

Impact Fee Alternatives

Tacoma City Council

Study Session

Item #2



September 11, 2018



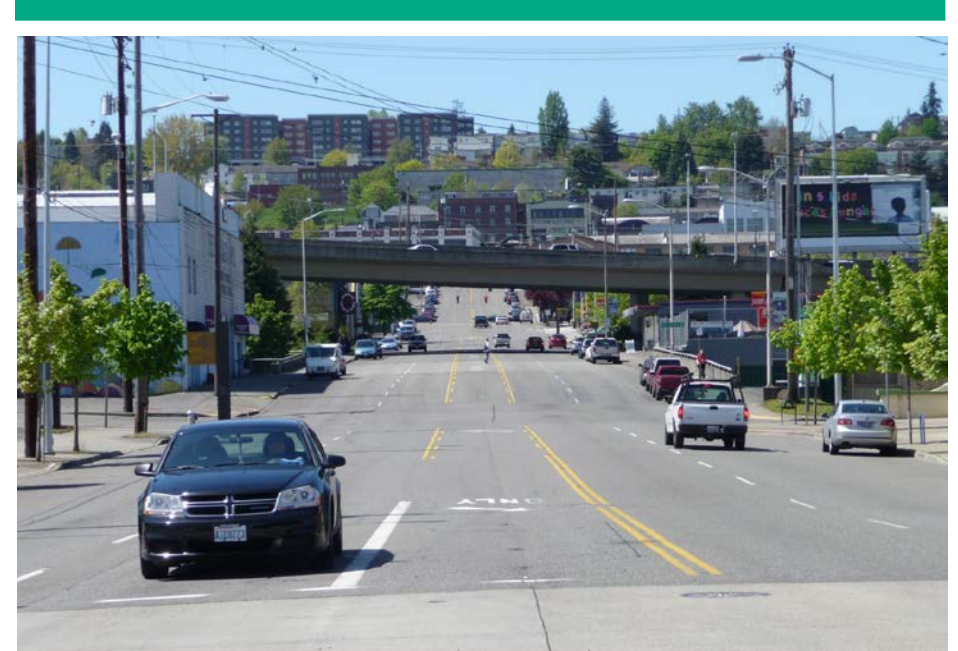
What Are Impact Fees?

- **One time charges** paid by new development
- "Growth should pay for growth"
- Authorized by **RCW 82.02.050-.110** and regulated by **WAC 365-196-850**



What Are Impact Fees?

- Impact fees fund:
 - Capital system improvements
 - Projects that are reasonably related to development
 - Proportional shares of 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 costs



