

ORDINANCE NO. 2026-08

AN ORDINANCE OF THE CITY OF POULSBO, WASHINGTON,
AMENDING CHAPTER 3.84 OF THE POULSBO MUNICIPAL
CODE TO UPDATE THE PARK IMPACT FEE AMOUNT;
PROVIDING CLARIFICATION BASED UPON SQUARE
FOOTAGE; AND PROVIDING FOR SEVERABILITY AND
ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Poulsbo has adopted park impact fees in Chapter 3.84 of the Poulsbo Municipal Code; and

WHEREAS, pursuant to the Growth Management Act of the State of Washington and Chapter 36.70A RCW, the City of Poulsbo adopted a periodic update to its Comprehensive Plan (*Adopted June 18, 2025, by Ordinance 2025-09*), which includes provisions for park facilities as part of its Capital Facilities Plan; and

WHEREAS, RCW 82.02.050 authorizes cities to impose impact fees on development activity as part of the financing for public facilities, including park facilities; and

WHEREAS, so that new parks and recreation facilities are available when needed, the Poulsbo City Council has determined that the cost of the parks and recreation facilities must be shared by the public and the private sectors, and that a proportionate share of the expense of new parks and recreation facilities necessitated by new development should be borne by developers through the City's imposition of park impact fees, and

WHEREAS, such park impact fees shall be calculated, imposed and collected by the City pursuant to procedures and criteria set forth in this ordinance, and

WHEREAS, the City's park impact fees are based upon adopted park level of service standards established in the City's Parks, Recreation and Open Space ("PROS") Plan and Capital Facilities Plan; and

WHEREAS, the level of service standards underlying the current park impact fee methodology have been in place for many years and are substantially based on planning assumptions developed during prior comprehensive planning efforts; and

WHEREAS, the City's current PROS Plan covers the period of 2021 through 2027, and the City intends to update the PROS Plan for adoption by 2028; and

WHEREAS, at a City Council workshop held on May 12, 2026, City staff presented an updated park impact fee methodology and calculated fee schedule, including a single-family residential park impact fee of \$9,578 based on the adopted methodology and current level of service standards; and

WHEREAS, due to the substantial increase represented by the calculated fee, City staff proposed a phased implementation schedule extending over five years, culminating in full implementation of the calculated fee in 2031; and

WHEREAS, following initial City Council discussion and feedback regarding the magnitude of the proposed increase, staff presented a revised phased approach to the City Council on June 3, 2026, recommending adoption of only the first two phases of the increase, consisting of a single-family residential park impact fee of \$2,596 effective in 2027 and \$4,611 effective in 2028; and

WHEREAS, the City Council finds that the full calculated park impact fee increase represents a substantial adjustment to existing fees and desires to implement only the initial phase of the increase at this time; and

WHEREAS, as part of the 2028 PROS Plan update, the City Council intends to re-evaluate park level of service standards, park facility needs, and the corresponding park impact fee methodology and rates; and

WHEREAS, the Poulsbo Parks and Recreation Commission reviewed the proposed Park Impact Fee Update during meetings held on March 24, 2026, April 28, 2026, and May 26, 2026,

and voted to recommend approval of the update, expressing support for a phased implementation approach and emphasizing the importance of conducting the upcoming PROS Plan update to re-evaluate park level of service standards and future park facility needs; and

WHEREAS, the City Council therefore adopts only the 2027 and 2028 park impact fee increases set forth below, with any future fee adjustments to be considered following completion of the updated PROS Plan; **NOW, THEREFORE,**

**THE CITY COUNCIL OF THE CITY OF POULSBO, WASHINGTON, DO
ORDAIN AS FOLLOWS:**

Section 1. **Findings Adopted.** The Poulsbo City Council adopts the foregoing recitals as findings in support of the adoption of this Ordinance.

Section 2. **Chapter 3.84 PMC Amended.** PMC chapter 3.84 is hereby amended as set forth in Exhibit A to this ordinance and incorporated herein.

Section 3. **Park Impact Fee Schedule.** The park impact fee to be paid by new development shall be as set forth below per new residential lot or residential unit for which a building permit application has been made. The methodology by which the park impact fee was derived is set forth in the Park Impact Fee Technical Document, dated June 2026.

