



SEATTLE CITY COUNCIL
CENTRAL STAFF

Transportation Impact Fees – Background and Legislative History

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Legislative History

- 2014: Council appropriates SDOT fund balance to Finance General Reserve to study impact fees
- 2015: The Mayor's Office, Budget Office, DPD, SDOT, and Parks present a work program and preliminary recommendation for developing an impact fee program
- 2016: Development of a program for parks and transportation impact fees is tabled pending implementation of MHA
- 2017 – 2022: Council docket Comprehensive Plan policy changes to implement an impact fee program
- 2018: Council issues SEPA threshold determination for Comprehensive Plan amendments for transportation impact fees, which is appealed
- 2019: Threshold determination is remanded to the Council by the Hearing Examiner
- 2020: Council recites intent to consider transportation impact fees as a progressive revenue source when submitting to the electors a sales tax increase for transit - Proposition 1 (Ordinance 126115)
- 2023: Council updates requisite rate study and reissues SEPA threshold determination, which is appealed

Transportation Impact Fees – What Are they?

- Fees charged to new development to partially fund the cost of new transportation infrastructure needed to accommodate growth
- Authorized under the Growth Management Act and RCW 82.02.050
- Three Step Process for Implementation:
 - Rate study to identify system deficiencies, improvements needed to serve new development, and establish a ceiling for any future rates
 - Amendments to the Comprehensive Plan
 - Development of implementing legislation

What development could be exempted?

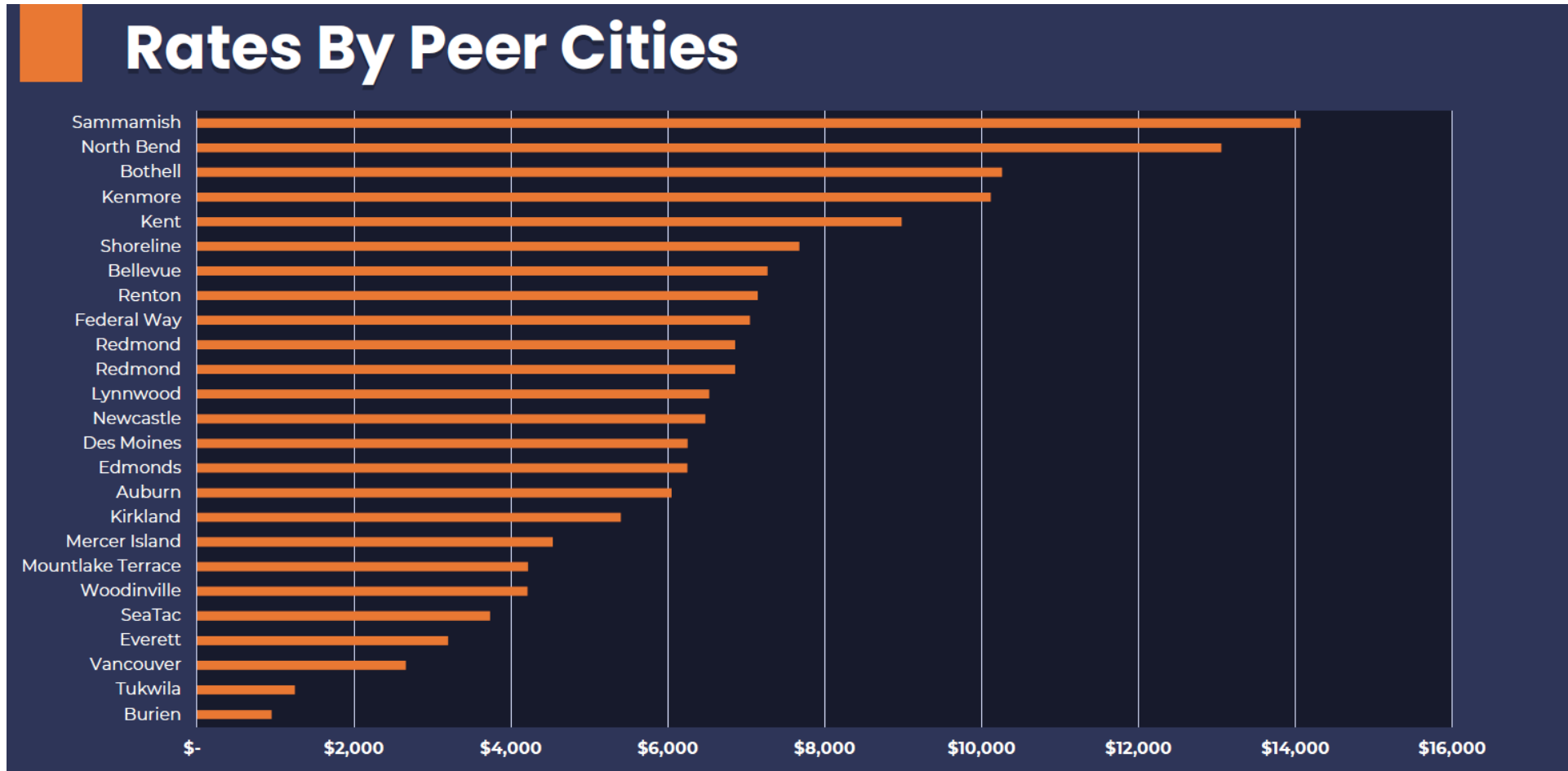
- Low-income housing - defined as housing serving households with incomes up to 80% of the area median income
- Early learning facilities – defined as “a facility providing regularly scheduled care for a group of children one month of age through twelve years of age for periods of less than twenty-four hours”
- Development activities with a broad public purpose – some jurisdictions exempt ADUs

