

Transportation Impact Fee Update

Prepared for
City of Olympia

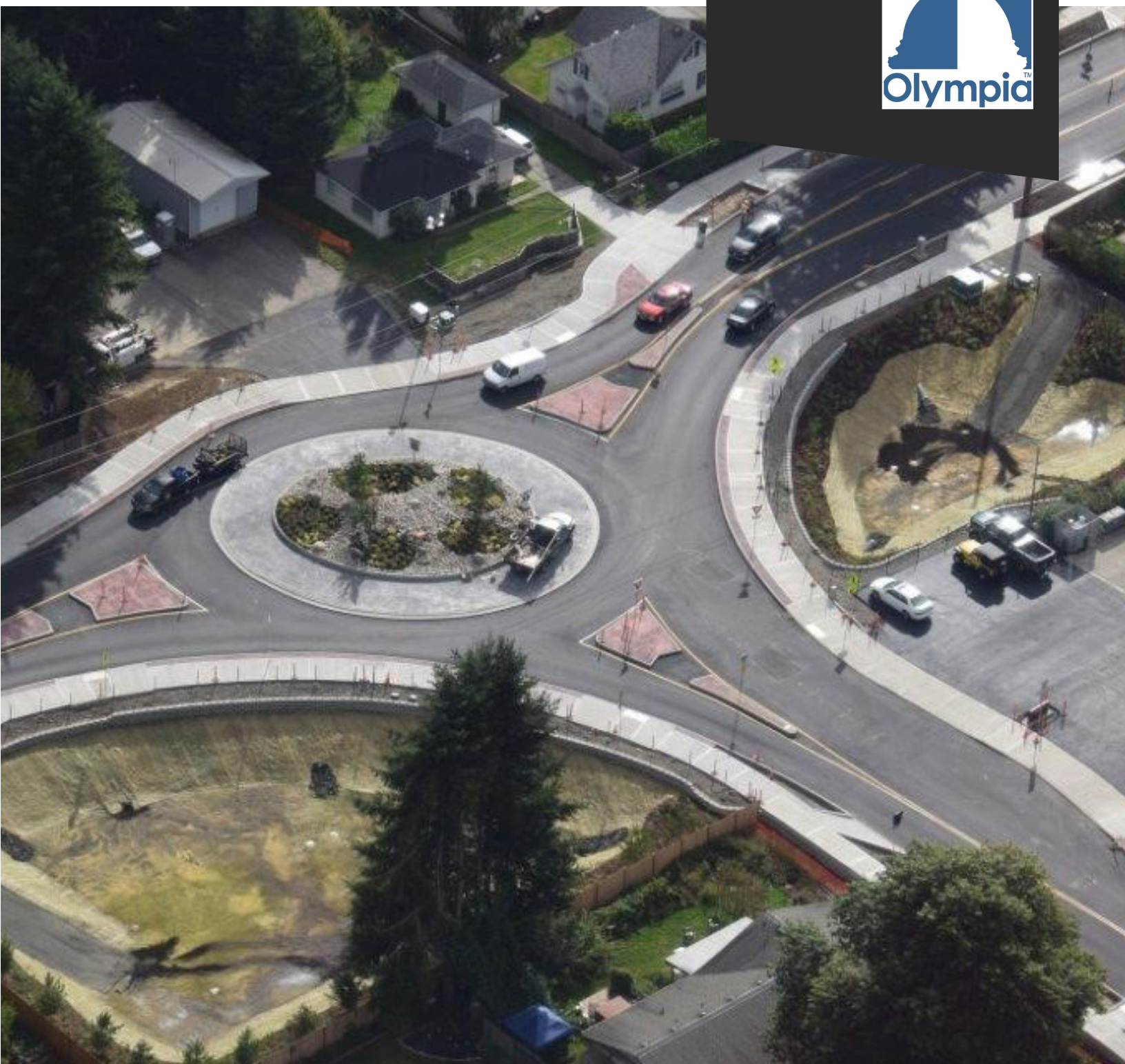




Table of Contents

INTRODUCTION	1
IMPACT FEE ANALYSIS.....	1
Impact Fee Project List.....	1
System Improvements	3
Travel Growth	3
Cost Allocation.....	3
IMPACT FEE SCHEDULE.....	8
Trip Generation.....	16
Pass-By Trip Adjustment.....	16
Trip Length Adjustment	16
CONCLUSIONS.....	18
APPENDIX A – COST ALLOCATION RESULTS.....	19
APPENDIX B – LAND USE DEFINITIONS	20
RESIDENTIAL.....	20
COMMERCIAL-SERVICES	20
COMMERCIAL-INSTITUTIONAL	21
INDUSTRIAL	21
RESTAURANT.....	22
COMMERCIAL-RETAIL.....	23
COMMERCIAL-OFFICE	24



List of Figures

Figure 1. City of Olympia Impact Fee Projects.....	4
Figure 2. Impact Fee Cost Allocation (2016-2022).....	7

List of Tables

Table 1. Six-Year List of Transportation Capacity Projects.....	2
Table 2. Level of Service Deficiency Analysis.....	5
Table 3. Components of Impact Fee Schedule	9
Table 4. Transportation Impact Fee Schedule.....	13
Exhibit A. Cost Allocation by Project Group	19

INTRODUCTION

This report documents the 2016 update to the City of Olympia Transportation Impact Fee Program. The update was prepared for the following reasons:

- The Growth Management Act requires regular updates to impact fee programs. The original Transportation Impact Fee program was adopted by the City Council in 1995 and was updated in 1998, 2002, 2006, and 2009.
- The project list has been updated for consistency with the Capital Facilities Program (CFP).
- The costs of projects on the impact fee project list have changed due to inflation and changing project scope since the last update in 2009.

This update remains generally consistent with the 2009 methodology, but includes enhancements to the way the rates are calculated for Downtown Olympia. These changes are based on more recent data and research and are described in more detail in this report. The remaining sections of this report describe the impact fee program methodology, the analyses performed, and the resulting recommendations.

IMPACT FEE ANALYSIS

The City of Olympia's impact fee structure was designed to determine the fair share of improvement costs that may be charged for a new development. The structure includes the key elements listed below, each of which is covered in more detail in this report.

- A 6-year roadway facility list oriented to future growth is developed.
- Existing deficiencies are identified and separated from future trips on the roadway system.
- Future trips are allocated to geographic areas inside and outside the City using a travel demand forecasting model.
- A citywide fee system is established.
- A land use based fee schedule is developed.

IMPACT FEE PROJECT LIST

The updated impact fee project list is composed of selected capacity projects from the City's CFP, which covers a 6-year period. The projects are listed in **Table 1** and mapped in **Figure 1**. The table shows total estimated project cost and the amount already collected or allocated for each project. The impact fee cost



for growth-related projects is equal to the total project cost minus the assumed grants and other non-eligible costs.

