

# IMPACT FEE UPDATE

June 3, 2026

City Council Workshop



# AGENDA

## **1. Future Policy Considerations**

- Potential exemptions and reductions
- Replacement funding considerations

## **2. Fire Impact Fee Program Adopting Ordinance and New PMC Chapter 3.88**

## **3. Transportation Impact Fee Program Adopting Ordinance and Amended PMC Chapter 3.86**

## **4. Park Impact Fee Program Adopting Ordinance and Amended PMC Chapter 3.84**

- Staff recommendation for implementation

# PROCESS

- **April 15, 2026:** Introductory Workshop
- **May 13, 2026:** Program Technical Review
- **June 3, 2026:** Policy Direction and Ordinance Review
- **June 17, 2026:** Adopt Ordinances
- **TBD:** Exemption/Reduction Discussion

<https://poulsbo.gov/ped-2026-impact-fee-update/>

# REQUIREMENTS

System	Adopted LOS	Adopted Project List	Rate Study	Ordinance
Parks	Exhibit CFP-18	Exhibit CFP-21	Updated	Amend PMC 3.84
Transportation	Exhibit CFP-12	Exhibit CFP-15	Updated	Amend PMC 3.86
Fire	Exhibit CFP-23	Exhibit CFP-24	New	New PMC 3.88

