
CITY OF MERCER ISLAND

DEVELOPMENT SERVICES GROUP

9611 SE 36TH STREET | MERCER ISLAND, WA 98040

PHONE: 206.275.7605 | www.mercergov.org



Impact Fee Deferral

Pursuant to Revised Code of Washington (RCW) 82.02.050(3) and Mercer Island Ordinance No. 15C-15, a developer / applicant may request that payment of impact fees be deferred until (1) final inspection; (2) issuance of the Certificate of Occupancy or equivalent certification; or (3) the closing of the first sale of the property after the issuance of the applicable building permit, whichever comes first; provided that the term of the impact fee deferral shall not exceed 18 months from the date of building permit issuance.

IMPACT FEE DEFERRAL PROCESS

1. The applicant may begin the fee deferral process at any time in advance of building permit issuance. The process begins by requesting a calculation of the impact fee(s) from staff at the Development Services permit counter. The impact fee is calculated based on the fee schedule in effect at the time this application is submitted to the City. Impact fees do not vest and are subject to change.
2. The applicant must grant and record a deferred impact fee lien, on a form provided by the City, against the property in favor of the City in the amount of the deferred impact fee. This lien will be released upon payment of the impact fee. The lien must include the legal description of the property, tax parcel number and address of the property. The lien must also be notarized and signed by all of the individuals listed on the title to the property. The applicant must provide the City with a copy of a current Title Report (created within 30 days of the recording of the lien) for verification.

If the property is owned by a company, partnership, corporation, or other entity, then the lien must be signed by an authorized company representative and documentation must be provided verifying this individual's authority to sign. The applicant must [record the lien](#) with the King County Recorder's Office and is responsible for any [fees](#) associated with the recording of the lien and for complying with the requirements of the King County Recorder's Office.

3. The applicant may then submit the Impact Fee Deferral Request form along with a copy of the recorded lien and pay a non-refundable \$50 administration fee at the Development Services permit counter.

4. Payment of the impact fee is due at the Development Services permit counter prior to (1) final inspection; (2) issuance of the Certificate of Occupancy or equivalent certification; or (3) the closing of the first sale of the property after the issuance of the applicable building permit, whichever comes first and further provided that the term of the impact fee deferral shall not exceed 18 months from the date of building permit issuance. Once payment is received, the City will issue a lien release document that the applicant may file with the King County Recorder's Office. The applicant is responsible for any [fees](#) associated with releasing the lien.

THINGS TO KNOW

- Impact fees do not vest and, therefore, are subject to change. To check the current impact fee amount for parks, transportation and school impact fees, please call: (206) 275-7729.
- An applicant is entitled to defer impact fees for no more than 20 single family dwelling unit building permits per year in the City.
- Buildings cannot be occupied until impact fees are paid and final inspection has occurred. Temporary certificates of occupancy will NOT be issued until any deferred impact fees are paid.
- In the event that the deferred impact fee is not paid within the 18-month timeframe, the City may pursue foreclosure proceedings under the process set forth in Chapter 61.12 RCW. The property owners will be responsible for all costs incurred in foreclosure proceedings, including reasonable attorneys' fees. In the case of school impact fees, the Mercer Island School District may also institute foreclosure proceedings as set forth in RCW 82.02.050(3).

[This section to be completed by Mercer Island Development Services staff]

Impact Fee Calculation	Building Permit Issued: _____
Total fees due: _____	Impact Fee Due Date: _____
Staff Signature: _____ Date: _____	

IMPACT FEE DEFERRAL APPLICATION FORM

Ownership information

Property Owner(s)/Lien Grantor(s) (list full legal name(s)/corporate identities of all owners listed on the title):

Preferred contact person: _____

Mailing address: _____

Telephone: _____ Email: _____

Applicant Name: _____

Contractor registration number: _____

Mailing address: _____

Telephone: _____ Email: _____

Property Information

Property Address: _____

Building permit number: _____ Parcel Number: _____

Legal description of the property (please attach as Exhibit A)

WHEN RECORDED, RETURN TO:

**City of Mercer Island
9611 SE 36th Street
Mercer Island, WA 98040**

AGREEMENT FOR LIEN FOR DEVELOPMENT IMPACT FEES

Lien for Benefit of Grantee: City of Mercer Island, a municipal corporation

Person(s) Indebted to Grantee (“Grantor(s)”): _____

Reference Number(s) of Related Document(s): _____

Impact Fee Deferral Application Number: _____

Principal Amount of the Lien for Development Impact Fees: _____

Assessor’s Tax Parcel Number: _____

Legal Description (Abbreviated): _____

Full legal description: See Exhibit A attached.

