



Impact Fee Draft Framework

City of Tacoma | Public Works Department

Infrastructure, Planning, and Sustainability Committee

September 1, 2021

ITEM # 2

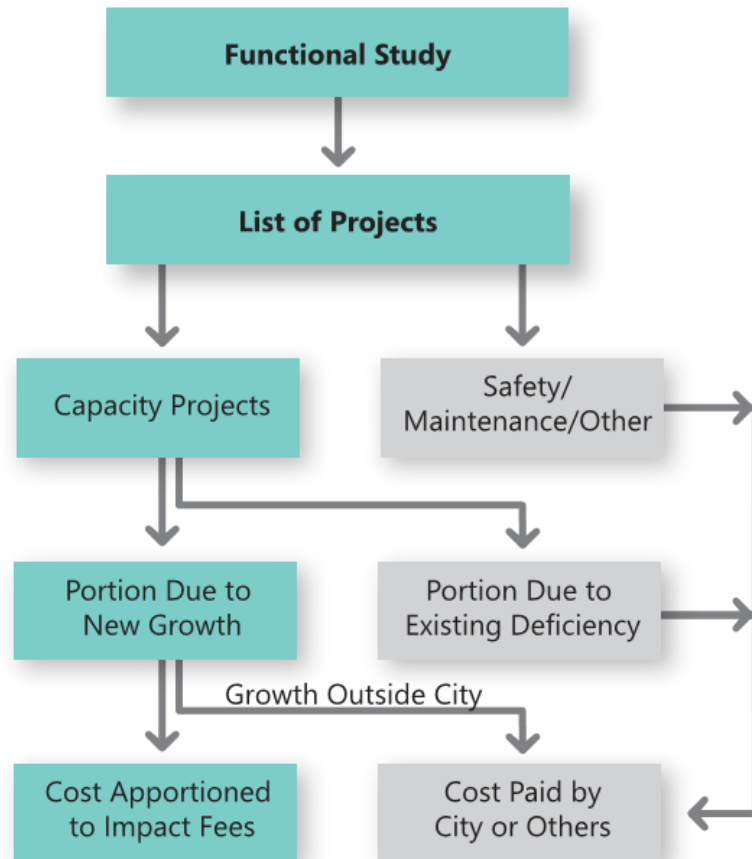


OVERVIEW



- Background
- Community engagement
- Program considerations
- Program recommendations

BACKGROUND



- Gap in infrastructure funding
- Impact fee program should:
 - Reduce review/permitting timeline
 - Increase fairness and predictability
 - Help growth pay for growth



COMMUNITY ENGAGEMENT



- Transportation Commission
- Planning Commission
- Human Rights Commission
- Commission on Immigrant and Refugee Affairs
- Centro-Latino
- Tacoma Permit Advisory Task Force

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

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

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



COMMUNITY ENGAGEMENT



Program Recommendations

This chapter presents key recommendations that resulted from the seven-month process summarized in the previous chapter. The chapter begins with a proposed mission statement, which should guide the development of an impact fee framework in Tacoma. The mission statement is followed by specific recommendations for a transportation impact fee framework and key steps to advance the development of a fire impact fee framework. This chapter concludes with guidance for how community engagement should be approached as these impact fee program frameworks progress towards implementation.

Proposed Mission Statement

The City of Tacoma, like other local agencies in the Puget Sound area, has a significant gap in infrastructure funding. While the City Council and voters have taken meaningful and responsible measures to address some of this need—particularly when it comes to maintaining existing streets—the investments required to accommodate future growth are still underfunded.

Prior City of Tacoma planning documents, including the South Downtown Subarea Plan and the North Downtown Subarea Plan, have identified transportation impact fees as a method to help Tacoma bridge the funding gap for future investments. The need for additional local funding is recognized in the City's Transportation Master Plan and is highlighted in regional planning documents as well. The Puget Sound Regional Council's Draft regional transportation plan highlights the importance of local agencies making use of all funding options available, including impact fees, to address the growing demand for transportation infrastructure.