Types of Impact Fees



Fire

- Funds fire and EMS equipment, apparatus, and facilities



Transportation

- Funds projects to add transportation capacity in right-of-way of streets/roads



Parks

- Funds park facilities, development of parks, and adding park acreage



Schools

- Funds school buildings and equipment



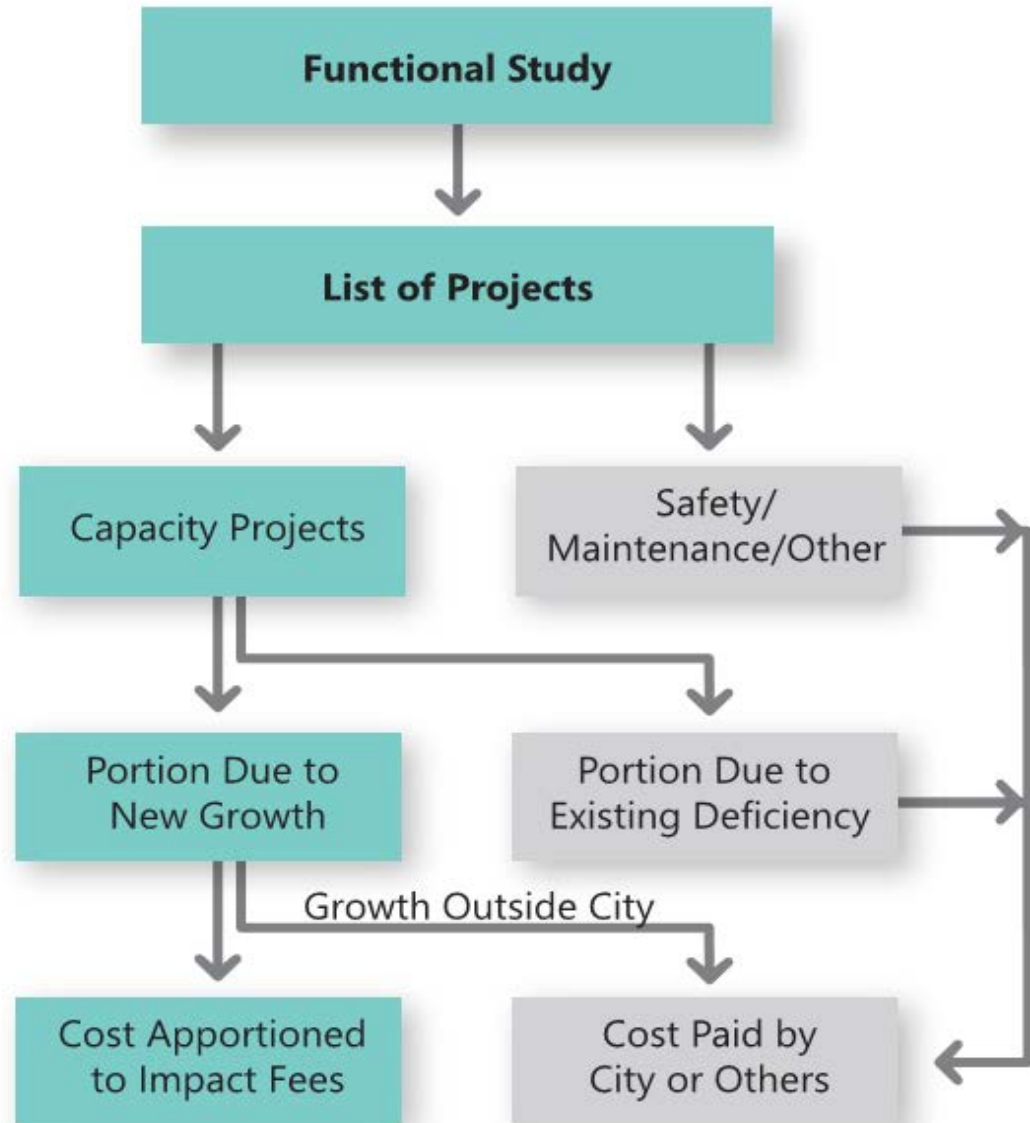
TIF Programs in Western Washington

Cities			
Anacortes	Arlington	Auburn	Bainbridge Island
Battleground	Bellevue	Bellingham	Blaine
Bonney Lake	Bothell	Buckley	Burien
Burlington	Camas	Carnation	Covington
Des Moines	Duvall	Edgewood	Edmonds
Enumclaw	Everett	Federal Way	Ferndale
Fife	Gig Harbor	Granite Falls	Issaquah
Kenmore	Kent	Kirkland	La Center
Lacey	Lake Stevens	Lynden	Lynnwood
Maple Valley	Marysville	Mercer Island	Mill Creek
Milton	Monroe	Mount Vernon	Mount Lake Terrace
Mukilteo	Newcastle	North Bend	Oak Harbor
Olympia	Orting	Poulsbo	Puyallup
Redmond	Renton	Ridgefield	Sammamish
SeaTac	Sedro Wooley	Sequim	Shelton
Shoreline	Snohomish	Stanwood	Sultan
Sumner	Tukwila	Tumwater	University Place
Vancouver	Washougal	Woodinville	Yelm
Counties			
Kitsap	Pierce	Snohomish	Thurston

Example Jurisdictions with Fire, Parks, and School Impact Fee Programs

Fire Impact Fees		
DuPont	Redmond	Tukwila
Milton	Renton	Anacortes
Park Impact Fees		
Pierce County	Fife	University Place
Auburn	Gig Harbor	Redmond
Bonney Lake	Orting	Renton
Buckley	Puyallup	Tukwila
Edgewood	Sumner	
School Impact Fees		
Pierce County	Gig Harbor	Bellevue
Auburn	Milton	Everett
Bonney Lake	Orting	Redmond
Edgewood	Puyallup	Renton
Fife	Sumner	Vancouver

Impact Fee Program Mechanics



Fire Protection Structural Considerations

- Service Areas
 - If City moves forward with impact fees, will likely want to adopt fire service areas
 - Possible service area structures using:
 - Base fee citywide
 - Service area addition for area projects
- Determining growth-related proportion
 - Recommend policy rationale, such as
 - Response time studies
 - Risk mitigation and space need studies
 - Subject matter expertise