TABLE 1. SIX-YEAR LIST OF TRANSPORTATION CAPACITY PROJECTS

Project Number	Project	Total Estimated Cost	All Funds Appropriated/Assigned to Project (As of 8/31/2015)	Total Remaining Funds Needed
1	Fones Road- 18th Avenue to Pacific (CG23)	\$14,400,000	\$104,518	\$14,295,482
2	Henderson Boulevard & Eskridge Boulevard Intersection Improvements	\$650,000	\$125,639	\$524,361
3	Wiggins Road & 37th Avenue Intersection Improvements	\$650,000	\$244,333	\$405,667
4	Cain Road & North Street Intersection Improvements	\$400,000	\$20,012	\$379,988
5	Boulevard Road Intersection Improvements-Morse-Merryman Road	\$6,001,400	\$2,620,620	\$3,380,780
6	Log Cabin Road Extension – ROW	\$273,000	\$0	\$273,000
7	Log Cabin Road Extension – Design	\$500,000	\$0	\$500,000
8	US 101/West Olympia Access Project-Design, Environmental Permits, Mitigation & Right-of-Way	\$6,119,675	\$0	\$6,119,675
9	Harrison Ave Phase 2 & 3 Widening and Traffic Signal - <i>Debt Finance</i>	\$1,605,999	\$0	\$1,605,999
10	18th Ave Widening and Roundabouts - <i>Debt Finance</i>	\$907,314	\$0	\$907,314
11	Yelm Highway Widening - <i>Debt Finance</i>	\$103,163	\$0	\$103,163
12	Transportation Projects Update & Prioritization (Transportation Master Plan)	\$200,000	\$0	\$200,000
Total		\$31,810,551	\$3,115,122	\$28,695,429

Source: City of Olympia, 2016.

The City identified the funding currently appropriated or assigned to each project, including the amount of the current impact fee and SEPA mitigation payments that are being used to pay for the improvements. The remaining unfunded portion of the project costs equals \$28.7 million.



During the City's transportation planning process, the City identified the projects in Table 1 as those needed during the next six years to meet the adopted Level of Service (LOS) standards. These capital projects form the basis for the City's transportation funding program which includes public and private sources. The list retains some current impact fee projects since they are not complete and have remaining capacity available for new growth.

SYSTEM IMPROVEMENTS

Washington State law (RCW 82.02.050) specifies that Transportation Impact Fees are to be spent on "system improvements." System improvements can include physical or operational changes to existing roadways, as well as new roadway connections that are built in one location to benefit projected needs at another location. Costs could include planning, design, and construction of the facilities. Each project in **Table 1** meets this requirement. The Log Cabin Road Extension project in the impact fee project list will provide a new street connection that provides capacity and helps shift traffic away from other congested locations within the City.

TRAVEL GROWTH

For the impact fee analysis, a six-year land use growth estimate was used to match the 2016-2021 Capital Facilities Program. These growth estimates result in an increase of 6,241 PM peak hour vehicle trip ends¹ within the City and the surrounding urban growth area. This growth is substantially lower than the growth forecasted in 2009.²

COST ALLOCATION

The City's impact fee analysis is based on a methodology that distinguishes between facility improvements that address existing deficiencies and those that are needed to serve new growth. For growth-related projects, this method assumes that traffic generated by future development (inside and outside of the City) results in the need for the improvement projects. To make this determination, the City provided data on existing LOS for each project, as shown in **Table 2**. The analysis showed that the LOS of each proposed project is either currently within the City's adopted standard or was within the City's adopted standard when the City began collecting impact fees for the project. Therefore, up to 100 percent of the project costs can potentially be allocated to new growth.

¹ A vehicle trip travels between an origin and a destination. Each vehicle trip has two trip ends, one each at the origin and destination. Trip ends represent the traffic coming to and from a given land use, consistent with trip generation formulas used by the Institute of Transportation Engineers.

² The growth forecast in 2009 was 10,458 PM peak hour trip ends.



\\pse03\Projects\2016\Projects\SE16-0468_Olympia_Impact_Fee_2016\Update\Graphics\GIS\MXD\fig0X_base3.mxd

