

# Discussion of Concurrency and Impact Fees

May 12, 2014



# OVERVIEW

- Background
- Concurrency (Ordinance 689)
  - Existing and proposed methodologies
  - Reasons to change concurrency
- Impact Fees (Ordinance 690 and Rate Study)
- Schedule and recommendation



# BACKGROUND

- Updated Transportation Master Plan adopted in 2011
- Includes direction to update concurrency methodology and adopt impact fees
- Transportation concurrency required by GMA (RCW 36.70A.020(12))



# WHAT IS CONCURRENCY?

- Concurrency = compare existing + planned capacity to trips resulting from growth
- Capacity must maintain Shoreline's currently adopted Level of Service standard:
  - LOS D for signalized intersections on arterials and unsignalized intersecting arterials
  - Volume to capacity ratio of 0.90 for Principal and Minor arterials

# LOS DESCRIPTIONS

Level of Service	Roadway Segments V/C Ratio	Signalized Intersections Average Delay (sec/veh)	General Description
<b>A</b>	$\leq 0.60$	$\leq 10$	Free Flow
<b>B</b>	$> 0.60 - 0.70$	$> 10 - 20$	Stable Flow (slight delay)
<b>C</b>	$> 0.70 - 0.80$	$> 20 - 35$	Stable Flow (acceptable delay)
<b>D</b>	$> 0.80 - 0.90$	$> 35 - 55$	Approaching Unstable Flow (speeds somewhat reduced, more vehicles stop and may wait through more than one signal cycle before proceeding)
<b>E</b>	$> 0.90 - 1.0 >$	$55 - 80$	Unstable Flow (speeds reduced and highly variable, queues occur, many vehicles have to wait through more than one signal cycle before proceeding)
<b>F</b>	$> 1.0$	$> 80$	Forced Flow (jammed conditions, long queues occur that do not clear, most vehicles wait through more than one signal cycle before proceeding)

# CONCURRENCY – ORDINANCE 689



# OBJECTIVES FOR CONCURRENCY PROGRAM

- Easy and inexpensive to implement
- Easily understood by the development community
- Customized to reflect the built out nature of Shoreline
- Works best with impact fee program

# Shoreline's Existing Concurrency Methodology

- Traffic study: case-by-case
  - Only looks at adjacent or nearby streets
  - Full burden on applicant who exceeds LOS standard, not proportionate share
  - No cumulative impacts of small scale development
  - City gets piecemeal improvements
  - City does not get mitigation for impacts elsewhere in the City
  - Applicant costs: time and money for study, potential full cost of mitigation



# Shoreline's Proposed Concurrency Methodology

(part 1 of 2)

