.

Fees shall be calculated in accordance with Section 3.88.090 unless:

- A. A developer submits to the Poulsbo Fire Department, studies and data in accordance with RCW 82.02.060(5) that support a claim for a different amount of the fee. The studies and data submitted shall clearly show the basis upon which the independent fee calculation was made.
 - 1. The study shall follow accepted impact fee assessment practices and methodologies.
 - 2. The study shall use acceptable data sources and the land uses from which the data was compiled, and shall be comparable to the uses and intensities of the proposed development activity. Unusual circumstances that clearly demonstrate that the proposed development will have substantially less impact on the system than other development activities may be presented in the study.
 - 3. The study shall comply with applicable state laws governing imposition of impact fees.
 - 4. The study, including any data collection and analysis, shall be prepared and documented by professionals qualified in the fire and emergency response fields.
 - 5. The study shall clearly show the basis upon which the independent fee calculation was made.
- B. The Poulsbo Fire Department shall consider the study and any other documentation submitted by the developer, but are not required to accept the study if they decide that the study is not accurate or reliable. The Poulsbo Fire Department may, in the alternative, require that the developer submit additional or different studies, documents, or information for consideration. If the Poulsbo Fire Department determine that outside expertise is needed to review the study, the Poulsbo Fire Department may obtain the services of outside experts and the developer will be required to pay the costs of such services.
- C. If the study is not acceptable, the developer shall be required to pay the impact fees based upon Section 3.88.090. If the study is acceptable, the Poulsbo Fire Department may adjust the fee to that amount which is appropriate to the particular development activity.
- D. The Poulsbo Fire Department may establish a fee for staff review of the independent studies authorized by this section. If such a fee is established, the fee shall be paid at the time the study is submitted.

3.88.140 Payments under protest.

Impact fees may be paid under protest in order to obtain a certificate of occupancy, or development approval if no certificate of occupancy is required.

3.88.150 Appeals.

Unless the Poulso Fire Department establishes an appeal process, determinations and decisions by the Poulso Fire Department made in regards to this chapter may be appealed by an applicant pursuant to Title 19 in accordance with the procedures for appealing the underlying permit or development approval and shall not be subject to a separate appeal process.

3.88.160 Impact fee accounts and expenditures.

- A. Impact fee receipts shall be earmarked specifically and retained in a special interest bearing account established by the Poulso Fire Department solely for the Poulso Fire Department's fire impact fees. All interest shall be retained in the account and expended for the purpose or purposes for which impact fees were imposed. Annually, the Poulso Fire Department 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 that were financed in whole or in part by impact fees. The Poulso Fire Department shall submit a copy of this report to the City Council annually.
- B. Impact fees for the Poulso Fire Department's system improvements shall be expended by the Poulso Fire Department only in conformance with the Poulso Fire Department's adopted capital facilities and equipment plan element of the comprehensive plan. Expenditures may include, but are not limited to planning, acquisition, architectural and engineering fees, permitting, financing, fees, taxes, and other expenses which can be capitalized. Impact fees may also be used to recoup public improvement costs previously incurred by the fire district to the extent that new growth and development will be served by the previously constructed improvements or incurred costs.
- C. Impact fees shall be expended or encumbered by the Poulso Fire Department for a permissible use within 10 years of when the fees were paid, unless there exists an extraordinary or compelling reason for fees to be held longer than 10 years. Such extraordinary or compelling reasons shall be identified to the city by the Poulso Fire Department in a written report. The City Council shall identify the Poulso Fire Department's extraordinary and compelling reasons for the fees to be held longer than 10 years in the council's own written findings.

3.88.170 Impact fee refunds.

- A. The current owner of property on which impact fees have been paid may receive a refund of such fees, or any portion thereof, if the Poulso Fire Department has failed to expend or encumber the impact fees, or any applicable portion, within the time periods specified in Section 3.88.160.
- B. The Poulso Fire Department shall notify potential claimants for impact fee refunds by first class mail deposited with the United States Postal Service at the last known address of the said claimants.
- C. A request for a refund must be submitted to the Poulso Fire Department in writing within one year of the date that the right to claim the refund arises or the date that the notice is given, whichever is later. Any impact fees that are not expended or encumbered and for which no application for refund has been made within the one-year period shall be retained and expended on the indicated capital facilities. Refunds under this subsection shall include interest earned on the impact fees; provided, that if the Poulso Fire Department's failure to expend or encumber the fee within the time periods set forth in Section 3.88.170 is due to delay attributable to the developer of the project for which the fee was collected, the refund shall be without interest.
- D. If the city should terminate the impact fee requirements of this chapter, all unexpended or unencumbered funds, including interest earned, shall be refunded pursuant to this section. Upon a determination to terminate such impact fee requirements, the city shall publish a notice of such termination and the availability of refunds in the city's official newspaper at least two times and shall notify all potential claimants by first class mail at the last known address of claimants. A request for a refund must be submitted to the City

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Council in writing within one year of the date that the notice is given. Any impact fees for which no application for refund has been made within the one-year period shall be retained and expended on the indicated capital facilities. No notice shall be required if there are no unexpended or unencumbered balances within the account at the time of termination.

- E. A developer may request and shall receive a refund, including interest earned on the impact fees, when the developer does not proceed with the development activity and no impact has resulted.
- F. When providing a refund, the city shall include the interest earned on the impact fee while it was deposited into the required special interest bearing account

3.88.180 Annual impact fee report.

The Poulsbo Fire Department shall prepare an annual report to the Poulsbo City Council and Poulsbo Fire Department Commissioners showing the source and amount of all moneys collected, earned, or received. The report may be part of an existing annual report or may be a separate report.