PARK IMPACT FEE BY RESIDENTIAL TYPE AND SQUARE FOOTAGE	
Single-Family Detached Residential	
<i>Unit Size</i>	<i>Park Impact Fee</i>
999 square feet or less	\$ 3,130
1,000-1,499 square feet or less	\$ 4,360
1,500–1,999 square feet	\$ 6,090
2,000–2,499 square feet	\$ 7,840
2,500 – 2,999 square feet	\$ 9,578
3,000 square feet or more	\$ 11,320
Multi-Family Residential	
<i>Unit Size</i>	<i>Park Impact Fee</i>
499 square feet or less	\$ 1,400
500–999 square feet	\$ 2,620
1,000–1,499 square feet	\$ 4,360
1,500–1,999 square feet	\$ 6,100
2,000-2,499 square feet	\$ 7,850
2,500 square feet or more	\$ 9,590
<i>NoteS: Accessory dwelling units (ADUs) associated with single-family OR multi-family UNITS are assessed at 50% of the impact fee applicable to the principal dwelling unit.</i>	

Section 4. Park Impact Fee Phasing. The City Council finds that implementation of the updated park impact fee schedule through a phased approach is appropriate in order to reduce potential rate shock, provide predictability for development projects currently in the development pipeline, allow the housing and development market time to adjust to revised impact fee amounts, and continue progress toward full recovery of the proportionate costs of park system improvements attributable to new development.

The City Council hereby adopts a phased implementation schedule for park impact fees as supported by the Park Impact Fee Technical Document, dated June 2026. During the phase-in period, the proportional relationships among residential unit size categories shall remain unchanged, and the impact fee applicable to each unit size category shall be calculated based upon the applicable phased base rate in effect at the time the impact fee becomes due.

The phased implementation schedule shall be as follows:

Phased Implementation Schedule for Base Park Impact Fees (January 2027–2031)					
	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</i>	<i>2031</i>
<i>Single-Family Base Park Impact Fee</i>	\$ 2,596	\$ 4,611	\$ 6,267	\$ 7,922	\$ 9,578
<i>Multi-Family Base Park Impact Fee</i>	\$ 1,912	\$ 2,524	\$ 3,136	\$ 3,748	\$ 4,360

Section 5. Applicability. The provisions of this ordinance apply to development approvals occurring after the effective date of its adoption.

Section 6. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 7. Corrections. The City Clerk and codifiers of this Ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section8 **Effective Date.** This ordinance shall become effective January 1, 2027.

Park impact fees shall be assessed and collected pursuant to the fee schedule and phased implementation provisions adopted herein.

APPROVED:

EDWARD R. STERN
MAYOR

ATTEST/AUTHENTICATED:

CITY CLERK, RHIANNON FERNANDEZ

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY:

BY _____
EMILY ROMANENKO

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO. 2026-08

SUMMARY OF ORDINANCE NO. 2026-08

of the City of Poulsbo, Washington

On the 17th day of June, 2026, the City Council of the City of Poulsbo, passed Ordinance No. 2026-08. A summary of the content of said ordinance, consisting of the title, provides as follows:

AN ORDINANCE OF THE CITY OF POULSBO, WASHINGTON, AMENDING CHAPTER 3.84 OF THE POULSBO MUNICIPAL CODE TO UPDATE THE PARK IMPACT FEE AMOUNT; PROVIDING CLARIFICATION BASED UPON SQUARE FOOTAGE; AND PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

The full text of this Ordinance will be mailed upon request.

DATED this day of , 2026.

CITY CLERK, RHIANNON FERNANDEZ

3.84.010. Short title.

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

3.84.020. Findings and authority.

The Poulsbo city council hereby finds and declares that:

- A. In order to maintain park standards and continue to promote and protect the public health, safety and welfare in the face of a growing population, the city of Poulsbo must expand its park and recreation system.
- B. The demand for parks and recreation facilities is proportionate to the size of a user population.
- C. Impact fees are intended to ensure that new growth and development contributes a proportionate share of the costs of system improvements required to serve that growth. The imposition of impact fees is the preferred method of ensuring that (1) adequate parks and recreation facilities are available to serve new growth and development, and (2) such new growth and development should be required to pay a proportionate share of the costs of new facilities necessary to serve such increased growth.
- D. Each type of land development described in this chapter will create demand for the acquisition or expansion of parks and the construction of recreational facilities and other park improvements.
- E. The fees established in Section 3.84.090 are derived from and supported by the City's Park Impact Fee Technical Study and are based upon, and do not exceed, the costs of providing park system improvements necessitated by new development.; ~~based upon, and do not exceed the costs of providing additional park land and park improvements necessitated by the new land developments for which the fees are levied.~~
- F. 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 82.02.110 100, as currently enacted or hereafter amended.
- G. Pursuant to the requirements of RCW 82.02.060, the city has reasonably adjusted the park impact fee amount for taxes and other revenue sources that are anticipated to be available to fund the park land and facility improvements, as identified in the city's capital facilities plan, and as outlined in the park impact fee technical document.
- H. The park system improvements funded through this chapter are identified within the City's adopted Comprehensive Plan, Capital Facilities Plan, and applicable parks and recreation planning documents and are necessary to maintain the City's adopted level of service as growth occurs.
- I. 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 park facilities or levels of service.

3.84.030. 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 park, open space and recreation 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 park, open space and recreation facilities that are reasonably related to the new

development, and whereby park, open space and recreation 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.

C. This chapter shall be interpreted and administered consistent with RCW Chapter 82.02, the Growth Management Act, and the City's adopted Comprehensive Plan and Capital Facilities Plan.

3.84.040. Definitions.

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 park 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, as the same now exists or may be hereafter amended.

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

“Development activity,” as the term relates to park impact fees, means any construction 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 and need for public park, open space or recreation facilities.

“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 park 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.

“Encumbered,” as the term relates to park impact fees, means to reserve, set aside, or otherwise earmark the impact fees in order to pay for commitments, contractual obligations, or other liabilities incurred for park, open space or recreation capital facilities. Impact fees shall be considered encumbered on a first in, first out basis.

“Existing development,” as the term relates to park impact fees, 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.

“Fair market value” means the amount in cash which a well-informed buyer, willing but not obligated to buy the property, would pay, and which a well-informed seller, willing but not obligated to sell it, would accept, taking into consideration all uses to which the property is adapted and might in reason be applied.

“Level of service (LOS)” means the ratio of park and recreation land (acres) to the number of persons in the population (expressed in units per one thousand persons).

“New development,” as the term relates to park impact fees, means any and all development for which a development approval **permit** 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.

“Park capital facilities” means those park, open space and recreation facilities or improvements addressed in the capital facilities element of the Poulsbo comprehensive plan, as the same now exists or may be hereafter amended.

“Park impact fee” means a payment of money imposed upon new growth or development as a condition of development approval in order to pay for park, open space or recreation facilities needed to serve such new growth or development. “Impact fee” does not include any permit or application fee.

“Park service area” means a geographic area defined by the city or, in the case of facilities providing service to areas outside the city, by interlocal agreement, as being that area in which a defined set of park, open space and recreation facilities provide service to development within the area.

“Park system improvements” means park, open space and recreation facilities that are included in the capital facilities plan and are designed to provide service to service areas within the community at large, in contrast to project improvements.

“Poulsbo park, recreation and open space plan” means the planning document prepared on a six-year cycle, that includes park and recreation inventory, facility demand, policy and guidance on development of city-wide park and recreation facilities.

“Project improvements,” as the term relates to park impact fees, means site improvements and facilities that are designed to provide service for a particular development project and that are necessary for the use and convenience of the occupants or users of the project and are not system improvements. No park, open space or recreation improvement or facility included in the capital facilities plan shall be considered a project improvement.

“Proportionate share,” as the term relates to park impact fees, means that portion of the cost of park, open space and recreation improvements that are reasonably related to the service demands and needs of new development.

“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.

3.84.050. Applicability.

The requirements of this chapter apply to all new residential development, as defined in Section 3.84.040.

3.84.060. 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.

3.84.070. Service area and level of service.

- A. The park service area for the existing and proposed park, open space and recreation facilities of the city of Poulsbo is hereby defined as that area which is coextensive with the corporate boundaries of the city, as they now exist or as they may be amended through annexation or other means from time to time.
- B. The City's level of service standard shall be as established within the adopted Capital Facilities Plan and Parks, Recreation and Open Space Plan, as amended. As provided in the comprehensive plan's capital facilities plan, the city's overall park system level of service standard is 13.73 acres of park, open space and recreation land per one thousand residents.
- C. The City's adopted level of service standard is intended to be maintained as growth occurs. Increased demand associated with growth and new development will require the acquisition, development, expansion, or improvement of park, open space, and recreation system improvements in order to maintain adopted service levels and continue to provide adequate facilities for existing and future residents. The level of service standard set forth in subsection B of this section is met for existing development and

