

From: [John Norris](#)
To: [Chris Roberts](#); [Shari Winstead](#); [Keith McGlashan](#); [Keith Scully](#); [Will Hall](#); [Doris McConnell](#); [Jesse Salomon](#)
Cc: [Debbie Tarry](#); [Carolyn Wurdeman](#)
Subject: FW: Impact Fees
Date: Friday, January 08, 2016 4:05:30 PM
Attachments: [AWC_Report_08012016_132008.xls](#)

Council –

Please see below responses to questions regarding the Transportation Impact Fee discussion that will be held Monday night. These will be added to the Green Folder. Have a great weekend everyone!

-John

From: John Norris
Sent: Friday, January 08, 2016 3:52 PM
To: Will Hall
Cc: Debbie Tarry (dtarry@shorelinewa.gov); Carolyn Wurdeman (cwurdeman@shorelinewa.gov); Dan Eernisse (deernisse@shorelinewa.gov); Sara Lane; Rick Kirkwood (rkirkwood@shorelinewa.gov); Randy Witt; Tricia Juhnke (tjuhnke@shorelinewa.gov)
Subject: Impact Fees

Will,

Attached are responses from Dan Eernisse regarding your TIF questions. We will load these responses into the Green Folder for Monday night. Please let me know if you have any additional questions. Have a great weekend!

-John

From: Dan Eernisse
Sent: Friday, January 08, 2016 12:05 PM
To: Debbie Tarry
Cc: Carolyn Wurdeman; John Norris; Tricia Juhnke; Rick Kirkwood; Julie Ainsworth-Taylor
Subject: CM Hall's request on TIF

Debbie,

Responses to Councilmember Hall's questions are below. I've compiled responses from Rick Kirkwood and Tricia Junkie in the email too.

> 1. On average, how much funding do we plan to receive from transportation impact fees?

I don't believe that Staff ever calculated an average annual figure; however, based on the fact that the TIF Rate Study estimated that 43% of the overall \$38 million of the growth projects would come from TIF over the 20 year period, that would translate to \$817,000 per year. I used 43% rather than 97% because in the staff report, the consultant points out that many of the growth trips do not emerge from Shoreline, and are therefore not able to be assessed TIF.

Receipts for 2015 appear to be falling far short of that figure, as the City collected under \$300,000 through early December. Please note that accurate accounting for the TIF receipts will not be available until mid-January when credits and collections are reconciled. Note too, that several of the developments currently under construction avoided TIF since they submitted complete applications prior to 1/1/2015 when the TIF began. Therefore, 2015 is somewhat of a transitional year.

> 2. What are some of the other typical startup costs for a business (permit fees, water connection fees, sewer connection fees, architecture/engineering, business capitalization, tenant improvements, telecommunications, etc.)? I don't need exact numbers, but I am trying to put the TIF into perspective to understand how it compares to other common costs of starting a business.

This is a difficult question to answer, as the startup costs range dramatically. Please keep this in mind as I proceed to answer it.

For an existing space that is being converted to a similar use, tenant improvements would likely be the \$20 – 50/sf range; however, new restaurant or specialized equipment could easily add \$50/sf to that figure. An existing space that has been allowed to deteriorate may need major system upgrades which may add significantly to the cost. Permit fees would be about 3 - 5% of the total amount, while architecture/engineering would add another 3 - 5% to an existing space, and 10% for new construction. Landlords may offer to pay for some or even all of the tenant improvements, based on the credit of the tenant; however, a landlord would raise the rent accordingly, basically making the landlord into a banker that is giving a construction loan to its tenant.

The owner of the Ridgecrest Public House provides a real-life answer to your question in her email.

“As you know, Ridgecrest Public House was the first new “third place” in Shoreline to be assessed a TIF almost a year ago. Luckily, we were looking at a space that was formerly a bank, which has a higher TIF than a restaurant, so we paid

no fee. Hypothetically, had we landed one door to the west, where the current use is service/retail, we would have faced a \$17,000 TIF. Had we landed one door to the east, where the current use is also service/retail, we would have faced a \$34,000 TIF. In both cases we would have walked away. In fact, to be frank, for any additional fee over about \$5,000 we would have walked away. Our total budget was \$60,000, which included \$30,000 in tenant improvements (including plumbing and electrical upgrades, permitting, and a \$1700 sewer impact fee.) The remaining \$30,000 went to furniture, fixtures, equipment, marketing and starting inventory. Half of our budget was financed by our savings and the sale of our modest sailboat. The other half was financed by family and friends who believe in us, plus over 100 local residents who paid \$50 or \$100 to be a part of our "coaster club" before we opened."

Note that Ridgecrest Public House had a relatively expensive tenant improvement, as it converted a bank to a semi-restaurant space and added a restroom. They did not, though, have to put in some of the more expensive restaurant equipment. The space they occupied is approximately 1,000sf, so you can get your per/sf figures easily; their overall budget was approximately \$60/sf. Note that the "sewer impact fee" she refers to is technically a connection/facility charge from RWD; I am guessing that it was charged due to having to get a larger water meter.

> 3. How much general funding has gone into transportation improvements each year in recent years?

Rick Kirkwood provided the following, but it should be noted, as City Engineer Tricia Junkie points out, that many of these contributions are more for operations and maintenance than capital projects. I would add, too, that these do not appear to take into account the resources given to the Aurora Corridor project.

