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City Council

Approval of Ordinance Amending Transportation Impact Fees

Agenda Date: 12/13/2016

Agenda Item Number: 4.H

File Number: 16-1243

Type: ordinance **Version:** 2 **Status:** Passed

Title

Approval of Ordinance Amending Transportation Impact Fees

Recommended Action

Committee Recommendation:

Staff briefed the Finance Committee on October 12, 2016 and the Land Use and Environment Committee on October 20, 2016. These were briefings only and no action was requested.

City Manager Recommendation:

Move to approve on second reading the ordinance amending Transportation Impact Fees.

Report

Issue:

Whether to adopt an ordinance amending Transportation Impact Fees to include updates from the Transportation Impact Fee Rate Study and reflect a 2.97 percent increase.

Staff Contact:

Randy Wesselman, Transportation Engineering and Planning Manager, Public Works Transportation, 360.753.8477

Presenter(s):

None - Consent Item.

Background and Analysis:

Background and analysis have not changed from first to second reading.

The City charges developers a Transportation Impact Fee to offset the impact of new development. Transportation Impact Fees fund future transportation capital improvement projects. The cost is calculated based on the type of land use and the projected number of afternoon, peak-hour vehicle trips generated by the development.

Staff on an annual basis adjusts project costs to remain current with the cost of labor, construction materials, and real property. Approximately every 3-5 years updates are made to the Transportation Impact Fee Rate Study (Rate Study). This year staff, working with the consulting firm of Fehr and

Peers, updated the Rate Study. The last update was in 2009. Updates to the Rate Study Include:

1. Deleting projects completed;
2. Revising project scopes and cost estimates to reflect the Draft 2017-2022 *Capital Facilities Plan*;
3. Adding new projects reflected in the Draft 2017-2022 *Capital Facilities Plan*;
4. Reducing the number of afternoon peak hour trips from 10,458 to 6,241 based on Thurston Regional Planning Council's population and employment forecasts and the Regional Transportation Model;
5. Updating trips generated by each of the various types of land uses; and
6. Adding an administrative fee of \$20 to the Transportation Impact Fee. The administrative fee covers consultant costs to update the Rate Study approximately every three years.

Staff recommends revising the Transportation Impact Fee Ordinance to reflect the above changes in the Rate Study. The proposed ordinance also eliminates or revises some reductions allowed for Transportation Demand Management and Commute Trip Reduction measures.

Neighborhood/Community Interests (if known):

Public Hearings were held on October 18 and November 15, 2016. The City Council did not receive any comments concerning the increase in Transportation Impact Fees.

The public commented on the change in project scope for the Henderson Boulevard and Eskridge Boulevard Intersection Improvements. The project scope changed from installation of a roundabout to a traffic signal.

The City Council received a comment to charge the maximum impact fee level where they can.

Options:

1. Approve on second reading the ordinance amending Transportation Impact Fees. The ordinance for City impact fees will incorporate the most recent updates from the Rate Study. Project costs will remain current with the cost of labor, construction materials, and real property.
2. Approve the Ordinance with changes to some of the proposed transportation impact fee rates.

Financial Impact:

The Transportation Impact Fee will increase from \$2,913 to \$2,999 per new afternoon peak hour trip. This represents a 2.97 percent increase.

Attachments:

1. Ordinance
2. Cost Distribution
3. 2016 Transportation Impact Fee Rate Study Update