~~increased demand and need associated with growth and new development will require acquisition and development of additional park, open space and recreation land and facilities to maintain this level of service.~~

3.84.080. Imposition of park impact fees.

- A. Park impact fees shall be required as a condition of development approval for all new residential development within the city to which this chapter applies.
- B. The ~~park~~ impact fee to be paid shall be that which is in effect at the time the park impact fee becomes due. The planning director and building official are authorized to impose park impact fees on any and all new development and to condition, withhold or revoke approval of any such development unless the park impact fees are paid when due.
- C. ~~Impact fees 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. Except as provided in Section 3.84.135, park impact fees shall become due and payable to the city at the time of building permit issuance. If a building permit is not required, then the park impact fees are due at the time of development approval.~~
- D. 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.
- E. For an accessory dwelling unit (ADU) ~~building permit~~, the impact fee shall be reduced to fifty percent of the fee that would be calculated for the associated primary unit.
- F. ~~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. The building official shall not issue any building permit, or certificate of occupancy if no building permit is required, unless and until the impact fee has been paid.~~

3.84.090. Calculation of park impact fee amount.

- A. ~~The impact fee schedule shall be established by City Council ordinance and supported by a Park Impact Fee Technical Rate Study. The methodology shall reflect the proportionate impacts of different development types and residential unit characteristics consistent with state law. The park impact fee to be paid by new development shall be one thousand one hundred seventy-four dollars per new residential lot or residential unit for which a building permit application has been made. The methodology by which the park impact fee was derived is set forth in the Park Impact Fee Technical Document, dated April 2017, a copy of which is on file with the city clerk and which is incorporated herein by this reference as if set forth in full.~~
- B. No ~~park~~ impact fee shall be collected if the park improvements are incapable of being reasonably accomplished because of lack of public funds.
- C. The impact fees imposed by this section should be reviewed whenever the capital facilities plan has been amended as to park level of service standard, whenever the city's projected new population assumption is updated, whenever the Poulsbo park, recreation and open space plan is updated, but no less than every ~~ten~~ **eight** years as part of the Poulsbo comprehensive plan periodic update cycle.
- D. Failure of the city to review or amend the fee schedule shall not be a prerequisite to the continued imposition of fees under this chapter.
- E. ~~Cost Indexing.~~ At the end of any twelve-month period in which the city's capital facilities plan listing system improvements that are the basis for park impact fees is not updated, the city parks director may adjust the park impact fee amount by the same percentage change of the CPI-U (Seattle), for the most recent twelve-month period prior to the date of the adjustment.

3.84.100. Exemptions.

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

- A. New nonresidential development. For mixed use developments, only the residential units associated will be subject to the park impact fee.
- B. Development for which land has been dedicated, improvements constructed, or impact fees paid under SEPA and which land, improvements, or fees the city has previously determined to be sufficient to mitigate the transportation impacts of the development.
- C. Development for which ~~an~~ park impact fee has already been paid under this chapter.
- D. Development for which a voluntary agreement (developer's agreement) has been entered into pursuant to RCW 82.02.020 and which agreement calls for the dedication of land, construction of improvements, or payment of transportation impact fees in a specified amount at a date subsequent to execution of the agreement.
- E. Alteration, expansion, remodeling, reconstruction, or replacement of existing single-family or multifamily dwelling units that does not result in the creation of additional dwelling units.
- F. Construction of a non-dwelling unit accessory residential structures that are secondary and associated with a primary single-family or multifamily structure, such as sheds, greenhouses or similar structures.
- G. Demolition of or moving an existing residential structure within the city from one site to another.