General Fund Support

Reason for Transfer from General Fund	2012	2013	2014	2015	2016
One-Time for Sidewalks	\$59,353	\$0	\$0	\$0	\$0
One-Time for Grant Match	\$0	\$0	\$300,000	\$500,000	\$200,000
One-Time for Annual Roads Surface Maintenance Program	\$0	\$0	\$0	\$500,000	\$0
One-Time for Westminster & 155th Improvements project	\$0	\$0	\$0	\$0	\$250,000
One-Time for 185th Corridor Study project	\$0	\$0	\$0	\$0	\$600,000
Curb Ramp, Gutter & Sidewalks Maintenance Program	\$152,517	\$152,517	\$152,517	\$152,517	\$152,517
Gambling Tax Transfer	\$449,556	\$339,722	\$239,403	\$126,849	\$101,662
Total Transferred to Roads Capital Fund	\$661,426	\$492,239	\$691,920	\$1,279,366	\$1,304,179
Street Fund Subsidy	\$918,218	\$1,013,203	\$715,721	\$285,206	\$244,403
Total Transferred for Transportation Improvements	\$1,579,644	\$1,505,442	\$1,407,641	\$1,564,572	\$1,548,582

> 4. I think we have this somewhere, but can you point me to a comparison with other jurisdiction transportation impact fees?

Attached is AWC's 2012 Fee Survey related to Transportation Impact Fees. This is the latest year for which data is available.

Please let me know if you need further responses.

Sincerely,

Dan Eernisse
 City of Shoreline, Economic Development Manager
 17500 Midvale Ave NE, Shoreline WA 98133
deernisse@shorelinewa.gov
 206.801.2218 O 206.391.8437 M

-----Original Message-----

From: Will Hall
 Sent: Tuesday, January 05, 2016 5:17 PM
 To: Debbie Tarry; John Norris; Dan Eernisse
 Cc: Carolyn Wurdeman
 Subject: Impact fees

1. On average, how much funding do we plan to receive from transportation impact fees?
2. What are some of the other typical startup costs for a business (permit fees, water connection fees, sewer connection fees,

architecture/engineering, business capitalization, tenant improvements, telecommunications, etc.})? I don't need exact numbers, but I am trying to put the TIF into perspective to understand how it compares to other common costs of starting a business.

3. How much general funding has gone into transportation improvements each year in recent years?

4. I think we have this somewhere, but can you point me to a comparison with other jurisdiction transportation impact fees?

Will Hall, Councilmember

City of Shoreline

17500 Midvale Ave N

Shoreline, WA 98133

206-373-1630

	Per new peak hour trip plus adm. fee		Per new peak hour trip plus adm. fee	\$714.00 plus \$140.00 add'l in TC per new peak hour trip plus adm. fee \$528.00 per project	New peak hour trip
Mountlake Terrace	\$714 528.00 per project		\$714 528.00 per project		\$1,875 Per PM Peak Hour Trip
Mukilteo	\$1,875 Dwelling Unit/1 PM Peak Hour Trip		\$1,875 Per Dwelling Unit/1 PM Peak Hour Trip		\$3,376.21 trip
Newcastle	\$1,704.98 Dwelling		\$962.22 dwelling		\$589 Peak hour trip
Oak Harbor	\$907 Unit		\$907 Unit		Varies
Olympia	\$3,054 Unit		\$1,982 Unit	Varies	Varies
Orting	\$2,149 Dwelling unit		\$2,149 Dwelling unit		\$2,149 Peak pm trip
Pasco	\$709 Unit		\$435 Unit		\$43 Vehicle trip
Poulsbo	\$283.50 Trip		\$283.50 trip		\$283.50 trip
Puyallup	\$4,500 peak hour trip				
Redmond	\$6,916.19 Dwelling unit		\$4,245.58 Dwelling unit		\$17.96 square foot gross floor area
Renton	\$75 Daily trip		\$75 Daily trip		\$75 Daily trip
Richland	\$1,519.10 Dwelling unit		\$941.84 Dwelling unit		\$1,519.10 PM peak hr trip
Ridgefield	\$1,943 Dwelling unit		\$203 Daily trip		\$203 Daily trip
Sammamish	\$14,853.96		\$13,368.56		
Sequim	\$2,893 Dwelling		\$1,865 Dwelling	Varies	SF/GFA
Shelton	\$3,282.39 Peak trip rate		\$2,076.32 Peak trip rate	Varies	peak trip rate
Stanwood	\$2,216.12 Unit		\$1,556.15 Unit		
Sumner	\$1,165 Pm peak trip		\$1,165 pm peak trip		\$1,165 pm peak trip
Tukwila	see table				
Tumwater	\$2,828.49 Unit		\$1,835 Unit	Varies	Varies
University Place	\$3,230 dwelling unit		\$2,495 dwelling unit		\$3,199 peak hr trip
Vancouver	\$1,458.34 Trip		\$1,458.34 trip		\$1,458.34 trip
Wenatchee	\$4,830	1	\$4,830	1 N/A	
West Richland	\$1,247.35 House		\$731 unit		\$2,500 1000 GSF
Yacolt	\$2,050				
Yelm	\$1,334.21 Unit		\$792.60 Unit		\$1,321 P.M. peak trip
Zillah	\$0.39 Square foot of Structure		\$0.39 Square foot of Structure		\$0.39 Square foot of Structure