

## CITY COUNCIL REGULAR SESSION

Ordinance approving the 2023 Transportation Impact Fee Rate Schedule to reflect updated Institute of Transportation Engineers (ITE) trip generation factors and a base fee rate of \$7,490 (Attachment A), to be effective January 1, 2023; retaining a fixed three percent indexing to be applied annually to the rate schedule beginning January 1, 2024; and repealing Ordinance No. 6491.

Andrew Singelakis, Director, 452-6468  
Paula Stevens, Assistant Director, 452-2802  
Eric Miller, Implementation Planning Manager, 452-6146  
*Transportation Department*

## EXECUTIVE SUMMARY

In compliance with Bellevue City Code 22.16 – Transportation Impact Fee Program – this Ordinance will repeal and replace the prior Transportation Impact Fee Schedule Ordinance No. 6491. Associated with the July 11 adoption of the 2022-2033 Transportation Facilities Plan (TFP; Resolution No. 10112), the Transportation Department has prepared a 2022 update to the City of Bellevue Transportation Impact Fee Program Report. This report documents and confirms that the current impact fee rates charged to new development in the City, including the continued application of an annual 3 percent indexing to the base fee rate, are supported.

## RECOMMENDATION

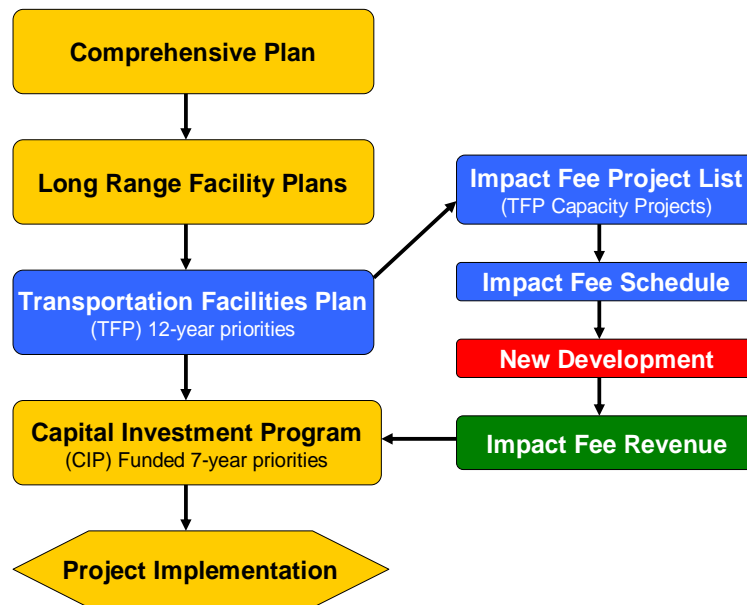
Move to adopt Ordinance No. 6688

## BACKGROUND/ANALYSIS

### Transportation Facilities Plan

The TFP is a 12-year transportation program; a listing of planned improvements balanced to projected revenues. The diagram below depicts the relationship between the Comprehensive Plan, long-range facility plans, the TFP, impact fee project list, impact fee schedule and the Capital Investment Program (CIP) Plan. This program is one phase in the City's multi-phased approach to planning for future transportation improvements – represented by the left-hand boxes in the diagram. At the July 11 Council meeting, Transportation Department staff and a representative of the Bellevue Transportation Commission presented the Commission's Proposed 2022-2033 TFP update. At that meeting, Council passed Resolution No. 10112 adopting the 2022-2033 TFP update.

The periodic update of the TFP triggers a review and potential updates to the City's Transportation Impact Fee Program and Impact Fee Rate Schedule.



### Transportation Impact Fee Program

Chapter 22.16 of the Bellevue City Code (BCC) constitutes the City's Transportation Impact Fee Program and is enacted pursuant to Chapter 82.02 of the Revised Code of Washington (RCW). Pursuant to BCC Chapter 22.16, the impact fee project list consists of the transportation improvements in the TFP needed to provide capacity on City roadways, where the capacity needs are reasonably related in part or in whole to new development. The impact fee project list is adopted by the Council when it adopts the TFP. Also pursuant to the Code, "Concurrently with adoption of an updated Transportation Facilities Plan, the [transportation] director shall prepare an updated transportation impact fee program report...". A copy of the 2022 update of this report is included in the Council Library. The report includes both a table listing and a map illustrating the locations of all eligible 2022 transportation impact fee projects – active or recently completed.

Based on BCC Chapter 22.16, impact fees are calculated as the ratio of growth-related transportation facility improvement (project) costs to land use growth estimates (converted to new PM peak hour trip ends). The project costs, land use growth estimates, and the fee calculation methodology are documented in the 2022 update to the Transportation Impact Fee Program Report. In 2019, based on the adopted impact fee projects and costs in the 2019-2030 TFP, the actual cost per growth trip, and the "Maximum Allowable" impact fee, was calculated to be \$18,523 per new trip. Thus, the City would have been allowed to set the impact fee rate charged to new development at any amount up to \$18,523/trip.