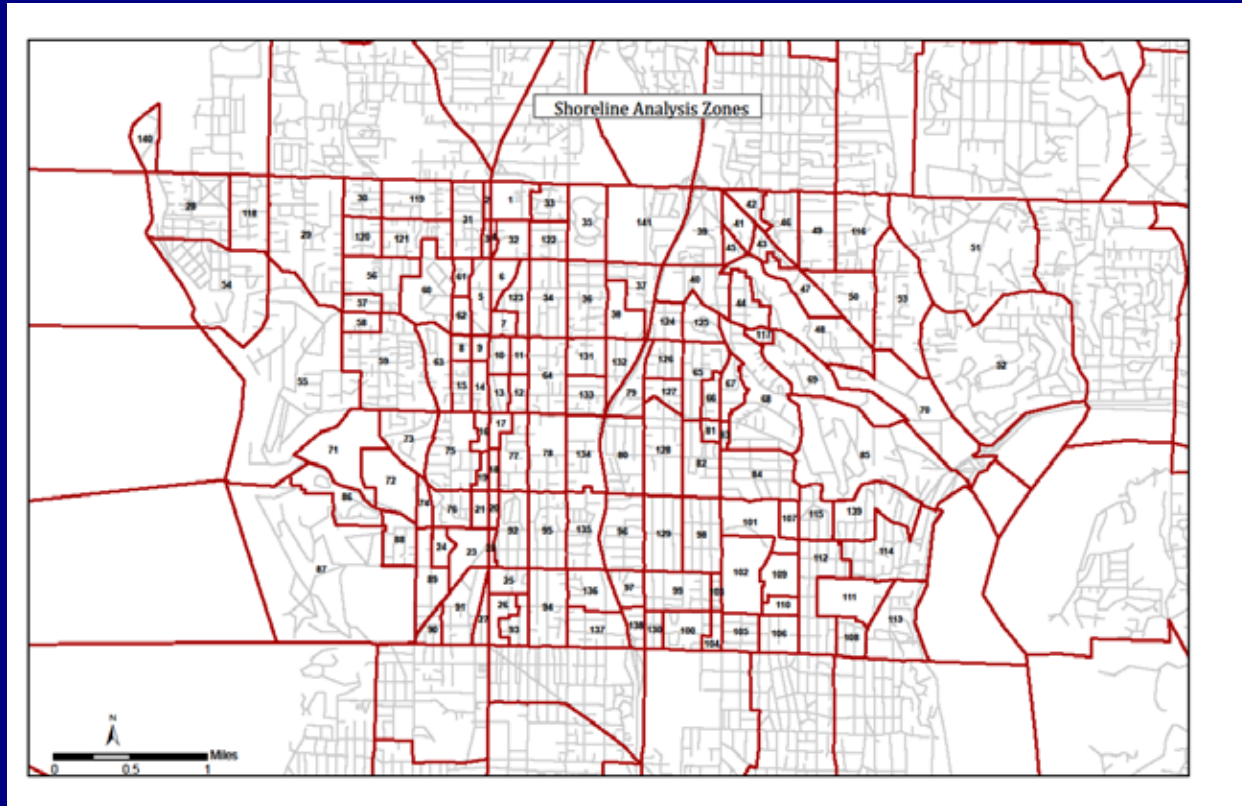
- City-wide traffic analysis, projects, funding
  - City-wide growth per Regional Allocation & Shoreline Comp Plan
  - Growth assigned to 141 Traffic Analysis Zones in traffic model
  - Growth's impact on streets is identified by traffic model
  - Projects are identified to solve LOS problems and maintain LOS standards

Next 5 graphics show how it works...

# City-wide Growth in Shoreline

Development	Base	2030	Growth
Housing Units	21,000	26,000	5,000
Jobs	16,000	21,000	5,000

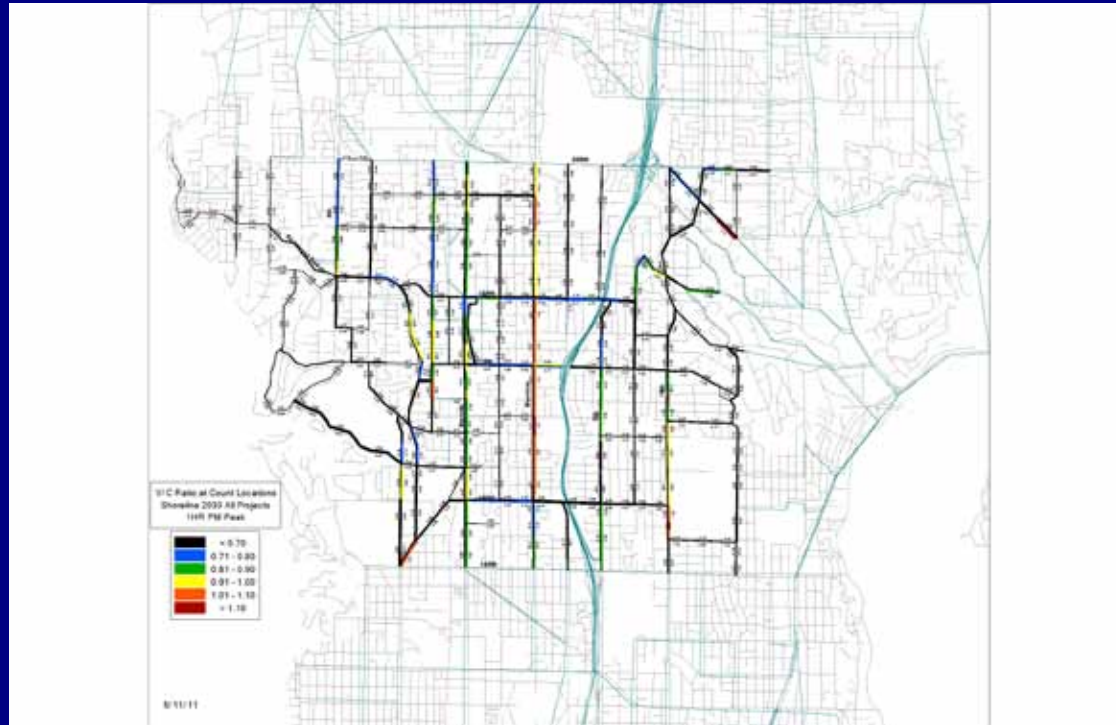
# Growth Assigned to 141 Zones (“TAZs”)



