


Public Works Impact Fees Update

City of Tacoma | Public Works Department

City Council Study Session
February 6, 2024

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OVERVIEW

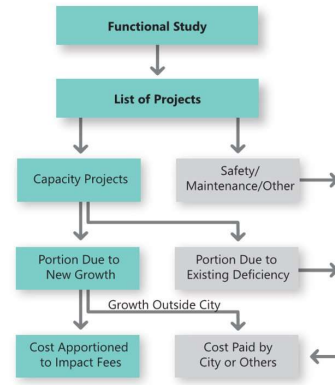
- Background
- Community engagement
- Program considerations
- Next steps

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● ● ● BACKGROUND – WHAT ARE THEY?

- Tool to address the impacts of growth
- One-time charge assessed against a new development
- 4 types: transportation, fire, schools, parks
- Impact fees fund:
 - Capital system improvements
 - Projects on a jurisdiction's capital facilities element
 - Cannot pay for:
 - Ongoing costs, such as maintenance
 - Existing deficiencies
 - Project needs caused by growth outside of a jurisdiction
 - 100% of project cost



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● ● ● BACKGROUND – HISTORY

- September 2018 Impact Fees
 - Code evaluation and applicability to Tacoma
 - Summary evaluation of impact fees for each type
- November 2021 Impact Fee Framework Study
 - Developed a potential framework
 - Readiness of each type
 - Recommendation to further evaluate transportation impact fees

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● ● ● BACKGROUND – HISTORY



- Financial diversity
- Completing the needs of the system (multimodal Level of Service)
- Permitting benefits
 - Reduce review/permitting timeline
 - Increase fairness and predictability

● ● ● BACKGROUND – HISTORY



- 60% Household Growth
- 68% Employment Growth
- 60% Trip Growth
- Comprehensive Planning
 - Transportation Master Plan
 - Downtown Subarea Plans
 - Tacoma Mall Subarea Plan
 - Climate Action Plan
 - Home in Tacoma



COMMUNITY ENGAGEMENT

- Planning Commission
- Transportation Commission
- Human Rights Commission
- Mi Centro
- Commission on Immigrant and Refugee Affairs
- Tacoma Permit Advisory Group

“Immigrant families that we work with will want parks and schools for their children; bathrooms, soccer fields, sidewalks, etc.”

“Will Impact Fees rates differ in areas that still have open space for development?” (Reference East Tacoma)

“How will the implementation of Impact Fees align with current tax incentive program for the construction of affordable, multifamily housing?”

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COMMUNITY ENGAGEMENT

Need

- What is the need? Where is it located?
- When should it be addressed? Why now?

Equity

- How is equity being considered? Affordable housing, attainable housing, infill development

Funding

- Are there other funding resources?

Livability

- Will impact fees create jobs?
- How will impact fees streamline the development process?

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PROGRAM CONSIDERATIONS



- Capital project eligibility
 - \$399M in eligible transit, pedestrian, bicycle, and motorized projects
 - \$342M in potential pedestrian, bicycle, and motorized projects
- Exemptions/reductions
- Geographical areas/zones
 - Citywide or subareas
- Alignment with other programs
 - Multifamily Tax Exemption
 - Off-site Improvements

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NEXT STEPS

- Develop Request for Proposals to:
 - Evaluate capital projects for eligibility
 - Perform focused capital planning in areas that lack identified projects
 - Define capacity based on person – trips as opposed to vehicle trips
 - Refine forecasts for bases of a fee program
 - Develop zones to support equitable fee structure
 - Leverage Tacoma's Equity Index in structuring the program
- GOAL: Develop Fee Schedule that meets the City's priorities

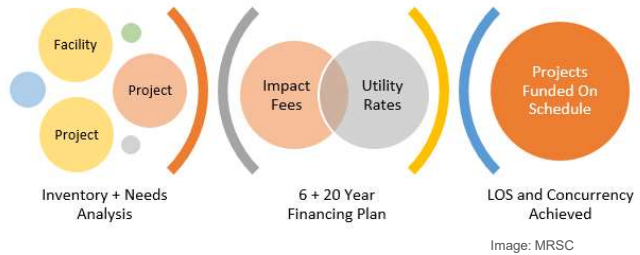
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NEXT STEPS



- Request for Proposal Ad
 - Feb/March 2024
- Consultant Selection
 - April/May 2024
- Community Consultation
 - Summer 2024
- Report to IPS
 - Fall 2024
- Potential Adoption
 - Late 2024
 - Early 2025



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