How much revenue could transportation impact fees generate?

- Revenue generated by a transportation impact fee program would depend on two primary factors:
 - Fee levels set by the City and
 - The rate of future employment and residential growth
- If the City set rates that are comparable to other Western Washington jurisdictions and if Seattle experiences similar growth to past years, an impact fee program could generate between \$200 million - \$760 million over 10 years

Base Rate Similar to Bellingham (\$2,347 / person trip)	Base Rate Similar to Western Washington Average (\$4,744 / person trip)	Base Rate Similar to Kent (\$8,979 / person trip)
Approx \$200,000,000	Approx \$404,000,000	Approx \$764,000,000

What do other jurisdictions do?

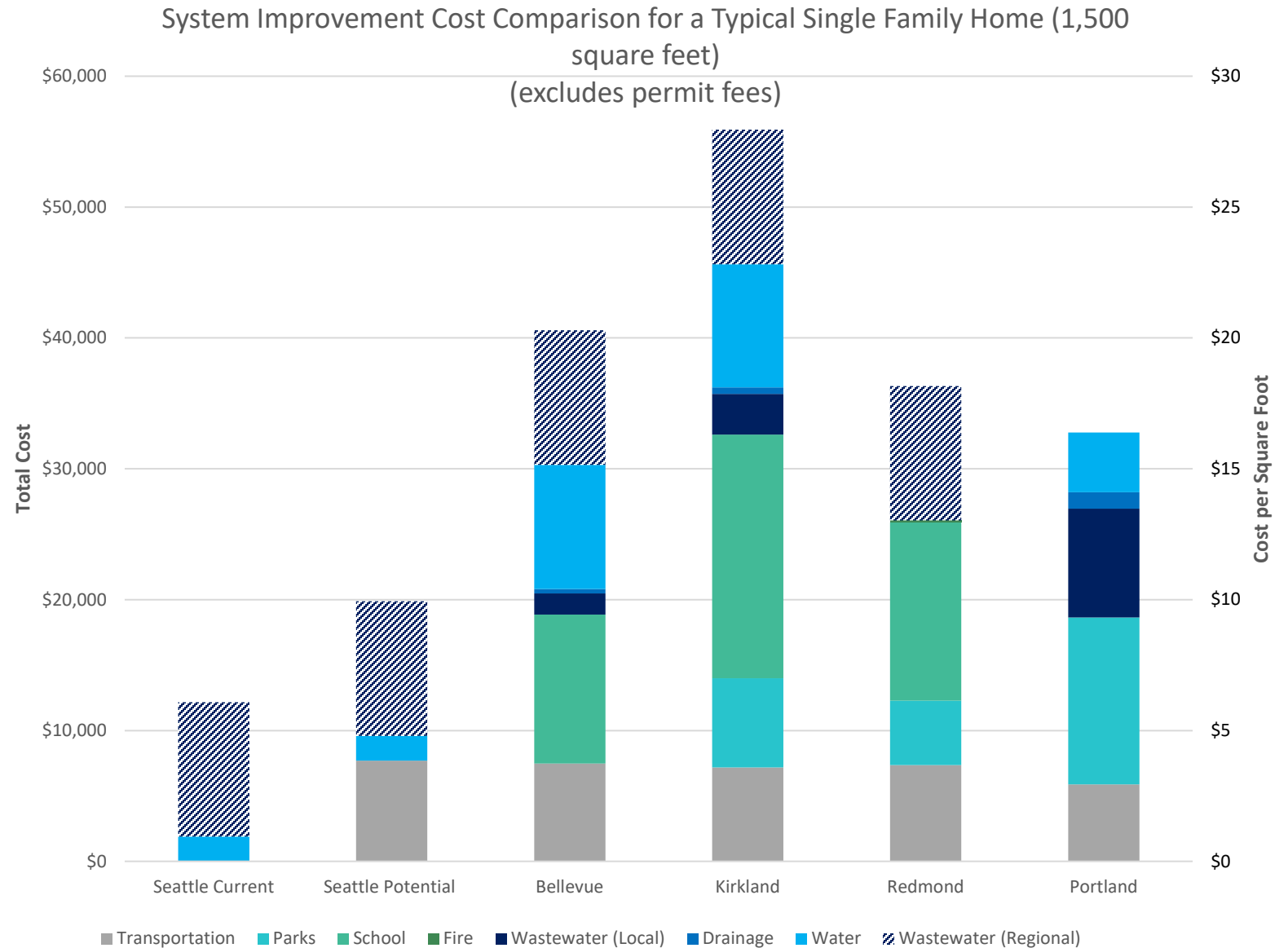


Source: Fehr and Peers March presentation to the Transportation and SPU Committee. Based on data available through the MRSC and compiled by Chris Comeau, FAICP-CTP.

Comparison – Single Family

This is an illustrative comparison of system improvement charges, including transportation impact fees, charged by peer jurisdictions. This comparison utilizes a hypothetical fee based on the average fee charged by Western Washington jurisdictions.

The City does not currently have a fee proposal.