# Growth Assignment Consistent With the Comprehensive Plan

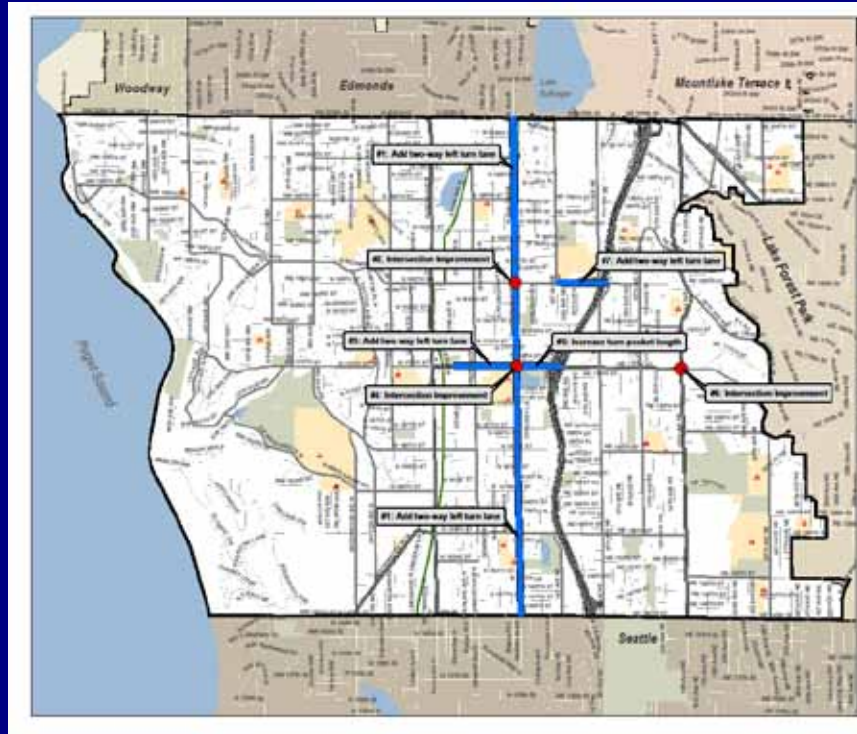
SHORELINE TRAFFIC MODEL						
TAZ NUMBER	NEW JOBS	EXISTING JOBS	TOTAL JOBS	NEW HOUSING UNITS	EXISTING HOUSING UNITS	TOTAL HOUSING UNITS
1	400	841	1241	32	0	32
5	350	207	557	300	92	392
10	250	159	409	200	165	365
30	0	2	2	7	148	155
38	600	128	728	500	20	520
41	100	158	258	300	127	427
44	0	4	4	7	112	119
55	0	96	96	7	706	713

# Traffic Model Identifies Levels of Service With Growth



# Projects Add Capacity for Growth

## Impact Fees Pay for Part of Projects



# Shoreline's Proposed Concurrency Methodology (part 2 of 2)

- Trip calculator and trip capacity bank
  - Applicant proposes # of dwellings + # sq. ft. of commercial
  - Trip calculator computes total # of applicant's trips on city-wide network
  - Applicant's city-wide trips compared to city-wide trip capacity
    - If existing + planned capacity > development = pass
    - If existing + planned capacity < development = fail, modify or mitigate
  - If pass, pay city-wide impact fee that pays for specific projects throughout the City that produce the capacity