Existing businesses and residents have made significant recent commitments to addressing the need, and impact fees can provide a streamlined way to allow new growth to pay a one-time fee to share the cost of

Key Questions:

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

- How will impact fees streamline the development process?

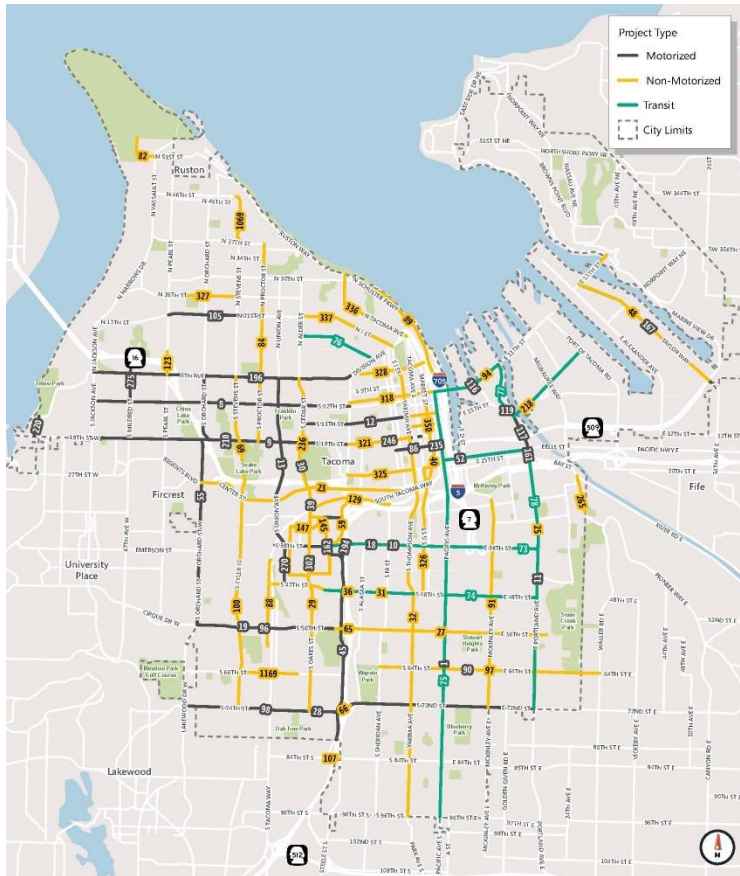


PROGRAM CONSIDERATIONS



- Develop a Mission Statement
- **Four key principles** for Tacoma's impact fee framework:
 - Reflects collaborative dialogue between City, community, and development interests
 - Aligns with City goals related to housing affordability
 - Funds projects that accommodate growth and can be sustainably funded
 - Contributes to a more equitable infrastructure landscape, ensuring that no part of the city is left behind

PROGRAM CONSIDERATIONS

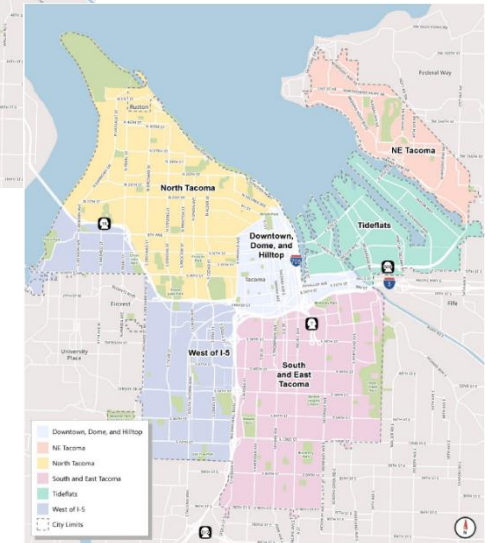
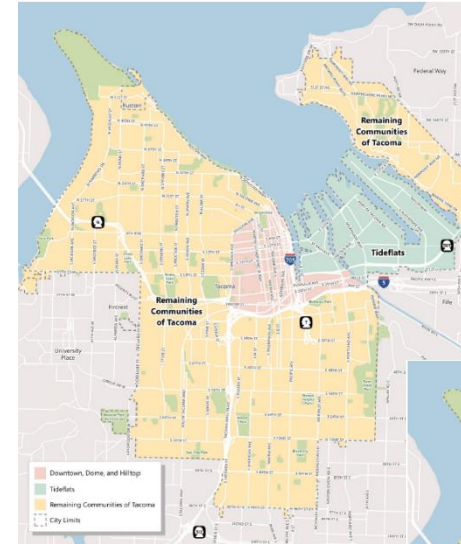