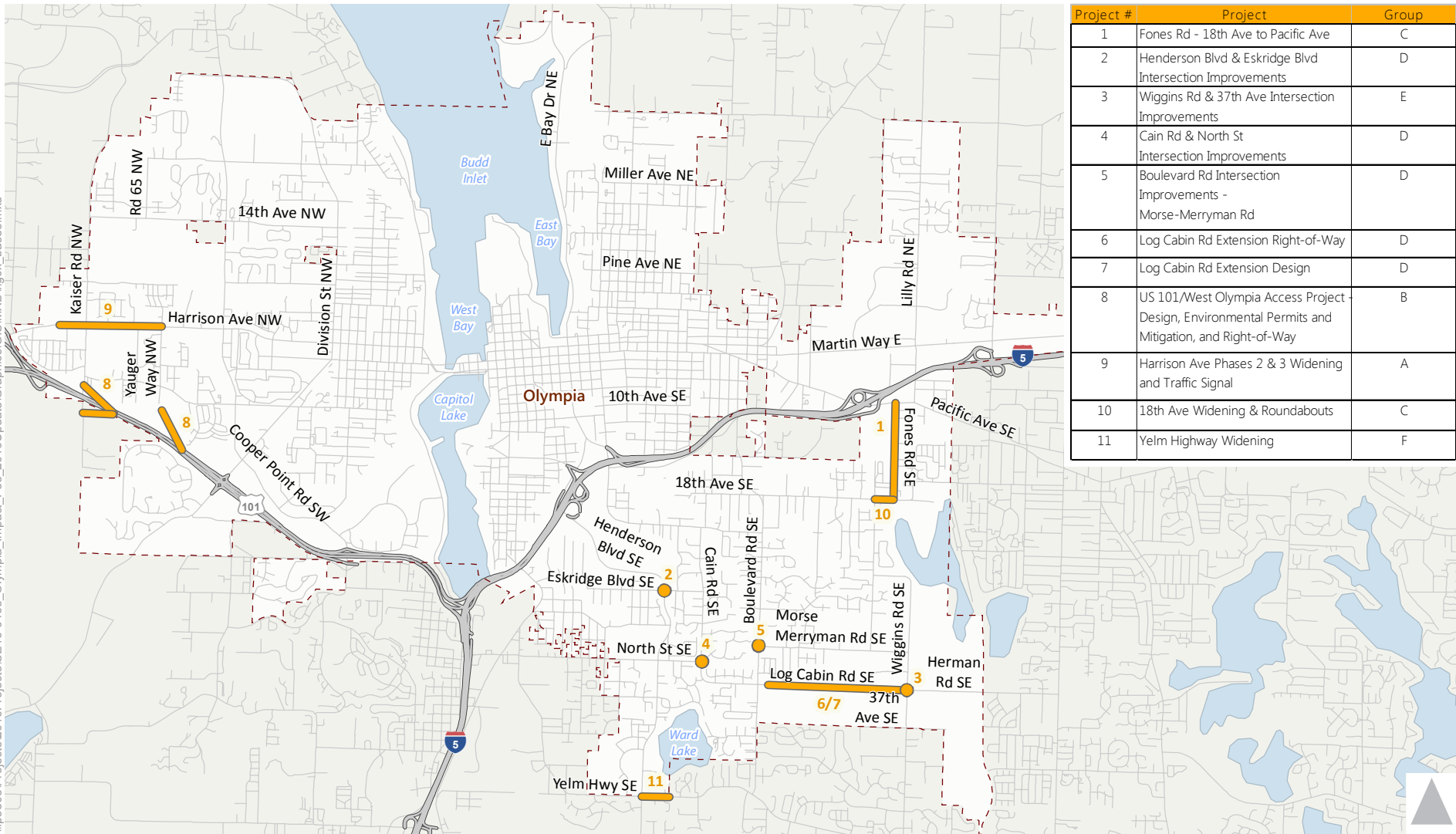


Figure 1
City of Olympia Impact Fee Projects

TABLE 2. LEVEL OF SERVICE DEFICIENCY ANALYSIS

Project #	Project Description	Deficiency Analysis
1	Fones Road- 18th Avenue to Pacific (CG23)	Existing deficiency. No existing deficiency when the City began collecting impact fees. Current LOS is E and LOS standard is D.
2	Henderson Boulevard & Eskridge Boulevard Intersection Improvements	No existing deficiency. Current LOS is A and LOS standard is D.
3	Wiggins Road & 37th Avenue Intersection Improvements	No existing deficiency. Current LOS is A and LOS standard is D.
4	Cain Road & North Street Intersection Improvements	No existing deficiency. Current LOS is C and LOS standard is D.
5	Boulevard Road Intersection Improvements- Morse-Merryman Road	No existing deficiency. Current LOS is A and LOS standard is D.
6	Log Cabin Road Extension - ROW	No existing deficiency. New connection.
7	Log Cabin Road Extension - Design	No existing deficiency. New connection.
8	US 101/West Olympia Access Project- Design, Environmental Permits, Mitigation & Right-of-Way	No existing deficiency. Black Lake interchange (the only adjacent interchange within City limits) has no deficiency according to 2016 Interchange Justification Report.
9	Harrison Ave Phase 2 & 3 Widening and Traffic Signal - <i>Debt Finance</i>	No existing deficiency. Project completed and no deficiency at the time the City began collecting impact fees.
10	18th Ave Widening and Roundabouts - <i>Debt Finance</i>	No existing deficiency. Project completed and no deficiency at the time the City began collecting impact fees.
11	Yelm Highway Widening - <i>Debt Finance</i>	No existing deficiency. Project completed and no deficiency at the time the City began collecting impact fees.
12	Transportation Projects Update & Prioritization (Transportation Master Plan)	Not applicable.

Note: Existing impact-fee funded projects that have a current deficiency have been previously identified as eligible for impact fee funding prior to the time of their deficiency.

Not all of the growth-related costs can be attributed to growth within the City of Olympia. The cost allocation process distributes the growth costs for each project based on the travel patterns between the different geographic areas within and outside the City limits. Trips that pass through Olympia, but do not have any origins or destinations within Olympia, were not allocated to Olympia zones. In other words,



development in Olympia would not be charged for impacts by growth in trips passing through the City. This 'through traffic' amount will need to be covered by other revenues.

The total cost of the projects on the impact fee list is \$31.8 million³ (excluding the \$3.1 million debt service beyond the horizon year of 2022), as shown in **Figure 2**. Of this amount, \$3.1 million has already been spent or otherwise appropriated or assigned to the projects on the list. The funds include a combination of previously obtained State and Federal grants, impact fees, and SEPA payments. The remaining \$28.7 million needs to be funded.

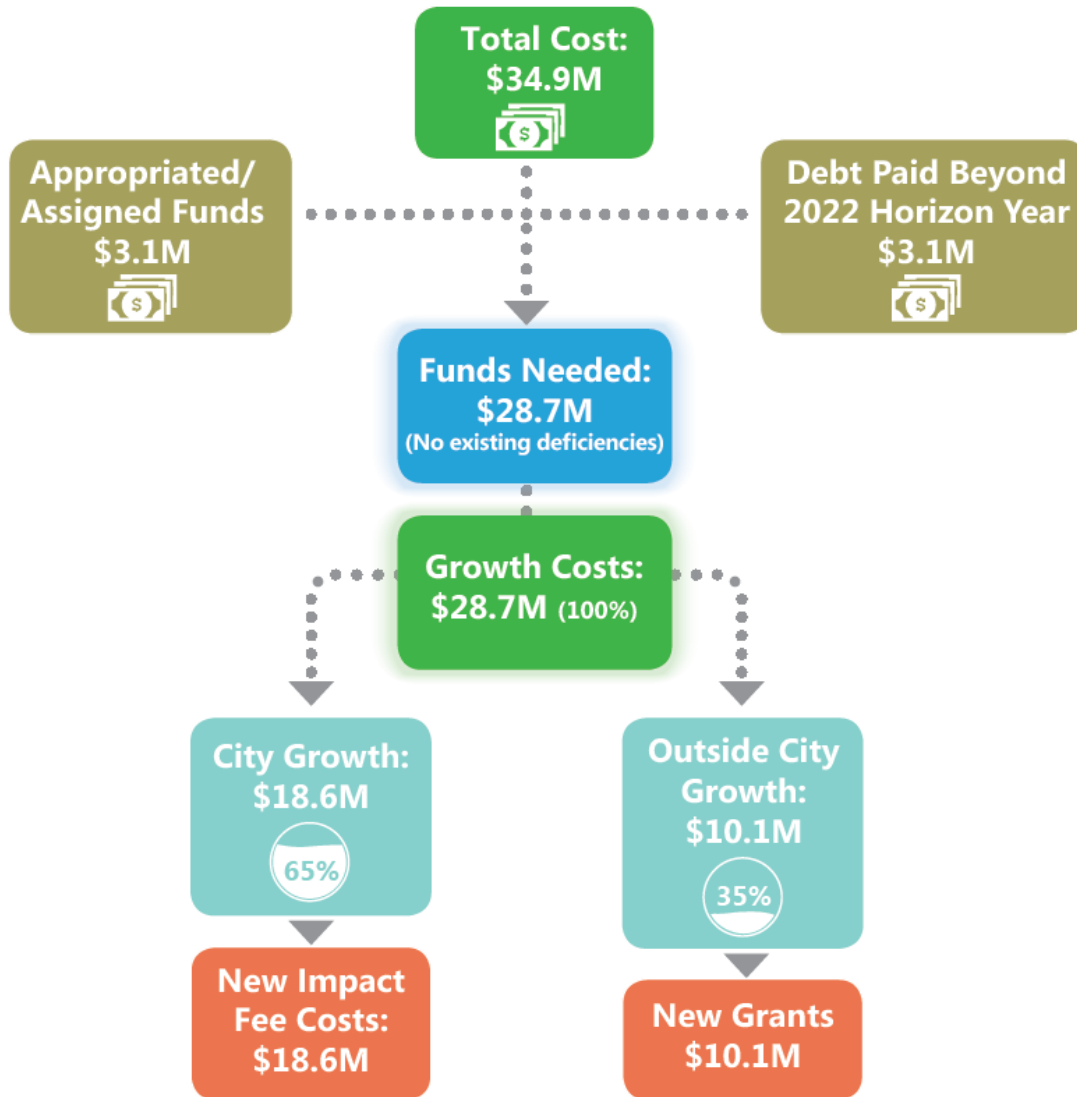
The \$28.7 million was then split into 'city growth' and 'outside city growth' components using the City's traffic model. The details of this calculation are shown in **Appendix A – Exhibit A**. Using this data, the average percentage of City growth responsibility equaled approximately 65 percent. The City growth percentage, applied to the \$28.7 million needed funds, yielded an amount equal to \$18.6 million. This is the amount that could be charged to new development using impact fees. The remaining \$10.1 million is expected to be obtained from new grant proposals to cover the cost of growth occurring outside of the city.