# Shoreline's Proposed Concurrency

## Trip Generation Calculator

ITE Code	ITE Land Use Category	Trip Rate (1)	Unit of Measure	Applicant's Number of Units	Applicant's Trips To Be Generated
110	Light Industrial	0.98	1,000 sq ft		
140	Manufacturing	0.74	1,000 sq ft		
151	Mini-warehouse	0.26	1,000 sq ft		
210	Single family House	1.01	dwelling	32	20
220	Apartment	0.62	dwelling		
230	Condominium	0.52	dwelling		
240	Mobile Home	0.59	dwelling		
250	Retirement Community	0.26	dwelling		
310	Hotel	0.59	room		
320	Motel	0.47	room		
420	Marina	0.19	berth		
430	Golf course	0.30	acre		
444	Movie Theater	5.22	1,000 sq ft		
492	Racquet club	0.64	1,000 sq ft		
530	High School	0.97	1,000 sq ft		
560	Church	0.66	1,000 sq ft		
610	Hospital	1.18	1,000 sq ft		
620	Nursing home	0.22	bed		
710	General Office	1.49	1,000 sq ft	13,500	20
720	Medical office	3.72	1,000 sq ft		
820	Shopping Center	3.75	1,000 sq ft	5,400	20
932	Restaurant: sit-down	10.92	1,000 sq ft		
933	Fast food, no drive-up	26.15	1,000 sq ft		
934	Fast food, w/ drive-up	34.64	1,000 sq ft		
944	Gas station	13.86	pump		
945	Gas station w/convenience	13.38	pump		
850	Supermarket	10.45	1,000 sq ft		
851	Convenience market-24 hr	52.41	1,000 sq ft		
912	Drive-in Bank	45.74	1,000 sq ft		
				<b>TOTAL</b>	<b>60</b>



# REASONS TO CHANGE CONCURRENCY

1. Every development's impacts are counted
2. Connects capacity for level of service to impact fees that mitigate impacts
3. Mitigation burden is proportionate share
4. Trip generation calculator and trip bank save time & money (vs. traffic study)
5. Easy and inexpensive to administer
6. Predictable and easily understood by the development community
7. Customized to reflect the built out nature of Shoreline

# PLANNING COMMISSION RECOMMENDATION

- 3/6/14 – Draft concurrency methodology presented for review and discussion
- 3/20/14 – Public hearing held; PC adopted recommendation (Ordinance 689, Exhibit A)
- Discussion included Point Wells impacts, review for localized impacts and the timeline for future updates to citywide capacity
- Public comments from Shoreline Community College and Richmond Beach Advocates

# IMPACT FEES – ORDINANCE 690 AND RATE STUDY



# REASONS FOR IMPACT MITIGATION

- Policy: growth fixes problems it creates so existing taxpayers don't pay to fix growth's problems
- Concurrency: transportation facility LOS keeps up with growth



# Shoreline's Existing Mitigation Methodology

- SEPA (RCW 43.21C.060)
  - Only impacts on adjacent or nearby streets
  - City does not get mitigation for impacts elsewhere in the City
  - No mitigation by small scale development
  - Full burden on applicant who exceeds LOS standard, not proportionate share
  - City gets piecemeal improvements

# Shoreline's Proposed Mitigation Methodology

- GMA (RCW 82.02.050-090)
  - Impacts on all streets
  - Burden limited to proportionate share
  - Trip generation calculator instead of traffic impact study
  - Small development is not exempt from impact fees

Next slides show how it works...

# DEFINITION OF GMA IMPACT FEES

One time payment or improvement...

... by new development ...

... for capital costs of facilities ...

... needed by new development.



# RULES FOR GMA IMPACT FEES

1. "Fair Share"  
= growth yes, deficiency no
2. "Reasonably needed" & "proportional share"  
= fee proportional to impacts
3. "Credits"  
= no double charging
4. "Not Rely Solely on Impact Fees"  
= must include some other funding