| Impact Fee Eligibility | Transit | Ped/Bike | Motorized | Total |
|------------------------|--------------|---------------|---------------|---------------|
| No | \$4,500,000 | \$200,037,558 | \$677,090,061 | \$881,627,619 |
| Maybe | – | \$269,879,179 | \$72,644,841 | \$342,524,020 |
| Yes | \$48,375,000 | \$125,142,633 | \$226,211,543 | \$399,729,176 |

PROGRAM CONSIDERATIONS

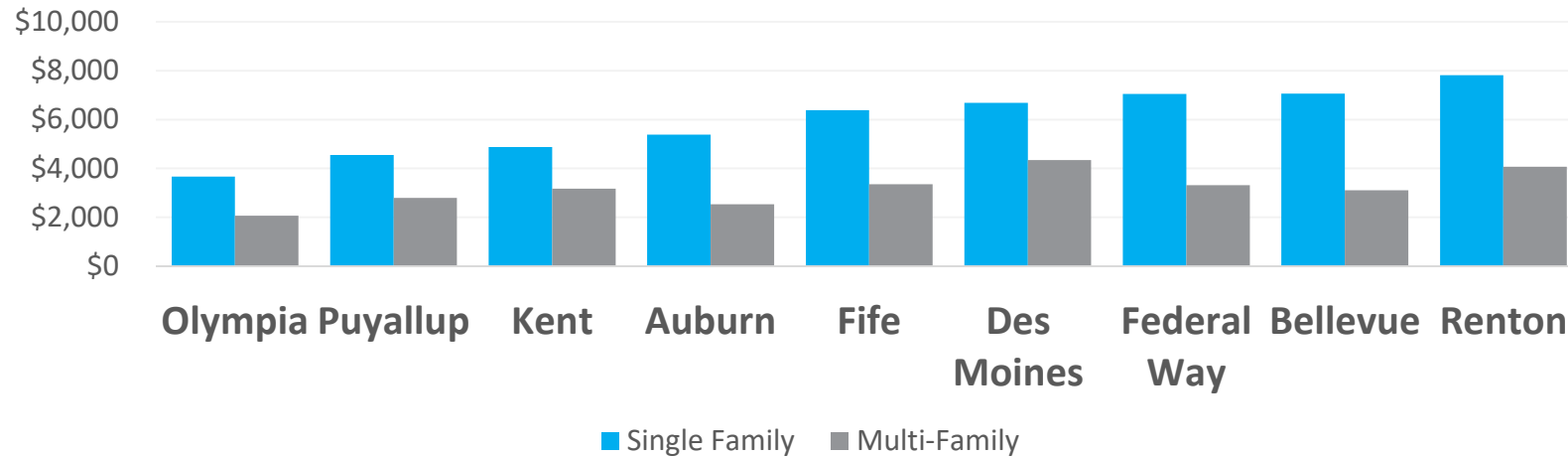
- Geographical areas/zones
 - Citywide or subareas
- Affordable housing
 - Exemptions
 - Complete networks
- Phasing

| Jurisdiction | Single-Family Rate | ADU Rate | % Reduction |
|------------------|--------------------|----------|-------------|
| City of Puyallup | \$4,500 | \$900 | 80% |
| City of Tumwater | \$3,919 | \$2,453 | 37% |
| City of Lacey | \$1,650 | \$0 | 100% |
| City of Olympia | \$3,662 | \$1,036 | 72% |
| Pierce County | \$4,859 | \$2,479 | 49% |
| Thurston County | \$3,050 | \$1,525 | 50% |