³ For discussion purposes, the dollar amounts shown in the following figures and text descriptions are approximate values. The actual amounts used in the calculations are accurate to a single dollar.



Figure 2. Impact Fee Cost Allocation

Impact Fee Cost Allocation (2016–2022)



The Cost per New Trip is then calculated as follows:

Impact Fee Costs	\$18.6M
New Peak (4-6PM) Hour Trips	<u>÷ 6,241</u>
Cost per New Trip without Administrative Fee	\$2,979
Administrative Fees	<u>+\$20</u>
Cost per New Trip with Administrative Fee	\$2,999



The final step in the cost allocation process was to calculate the "cost per new trip end" within Olympia and the surrounding Urban Growth Area (UGA). This is derived by dividing the total project cost by the total number of new PM peak hour trips. This rate presumed that grants would cover only the 'outside city and Urban Growth Area' share of the growth costs.

The analysis produced the following results.

$$\text{Project Cost per New Trip End} = \frac{\text{Total Project Cost}}{\text{New PM Peak Hour Trip Ends}} = \frac{\$18,590,836}{6,241} = \$2,979$$

In addition to the project cost per new trip end, the City is applying an administrative fee to defray the costs associated with the periodic update of the impact fee program. There is precedent within Washington State for collecting administrative fees, including the Cities of Federal Way, Bothell, and Kent. The administrative fee is set at \$20 per new trip end, which is based on the expected annual cost of administering the program. Therefore, the total cost per new trip end is \$2,999.

The \$2,999 per trip end rate is three percent higher than the current rate of \$2,913. The new rate reflects an updated impact fee project list with old projects removed, new projects added, and updated cost estimates. The new fee schedule is anticipated to collect a slightly higher proportion of project costs, 58 percent, than the previous program which only collected 50 percent of the total. However, with a lower overall project cost than the previous program, this would lead to a 6-year fee collection of \$18.6 million, compared with the current program goal of \$35.4 million. The decrease in vehicle trip end growth (6,241 vs. 10,458) is a key reason why the impact fee rate will stay roughly equivalent to the prior program despite the lower project cost.

IMPACT FEE SCHEDULE

The impact fee schedule was developed by adjusting the 'cost per trip end' information to reflect differences in trip making characteristics (trip generation, pass-by trips, trip length) for a variety of land use types within the study area. The fee schedule is a table where fees are represented as dollars per unit for each land use category. **Table 3** shows the various components of the fee schedule. Certain land uses were modified or added from the current fee schedule to reflect recent development trends within the City and changes to the national trip generation database. For example, categories for drive through coffee shops with indoor seating and without indoor seating (i.e. an espresso stand) were added, as that is now a common land use within the City.



TABLE 3. COMPONENTS OF IMPACT FEE SCHEDULE

Land Uses	Land Use Code	Unit of Measure	PM Peak Trips Ends/Unit	New Trip %	New Trip End Rate	Trip Length (Miles)	Adjusted Trip Length for Downtown Uses	Trip Length Adjustment Factor
Residential								
Single Family (Detached)	210	dwelling	1.00	100%	1.00	3.5	-	1.17
Multi Family-Townhouse & Duplex	220, 221, 230, 233	dwelling	0.62	100%	0.62	3.7	-	1.23
Senior Housing & Accessory Dwelling	220, 221, 230, 233	dwelling	0.31	100%	0.31	2.8	-	0.93
Mobile Home	240	dwelling	0.59	100%	0.59	3.5	-	1.17
Commercial-Services								
Bank	912	SF GFA	24.30	65%	15.80	1.5	-	0.50
Day Care	565	SF GFA	12.34	100%	12.34	2.0	-	0.67
Hotel/Motel	310, 320	room	0.60	100%	0.60	4.0	-	1.33
Service Station with or without minimart and/or carwash	944, 945, 946	Fueling Position	13.51	44%	5.94	1.7	-	0.57
Movie Theater	444, 445	seat	0.07	85%	0.06	2.3	-	0.77
Health Club	492, 493	SF GFA	3.53	75%	2.65	3.1	-	1.03
Marina	420	Berth	0.19	90%	0.17	3.1	-	1.03
Institutional								
Elementary /Junior High/ High School	520, 522, 530	student	0.13	80%	0.10	2.0	-	0.67
University/College	540, 550	student	0.17	90%	0.15	3.0	-	1.00
Church	560	SF GFA	0.55	100%	0.55	3.7	-	1.23
Hospital	610	SF GFA	0.93	80%	0.74	5.0	-	1.67
Assisted Living, Nursing Home, Group Home	620, 254	bed	0.22	100%	0.22	2.8	-	0.93
Industrial								



