



City of Medical Lake Planning Department
124 S. Lefevre St.
Medical Lake, WA 99022
509-565-5000
www.medical-lake.org

STAFF REPORT TO THE PLANNING COMMISSION

File: Periodic Update: MLMC Impact Fees

Date of Staff Report: August 20, 2026

Date of Hearing: August 27, 2026

Staff Planner: Elisa Rodriguez 509-565-5019 or erodriguez@medical-lake.org

SEPA: Determination of Non-Significance was made on June 29, 2026

Procedure: This request requires a legislative review, therefore, the Planning Commission will hold a public hearing and make a recommendation to the City Council. The City Council will hold a public hearing to consider an ordinance to adopt the amendments to the Medical Lake Municipal Code. The complete process can be found in the Medical Lake Municipal Code (MLMC), Section 19.270.050 – Type IV Reviews.

Proposal: It is proposed to amend the municipal code to:

1. Replace MLMC Chapter 16.05 – Impact Fees with Chapter 19.190 – Impact Fees.
2. Delete MLMC Chapter 16.06 – Fire Protection Impact Mitigation, discontinuing the Fire Impact Fee.
3. Delete MLMC Chapter 16.07 – Parks, Recreation, and Open Space Impact Mitigation, with a resolution adopting the methodology and fee schedule.
4. Retain MLMC Chapter 16.09 – School Impact Mitigation, until a future date when the Medical Lake School District is able to update the methodology and fee schedule.

Summary: The proposed amendments update and reorganize the City's impact fee regulations to improve clarity, consistency, and compliance with Chapter 82.02 RCW. The proposal relocates impact fee provisions from MLMC Chapter 16.05 to a new Chapter 19.190, which aligns impact fees with other development regulations contained in Title 19. The proposal also discontinues the Fire Impact Fee program by repealing MLMC Chapter 16.06 and repeals MLMC Chapter 16.07, replacing the park impact fee methodology and fee schedule with a City Council resolution. Establishing impact fee schedules by resolution allows the City Council to periodically update fee schedules and methodologies without requiring a full municipal code amendment process, while maintaining consistency with adopted impact fee regulations and state law. School impact fees will continue under MLMC Chapter 16.09 until such time as the Medical Lake School District updates its capital facilities plan, methodology, and fee schedule.

The proposed code language establishes clear procedures for the imposition, calculation, collection, adjustment, deferral, expenditure, and refund of impact fees. The amendments also provide definitions, exemptions, credits, reporting requirements, and appeal procedures consistent with state law. Overall, the proposal streamlines the City's impact fee regulations while ensuring that new development continues to pay a proportionate share of the cost of public facilities needed to serve growth.

PROCEDURAL HISTORY

SEPA DNS Issued – June 29, 2026

Notice of a Public Hearing Published in Cheney Free Press – June 25, 2026

Public Comment Period Closed – July 9, 2026

PROPOSED LANGUAGE

Definitions.

“Development activity” means any construction or expansion of a building or structure that creates additional demand for public facilities.

“System improvements” means public facilities included in the City’s Capital Improvement Plan that are designed to serve new development.

“Proportionate share” means that portion of the cost of public facility improvements reasonably related to the service demands and needs of new development.

Chapter 19.190 – Impact Fees

19.190.010 Purpose.

This Chapter is adopted pursuant to Chapter 82.02 RCW to ensure that new development pays a proportionate share of the cost of public facilities needed to serve such development.

Impact fees imposed under this Chapter are intended to:

- A. Ensure adequate public facilities are available to serve new growth;
- B. Promote orderly growth and development;
- C. Require new development to pay its fair share of system improvements; and
- D. Implement the City of Medical Lake Capital Improvement Plan.

19.190.020 Applicability.

Impact fees shall be imposed on all development activity requiring a building permit, unless exempted herein.

19.190.030 Impact Fees Imposed.

The City hereby imposes the following impact fees:

- A. School impact fees as set forth in MLMC Chapter 16.09 – School Impact Mitigation; and
- B. Park impact fees as established by City Council Resolution.

19.190.040 School Impact Fees.

The City shall enter into an interlocal agreement with the Medical Lake School District to collect and remit school impact fees

19.190.050 Calculation of Impact Fees.

Impact fees shall be calculated based on:

- A. The adopted City Capital Improvement Plan or School District Capital Facilities Plan;
- B. System improvements related to new development; and
- C. The type and size of development.

19.190.060 Fee Schedule.

Impact fees are established by City Council resolution.

19.190.070 Payment.

Impact fees shall be paid prior to issuance of a building permit unless deferred pursuant to state law.

19.190.080 Exemptions.

The following shall be exempt:

- A. Non-residential development;
- B. Alterations or expansions that do not increase the number of dwelling units; and
- C. Replacement structures with no increase in the number of dwelling units;

19.190.090 Credits.

Pursuant to RCW 82.02.060(5), a developer may receive credit for dedication of land and/or construction of system improvements, provided such contributions are identified in the Capital Improvement Plan and approved by the City Council.

19.190.100 Adjustments

Pursuant to RCW 82.02.060(7), the City Council may approve adjustments to the standard impact fee in consideration of studies and data submitted by the applicant.

19.190.110 Deferrals

Pursuant to RCW 82.02.050(3), impact fees for single-family residences may be deferred until a certificate of occupancy is requested. An applicant requesting a deferral must grant and record a deferred impact fee lien against the property in favor of the City prior to the issuance of a building permit.