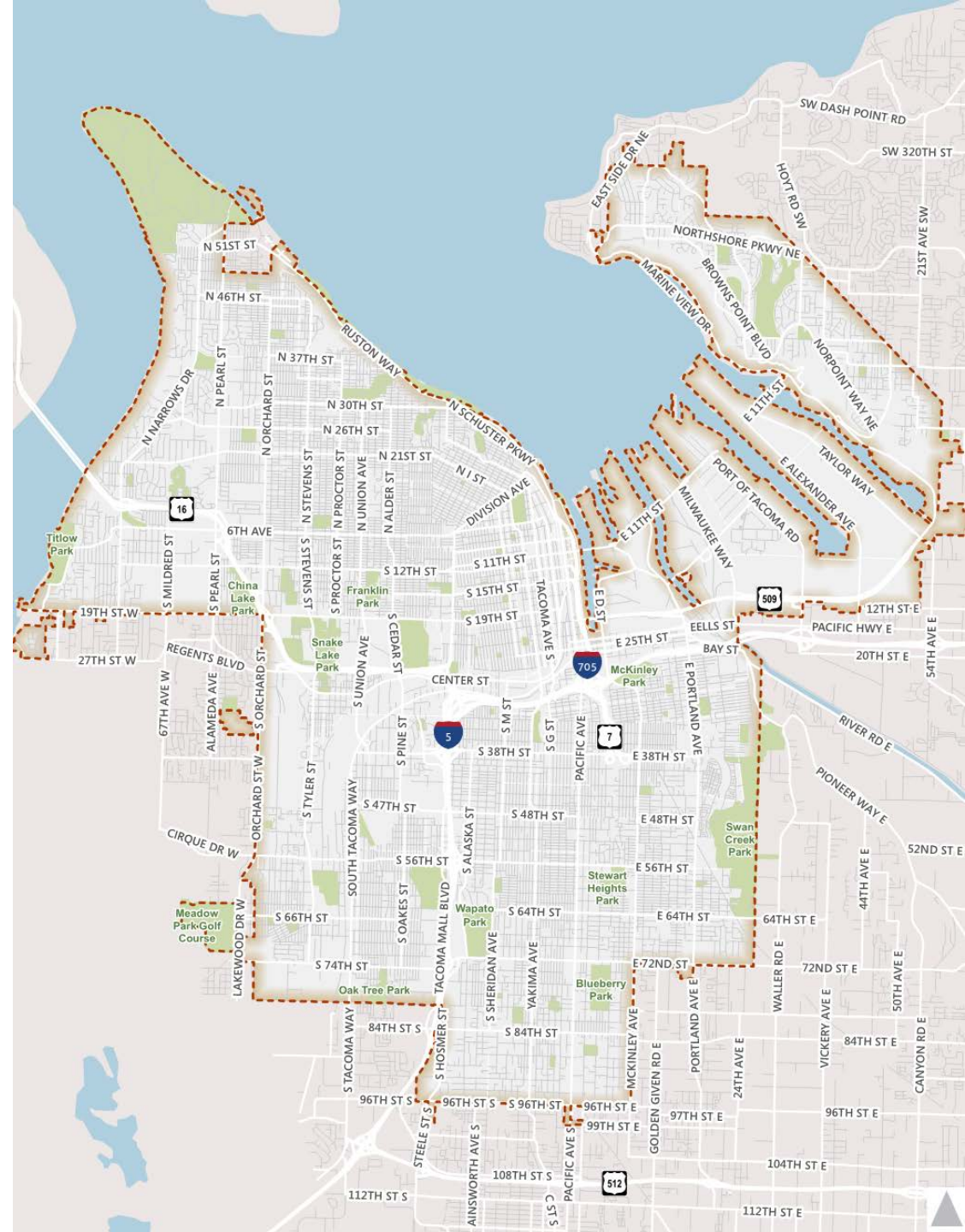
Fire Protection Structural Considerations

- Possible changes to existing standards and project plans
 - Correspondence between standards of cover and LOS policy
 - Standards of cover may need to be revisited to be area-specific
 - Opportunities to update the capital improvement list



Transportation Structural Considerations

- Geographic Extent - entire city or subareas?
 - Districts or Area wide - single zone or multiple?
 - Types of projects to fund – auto capacity only or multimodal?
- All projects must:*
- Add capacity to network
 - Be included in Capital Facilities Element
 - Be in right-of-way of public streets and roads



Additional Structural Considerations

- Phasing – fee increases over time?
- Infrastructure - Transportation, Fire, Parks, and Schools?
- Costs to Development – consideration for the total cumulative cost
- Incentives – achieve policy goals, such as affordable housing



A Path Forward

- Stakeholder Engagement
- Select geography/phasing and policy structure
- Impact fee structure development
- Develop a capital project list based on LOS standards
- Planning document updates (Comprehensive Plan and Capital Facilities Program / 6-year Transportation Improvement Program)
- Pass Ordinance
- Program implementation



Recommendations

- Continue exploring impact fees as a method to pay for growth
- Form Stakeholder Group(s) and answer policy questions
- Engage City Council Committee for interim direction and progress reports
- If necessary, request funding in mid-biennium budget to complete rate studies.

