CITY OF SEQUIM

FACT SHEET

Municipal Fees

Municipal fees are charges applied to new developments. New development means the City has to increase the number of services it provides and expand utility infrastructure, roads, and parks. These municipal fees assist the City in offsetting the costs of building these new, expanded services, while maintaining a balanced budget and not increasing taxes. There are two types of Municipal Fees: 1) Impact Fees - which cover costs for parks and transportation expansion - and 2) General Facility Charges (GFC) - which cover costs for Water and Sewer infrastructure and services.

Municipal fees differ from taxes in that taxes are compulsory charges imposed by the government on individuals, businesses or property owners. Municipal fees are charges for specific privileges or services provided by that local government.

Impact Fees

TYPES OF IMPACT FEES

Park Impact Fee (PIF) - A fee applied to new developments, in order to fund parks, open spaces, and recreation facilities. New developments create increased demand, so this fee allows the City to offset these costs.

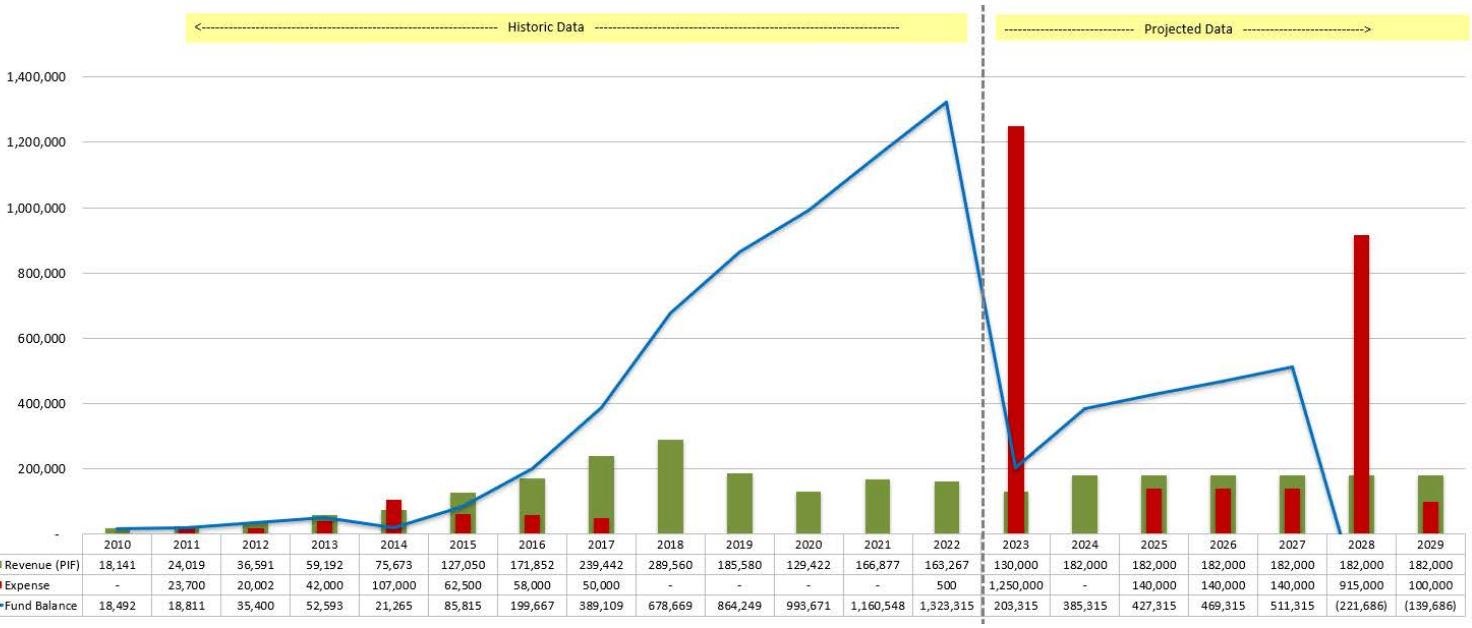
Fee breakdown (based on 2021 data): $3,066 (per capita) = $5,887 (per Single-Family Residence unit) and $6,347 (per Multi-Family Residence unit). Washington State range for Park Impact Fees is $230 - $9,107

Transportation Impact Fee (TIF) - A fee applied to new developments, in order to fund street expansion and repairs. New developments create an increased demand, so this fee allows the City to offset these costs.

Fee breakdown (based on 2021 data): $2,491 (per Single-Family Residence unit) and $1,628 (per Multi-Family Residence unit). Washington State average for Transportation Impact Fees is $5,362.