*Fire Impact Fee also required an Interlocal Agreement*



# Policy Considerations

City Council Direction Requested

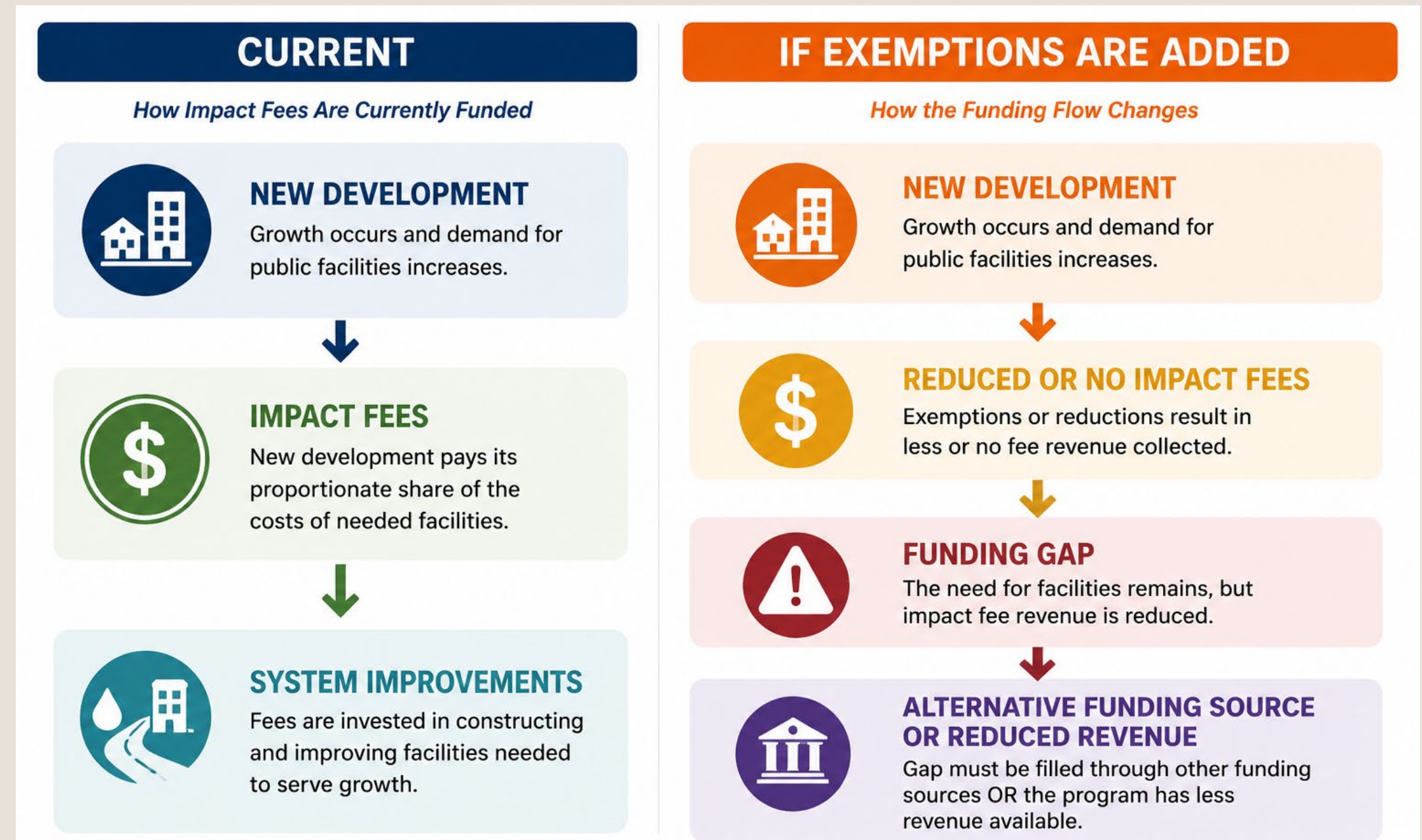
# POLICY CONSIDERATIONS

The current ordinance amendments focus on modernization of the Impact Fee Programs and consistency with state law. The following items would require separate policy discussion and future code amendments.



# REPLACING FUNDING

- Impact fees are intended to ensure growth contributes its proportionate share toward growth-related infrastructure needs.
- If Council elects to reduce or exempt impact fees for certain uses, the underlying infrastructure need does not disappear.
- Council has two policy choices:
  - Option 1 – Identify Replacement Funding (General Fund, Local Housing Fund)
  - Option 2 – Accept Reduced Cost Recovery



# AFFORDABLE HOUSING

- Should the City consider park impact fee incentives for affordable housing?
- If yes, should incentives apply only to income-restricted housing?
- What affordability levels should qualify?
  - ≤30% AMI
  - ≤60% AMI
  - ≤80% AMI
  - Workforce housing (80–120% AMI)
- What type of incentive should be considered?
  - Full exemption
  - Partial reduction
- Should affordability be required for a minimum period of time?
- Should this apply to all impact fees – parks, transportation, fire?

# CHILDCARE FACILITIES

- Should the City consider impact fee reductions or exemptions for childcare facilities?
- Should any incentive apply only to licensed facilities?
- Should incentives apply only to nonprofit childcare providers or all providers?
- Should incentives be:
  - Full exemption
  - Partial reduction
- Should eligibility be limited to facilities serving identified community needs?
- Should this apply to all impact fees – parks, transportation, fire?

# SENIOR HOUSING

- Should age-restricted or senior housing be treated differently under the impact fee program?
- Which housing types should qualify?
  - Independent living
  - Assisted living
  - Memory care
  - Age-restricted residential housing
- Should incentives be:
  - Full exemption
  - Partial reduction
- Should staff conduct additional analysis before returning with recommendations?
- Should this apply to all impact fees – parks, transportation, fire?

# OTHER

## **Accessory Dwelling Units (ADUs)**

- Poulsbo already has a partial reduction
- Several jurisdictions exempt all impact fees for ADUs
- Is the proposed 50% ADU reduction appropriate, or should staff evaluate alternative approaches?

## **Emergency Housing / Shelters**

- Common approach: Exemption or reduced fees
- Should community-serving emergency housing uses be evaluated separately?

# FIRE IMPACT FEES

Jim Gillard, Fire Chief



# FIRE PROGRAM FRAMEWORK

- New PMC Chapter 3.88
- Growth-related capital improvements only
- Based on Comprehensive Plan assumptions
- Future Interlocal Agreement required
- Proposed effective date: January 1, 2027

## **Appendix B: City of Poulsbo Functional Plans**

Appendix B.1: 2024 Water System Plan

Appendix B.2: 2024 General Sewer Plan

Appendix B.3: 2025 Stormwater Management Plan

Appendix B.4a: 2024 Transportation Comprehensive Plan

Appendix B.4b: 2024 Poulsbo Complete Streets Plan

Appendix B.5: 2021 Parks, Recreation, and Open Space Plan

Appendix B.6: 2018 Urban Paths of Poulsbo

Appendix B.7: Solid Waste Utility Plan

Appendix B.8: Poulsbo Fire Department 2024-2044 Capital Facility Plan

# FIRE PROGRAM – RECOMMENDATION

- ✓ New PMC Chapter 3.88
- ✓ Adopting ordinance
- ✓ Future ILA development
- ✓ Jan 1, 2027 effective date
- ✓ **Advance to June 17 business agenda**