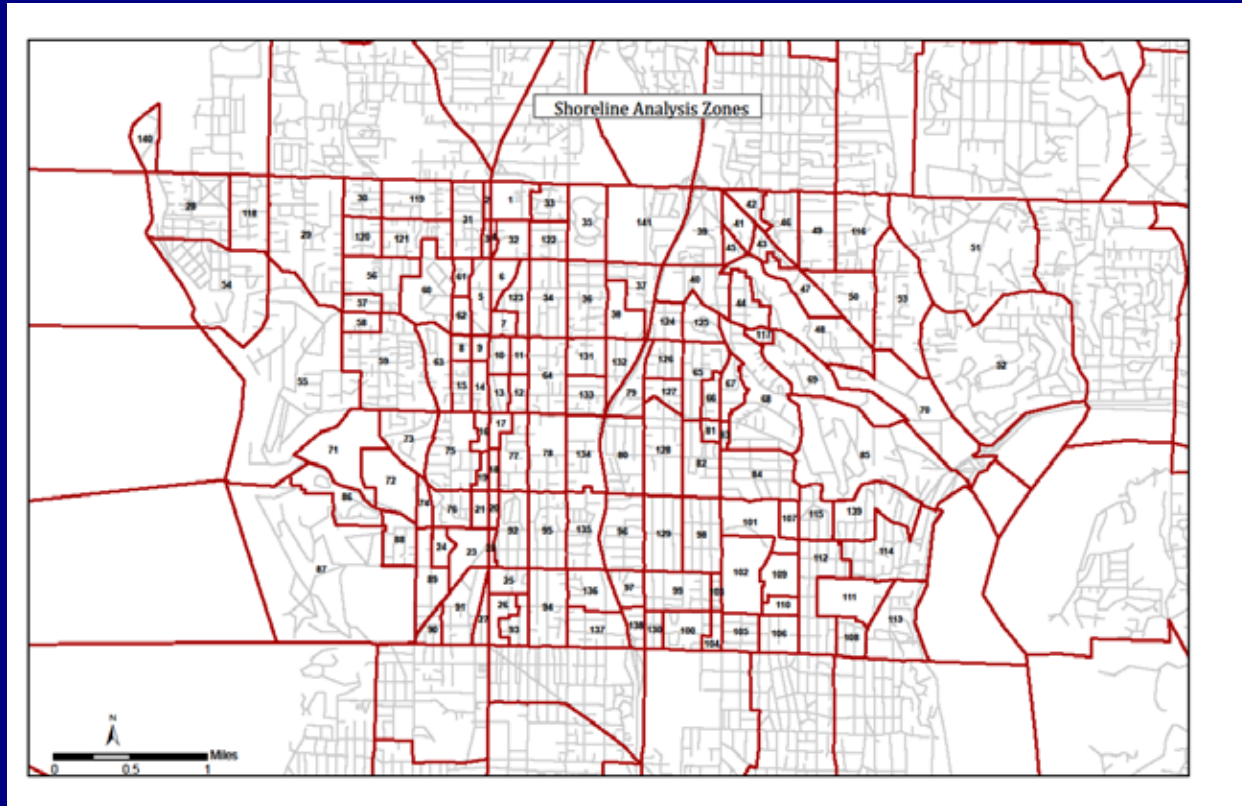
# CALCULATING IMPACT FEES

- Amount and location of growth
- Traffic model locates problems
- Identify projects that solve the problems
- Cost for projects divided by growth trips = cost per trip
- Cost per trip times trips generated = impact fee

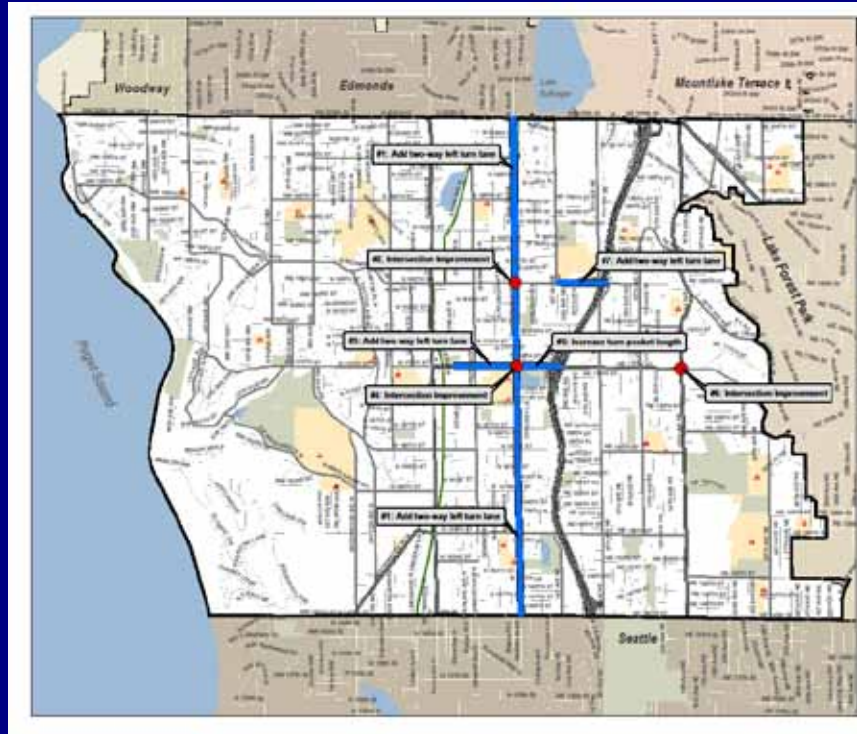
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# Projects Add Capacity for Growth Impact Fees Pay for Part of Projects