TABLE 3. COMPONENTS OF IMPACT FEE SCHEDULE

Land Uses	Land Use Code	Unit of Measure	PM Peak Trips Ends/Unit	New Trip %	New Trip End Rate	Trip Length (Miles)	Adjusted Trip Length for Downtown Uses	Trip Length Adjustment Factor
Light Industry/ Manufacturing Industrial Park	110, 140, 130	SF GFA	0.85	100%	0.85	5.1	-	1.70
Warehousing/ Storage	150	SF GFA	0.32	100%	0.32	5.1	-	1.70
Mini Warehouse	151	SF GFA	0.26	100%	0.26	5.1	-	1.70
Restaurant								
Restaurant	931	SF GFA	7.49	56%	4.19	3.4	-	1.13
Fast Food Restaurant	934	SF GFA	32.65	50%	16.33	2.0	-	0.67
Coffee/Donut Shop with Drive-Through Window	937	SF GFA	42.80	50%	21.40	1.3	-	0.43
Coffee/Donut Shop with Drive-Through Window and No Indoor Seating	938	SF GFA	75.00	11%	8.25	1.3	-	0.43
Commercial-Retail								
Retail Shopping Center								
up to 49,999	820	SF GLA	9.47	50%	4.74	1.3	-	0.43
50,000-99,999	820	SF GLA	6.59	55%	3.62	1.5	-	0.50
100,000-199,999	820	SF GLA	5.24	60%	3.14	1.7	-	0.57
200,000-299,999	820	SF GLA	4.43	65%	2.88	1.7	-	0.57
300,000-399,999	820	SF GLA	3.96	70%	2.77	2.1	-	0.70
over 400,000	820	SF GLA	3.65	75%	2.74	2.4	-	0.80
Commercial-Office								
Administrative Office								
0-99,999	710, 715, 750	SF GFA	2.69	90%	2.42	5.1	-	1.7
100,000-199,999	710, 715, 750	SF GFA	1.64	90%	1.48	5.1	-	1.7



TABLE 3. COMPONENTS OF IMPACT FEE SCHEDULE

Land Uses	Land Use Code	Unit of Measure	PM Peak Trips Ends/Unit	New Trip %	New Trip End Rate	Trip Length (Miles)	Adjusted Trip Length for Downtown Uses	Trip Length Adjustment Factor
200,000-299,999	710, 715, 750	SF GFA	1.43	90%	1.29	5.1	-	1.7
over 300,000	710, 715, 750	SF GFA	1.34	90%	1.21	5.1	-	1.7
Medical Office/Clinic	720	SF GFA	3.57	75%	2.68	4.8	-	1.6
Other Retail Uses								
Supermarket > 5,000 SF	850	SF GFA	9.48	64%	6.07	2.1	-	0.70
Convenience Market < 5,000 SF	851	SF GFA	52.41	49%	25.68	1.3	-	0.43
Discount Merchandise Store (Free Standing)	813, 815, 861, 863, 864	SF GFA	4.13	72%	2.98	2.1	-	0.70
Miscellaneous Retail	820	SF GLA	3.71	66%	2.45	2.4	-	0.80
Furniture Store	890	SF GFA	0.45	47%	0.21	1.7	-	0.57
Car Sales - New/Used	841	SF GFA	2.62	80%	2.10	4.6	-	1.53
Nursery/Garden Center	817	SF GFA	6.94	70%	4.86	2.1	-	0.70
Pharmacy/Drugstore	880, 881	SF GFA	8.40	47%	3.95	1.7	-	0.57
Video Rental	896	SF GFA	13.60	45%	6.12	1.7	-	0.57
Automobile Care Center	942	SF GLA	3.11	75%	2.33	2.2	-	0.73
Quick Lubrication Vehicle Shop	941	Servicing Positions	5.19	70%	3.63	1.7	-	0.57
Hardware/Building Materials Store < 25,000 SF	812	SF GFA	4.49	60%	2.69	2.1	-	0.70
Home Improvement Superstore > 25,000 SF	862	SF GFA	2.33	58%	1.35	2.1	-	0.70



TABLE 3. COMPONENTS OF IMPACT FEE SCHEDULE

Land Uses	Land Use Code	Unit of Measure	PM Peak Trips Ends/Unit	New Trip %	New Trip End Rate	Trip Length (Miles)	Adjusted Trip Length for Downtown Uses	Trip Length Adjustment Factor
DOWNTOWN FEES								
Multi Family-Townhouse & Duplex	223, 230	dwelling	0.36	100%	0.36	3.7	2.8	0.94
Senior Housing & Accessory Dwelling	223, 230	dwelling	0.18	100%	0.18	2.8	2.1	0.71
Assisted Living, Nursing Home, Group Home	620, 254	bed	0.17	100%	0.17	2.8	2.1	0.71
Hotel/Motel	310, 320	room	0.47	100%	0.47	4.0	3.0	1.01
Movie Theater	444	seat	0.05	85%	0.05	2.3	1.9	0.63
Marina	420	Berth	0.15	90%	0.13	3.1	2.4	0.79
Downtown Services	820, 590, 565, 492	SF GFA	2.91	70%	2.04	2.4	1.9	0.63
Administrative Office								
0-99,999	710	SF GFA	2.11	90%	1.90	5.1	4.5	1.50
100,000-199,999	710	SF GFA	1.29	90%	1.16	5.1	4.5	1.50
200,000-299,999	710	SF GFA	1.12	90%	1.01	5.1	4.5	1.50
over 300,000	710	SF GFA	1.05	90%	0.95	5.1	4.5	1.50
Medical Office/Clinic	720	SF GFA	2.80	75%	2.10	4.8	4.2	1.41
Industrial Park	130	SF GFA	0.67	100%	0.67	5.1	4.5	1.50
Warehousing/Storage	150	SF GFA	0.25	100%	0.25	5.1	4.5	1.50
Mini Warehouse	151	SF GFA	0.20	100%	0.20	5.1	4.5	1.50

Notes:

For uses with unit of measure in "SF GFA" or "SF GLA" the impact fee is dollars per square foot.

1) Service Station can include Mini Mart (less than or equal to 2,500 square feet) and/or Car Wash. Mini Mart greater than 2,500 square feet calculated separately.

2) Downtown: As previously described in Olympia Municipal Code 15.04.040.J.

3) Downtown Services includes Retail Stores, Restaurants, Supermarkets, Convenience Markets, Video Rentals, Banks, Health Clubs, Day Cares, and Libraries.



Table 4 shows the proposed transportation impact fee schedule, which includes a comparison between the existing and proposed fees. Appendix B provides definitions of the land uses included in the fee schedule.