Rate Calculation - Commercial		
Growth-Related Capital Costs	\$	3,485,280
Commercial Occupancies - % of Emergency Incidents	×	28%
Commercial - Share of Growth Related Capital Costs	\$	973,534
Expected Number of New Employees	÷	4000
Growth Related Capital Costs per new Employee (Base)	\$	243.38
Proportionality - Average Square Footage per Employee	÷	400
<b>Commercial - Fire Impact Fee (Cost Per Square Foot)</b>	<b>\$</b>	<b>0.61</b>

Rate Calculation - Single Family Residence		
Growth Related Capital Costs	\$	3,485,280.00
Single Family Residence - % of Emergency Incidents	×	63%
Single Family Residence - Share of Growth Related Capital Costs	\$	2,192,117.26
Expected Number of New Single Family Residence	÷	3134
Growth Related Capital Costs per Single Family Residence (Base)	\$	699.46
Proportionality - Average Square Footage - Single Family Residence	÷	2490
<b>Single Family Residence-Fire Impact Fee(Cost Per Square Foot)</b>	<b>\$</b>	<b>0.28</b>
Rate Calculation - Multi-Family Residence		
Growth-Related Capital Costs	\$	3,485,280
Multi-Family Residence - % of Emergency Incidents	×	9%
Multi-Family Residence - Share of Growth Related Capital Costs	\$	319,628
Expected Number of new Multi-Family Dwelling Units	÷	1417
Growth Related Capital Costs per Multi-Family Residence (Base)	\$	225.57
Proportionality - Average Square Footage - Multi-Family Residence	÷	970
<b>Multi-Family Residence-Fire Impact Fee(Cost Per Square Foot)</b>	<b>\$</b>	<b>0.23</b>

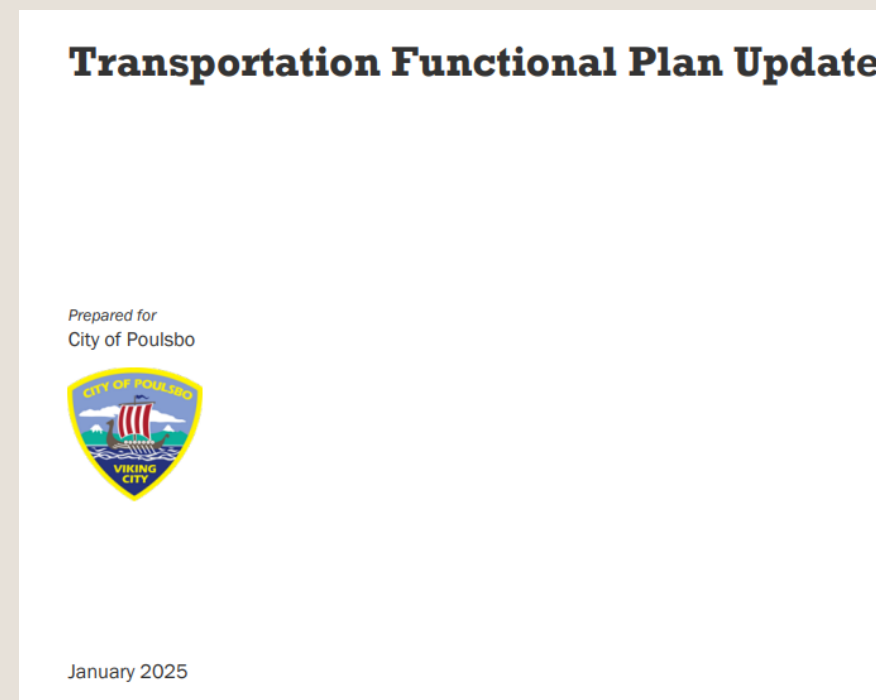
# TRANSPORTATION IMPACT FEES

Michael Bateman,  
Transportation Engineer



# TRANSPORTATION PROGRAM FRAMEWORK

- Existing program maintained since 2011
- Updated growth assumptions
- Updated transportation projects
- Incorporates proportionality requirements
- Recalibrates fee methodology