# PROJECTS TO ACCOMMODATE GROWTH (1-3)

1. Addition of a center two-way left-turn lane and traffic calming measures on Meridian Ave N from N 145th St to N 205th St
2. Intersection improvements at N 185th St and Meridian Ave N
3. Addition of a center two-way left-turn lane on N 175th St from Stone Ave N to Meridian Ave N
4. Intersection improvements at N 175th St and Meridian Ave N

# PROJECTS TO ACCOMMODATE GROWTH (4-7)

5. Extension of left-turn pockets on N/NE 175th St between Meridian Ave N and the I-5 on-/off-ramps
6. Addition of a center two-way left-turn lane on NE 185th St from 1st Ave NE to 7<sup>th</sup> Ave NE
7. Intersection improvements at NE 175th St and 15th Ave NE
  - (Does not include intersection improvements at NE 175<sup>th</sup> St and 15<sup>th</sup> Ave NE – signal timing and rechannelization)

# PROJECT COSTS & COST PER TRIP

- \$38.7 million ÷ 6,032 trips = \$6,314.19 / trip
- \$6,314.19 / trip x 97% = \$6,124.77



# COST PER TRIP

- \$6,124.77 per trip
- Determines impact fee for various land uses
  - Number of trips based upon intensity of use
  - Trip length
  - Exclusivity of trips (single destination or “pass by”)
  - Institute of Transportation Engineers Trip Generation Report





# SHORELINE IMPACT FEES PER USE

- Single family residential (includes townhouse and duplex): \$5,567.41 per DU
- Apartment (includes ADU): \$3,607.49 per DU
- Condominium: \$3,662.61 per DU
- General office: \$12.10 per sq ft
- Medical-dental office: \$19.55 per sq ft
- General retail and personal services: \$8.14 per sq ft
- Sit down restaurant: \$22.97 per sq ft

# EXEMPTIONS/REDUCTIONS

- Reduction for previous use if vacant <12 months
- Mixed use assessed for proportionate share of use
- Exempt – no new dwelling units, additional sq ft of non residential, no impacts to transportation facilities, demolition or moving a structure

# OPTIONAL ITEMS

## Recommended

- Deferred payment for residential development
- Low income housing

## Not Recommended

- Percentage/phasing

# ADOPTION AND IMPLEMENTATION

- Need to develop forms for applicants, set up internal implementation program, train employees – funding in CIP for consultant assistance
- Notice to potential permit applicants
- Recommendation: Ordinance effective on January 1, 2015

# CONCERN #1 – PEOPLE WILL BUILD SOMEWHERE ELSE

## Experience in Cities with Impact Fees:

1. Impact fees produce benefits that equal costs
2. Decisions to build based more on location, land cost, availability, attractions than on cost of impact fees
3. Impact fees are small portion of total cost



# CONCERN #2 – HOUSING WILL BE UNAFFORDABLE

## Experience in Cities with Impact Fees:

1. Waivers for low-income housing
2. Interest rates, land costs, amenities have much larger effect on affordability than impact fees



# CONCERN #3 – TIMING IS WRONG BECAUSE OF BAD ECONOMY

## Experience in Cities with Impact Fees:

1. Forbearance has not jump-started construction
2. Even limited development should pay its share
3. Need rates in place now that market recovering
4. Real causes of problem = unemployment, credit, foreclosures, housing inventory

# ALTERNATIVES TO MITIGATION

## 1. Raise taxes

= growth does not pay, taxpayers pay

## 2. Reduce levels of service

= increased congestion, quality of life reduced

## 3. Stop development

= no mitigation = substandard LOS, therefore

= no concurrency





# SCHEDULE AND RECOMMENDATION

- No action required tonight
- Return for additional discussion June 2, 2014
- Adoption scheduled for July 21, 2014
- Staff recommendation – Recommend adoption of Ordinances 689 and 690 and Impact Fee Rate Study