TABLE 4. TRANSPORTATION IMPACT FEE SCHEDULE

Land Uses	Land Use Code	Unit of Measure	Current Impact Fee Rate	Proposed Impact Fee Rate
Residential				
Single Family (Detached)	210	dwelling	\$3,432	\$3,498
Multi Family-Townhouse & Duplex	220, 221, 230, 233	dwelling	\$2,227	\$2,293
Senior Housing & Accessory Dwelling	220, 221, 230, 233	dwelling	\$843	\$868
Mobile Home	240	dwelling	\$2,005	\$2,064
Commercial-Services				
Bank	912	SF GFA	\$18.80	\$23.68
Day Care	565	SF GFA	\$18.15	\$24.67
Hotel/Motel	310, 320	room	\$2,292	\$2,399
Service Station with or without minimart and/or carwash	944, 945, 946	Fueling Position	\$6,626	\$10,101
Movie Theater	444, 445	seat	\$133	\$137
Health Club	492, 493	SF GFA	\$7.97	\$8.20
Marina	420	Berth	\$515	\$530
Institutional				
Elementary /Junior High/ High School	520, 522, 530	student	\$202	\$208
University/College	540, 550	student	\$551	\$459
Church	560	SF GFA	\$1.98	\$2.03
Hospital	610	SF GFA	\$4.43	\$3.72
Assisted Living, Nursing Home, Group Home	620, 254	bed	\$598	\$616
Industrial				
Light Industry/Manufacturing Industrial Park	110, 140, 130	SF GFA	\$4.26	\$4.33
Warehousing/Storage	150	SF GFA	\$1.58	\$1.63
Mini Warehouse	151	SF GFA	\$1.29	\$1.33



TABLE 4. TRANSPORTATION IMPACT FEE SCHEDULE

Land Uses	Land Use Code	Unit of Measure	Current Impact Fee Rate	Proposed Impact Fee Rate
Restaurant				
Restaurant	931	SF GFA	\$19.78	\$14.25
Fast Food Restaurant	934	SF GFA	\$32.86	\$32.64
Coffee/Donut Shop with Drive-Through Window	937	SF GFA	N/A	\$27.81
Coffee/Donut Shop with Drive-Through Window and No Indoor Seating	938	SF GFA	N/A	\$10.72
Commercial-Retail				
Retail Shopping Center				
up to 49,999	820	SF GLA	\$6.34	\$6.15
50,000-99,999	820	SF GLA	\$5.61	\$5.43
100,000-199,999	820	SF GLA	\$5.51	\$5.34
200,000-299,999	820	SF GLA	\$5.04	\$4.89
300,000-399,999	820	SF GLA	\$6.01	\$5.82
over 400,000	820	SF GLA	\$6.76	\$6.57
Commercial-Office				
Administrative Office				
0-99,999	710, 715, 750	SF GFA	\$12.08	\$12.34
100,000-199,999	710, 715, 750	SF GFA	\$7.35	\$7.52
200,000-299,999	710, 715, 750	SF GFA	\$6.42	\$6.56
over 300,000	710, 715, 750	SF GFA	\$6.02	\$6.15
Medical Office/Clinic	720	SF GFA	\$12.09	\$12.85
Other Retail Uses				
Supermarket > 5,000 SF	850	SF GFA	\$16.06	\$12.74
Convenience Market < 5,000 SF	851	SF GFA	\$29.77	\$33.37
Discount Merchandise Store (Free Standing)	813, 815, 861, 863, 864	SF GFA	\$6.34	\$6.24
Miscellaneous Retail	820	SF GLA	\$6.52	\$5.87
Furniture Store	890	SF GFA	\$0.45	\$0.36
Car Sales - New/Used	841	SF GFA	\$9.25	\$9.64



TABLE 4. TRANSPORTATION IMPACT FEE SCHEDULE

Land Uses	Land Use Code	Unit of Measure	Current Impact Fee Rate	Proposed Impact Fee Rate
Nursery/Garden Center	817	SF GFA	\$5.42	\$10.20
Pharmacy/ Drugstore	880, 881	SF GFA	\$6.95	\$6.71
Video Rental	896	SF GFA	\$10.10	\$10.40
Automobile Care Center	942	SF GLA	\$5.42	\$5.13
Quick Lubrication Vehicle Shop	941	Servicing Positions	\$5,997	\$6,173
Hardware/Building Materials Store < 25,000 SF	812	SF GFA	\$5.49	\$5.65
Home Improvement Superstore > 25,000 SF	862	SF GFA	\$2.66	\$2.84
DOWNTOWN FEES				
Multi Family-Townhouse & Duplex	223, 230	dwelling	\$913	\$1,004
Senior Housing & Accessory Dwelling	223, 230	dwelling	\$378	\$380
Assisted Living, Nursing Home, Group Home	620, 254	bed	\$406	\$367
Hotel/Motel	310, 320	room	\$1,699	\$1,431
Movie Theater	444	seat	\$110	\$89
Marina	420	Berth	\$315	\$316
Downtown Services*	820, 590, 565, 492	SF GFA	\$3.85	\$3.87
Administrative Office				
0-99,999	710	SF GFA	\$7.84	\$8.53
100,000-199,999	710	SF GFA	\$5.88	\$5.20
200,000-299,999	710	SF GFA	\$5.10	\$4.53
over 300,000	710	SF GFA	\$4.31	\$4.25
Medical Office/Clinic	720	SF GFA	\$10.58	\$8.87
Industrial Park	130	SF GFA	\$2.67	\$2.99
Warehousing/ Storage	150	SF GFA	\$0.99	\$1.13
Mini Warehouse	151	SF GFA	\$0.81	\$0.92

Notes:

For uses with unit of measure in "SF GFA" or "SF GLA" the impact fee is dollars per square foot.

1) Service Station can include Mini Mart (less than or equal to 2,500 square feet) and/or Car Wash. Mini Mart greater than 2,500 square feet calculated separately.

2) Downtown: As previously described in Olympia Municipal Code 15.04.040.J.



3) Downtown Services includes Retail Stores, Restaurants, Supermarkets, Convenience Markets, Video Rentals, Banks, Health Clubs, Day Cares, and Libraries.

TRIP GENERATION

Trip generation rates for each land use type are derived from the Institute of Transportation Engineers (ITE) Trip Generation (9th Edition, 2012)⁴. The rates are expressed as vehicle trips entering and leaving a property during the PM peak hour. ITE trip rates are most applicable to suburban contexts. More central, denser areas such as Downtown Olympia are known to generate fewer vehicle trips than ITE rates suggest. Therefore, Fehr & Peers' MainStreet trip generation tool was used to estimate an appropriate vehicle trip reduction for Downtown Olympia compared to typical ITE trip rates. The MainStreet tool considers variables such as proximity to transit, intersection density, and the type, mix, and intensity of land use. This evaluation resulted in a 22% reduction compared to ITE trip rates which was applied to all Downtown land uses.

PASS-BY TRIP ADJUSTMENT

The trip generation rates represent total traffic entering and leaving a property at the driveway points. For certain land uses (e.g., retail), a substantial amount of this traffic is already passing by the property and merely turns into and out of the driveway. These pass-by trips do not significantly impact the surrounding street system and therefore are removed from the total prior to calculating the impact fee. The resulting trips are considered 'new' to the street system and are therefore subject to the impact fee calculation. The 'new' trip percentages are derived partially from ITE data (some of which has been updated since the 2009 impact fee program) and from available surveys conducted around the country.

