

**CITY OF MONROE
ORDINANCE NO. 010/2025**

AN ORDINANCE OF THE CITY OF MONROE, WASHINGTON, AMENDING CHAPTER 3.54 MMC TRANSPORTATION IMPACT FEES; UPDATING AND AMENDING THE CITY'S ADOPTED SCHEDULE OF TRANSPORTATION IMPACT FEES TO PROVIDE FOR A DISCOUNTED AND DEFERRED ASSESSMENT FOR ACCESSORY DWELLING UNITS; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Monroe finds that development activity in the City of Monroe will create additional demands upon and need for system improvements to public facilities; and

WHEREAS, the City of Monroe is authorized by Chapter 82.02 RCW to require new growth and development within the City to fund a proportionate share of new system improvements necessary to serve such new growth and development through the assessment of impact fees; and

WHEREAS, the City of Monroe is authorized by Chapter 82.02 RCW to impose impact fees for system improvement costs previously incurred by the City to the extent that new growth and development will be served by the previously constructed system improvements; and

WHEREAS, pursuant to such authority, the City has adopted and implemented the Transportation Impact Fee Program that is presently codified at Chapter 3.54 MMC; and

WHEREAS, House Bill 1337, effective on July 23, 2023, establishes new rules regarding the regulation of accessory dwelling units (ADUs), including without limitation that the assessment of impact fees upon such uses may not exceed fifty percent (50%) of the fee amount that would be assessed on the principal unit located on the underlying property; and

WHEREAS, as authorized by HB 1337, the City Council desires to assess transportation impact fees upon ADUs at the rate of fifty percent (50%) of the fee amount that would be imposed upon the principal unit on the property; and

WHEREAS, the City Council desires to provide applicants the option of deferring the payment of transportation impact fees imposed upon ADUs until such time as the ADU is sold or otherwise conveyed independent of the principal unit on the property;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONROE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Findings. The City Council adopts the above recitals and the content of Agenda Bill 25-299 in support of the Transportation Impact Fee Program amendments established by this ordinance. The Council further enters the following additional findings:

- A. The City Council has determined that the City of Monroe, like many communities in the Puget Sound Region, has significant transportation challenges.
- B. The Council is committed to fixing existing deficiencies and in ensuring that adequate transportation infrastructure will be available to meet the needs created by new growth rather than existing City residents.
- C. The Council views transportation impact fees as an effective tool in making new growth pay for its fair share of new transportation needs.
- D. The impact fee schedule amendments set forth in this ordinance will serve the public interest by ensuring that new accessory dwelling units contribute funding toward necessary transportation infrastructure improvements at a level that is both compliant with state law and appropriate to the City's values and policy priorities.

Section 2. Amendment of MMC 3.54.040. Section 3.54.040 of the Monroe Municipal Code is hereby amended to provide in its entirety as follows:

3.54.040 Applicability.

Unless as otherwise ~~exempt from the provisions of~~ **provided by** this chapter, all applicants seeking approval of development activity within the city shall pay transportation impact fees at the time of building permit issuance in the amount and manner set forth in this chapter.

Section 3. Amendment of MMC 3.54.110. Section 3.54.110 of the Monroe Municipal Code is hereby amended to provide in its entirety as follows:

3.54.110 Time of payment.

A. Except as provided for in subsections **(B) and (C)** of this section, impact fees shall be calculated and assessed for each development activity at the time of building permit issuance for each unit within the development, pursuant to the impact fee rates then in effect; provided, that if no building permit is required for the development activity in question, impact fees shall be calculated and assessed for each development activity at the time an occupancy permit or other permit authorizing the underlying use is issued.

B. Deferral of Impact Fee Payment—**Single-Family Residential Development.**

1. For single-family detached or attached single-family residential dwelling units only, impact fee payments may be deferred to final inspection or up to eighteen months from the date of issuance of the building permit, whichever occurs first. Deferral shall only be allowed when, prior to issuance of the building permit, the applicant:

a. Submits a deferred impact fee application form for the property regarding which the applicant is requesting deferral of the impact fee payment.

b. Grants and records a deferred impact fee lien against the property in favor of the city of Monroe in a form as approved by the city. The content, form and procedure for the lien shall also be in accordance with RCW 82.02.050. Recording and release of the deferred impact fee lien shall be at the expense of the applicant.

Applications for an impact fee deferral shall be accompanied by payment of an administrative fee as provided for in the city's adopted fee resolution.

2. Each applicant for a single-family residential construction permit is entitled to annually receive (per calendar year) deferral for only the first twenty single-family residential construction building permits. For the 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. The city shall withhold approval of final inspection until the deferred impact fees are paid and collected. For the purposes of this section, "final inspection" shall mean the city's signed approval of the final inspection for occupancy on the job card.

C. **Deferral of Impact Fee Payment—Accessory Dwelling Units.**

1. For accessory dwelling units only, impact fee payments may be deferred until such time as the accessory dwelling unit is sold or otherwise conveyed separately and independently of the principal unit on the property. Deferral shall only be allowed when, prior to issuance of the building permit for the accessory dwelling unit, the applicant:

a. Submits a deferred impact fee application form for the accessory dwelling unit regarding which the applicant is requesting deferral of the impact fee payment.

b. Grants and records a deferred impact fee lien against the property in favor of the city of Monroe in a form as approved by the city. The lien shall require full payment of the deferred impact fees to the city no later than the date the accessory dwelling unit is sold or

otherwise conveyed separately and independently of the principal unit on the property. Recording and release of the deferred impact fee lien shall be at the expense of the applicant.