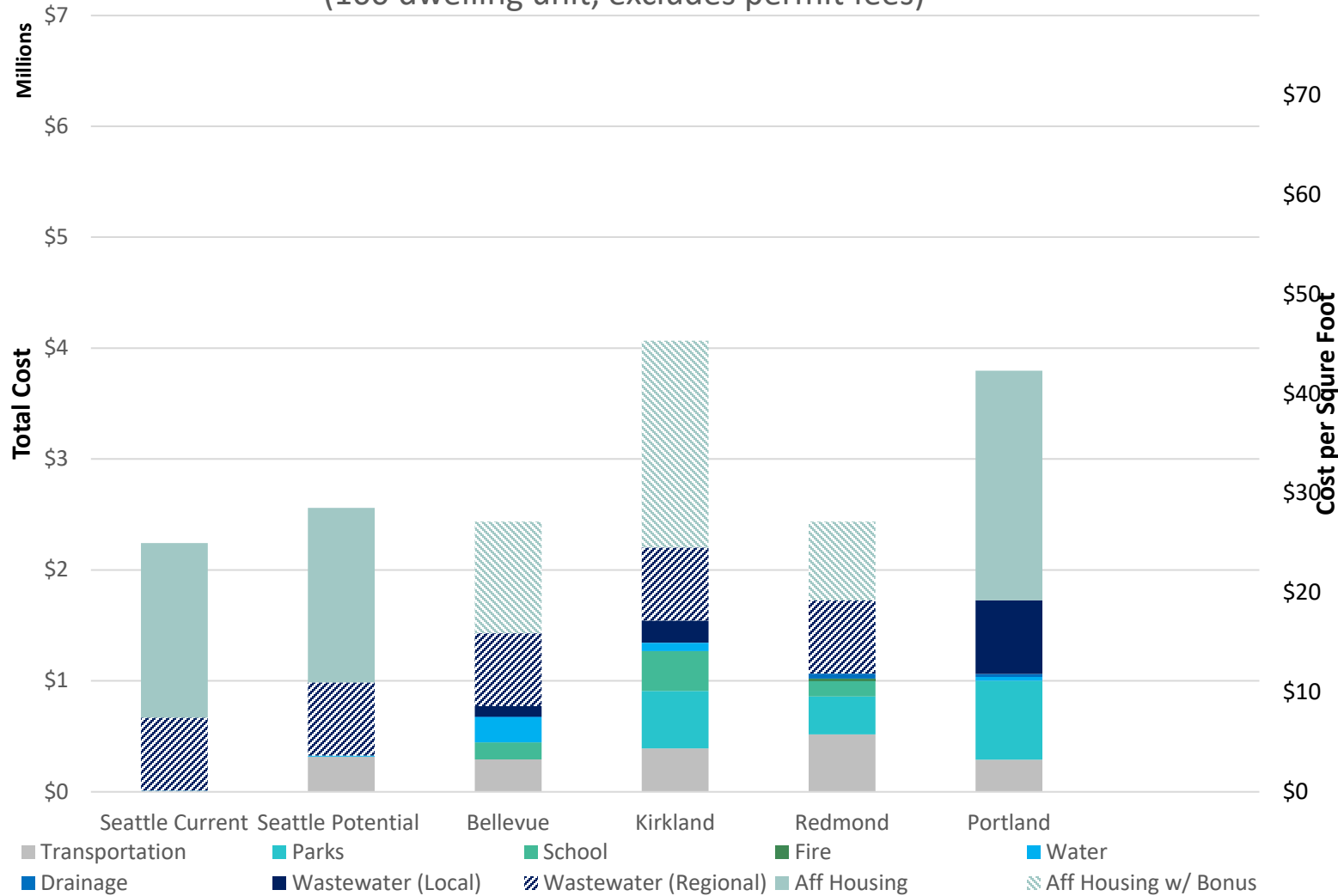


Comparison – Multifamily

This is an illustrative comparison of system improvement charges, including transportation impact fees, charged by peer jurisdictions. This comparison utilizes a hypothetical fee based on the average fee charged by Western Washington jurisdictions.

The City does not currently have a fee proposal.

System Improvement Cost Comparison for a Typical Multi-Family Development
(100 dwelling unit, excludes permit fees)



Proposed 2023 Comprehensive Plan Amendments – What would they do?

The proposed amendments would:

- Amend the Transportation Element of the Comprehensive Plan and a related appendix to identify deficiencies in the transportation system associated with new development
- Update the list of transportation infrastructure projects identified in 2018 that would add capacity to help remedy system deficiencies
- Establish policies of considering locational discounts for urban centers and villages and exemptions for low-income housing, early-learning facilities and other activities with a public purpose for any future rate-setting.

Next Steps

- September 2023 – SEPA appeal hearing
- Mid-October to Mid-November – Hearing Examiner issues decision on the appeal
- November – If there is a favorable Hearing Examiner Decision, potential consideration of Comprehensive Plan amendments concurrently with the budget

Questions?