TRIP LENGTH ADJUSTMENT

Another variable that affects traffic impacts is the length of the trip generated by a particular land use. The 'cost per trip end' calculated in the impact fee program represents an average for all new trips generated within Olympia. Being an average, there will be certain land uses that generate trips of different lengths. If a given trip length is shorter than the average, then its relative traffic impacts on the street system will be lower than average. Conversely, longer trips will impact a larger proportion of the transportation network. In order to reflect these differences, the method includes an adjustment factor, which is calculated as the ratio between the trip length for a particular land use type and the 'average' trip length for the City. Trip length data were estimated using limited national survey results. Since the

⁴ The existing fee schedule is based upon ITE's 9th Edition trip generation rates (an update from the previous program which was based upon ITE's 8th Edition).



adjustment uses a ratio, the relative trip lengths are more important than the actual trip length. The average trip length estimated for Olympia was 3.0 miles⁵ based upon the current and expected mix in land use types within the study area.

An additional trip length factor was applied for Downtown land uses. Thurston Regional Planning Council's household travel survey data were used to compare the length of household trips within downtown to those related to households outside of downtown. Based on those findings, the average trip length was reduced for downtown land use categories, resulting in a different trip length factor.

⁵ Derived from 1995 Impact Fee study



CONCLUSIONS

The City of Olympia Transportation Impact Fee Program was adopted in 1995 and most recently updated in 2009. The proposed impact fees for 2016 have been updated for consistency with current construction and regulatory costs and to account for the addition of new roadway projects to the impact fee list. The impact fee rate schedule (**Table 4**) lists the impact fees to be charged to a variety of land use types. The rates reflect changes in the average 'cost per trip end'. The proposed City impact fee rates are anticipated to generate \$18.6 million over the next six years, representing approximately 65 percent of remaining funding needed for the projects on the impact fee list.



APPENDIX A – COST ALLOCATION RESULTS

Exhibit A illustrates how the impact fee project costs (shown in Table 1) were divided into growth-related costs attributable to the City and the surrounding Urban Growth Area (UGA). In order to determine this proportion, the City’s traffic model was used to identify the portion of trip-making associated with existing and growth-related traffic. A technique called “select-link” analysis was used to isolate the vehicle trips using each of the impact fee projects. The first column of Exhibit A shows several “Project Groups”, which represent the grouping of impact fee projects used in the select link traffic forecasts. Groups C and D include two or more impact fee projects that are located within close proximity to each other, representing similar traffic patterns. The grouping of projects is shown at the top of Exhibit A. The analysis shows that approximately 65 percent of the total project costs could be attributable to new growth within the City and the surrounding UGA.

EXHIBIT A. COST ALLOCATION BY PROJECT GROUP

Project Group ID	Project Group Description			
A	Harrison Ave Widening and Traffic Signal- Debt Finance			
B	US 101/West Olympia Access Project			
C	Fones Rd, 18th Ave Widening & Roundabouts- Debt Finance			
D	Henderson & Eskridge Improvements, Cain & North Improvements, Boulevard Rd Improvements, Log Cabin Extension			
E	Wiggins & 37th Ave Improvements			
F	Yelm Highway Widening- Debt Finance			
Citywide	Transportation Projects Update & Prioritization			
Project Group #	Project Costs (Total)	Funds Needed	Percent of New Project Traffic due to Growth within City and UGA	Project Costs Allowable for Impact Fees
A	\$1,605,999	\$1,605,999	64.5%	\$1,036,367
B	\$6,119,675	\$6,119,675	60.1%	\$3,677,646
C	\$15,307,314	\$15,202,796	66.6%	\$10,126,184
D	\$7,824,400	\$5,058,129	66.0%	\$3,339,507
E	\$650,000	\$405,667	55.4%	\$224,695
F	\$103,163	\$103,163	55.1%	\$56,863
Citywide	\$200,000	\$200,000	64.8%	\$129,573
Total	\$31,810,551	\$28,695,429	64.8%	\$18,590,836



APPENDIX B – LAND USE DEFINITIONS

The following land use definitions are derived from the ITE Trip Generation (9th Edition). The asterisk indicates ITE category trip rate used in Impact Fee Schedule.

RESIDENTIAL

Single Family: Single-family detached unit. Includes all single-family detached homes on individual lots. (ITE # 210)

Multi Family (townhouse, duplex, and accessory dwelling): A building or buildings designed to house two or more families living independently of each other. Includes apartments, condos, attached duplexes, PUDs, and attached townhouses. Includes accessory dwelling units (separate structure) and single room occupancy, if additional parking provided. (ITE #s 220*, 221, 230, and 233. Average of 223 and 230 for Downtown)

Senior Housing: Residential units restricted to adults or senior citizens. (50 percent of trip generation values used for ITE #s 220*, 211, 230, and 233. 50 percent of average of 233 and 230 for Downtown)

Mobile Home: Trailers shipped, sited, and installed on permanent foundations within a mobile home park. (ITE # 240)

COMMERCIAL-SERVICES

Drive-in Bank: A free-standing building, with a drive-up window, for the custody or exchange of money, and for facilitating the transmission of funds. (ITE # 912)

Day Care: A facility for the care of infant and preschool age children during the daytime hours. Generally includes classrooms, offices, eating areas, and a playground. (ITE # 565)

Hotel/Motel: A place of lodging providing sleeping accommodations. May include restaurants, cocktail lounges, meeting and banquet rooms, or convention facilities. (ITE #s 310* and 320)

Service Station: A facility used for the sale of gasoline, oil, and lubricants. May include areas for servicing, repairing, and washing vehicles along with convenience food items. (ITE #s 944, 945*, and 946)

Quick Lubrication Vehicle Shop: A facility where the primary activity is to perform oil change services for vehicles. Automobile repair service is generally not provided. (ITE # 941)



Automobile Care Center: A facility that provides automobile-related services, such as repair and servicing, stereo installation, and tire installation and repair. (ITE # 942)

Movie Theater: Consists of audience seating, one or more screens and auditoriums, a lobby, and refreshment stand. Typically includes matinee showings. (ITE #s 444* and 445)

Health Club: Privately owned facilities that may include swimming pools and whirl pools, saunas, weight lifting and gymnastics equipment, exercise classes, tennis, racquetball, and handball courts. Features exercise, sports, and other active physical conditioning, as well as a broader range of services such as juice bars and meeting rooms. (ITE #s 492* and 493)

Marina: A facility providing moorage for boats. (ITE # 420)

COMMERCIAL-INSTITUTIONAL

Elementary/Junior High/High School: Facilities of education serving kindergarten through high school. Includes public and private schools. Schools often provide school bus services of varying length, depending upon the type of school and grade level. (ITE #s 520, 522, and 530*)

University/College: Facilities of higher education including two-year, four-year, and graduate-level institutions. (ITE #s 540 and 550*)

Church: A building providing public worship facilities. Generally houses an assembly hall or sanctuary, meeting rooms, classrooms, and occasionally dining facilities. (ITE # 560)

