

Transportation Impact Fees

Presentation to:

**BOMA Spokane
and Commercial Real Estate Industry Colleagues
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The Foundation for a Transportation Impact Fee Program – John Bennett

- The statutory obligation of the City under the Growth Management Act to develop transportation facilities concurrent with demand generated by new development (“concurrency”).
- The integral role of concurrency under Spokane’s Comprehensive Plan, which governs land use.
- The prohibition of government allowing development to proceed in areas where concurrency is not being achieved.
- The role of concurrency in “smart growth”.
- Dislocation in transportation infrastructure funding caused by the Eymann MVET and property tax reduction initiatives reducing or eliminating traditional funding sources.
- Trends in public policy toward user-based cost recovery programs.
- The critical interrelationship between the presence of a quality transportation network, economic and real estate development, and real estate values.
- The strong desire of both neighborhoods and business for government to take a proactive and visionary role in transportation planning and systems development.
- Inequity and inefficiencies in the current traffic analysis and mitigation process (duplication of effort and cost, project delays, and unfair mitigation impacts, some resulting for last-in developers).

The Current Ordinance Development Process and How We Got Here - John Bennett

- External Work Group and Internal Technical Team selected by Mayor Hession in December 2006.
- Tasked to deliver an ordinance to the Administration and Plan Commission.
- Plan Commission to hold workshops and public open houses to obtain citizen input.

- Plan Commission delivers proposed product to City Council for hearings and action.
- Work Group is comprised of a Commercial Realtor® (Chair), and representatives of SRTC, Greater Spokane Incorporated, Downtown Spokane Partnership, Spokane Association of Realtors®, Spokane Homebuilders Association, a developer (Greenstone), private traffic engineer (CLC), land use attorney (Witherspoon Kelly), Community Assembly Representative, Council Member (Verner), and citizen at-large. Members were selected to represent key constituencies and channel their goals and feedback into the process.
- Internal Technical Team is lead by Tom Arnold, and includes the Planning, Economic Development, Legal, Capital Programs, Street, and Engineering Services Department members.
- Work Group follows work of prior volunteer based stakeholder group and used its work as a reference.
- Other cities' ordinances have been considered in drafting and discussions to attain best practices status for the new ordinance.
- The Technical Team has presented Technical Memorandum throughout the process as the foundation for development of this ordinance.
- The External Work Group has held nine formal meetings plus two study sessions to-date and is heavily invested in developing an ordinance that is supported by the widest possible base of the community while meeting statutory requirements and public policy objectives.
- The Administration has been responsive to the Work Group in allowing it to take its natural course without holding the process to its original projected delivery timetable.
- The Work Group process is at advanced stages in policy development and draft ordinance review, but several key aspects of the ordinance remain to be completed and are proceeding in due course. Closure is nearing.
- The interaction of the Work Group and Technical team has been collaborative and fruitful.
- Technical memoranda, meeting agendas, minutes and other source documents can be accessed on line at:

http://www.spokaneengineering.org/Transportation%20Impact%20Fees/transportation_impact_fees.htm

Discussion of Impact Fees and the Ordinance from a Technical Perspective - Tom Arnold and Cody George

The Status Quo vs. Impact Fee Program

- Requirements for traffic impact analysis by developers
- GMA vs. SEPA requirements
- On-site vs. off site costs borne by developers
- Likely changes in process, costs and timing under an impact fee program vs. existing process
- Developer opportunities under an impact fee program to opt out of impact fees and submit independent analysis

When Impact Fees would be Triggered (Subject to Exemptions)

- New construction
- Modification and expansion of structures with increase in intensity of use
- Required Rate Study – process to determine fees

Baseline Information (Using multiple sources)

- Anticipated trips (future look)
- LOS and city-wide growth trends
- Existing studies and TIA's for development
- Plans for a comprehensive new city-wide baseline study

Fee Calculations

- Districts
- Percent developer share
- Exemptions/Credits/Vesting
- List of capital capacity projects

Required Public Process

- Citizen Workshop
- Plan Commission Workshop
- Plan Commission Hearing
- Public Works Committee
- City Council Hearing

Required Renewal Process

- Looking at Annual Inflation Cost Index
- Looking at Bi-Annual Rate Study/Fee Calculation Update as part of six-year program

Economic Development Considerations and Closing Comments - Cody George

Simplify the Development Process

- Provides a clearer system to address impacts
- Should reduce the scope of TIAs
- Provides increased ease in development opportunity because of an increased ability to get ahead of growth issues that would normally create a significant expense on the last person in
- Allows us to address and keep up with growth
- Fees can be leveraged to obtain state and federal matching funds

Questions and Answer Opportunity