The actual impact fee rate schedule was set by separate Council action on December 2, 2019 (Ordinance No. 6491 – Attachment A). The fee schedule, which remains in effect today, was adopted with an automatic annual 3 percent increase indexing factor as outlined below:

- January 1, 2020 until December 31, 2020 = \$6,854/Trip
- January 1, 2021 until December 31, 2021 (+3%) = \$7,060/Trip

- January 1, 2022 until December 31, 2022 (+3%) = \$7,271/Trip

If no update to the schedule is made at this time, the effective rate for 2023 will be:

- January 1, 2023 until December 31, 2023 (+3%) = \$7,490/Trip

Based on the recently adopted 2022-2033 TFP/Impact Fee Project List and an updated 2033 land use growth forecast prepared by the Community Development Department, the analysis documented in the 2022 update of the Transportation Impact Fee Program Report indicates a new maximum allowable impact fee rate of \$14,864/trip. This amount supports a continuation of the adopted fee rate and scheduled annual three percent indexing as outlined above.

### **Proposed Transportation Impact Fee Schedule Updates**

Staff proposes to incorporate updated ITE trip generation rate factors into an updated 2023 Transportation Impact Fee Rate Schedule. The ITE trip generation factors represent the best available and most up-to-date data for trip-making characteristics of individual land use types in urban environments. As documented in the Transportation Impact Fee Program Report, the base per trip fee applied to each individual land use type is adjusted by several standard factors. The new factors are incorporated into the Impact Fee Program Report and the proposed 2023 Impact Fee Schedule, attached to the proposed Ordinance.

The primary source of the specific, individual land use trip generation rates within the fee schedule is the ITE Trip Generation Manual. Since the adoption of the current impact fee schedule in late 2019, ITE has updated their manual from the 10<sup>th</sup> Edition to the 11<sup>th</sup> Edition (September 2021). There were only minimal changes to trip generation rates from the old to the new ITE Manual this cycle.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

#### Comprehensive Plan

Policy CF-1 of the Capital Facilities Element and policies TR-22, TR-34, TR-35, TR-129, and TR-132 of the Transportation Element of the Comprehensive Plan provide a framework for the City's compliance with the requirements of the Growth Management Act and the Traffic Standards Code.

#### Bellevue City Code

BCC 22.16, the Transportation Impact Fee Program, designates the TFP as the long-term transportation plan for identifying improvements to meet future development needs. The list of projects to which impact fees are applied is derived from the TFP and represents the roadway and intersection (vehicular) capacity projects that will serve growth-related traffic impacts.

### **Fiscal Impact**

The transportation impact fee project list is composed of roadway capacity projects included within the adopted 2022-2033 TFP. This subset of projects supports the impact fee rates included in both the adopted and proposed impact fee rate schedules (base per trip fee rates of \$7,271 and \$7,490, respectively – no change proposed – as discussed above), to be effective January 1, 2023.

Impact fee revenue is included in both the amended 2021-2027 General CIP Plan and the proposed 2023-2029 General CIP Plan with approximately \$52.5 million in the proposed 2023-2029 General CIP Plan. Fee revenue projections are based on the forecasted amount of overall land use growth in the City allocated across the CIP Plan period, converted to PM Peak Hour vehicle trips, and multiplied by the adopted base fee in the adopted rate schedule. Impact fee revenue budgeted in the CIP is also adjusted downward based on an estimated amount of impact fee refunds or reimbursements due to developers for any monetary contributions to and/or construction of any element of a designated impact fee project.

The proposed 2023 per trip fee of \$7,490 and subsequent three percent annual indexing, is projected to maintain a balanced CIP Plan based on the assumption of average annual growth and the permitting of the proportional mix of land use types used to develop the City's impact fee program and capital budget.

## **OPTIONS**

1. Adopt the Ordinance approving the 2023 Transportation Impact Fee Rate Schedule to reflect updated Institute of Transportation Engineers (ITE) trip generation factors and a base fee rate of \$7,490 (Attachment A), to be effective January 1, 2023; retaining a fixed three percent indexing to be applied annually to the rate schedule beginning January 1, 2024; and repealing Ordinance No. 6491.
2. Do not adopt the Ordinance and provide alternative direction to staff.

## **ATTACHMENTS & AVAILABLE DOCUMENTS**

A. Ordinance No. 6491 (Adopting current Impact Fee Rate Schedule)  
Proposed Ordinance No. 6688

## **AVAILABLE IN COUNCIL LIBRARY**

Transportation Impact Fee Program Report, 2022 Update