Fee considerations: All current and projected Impact Fees are allocated to the City's 2024-2029 CIP. (See graph below for a combined Park and Transportation Impact Fee historic and projected Fund Balance).

Park Impact Fee Overview



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Revenue (PIF)	18,141	24,019	36,591	59,192	75,673	127,050	171,852	239,442	289,560	185,580	129,422	166,877	163,267	130,000	182,000	182,000	182,000	182,000	182,000	182,000
Expense	-	23,700	20,002	42,000	107,000	62,500	58,000	50,000	-	-	-	-	500	1,250,000	-	140,000	140,000	140,000	915,000	100,000
Fund Balance	18,492	18,811	35,400	52,593	21,265	85,815	199,667	389,109	678,669	864,249	993,671	1,160,548	1,323,315	203,315	385,315	427,315	469,315	511,315	(221,686)	(139,686)

Expense in 2023 due to the purchase of additional park land.

Expenses in 2025 - 2027 due to updating and replacing current playground equipment in City parks.

Expense in 2028 due to the potential purchase of additional park land.

Transportation Impact Fee Overview



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Revenue (TIF)	24,039	98,667	53,284	76,586	112,337	155,267	207,110	412,810	302,629	258,172	279,576	179,907	198,902	100,000	250,000	260,000	260,000	260,000	260,000	260,000
Expense	44	111,692	-	-	-	11,509	103,662	182,527	100,000	135,000	491,381	42,695	77,930	890,979		487,500	451,250	98,750	431,250	584,375
Fund Balance	23,994	10,969	64,253	140,839	253,176	394,442	497,890	728,173	930,801	1,053,97	842,169	979,380	1,100,35	309,374	560,000	332,500	141,250	302,500	131,250	-

Expense in 2023 due to the new bike lanes along North Sequim Avenue

Expense in 2025 and 2026 due to Traffic Signal and Cabinet replacements at Sequim Avenue and 3rd Avenue.

Expense in 2028 and 2029 due to Traffic Signal and Cabinet replacements at 5th Avenue and 7th Avenue.

General Facility Charges (GFC)

Types of General Facility Charges

Water GFC - A one-time fee applied to new developments, at the time of water hook-ups and connections. These fees are charged so the City can ensure that our water supply and water storage facilities can handle increased capacity, as well as offer water hookups and services to these new developments.

Fee breakdown (based on 2021 data): $8,184 (per ERU). Washington State range for Water fees is $0 - $27,289.

Sewer GFC - A one-time fee applied to new developments, at the time of sewer hook-ups and connections. These fees are charged so the City has the ability to expand the capacity of our sewer collection system and sewer treatment plant, as well as offer sewer hookups and services to these new developments.

Fee breakdown (based on 2021 data): $7,548 (per ERU). Washington State range for Sewer fees is $0 - $17,963.

Fee considerations: All current and projected GFCs are allocated to the City's 2024-2029 CIP. (See graph below for a combined Water and Sewer historic and projected Fund Balance).



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Revenue (GFCs)	436,817	467,013	2,195,155	1,179,144	1,798,353	2,283,943	1,345,390	2,626,782	1,216,958	1,149,466	600,000	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000
Expenses	559,324	523,533	625,048	2,033,195	1,400,023	1,385,564	5,835,894	618,236	376,100	384,621	4,422,000	1,568,500	1,887,250	2,290,500	802,500	613,000	706,500
Required Minimum Fund Balance	2,165,000	3,359,000	4,126,000	5,703,000	7,531,000	6,643,000	1,187,000	2,971,000	5,591,000	6,935,000	4,602,000	4,580,000	3,400,000	1,769,000	2,195,000	3,582,000	5,125,000
Fund Balance	4,836,749	4,843,980	6,472,338	5,694,123	6,275,278	8,033,110	4,986,682	7,459,556	8,372,793	9,230,366	5,609,283	5,215,783	4,503,533	3,388,033	3,760,533	4,322,533	4,791,033

Expense in 2023 due to new Deep Well, paying-off the 7th Street Water Main loan, Etta Street Sewer upgrade, and purchasing WRF land.
Expense in 2024 due to the new Etta Street Water Main, and recoat projects, and extension of sewer to West Sequim Bay corridor.
Expense in 2025 due to Reservoir Road Water Main and Booster Station, upgrade of Willow Street Sewer Line
Expense in 2026 due to 4th Avenue corridor Sewer Line.