Hospital: A building or buildings designed for the medical, surgical diagnosis, treatment and housing of persons under the care of doctors and nurses. Rest homes, nursing homes, convalescent homes and clinics are not included. (ITE # 610)

Assisted Living/Nursing Home/Group Home: A facility whose primary function is to provide chronic or convalescent care for persons who by reason of illness or infirmity are unable to care for themselves. Applies to rest homes, chronic care, assisted living, convalescent centers, and group homes. (ITE #s 254* and 620)

INDUSTRIAL

Light Industry/Manufacturing/Industrial Park: A facility where the primary activity is the conversion of raw materials or parts into finished products. Generally also have offices and associated functions. Typical uses are printing plants, material testing laboratories, bio-technology, medical instrumentation or



supplies, communications and information technology, and computer hardware and software. Industrial Parks are areas containing a number of industrial or related facilities. They are characterized by a mix of manufacturing, service, and warehouse facilities with a wide variation in the proportion of each type of use from one location to another. Industrial parks include research centers facilities or groups of facilities that are devoted nearly exclusively to research and development activities. (ITE #s 110, 130* and 140)

Warehousing/Storage: Facilities that are primarily devoted to the storage of materials, including vehicles. They may also include office and maintenance areas. (ITE # 150)

Mini-Warehouse: Buildings in which a number of storage units or vaults are rented for the storage of goods. Each unit is physically separated from other units, and access is usually provided through an overhead door or other common access point. (ITE # 151)

RESTAURANT

Restaurant: An eating establishment, which sells prepared food or beverages and generally offers accommodations for consuming the food or beverage on the premises. Usually serves breakfast, lunch, and/or dinner; generally does not have a drive-up window. Includes bars/taverns. (ITE # 931)

Fast Food Restaurant: An eating establishment that offers quick food service and a limited menu of items. Food is generally served in disposable wrappings or containers, and may be consumed inside or outside the restaurant building. Restaurants in this category have a drive-up window. (ITE # 934)

Coffee/Donut Shop with Drive-Through Window: A single-tenant restaurant with drive-through windows. Freshly brewed coffee and a variety of coffee-related accessories are the primary retail products sold at these sites and may sell other refreshment items such as donuts, bagels, muffins, cakes, sandwiches, wraps, salads and other hot and cold beverages. Some sites may also sell newspapers, music CDs and books. Typically hold long store hours (over 15 hours) with an early morning opening and have limited indoor seating provided for patrons, but no table service provided. (ITE # 937)

Coffee/Donut Shop with Drive-Through Window and No Indoor Seating: A single-tenant restaurant with drive-through windows. Freshly brewed coffee and a variety of coffee-related accessories are the primary retail products sold at these sites and may sell other refreshment items such as donuts, bagels, muffins, cakes, sandwiches, wraps, salads and other hot and cold beverages. Some sites may also sell newspapers, music CDs and books. Typically hold long store hours (over 15 hours) with an early morning opening. (ITE # 938)



COMMERCIAL-RETAIL

Retail Shopping Center: An integrated group of commercial establishments that is planned, developed, owned, or managed as a unit. On-site parking facilities are provided, and administrative office areas are usually included. In addition to the integrated unit of shops in one building or enclosed around a mall, include peripheral buildings located on the perimeter of the center adjacent to the streets and major access points. Supermarkets should typically be separated for calculation purposes from the rest of the shopping center. (ITE # 820)

Supermarket: Retail store (greater than 5,000 gsf) that sells a complete assortment of food, food preparation and wrapping materials, and household cleaning and servicing items. (ITE # 850)

Convenience Market: A use (less than 5,000 gsf) that combines retail food sales with fast foods or take-out food service; generally open long hours or 24 hours a day. (ITE # 851)

Furniture Store: Furniture stores specialize in the sale of furniture, and often, carpeting. The stores are generally large and include storage areas. (ITE # 890)

Car Sales (new and used): Facilities are generally located as strip development along major arterial streets that already have a preponderance of commercial development. Generally included are auto services and parts sales along with a sometimes substantial used-car operation. Some dealerships also include leasing activities and truck sales and servicing. (ITE # 841)

Nursery/Garden Center: A free-standing building with a yard of planting or landscape stock offered to the general public (i.e., not wholesale). May have greenhouses and offer landscaping services. Most have office, storage, and shipping facilities. (ITE # 817)

Pharmacy/Drugstore: A pharmacy which sells prescriptions and non-prescription drugs, cosmetics, toiletries, medications, stationery, personal care products, limited food products, and general merchandise. The drug stores may contain drive-through windows. (ITE #s 880* and 881)

Hardware/Building Materials Store: A small free-standing or attached store (less than 25,000 gsf) with off-street parking. Stores sell hardware, paint, lumber, and other building materials. The storage area is not included in the total gross floor area. (ITE # 812)

Discount Merchandise Store: A free-standing store or warehouse with off-street parking. Usually offers centralized cashiering and a wide range of merchandise and/or food products. May include items sold in large quantities or bulk. Often is the only store on a site, but can be found in mutual operation with its own or other supermarkets, garden centers and service stations, or as part of community-sized shopping



centers. Fred Meyer stores, Costco, and big box consumer electronic/computer/toy stores are examples of this land use. (Average of ITE #s 813, 815, 861, 863, and 864)

Video Rental: A business specializing in the rental of home movies and video games. Typically maintain long store hours and are usually open seven days a week. (ITE # 896)

Home Improvement Superstore: A free-standing warehouse type facility (typically 25,000-150,000 gsf) with off-street parking. Generally offers a variety of customer services (home improvements, lumber, tools, paint, lighting, wallpaper, kitchen and bathroom fixtures, lawn equipment, and garden equipment) and centralized cashiering. Home Depot is an example of this land use. (ITE # 862)

Downtown Services: Includes uses in Downtown such as retail stores, restaurants, supermarkets, convenience markets, video rentals, banks, health clubs, day cares, and libraries. (ITE # 820*, 590 565 492)

COMMERCIAL-OFFICE

Administrative Office: An administrative office building houses one or more tenants and is the location where affairs of a business, commercial or industrial organization, government, professional person or firm are conducted. The building or buildings may be limited to one tenant, either the owner or lessee, or contain a mixture of tenants including professional services, insurance companies, investment brokers, and company headquarters. Services such as a bank or savings and loan, a restaurant or cafeteria, miscellaneous retail facilities, and fitness facilities for building tenants may also be included. (ITE #s 710*, 715, and 750)

Medical Office/Clinic: A facility which provides diagnoses and outpatient care on a routine basis but which is unable to provide prolonged in-house medical/surgical care. A medical office is generally operated by either a single private physician/dentist or a group of doctors and/or dentists. (ITE # 720)

The City of Olympia is committed to the non-discriminatory treatment of all persons in employment and the delivery of services and resources.