# TRANSPORTATION PROGRAM – RECOMMENDATION

- ✓ Minor Amendments PMC Chapter 3.86
- ✓ Adopting ordinance
- ✓ \$562 per trip (\$2 decrease)
- ✓ Immediate effective date
- ✓ **Advance to June 17 business agenda**

# PARK IMPACT FEES

**Nikole Coleman, Planning Manager  
and Jeff Ozimek,  
Parks and Recreation Director**



# PARK IMPACT FEE PROGRAM

## TIMELINE



# WHAT IS NOT CHANGING








- Existing Planned Level of Service remains unchanged  
13.73 acres / 1,000 residents
- No expansion of park standards
- Program maintains existing service levels
- Update recalculates cost assumptions only



# WHY FEES INCREASED

## Park Impact Fee Studies: Assumptions and Resulting Base Fee Over Time

Comparison of key assumptions and resulting single-family base park impact fee from the 2011, 2017, and 2026 studies.

STUDY YEAR	2011 <i>Original Study</i>	2017 <i>Update</i>	2026 <i>Updated Analysis</i>
 <b>Average Land Acquisition Cost</b> (per acre)	\$72,887	<b>\$57,546</b> (-21% from 2011) Lower values due to lingering recession impacts and depressed land values.	 <b>\$139,107</b> (+91% from 2011) Reflects current market conditions and land values.
 <b>Average Park Development Cost</b> (per acre)	\$76,413	<b>\$75,320</b> (-1% from 2011) Relatively stable due to soft construction market conditions.	 <b>\$900,512</b> (+1,079% from 2011) Reflects escalation in construction costs, labor, materials, and infrastructure requirements.
 <b>Planned Level of Service</b> (acres per 1,000 residents)	13.73 <i>(No change)</i>	13.73 <i>(No change)</i>	13.73 <i>(No change)</i>
 <b>Resulting Single-Family Base Park Impact Fee</b> (per unit)	\$1,174	<b>\$1,174</b> (No change)	 <b>\$9,578</b> (+719% from 2011) Reflects updated costs and current growth assumptions.

# METHODOLOGY OVERVIEW





# CALCULATED BASE FEE

Single Family  
Representative Unit:

**\$9,578**

This is the calculated base fee before proportional adjustments by unit size and housing type.



**25.96 ACRES**  
OF NEW PARK NEED

Net new park land needed to maintain the adopted level of service through 2044.



**\$26.99 MILLION**  
GROWTH-RELATED COSTS

Total estimated cost to acquire and develop the needed park land and facilities.



**\$8.5 MILLION**  
PUBLIC CONTRIBUTION ADJUSTMENT

Anticipated public funding and other revenue sources deducted from total costs.



**REMAINING COST ATTRIBUTABLE TO NEW DEVELOPMENT**

Growth-related costs minus public contributions, divided by new units, results in the calculated base impact fee.

**\$9,578**  
CALCULATED BASE FEE

# STAFF RECOMMENDATION – PHASING

- Adopt first two phases only
- Reevaluate during 2028 PROS update
- No automatic increases after 2028

## Why Phase Fees?

- Reduce rate shock
- Improve predictability
- Allow market adjustment

Year	Single Family	Multi Family
Jan 2027	\$2,596	\$1,912
Jan 2028	\$4,611	\$2,524

# PAYMENT TIMING CHANGE

Current: Building Permit Issuance

Proposed: Certificate of Occupancy / Final Inspection

Benefits:

- Reduces upfront carrying costs
- Supports housing affordability discussions
- Fees still collected prior to occupancy

## **Deferral Program Changes**

- Current: Application → Lien → Tracking → Payment
- Proposed: Automatic timing shift → Payment at C of O
- Separate deferral program no longer needed

# PARKS PROGRAM – RECOMMENDATION

- ✓ Implement phased fee approach beginning January 1, 2027
- ✓ Adopt only the first two phases of the proposed fee schedule
- ✓ Support and fund 2027–2028 PROS Update (if unable to obtain grant)
- ✓ Reevaluate future fee structure during the 2028 PROS Plan update
- ✓ No automatic increases proposed beyond 2028
- ✓ Advance to June 17, 2026 business agenda