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Subject: Responses to your first set of Impact Fee Questions
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Jesse –

Here are the responses to your first set of Impact Fee Questions:

- I have a concern about the $22 sq impact fee for restaurants. If I remember correctly the consultant said this could affect non-franchise, local business type restaurants to the point where they won't locate here. This is a big concern of mine. I know what the consultant said about exceptions but I wonder if there are options. After all there is a low income housing exemption. Are there any options staff can think of?
  Statutorily, there are two exemptions from impact fees - low income housing and "other development activities with broad public purposes". As explained in the staff report, economic development could potentially fall under the "broad public purpose" category and Shoreline could (like Bonney Lake did) provide for exemptions of certain types of establishments to recruit them to Shoreline. ***This would require developing a legally defensible process to establish "broad public purpose" for this type of exemption.*** *We believe the process would need to be extensive than that taken by North Bend. That is the only option that staff's sees as available in this circumstance - deciding what are the businesses we want to recruit and providing for an exemption. As with all exemptions, the City is required to cover those costs.*

- Is it state law that only allows assessment of fees for trips that begin and end in Shoreline?
  State law allows Shoreline to collect impact fees on development that it approves, and Shoreline's approval authority is limited to properties in Shoreline, therefore it can collect impact fees on development that generate trips that begin and/or end in Shoreline. If a trip originates or ends at a development that is outside the City of Shoreline, the City does not have direct approval authority over that development, therefore Shoreline does not collect impact fees from that development. However, Shoreline can use SEPA to request mitigation from development outside the City, and Shoreline could also pursue interlocal agreements for reciprocal impact fees with other jurisdictions.

- Are fees assessed only for a one way trip? If trip originates from a Shoreline apartment to a Shoreline restaurant how are both legs assessed? Or is it calculated one way or is there an issue of double counting for the apartment and restaurant?
  Impact fees are charged to development based on the number of trips they generate during the p.m. peak hour. An apartment pays an impact fee based on 0.59 trips being generated during the p.m. peak hour, regardless of where those trips go. A restaurant pays an impact fee based on 3.75 trips being generated during the p.m. peak hour for every 1,000 sq. ft. of restaurant, regardless of where the trips originated.

- If a project exceeds the existing and planned capacity, the applicant would be required to either downsize the application or mitigate the additional impact. What would that mitigation be like? Would it be very localized? A complete project? Would it only go to one of the six identified projects? This does seem different than the current principle that if you break the capacity you pay for the entire upgrade rather than your proportional share. But still it's odd to pay an impact fee in addition. Is this because the impact fee covers less than 50 percent of impacts?
  The proposed code language says if concurrency is not passed (e.g. not enough in Trip Capacity Bank) that the applicant can amend development to reduce trips, provided system improvement/strategies to increase city-wide capacity, or appeal. Thus, the mitigation is not local (e.g. the nearest intersection) but needs to add capacity city-wide. We have identified the number of trips we anticipate in the next twenty years and six projects that will be needed to accommodate those trips while maintaining our adopted level of service. Identifying mitigation to allow for additional trips would be a very significant undertaking. The City would need to revise its traffic model to include the "overage", identify projects that are needed to accommodate the overage and the applicant would subsequently build those projects. We do not anticipate encountering a situation in which an application exceeds the Trip Bank Capacity because of the requirement to update the concurrency program when the bank balance reaches 50% of the original amount, or when the growth in traffic volume increases by 30% from the original amount.

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