TRAFFIC FEE COMPARISONS



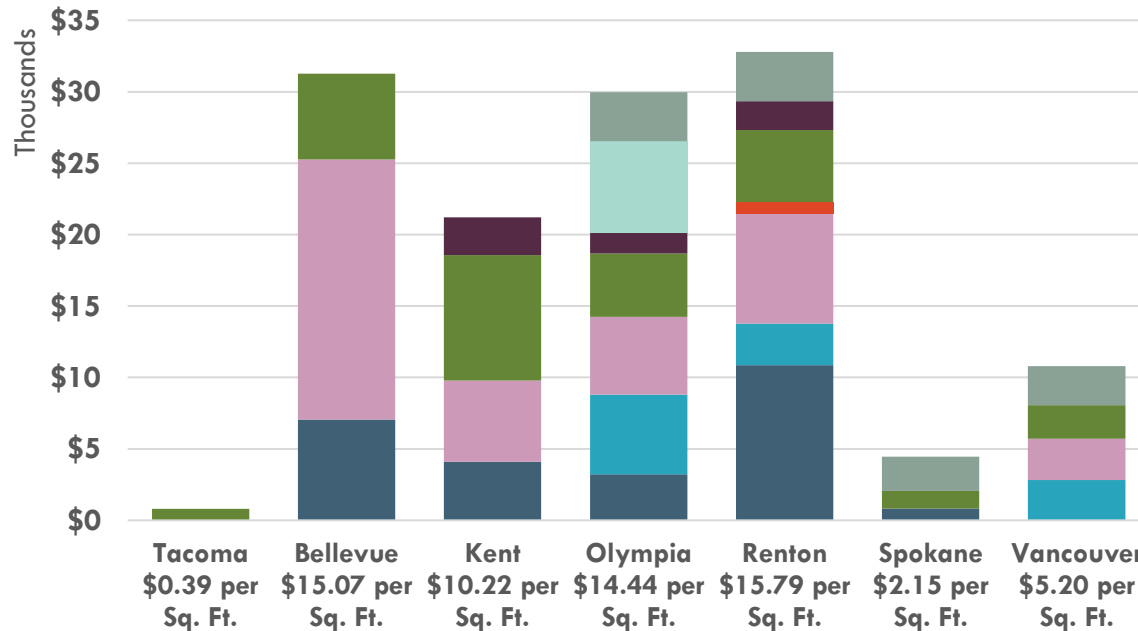
| Peer City | Original Adoption | Most Recent Update |
|-------------|-------------------|----------------------------|
| Olympia | 2001 | 2020 |
| Puyallup | 2006 | 2008 |
| Kent | 2010 | 2021 (in adoption process) |
| Auburn | 2001 | 2010 |
| Fife | 2006 | 2014 |
| Des Moines | 2003 | 2016 |
| Federal Way | 2010 | 2020 |
| Bellevue | 1989 | 2021 |
| Renton | 2012 | 2016 |

Source: Fehr & Peers.