19.190.120 Appeals.

Any person aggrieved by the calculation or imposition of an impact fee may appeal using the process in MLMC Chapter 19.290 – Appeals, within fourteen (14) days of the decision.

19.190.130 Use of Funds.

Pursuant to RCW 82.02.070, impact fees shall be:

- A. Kept in separate accounts;
- B. Used only for system improvements;
- C. Expended within ten (10) years unless extraordinary circumstances justify a longer period.

19.190.140 Annual Report.

Pursuant to RCW 82.02.070, annually, the City must provide a report on each impact fee account showing the source and amount of all moneys collected, earned, or received and system improvements that were financed in whole or in part by impact fees.

19.190.150 Refunds.

Pursuant to RCW 82.02.080, unexpended or encumbered impact fees shall be refunded in accordance with state law.

PUBLIC COMMENT

No comments were received from agencies or the public.

ZONING CODE APPROVAL CRITERIA

Amendments to development regulations are subject to MLMC Section 19.143.050 – Approval Criteria.

- A. The proposed amendment(s) implements the goals, policies, and objectives of the Medical Lake Comprehensive Plan.

Findings: The Comprehensive Plan supports the provision of adequate public facilities concurrent with development and encourages growth to pay a proportionate share of the public infrastructure and services required to support that growth. The proposed amendments establish a clear framework for collecting and administering impact fees that help implement the Capital Improvement Plan and ensure that new development contributes toward facilities needed to accommodate future population growth. The amendments therefore further the goals and policies of the Comprehensive Plan related to capital facilities, parks, and orderly growth management. **For these reasons, the criterion is met.**

- B. The proposed amendment(s) complies with all requirements of the state's Growth Management Act (GMA, including growth boundaries, critical areas, and future housing needs.)

Findings: The proposed amendments are authorized under Chapter 82.02 RCW and are consistent with the Growth Management Act's requirement that jurisdictions plan for public facility needs, levels of service, and financing strategies. needed to serve growth. The amendments do not modify growth boundaries, development capacity, critical area regulations, or land use designations. Rather, they establish procedures for ensuring that new development contributes its proportionate share toward public facilities. The amendments therefore comply with applicable provisions of the GMA. **For these reasons, the criterion is met.**

- C. The proposed amendment(s) does not conflict with the Shoreline Master Program.

Findings: The proposed amendments govern the administration and collection of impact fees and do not alter shoreline regulations, shoreline use provisions, development standards, or environmental protections contained in the City's Shoreline Master Program. No conflicts with the Shoreline Master Program have been identified. **For these reasons, the criterion is met.**

- D. The proposed amendment(s) is consistent with other adopted City plans, including, but not limited to, the Strategic Plan, Capital Facilities Plan, Parks Master Plan, Water Plan, Sewer Plan, Stormwater Plan, and Transportation Plan.

Findings: The proposed amendments are intended to support implementation of the City's Capital Improvement Plan and related planning documents by providing a mechanism for funding system improvements attributable to new growth. The amendments maintain impact fee authority for parks and schools and ensure that fee calculations are based on adopted capital facilities planning. As a

result, the proposal is consistent with the City's adopted planning framework and long-range infrastructure planning efforts. **For these reasons, the criterion is met.**

- E. The proposed amendment(s) will not adversely affect the ability to provide City services in a cost-effective manner.

Findings: The amendments establish a more streamlined and consolidated impact fee chapter while maintaining statutory requirements related to fee collection, accounting, reporting, and expenditures. By requiring new development to contribute toward the cost of system improvements, the amendments help reduce the financial burden on existing taxpayers and support the efficient provision of public facilities and services. The proposal will not adversely affect the City's ability to provide services in a cost-effective manner. **For these reasons, the criterion is met.**

- F. The proposed amendment(s) will not be detrimental to and will result in long-term benefits to the community as a whole and is in the public interest.

Findings: The proposed amendments promote transparency, consistency, and predictability in the administration of impact fees. By ensuring that growth contributes toward the facilities necessary to serve new residents, the proposal supports orderly development and helps maintain established service levels for the community. The amendments further the public interest by providing a fair and legally compliant mechanism for financing growth-related infrastructure needs. **For these reasons, the criterion is met.**

- G. The proposed amendment(s) will not result in adverse impacts to public infrastructure, wetlands, lakes, businesses, or residents.

Findings: The proposal consists of amendments to the City's development regulations governing impact fee administration and does not authorize physical development or construction activities. The amendments will not create direct impacts to critical areas, water resources, businesses, residents, or public infrastructure. Instead, the proposal is intended to help ensure adequate funding for public facilities needed to support future development. No adverse impacts have been identified. **For these reasons, the criterion is met.**

CONCLUSION

The proposed amendments modernize and consolidate the City's impact fee regulations, improve consistency with state law, and establish clear procedures for the collection and administration of impact fees associated with new development. The amendments support implementation of the Comprehensive Plan and Capital Improvement Plan, provide a fair method for allocating growth-related facility costs, and promote the efficient provision of public services. Based on the analysis contained in this staff report, all applicable approval criteria of MLMC 19.143.050 have been met. Therefore, staff recommends that the Planning Commission forward a recommendation of approval to the City Council for adoption of the proposed amendments.

POSSIBLE ACTIONS BY THE PLANNING COMMISSION

1. Recommend approval of the proposed amendments to the City Council.
2. Recommend approval of modified amendments to the City Council.
3. Request staff to address concerns and return with modified language.