3.84.110. Credits.

- A. Pursuant to RCW 82.02.060(53), a reasonable credit shall be allowed for the dedication of land for, improvements to, or new construction of any park system improvements provided by a developer, to park, open space or recreation facilities identified in the capital facilities plan of the comprehensive plan and that are the subject of impact fees to be paid by the developer under this chapter. Any request for a credit against impact fees shall be made no later than the time of the application triggering the imposition of impact fees.
- B. All land proposed to be conveyed to the city in exchange for a credit against impact fees shall meet all of the following requirements:
 - 1. The land must have a minimum site area of two acres.
 - 2. The land must be conveyed free and clear of all liens and encumbrances.
 - 3. The land must be readily accessible to the general public.
 - 4. The land must have a site, size, and location consistent with a park system improvement generally described in the comprehensive plan's parks chapter and capital facilities plan.
 - 5. The land must be improved with and contain three or more facilities recommended in the comprehensive plan or Poulsbo park, recreation and open space plan for the appropriate population density the land and improvements are intended to serve.
 - 6. The land must be suitable for the proposed park uses and for inclusion in the city's park system, as determined by the parks and recreation director.
 - 7. The city may decide to accept land which does not meet all of these standards in unusual circumstances where the land to be conveyed provides a unique benefit, such as where the land has waterfront access, or provides significant open space or trail corridor.
- C. The amount of the credit shall be the value of the land and improvements conveyed to the city; provided, that in no case shall the amount of the credit exceed the amount of the impact fee imposed on the development activity. If the value of the land and improvements exceeds the total park impact fees to be

paid by the development, no impact fees shall be due. If the value of the land and improvements is less than the impact fees due, the developer will be required to pay the difference.

- D. The value of the land and improvements for which a credit is sought shall be measured as follows:
1. The value of the land will be based upon the assessed value of the land to be conveyed, as shown in the most recent records of the county assessor, unless the developer provides an appraisal of the fair market value of the land completed by a ~~qualified~~ certified real estate appraiser, in which case the value of the land will be based upon the said fair market value if the ~~planning director and~~ parks and recreation director determine that the appraisal is satisfactory.
 2. The value of the improvements will be based upon construction cost estimates for the proposed park and recreation improvements, including any directly related site work, as approved by the ~~planning director and~~ parks and recreation director.
- E. Credits shall not be transferable from one property, project, or development activity to another.

3.84.120. Adjustments.

The ~~planning director and~~ parks and recreation director are 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 activity will have substantially less impact on the system improvements 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.

3.84.130. Calculation of impact fees based upon independent study.

Fees shall be calculated in accordance with Section 3.84.090 unless:

- A. A developer submits to the ~~planning director and~~ parks and recreation director studies and data in accordance with RCW 82.02.060(5) that support a claim for adjustment in the 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 park 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 park and planning fields.
 5. The study shall clearly show the basis upon which the independent fee calculation was made.
- B. The ~~planning director and~~ parks and recreation director 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 planning director and parks and recreation director may, in the alternative, require that the developer submit additional or different studies, documents, or information for consideration. If the ~~planning director and~~ parks and recreation director determine that outside expertise is needed to review the study, the city 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 3.84.090. If the study is acceptable, the planning director and parks and recreation director may adjust the fee to that amount which is appropriate to the particular development activity.
- D. The city council 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.

~~3.84.135. Deferral of single-family residential impact fees.~~

- ~~A. An applicant for a building permit for a single-family detached or attached residence may request a deferral of the full impact fee payment until the date of final inspection or eighteen months from the date of building permit issuance, whichever occurs first. Deferral of impact fees shall be granted under the conditions set forth in this section.~~
- ~~B. An applicant for deferral must request the deferral no later than the time of issuance of a building permit. Any request not so made shall be deemed waived.~~
- ~~C. To receive a deferral, an applicant must:
 - ~~1. Submit a separate application for deferral for each single-family detached or attached residence for which the applicant wishes to defer payment of the impact fees. Each application must be accompanied by the nonrefundable administrative fee established by resolution of the city council in order to reimburse the city for all costs associated with the deferral.~~
 - ~~2. Grant and record a deferred impact fee lien against the property in favor of the city in the amount of the deferred impact fee. The deferred impact fee lien must:
 - ~~a. Be in a form approved by the city;~~
 - ~~b. Signed by all owners of the property, with all signatures acknowledged as required for a deed;~~
 - ~~c. Include the legal description, tax account number, and address of the property;~~
 - ~~d. Be recorded in Kitsap County;~~
 - ~~e. Be binding on all successors in title after the recordation; and~~
 - ~~f. Be junior and subordinate to one mortgage for the purpose of construction granted by the person who applied for the deferral of impact fees.~~~~~~
- ~~D. The amount of the impact fees deferred shall be determined by the fees in effect at the time the applicant applies for a deferral.~~
- ~~E. The city shall withhold final inspection until the impact fees have been paid in full. Upon receipt of final payment of impact fees deferred under this subsection, the city shall execute a release of the deferred impact fee lien for each single-family detached or attached residence for which the impact fees have been received. The applicant, or the property owner at the time of the release, shall be responsible for recording the lien release at his or her expense.~~
- ~~F. The extinguishing of a deferred impact fee lien by the foreclosure of a lien having priority does not affect the obligation of the applicant or the property owner to pay the impact fees as a condition of final inspection.~~
- ~~G. If impact fees are not paid in accordance with the deferral and in accordance with the terms and conditions provided in this section, the city may institute foreclosure proceedings in accordance with Chapter 61.12 RCW.~~
- ~~H. Each applicant for a single-family detached or attached residential construction permit, in accordance with his or her contractor registration number or other unique identification number, shall be entitled to receive annually deferrals for the first twenty single-family residential construction building permits. For purposes~~