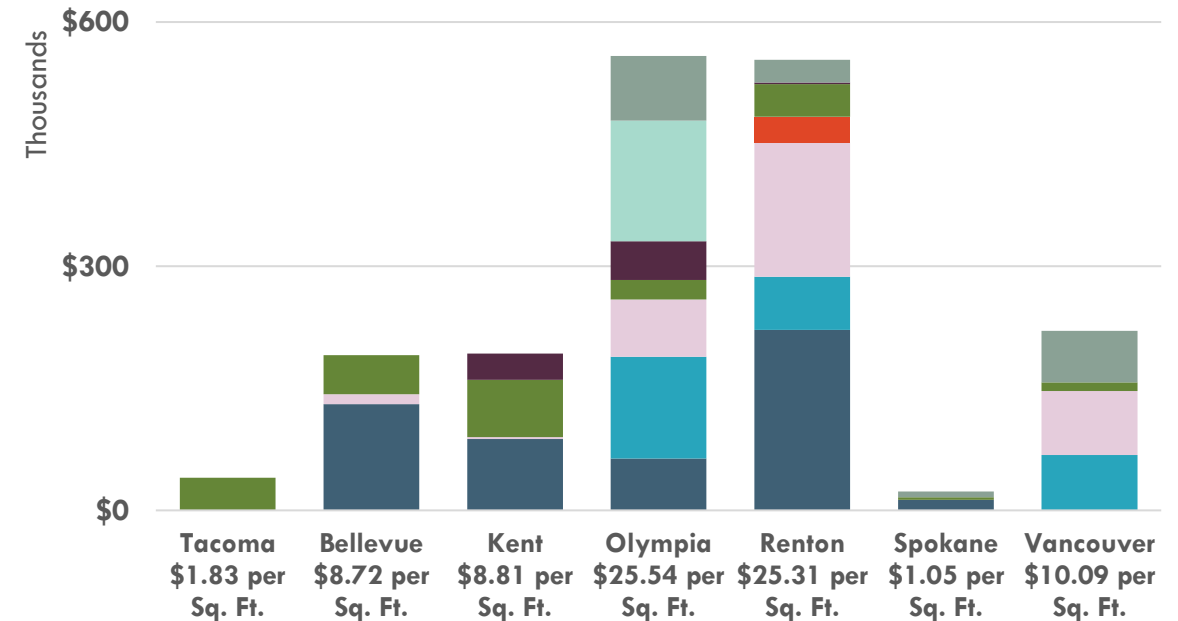
FEE STACKING: RESIDENTIAL DEVELOPMENT



Single Family



Multifamily



■ Transportation
 ■ Parks
 ■ School
 ■ Fire
 ■ Water
■ Drainage/Stormwater
 ■ Wastewater (Regional)
 ■ Wastewater (Local)

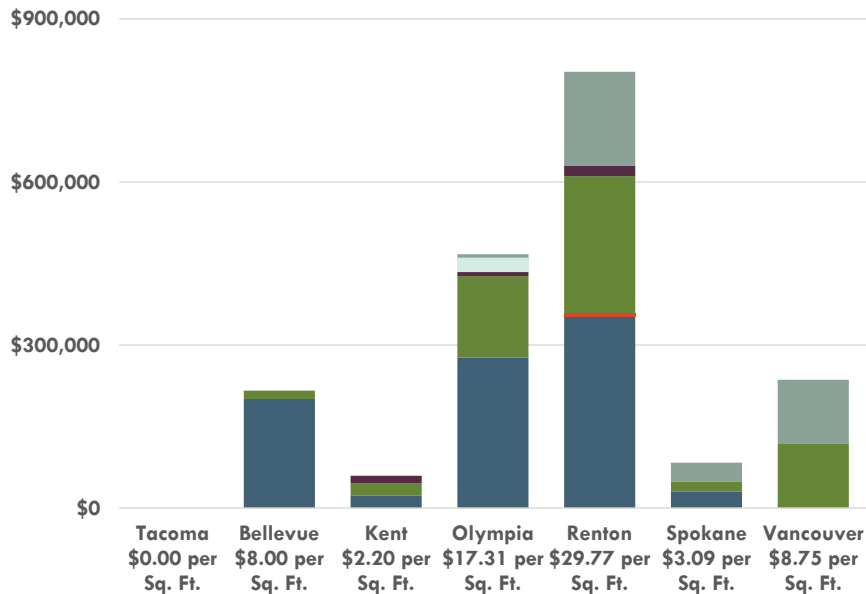
Note: Graphs on different scales.