Applications for an impact fee deferral shall be accompanied by payment of an administrative fee as provided for in the city's adopted fee resolution.

2. The amount of impact fees that may be deferred under this subsection (C) shall be determined by the fees in effect at the time the applicant applies for a deferral.

3. In addition to any other recourse, remedy, and/or penalty allowed by law or in equity, including without limitation the provisions of Chapter 1.04 MMC, the city may enforce the provisions of this subsection (C) through a collection action against the applicant and/or owner(s) of the subject property, jointly and severally.

D. Applicants who have been awarded credits pursuant to MMC 3.54.060 shall prior to building permit issuance submit a copy of the statement prepared by the city engineer setting forth the monetary value of the credit awarded. Impact fees, as determined after the application of appropriate credits, shall be collected from the applicant at the time the building permit is issued for each unit in the proposed development **except as otherwise provided by this chapter.**

DE. Except as provided for in subsections **(B) and (C)** of this section, the city shall not issue a building, occupancy or other use permit unless and until the impact fees required pursuant to this chapter have been paid.

Section 4. Amendment of MMC 3.54.130. Section 3.54.130 of the Monroe Municipal Code is hereby amended to provide in its entirety as follows:

3.54.130 Calculation of impact fees.

A. The transportation impact fee assessed against a development activity shall be based upon the calculation methodology set forth in the Monroe Transportation Impact Fee Update Methodology, Transpo Group (March 2025). This study includes the list of eligible impact fee projects enumerated in the transportation element of the city's comprehensive plan, a calculation of the share of cost related to new growth and development, the determination of an impact fee rate, and the development of an impact fee schedule.

B. Each applicant for **non-exempt** development shall pay its share in accordance with the following:

Land Use	Unit of Measure	Impact Fee Rate
Single-Family (1 or 2 dwelling units)	<u>Per</u> Dwelling Unit	\$7,426
Multifamily (3 or more dwelling units)	<u>Per</u> Dwelling Unit	\$4,233
Senior Housing	<u>Per</u> Dwelling Unit	\$2,001
Commercial Services	SF GFA	\$29.49
School	Student	\$964.41
Institutional	SF GFA	\$5.49
Light Industry/Industrial Park	SF GFA	\$6.74
Warehousing/Storage	SF GFA	\$2.39
Restaurant	SF GFA	\$37.52
General Retail	SF GFA	\$18.18
Supermarket	SF GFA	\$45.11
Administrative Office	SF GFA	\$11.06
Medical Office/Dental Clinic	SF GFA	\$26.50

Exception: Accessory dwelling units: A Permitted accessory dwelling units (as defined in Chapter [22.12](#) MMC, Definitions) ~~contained within the structure of the primary dwelling unit or detached from the primary dwelling unit shall be exempt from~~ **assessed at a rate of fifty (50) percent of the current total** transportation impact fees **assessment that would be imposed on the principal unit located on the subject property.**

C. For uses that are not identified in the fees established by subsection [\(B\)](#) of this section, the city engineer shall calculate the impact fee amount using the methodology employed in the Transportation Impact Fee Update Methodology.

D. For a substantial change in use of an existing building or dwelling unit, the impact fee shall be the applicable impact fee for the land use category of the new use, less the impact fee under the current rate schedule of the prior use.

E. The city engineer may in his/her sole discretion adjust the standard impact fee at the time the fee is imposed in consideration of unusual circumstances, in specific cases, to ensure that impact fees are imposed fairly.

F. Determinations made by the city engineer pursuant to this section may be appealed to the office of the hearing examiner as set forth in MMC [3.54.080](#).

G. The transportation impact fees computed in this section will be adjusted annually in accordance with a five-year rolling average of the Washington State Department of Transportation Construction Cost Index (“CCI”), coinciding with the city’s annual adoption of its six-year street plan.

H. Pursuant to and consistent with the requirements of RCW [82.02.060](#), impact fee schedules have been adjusted for future taxes and other revenue sources to

be paid by the new development which are earmarked or proratable to the same new public facilities which will serve the new development.

Section 5. 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 6. Effective Date. This ordinance shall be in full force and effect five (5) days from and after its passage and approval and publication as required by law.

PASSED by the City Council and APPROVED by the Mayor of the City of Monroe, at a regular meeting held this 8th day of July, 2025.

Ordinance: 010/2025
First Reading: 06/10/2025
Adoption: 07/08/2025
Published: 07/11/2025
Effective: 07/16/2025

CITY OF MONROE, WASHINGTON:


Geoffrey Thomas (Jul 9, 2025 11:51 PDT)

Geoffrey Thomas, Mayor

ATTEST:

APPROVED AS TO FORM:


Jodi Wycoff (Jul 9, 2025 12:18 PDT)

Jodi Wycoff, City Clerk


Zach Lell (Jul 9, 2025 07:33 PDT)

J. Zachary Lell, City Attorney

Ord 010 2025 - Amending Transportation Impact Fees for ADUs - Option 1 - Adopted 20250708

Final Audit Report

2025-07-09

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