



City of Spokane

Transportation Impact Fees

Public Open House

February 12, 2008

Ordinance Development

Mayor appointed External Work Group (EWG) and Internal Technical Team (ITT) on December 2006

Goals of Administration, EWG, ITT:

- Transportation Impact Fee **Rate Study and Draft Ordinance**
- **Improve Existing Transportation System**



EWG Process

- EWG Resolution – October 26, 2007
 - Rate Study
 - Draft Ordinance
 - Citywide Transportation Baseline – RFP
 - Amended Concurrency Ordinance
 - Amended LOS Policy

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Legislative Intent

Washington's legislature authorized impact fees:

- To ensure that adequate facilities are available to serve new growth;
- To promote orderly growth by establishing standards by which new growth and development pay a proportionate share of the cost of new facilities needed to serve new growth and development;
- and ensure that impact fees are imposed through established procedures and criteria so that specific developments do not pay arbitrary fees or duplicative fees for the same impact.

RCW 82.02.050(1).

Statutory Basis for Impact Fees

Growth Management Act (RCW 36.70A) authorizes fees
RCW 82.02.050-.090 sets forth requirements for the fees

Impact fees are not mitigation payments authorized under SEPA. There are several important differences between GMA impact fees and SEPA mitigations:

- GMA authorizes cities to impose fees for system improvements that provide service to the community at large;
- GMA enables cities to charge small-scale development their proportionate share, whereas SEPA exempts small development; and
- All development will pay the GMA impact fee; rate schedules provide predictability and simplicity compared to the cost, time, and uncertain outcome of SEPA reviews conducted on a case-by-case basis.

Types of Facilities Eligible for GMA Impact Fees

- Public ***Streets*** and Roads;
- Publicly owned ***Parks***, open space and recreation facilities;
- ***School*** facilities; and
- ***Fire*** protection facilities (in jurisdictions that are not part of a fire district)

RCW 82.02.050(2) and (4) and RCW 82.02.090(7)



Authorized Uses of Transportation Impact Fees

- Impact fees must be expended on public facilities in a capital facilities plan element (or used to reimburse the City for the unused capacity of existing facilities)
- Impact fees can be spent on “system improvements” (which are typically outside the development), as opposed to “project improvements” (which are typically provided by the developer on-site or immediately adjacent to a development). RCW 82.02.050(3)(a) and RCW 82.02.090(6) and (9)

Nexus to Development

Transportation impact fees:

- (1) Are limited to the proportionate share of the cost of system improvements that are reasonably related to new development;
- (2) May only be used for system improvements that will reasonably benefit the new development

RCW 82.02.050(3)(a) and (c).

Calculation of Proportionate Share

- Estimated the cost of the transportation improvement projects in each service area needed to provide capacity for new growth within that service area over a six-year forecast period. This estimate eliminates or does not include the cost of improvements to address existing deficiencies and was reduced to account for the percentage of pass-through traffic and funds expected from grants and various other sources.
- Forecasted the total number of new, p.m. peak-hour trips with at least one end in each service area during the same forecast period.
- Divided the estimated project costs by the forecasted number of trips for the average cost of a new trip in each service area over the forecast period.
- Using the Institute of Engineer's (ITE) Trip Generation Manual, converted this average cost into impact fees for specific types and sizes of development by considering the number of vehicle trips entering or leaving the land use at issue during the afternoon peak hour, the varying trip lengths generated by different land uses, and the percentage of "pass-by" trips.
- This formula was specifically approved by the Washington Supreme Court in *City of Olympia v. Drebeck*, 156 Wn.2d 289, 126 P.3d 802 (2006).



Fees Limited to Growth Related Projects

Six-Year Capital Street Program

Total All Projects	\$106 M
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Total All Capacity Projects	\$29 M
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Total Eligible Projects	\$18 M
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(Growth only - Excludes Existing Deficiencies)



Exemptions

Cities have the discretion to provide exemptions from impact fees for low-income housing and other “broad public purpose” development, but all such exempt fees must be paid from public funds (other than impact fee accounts)

Required Credits

- Impact fee ordinances must provide a credit for the value of any dedication of land for, improvement to, or new construction of any system improvements provided by the developer, to facilities that are identified in the City's capital facilities plan and that are required by the City as a condition of development approval.

Additional Credits Allowed under Draft Ordinance

- In-fill in Centers & Corridors – 10%
- Mixed Use with an active 1st floor – 10%
- Development of a Green Street – 10%

Note:

- *Cannot exceed 20% cumulative*
- *If not required already as part of development standards or condition of approval*



Developer Options

- Alternative fee calculations
- Payment of fees under protest and appeal impact fee calculations
- Refund if (1) project does not proceed; (2) City fails to spend or encumber the impact fees within 6 years; or (3) City terminates impact fee requirement.



We welcome your input!

Open House – *Provide Information*

Workshop with Plan Commission – *tbd*

Plan Commission – Hearing

Council Committees (Planning, Community and Economic Development; Public Works; Finance, etc...)

City Council – Hearing

Open House

Four Work Stations:

- Service Areas/Project Traffic Growth/Fee Tables
- Capital Project Lists/Methodology of Project Eligibility
- Ordinance/Credits
- Application of Impact Fees – Procedures

Comment Forms at Tables **or** submit comments on-line

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→ *Transportation Impact Fee*

Deadline for comments: **February 26th, 2008**