Sources: City of Tacoma, 2021; City of Bellevue, 2021; City of Kent, 2021; City of Olympia, 2021; City of Renton, 2021; City of Spokane, 2021; City of Vancouver, 2021; BERK, 2021.

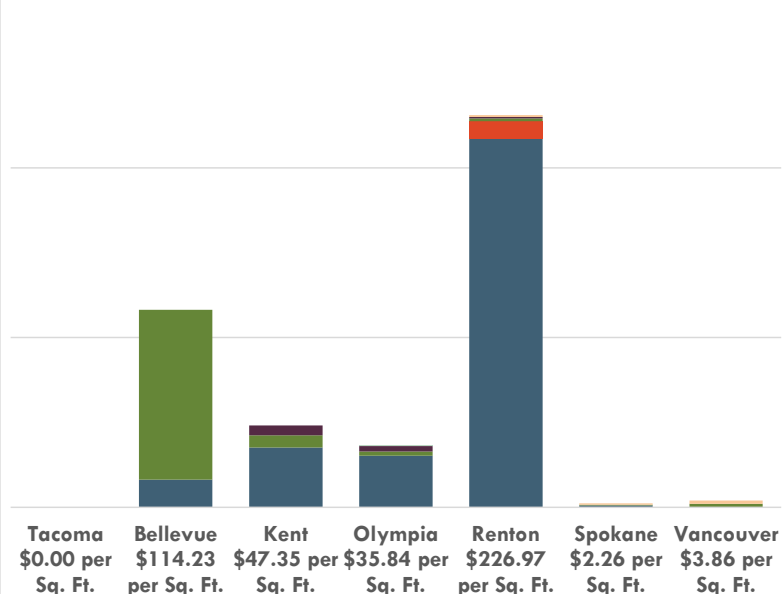
FEE STACKING: COMMERCIAL DEVELOPMENT



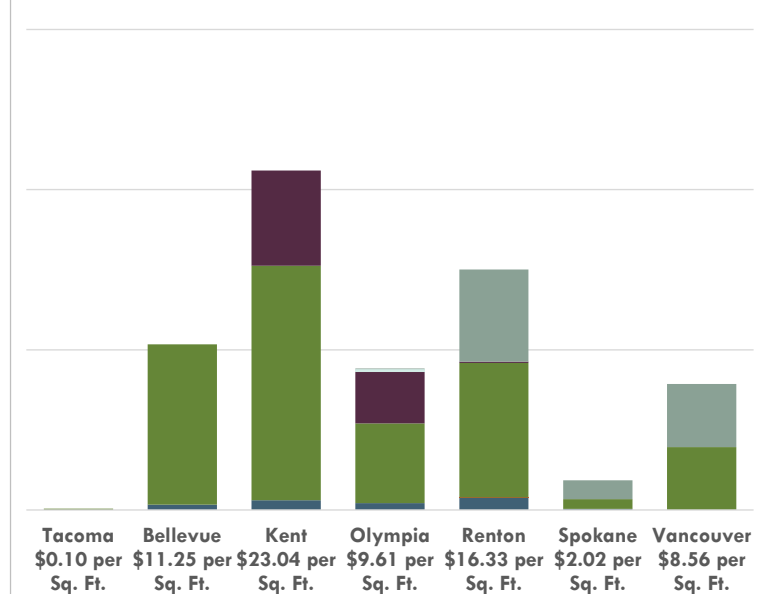
Office



Retail



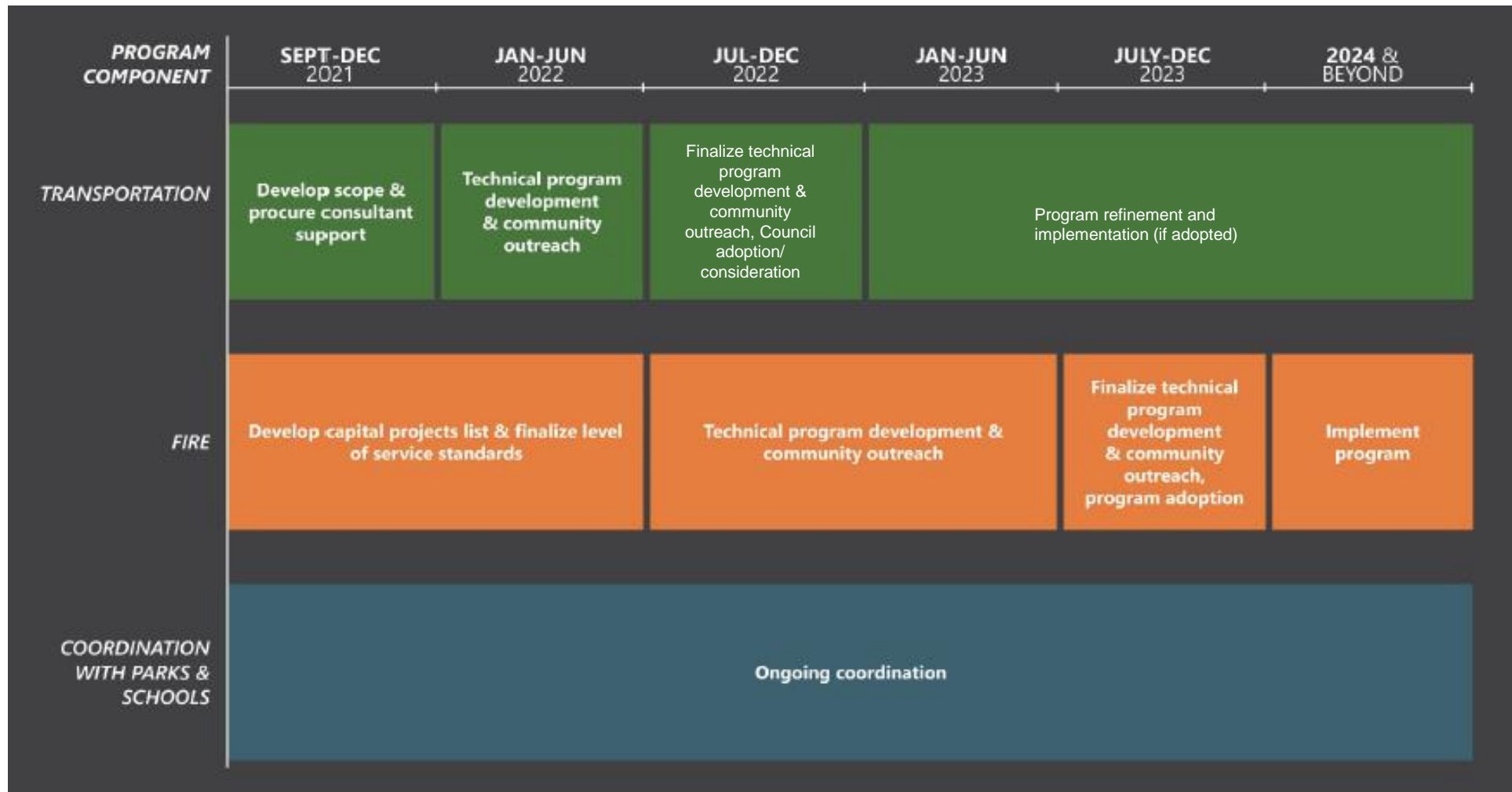
Industrial



■ Transportation
 ■ Parks
 ■ School
 ■ Fire
 ■ Water
■ Drainage/Stormwater
 ■ Wastewater (Regional)
 ■ Wastewater (Local)

Sources: City of Tacoma, 2021; City of Bellevue, 2021; City of Kent, 2021; City of Olympia, 2021; City of Renton, 2021; City of Spokane, 2021; City of Vancouver, 2021; BERK, 2021.

PROGRAM RECOMMENDATIONS





PROGRAM RECOMMENDATIONS



- Continue 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
- Develop Fee Schedule that meets the City's priorities



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