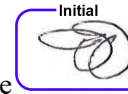




TO: Hyun Kim, Interim City Manager
FROM: Jeffrey A. Jenkins, Public Works Director
COPY: Infrastructure, Planning, and Sustainability Committee
Ramiro A. Chavez, P.E. PgMP, Environmental Services Director / City Engineer
PRESENTER: Jennifer Kammerzell, Interim Transportation Division Manager, Public Works
SUBJECT: Transportation Impact Fee Update
DATE: August 27, 2025



PRESENTATION TYPE:
Informational Briefing

SUMMARY:

On August 27, 2025, Public Works and Fehr and Peers staff will provide a presentation on transportation impact fees. Impact fees are one-time fees that jurisdictions can use to help pay for the cost of capital improvements needed to accommodate new growth. This presentation will include an overview of an updated draft transportation impact fee program for the City of Tacoma.

BACKGROUND:

By 2050, the region will grow by another 1.6 million people, with a focus in the urbanized areas of the region. Tacoma is required to plan for a share of that growth through local transportation plans that align with future land use, population, and job growth goals. The One Tacoma 2050 Vision is that every Tacoma resident is a safe and short walk, roll, bus, train, or bike ride away from daily essentials and community amenities, such as groceries, schools, parks, and healthcare. Transportation impact fees are one-time charges assessed to new developments to pay a portion of the costs of new infrastructure capacity necessary to accommodate new growth. Multiple statutes provide cities and counties with the authority to impose impact fees to fund improvements. Most commonly, cities and counties apply impact fees using the authority provided by the GMA, per RCW 82.02.050 and WAC 365-196-850.

Transportation impact fees are the most commonly used type of impact fee. State law also allows fees for fire protection, parks, and schools. Each type of fee must be adopted by the City Council, and each type of fee must only be used for projects that are needed to accommodate new growth; they cannot be used for maintenance activities.

The Comprehensive Plan, multiple subarea plans, and City initiatives, including Home in Tacoma, approved by the City Council, have identified the need to implement transportation impact fees to address the expected growth. In 2018, staff from the Public Works, Fire, and Legal Departments conducted a code evaluation and applicability analysis for the City of Tacoma. The evaluation included an analysis for each impact fee type. City Council concurred with staff recommendations that additional work be conducted to evaluate how an impact fee program should be tailored to meet the needs of the City. In 2021, City staff developed an Impact Fee Framework Study. The study developed a potential framework for transportation impact fees, readiness evaluation of each impact fee type, and fee stacking implications with input from stakeholders and the community. This framework provided additional information to consider in developing a structure and implementation of a transportation impact fee program that meets City priorities and planned growth. Upon completion of the 2021 work, the City Council directed Public Works to develop a Transportation Impact Fee program. On October 23, 2024, Public Works staff provided a presentation to the Infrastructure, Planning, and Sustainability Council Committee about the consultant's scope of work



for this effort. On June 11, 2025, Public Works Staff provided a presentation to the Infrastructure, Planning, and Sustainability Council Committee about proposed districts, draft per trip fees, and potential exemptions.

ISSUE:

Over 75 local agencies in Washington assess transportation impact fees for new development, including many of Tacoma's surrounding jurisdictions. Each agency implementing transportation impact fees must develop a program which is tailored to the needs within that agency. Before the City can consider implementing transportation impact fees, a customized proposal must be developed. This customized program must then be defined in ordinance and passed by the City Council before going into effect.

ALTERNATIVES:

This is an information briefing only. There are no alternatives presented.

FISCAL IMPACT:

This is an information briefing only. There is no fiscal impact.

RECOMMENDATION:

This is an information briefing only. There is no recommendation.