This AGREEMENT FOR LIEN FOR DEVELOPMENT IMPACT FEES (“Agreement”) is made and entered into this ____ day of _____, 2015, by and between _____ (“Grantor”) and the CITY OF MERCER ISLAND, a Washington municipal corporation (“City” or “Grantee”).

I/we hereby request deferral of payment of impact fees associated with building permit # _____ and agree that impact fees of \$ _____ are due to the City of Mercer Island prior to (1) final building inspection conducted by the City, (2) issuance of the certificate of occupancy or (3) the closing of the first date of the property after issuance of the building permit, whichever comes first; provided that the term of the impact fee deferral shall not exceed 18 months from the date of building permit issuance.

The City of Mercer Island hereby claims a Lien for Development Impact Fees (which may include school, park and/or transportation impact fees), against the above described real property.

This agreement runs with the land and creates an obligation on behalf of the Grantor and owners of the affected real property. The agreement is binding on successors and assigns of the Grantor. The Grantor shall record this agreement in the King County property records and submit copy of recording to the City.

The Grantor agrees and acknowledges that the City will not perform a final inspection on the property until the impact fees are paid. The Grantor acknowledges that the building cannot and will not be occupied prior to final inspection and issuance of a certificate of occupancy. The Grantor also acknowledges that the City and/or the Mercer Island School District may pursue foreclosure proceedings if the impact fees are not paid.

The lien amount is due and owing to the City upon (1) final building inspection conducted by the City; (2) issuance of the certificate of occupancy; or (3) closing of sale of the above-described real property by the escrow agent from the proceeds of sale, whichever comes first. The term of the impact fee deferral shall not exceed 18 months. All payments shall be made payable to the City and shall be directed to the City of Mercer Island Permit Center, 9611 SE 36th Street, Mercer Island, WA 98040.

Upon payment of the impact fees, the City agrees to execute a Release of Lien, substantially in the form attached hereto as Exhibit B. The Grantor may, at his or her own expense, record the Release of Lien.

DATED this _____ day of _____, 20__.

**CITY OF MERCER ISLAND,
GRANTEE/LIENHOLDER**

By: _____
Title: Code Official
Address: 9611 SE 36th Street
Mercer Island, WA 98040

DATED this _____ day of _____, 20__.

GRANTOR(S)

Signature

Signature

EXHIBIT A

(Full Legal Description of Property)

*EXAMPLE OF RELEASE OF LIEN
FORM TO BE FILED AFTER
PAYMENT OF IMPACT FEES*

EXHIBIT B

WHEN RECORDED, RETURN TO:

City of Mercer Island
9611 SE 36th Street
Mercer Island, WA 98040

RELEASE OF LIEN FOR DEVELOPMENT IMPACT FEES

Lien for Benefit of Grantee: City of Mercer Island, a municipal corporation

Person(s) Indebted to Grantee (“Grantor(s)”): _____

Reference Number(s) of Related Document(s): _____

Impact Fee Deferral Application Number: _____

Amount Released: _____

Assessor’s Tax Parcel Number: _____

Legal Description (Abbreviated): _____

Full legal description: See Exhibit A attached.

THIS RELEASE OF LIEN FOR DEVELOPMENT IMPACT FEES (the “Release”) is made as of this ____ day of _____, 20__, by the City of Mercer Island (the “City”).

The City recorded a Lien for Development Impact Fees dated _____ and recorded under King County Recording No. _____ (the “Lien”) with _____ (“Grantor / Property Owner”)