~~of this subsection, an “applicant” includes an entity that controls the applicant, is controlled by the applicant, or is under common control with the applicant.~~

3.84. ~~135~~ 140. Payments under protest.

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

3.84. ~~140~~ 150. Appeals.

Any decision made by the ~~planning director and~~ parks and recreation director under this chapter may be appealed in accord with the procedures for appealing the underlying permit or development approval and shall not be subject to a separate appeal process. All appeals shall follow the procedures set forth in Title 19. The impact fee may be modified upon a determination that it is proper to do so based on principles of fairness.

3.84. ~~150~~ 160. Impact fee accounts and expenditures.

- A. A park impact fee account is hereby established for the purpose of depositing and maintaining the funds received under this chapter and any previously collected park impact fees paid pursuant to SEPA or other authority. The city finance department shall earmark all funds collected under this chapter and under such previous collections as to the person paying, the date paid, and the development or property for which paid. The account shall be separate from all other accounts of the city and shall be interest-bearing. All interest shall be retained in the account and expended for the purposes for which the impact fee was imposed.
- B. Impact fees shall only be expended for park, open space and recreation facilities described in and in conformance with the capital facilities plan. Impact fees may be expended for facility planning, land acquisition, site improvements, application fees, necessary off-site improvements, required mitigation, construction, engineering, architectural, permitting, financing, and administrative expenses, relocatable facilities, capital equipment, repayment of system improvement costs previously incurred to the extent that new growth and development will be served by such system improvements, and any other expenses which could be capitalized and which are consistent with the capital facilities element.
- C. In the event that bonds or similar debt instruments are issued for the advanced provision of system improvements for which impact fees may be expended and where consistent with provisions of the bond covenants, impact fees may be used to pay debt service on such bonds or similar debt instruments to the extent that the facilities are consistent with the requirements of this section.
- D. Impact fees imposed under this chapter shall be expended or encumbered for a permissible use within ten years of the date they are received by the city, unless the city council finds that there exists an extraordinary and compelling reason for the fees to be held longer than ten years. Such a finding shall be made in writing.
- E. Impact fees collected under the authority of SEPA and the voluntary agreement provisions of RCW 82.02.020 shall be expended or encumbered for a permissible use within five years of the date they are received by the city.
- F. As part of the city’s budget cycle, the parks and recreation director shall present a proposed capital improvement program (CIP) for parks, assigning funds to specific park acquisition or improvement projects and related expenses. Moneys not assigned in any fiscal period shall be retained in the park impact fee special revenue fund until the next fiscal period, except as provided by the refund provisions of this chapter.
- G. Funds may be used to provide refunds as described in Section 3.84. ~~160~~ 170.
- H. The city may establish a fee for staff administration of impact fees authorized by this chapter. If such a fee is established, the fee shall be identified in the city’s fee schedule.

3.84. ~~160~~ 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 city has failed to expend or encumber the impact fees, or any applicable portion, within the time periods specified in Section 3.84.160.
- B. The city 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 city council 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 city's failure to expend or encumber the fee within the time periods set forth in Section 3.84.160 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 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 by the city on the impact fee while it was deposited into the required special interest bearing account.

3.84. ~~170~~ 180. Annual impact fee report.

The city finance department, in conjunction with the planning director and parks and recreation director, shall prepare an annual report to the city council showing the source and amount of all moneys collected, earned, or received and the park, open space and recreation system improvements that were financed in whole or in part by impact fees imposed under this chapter. The report may be part of an existing annual report or may be a separate report.