

CITY COUNCIL AGENDA TOPIC

Ordinance approving the 2026 Transportation Impact Fee Rate Schedule to reflect updated Institute of Transportation Engineers (ITE) trip generation factors and a base fee rate of \$8,185 (Attachment A), to be effective January 1, 2026; retaining a fixed three percent indexing to be applied annually to the rate schedule beginning January 1, 2027; and repealing Ordinance Nos. 6688 and 6715.

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Transportation Department

EXECUTIVE SUMMARY**ACTION**

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. 6688 (and Ordinance No. 6715, amending for technical correction). Associated with the November 25 adoption of the 2026-2045 Transportation Facilities Plan (TFP; Resolution No. 10557), the Transportation Department has prepared a 2025 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 three percent indexing to the base fee rate, are supported.

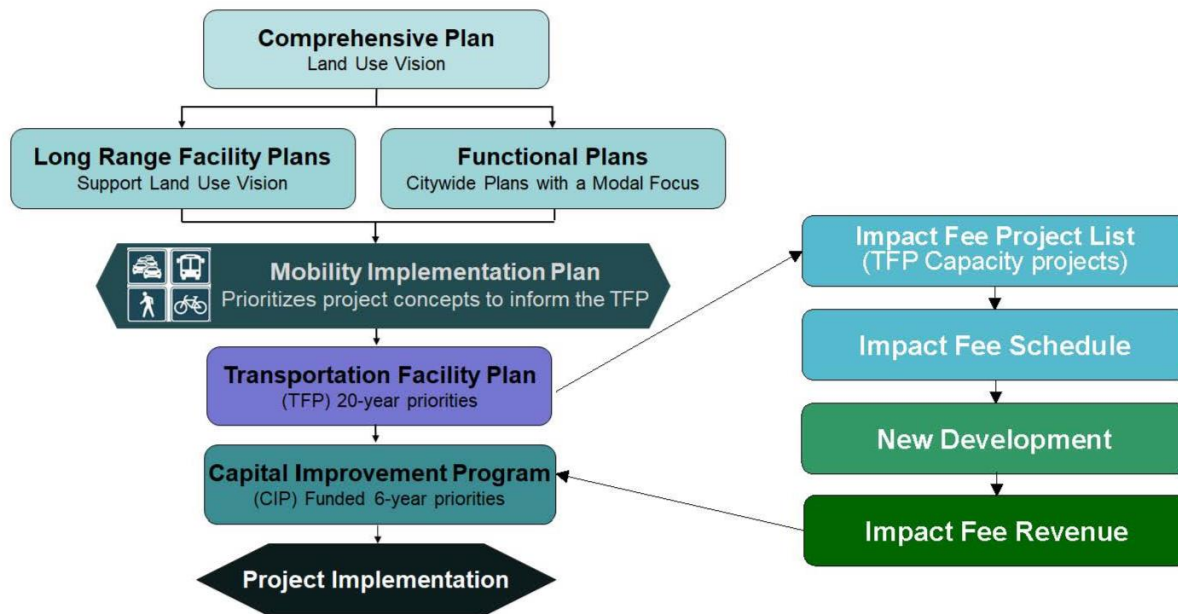
RECOMMENDATION

Move to adopt Ordinance No. 6888

BACKGROUND/ANALYSIS**Transportation Facilities Plan**

The TFP serves as the City's intermediate-range, transportation capital facility planning document. It includes a listing of projects balanced to projected revenue over the plan period. The TFP functions as a bridge between the Comprehensive Plan, long-range facility plans and modal plans (e.g., Transit Master Plan), the Mobility Implementation Plan (MIP) and the funded projects in the adopted 6-year Capital Improvement Program (CIP) Plan. The diagram below depicts the relationship between these plans, as well as the relationship between the TFP, the Impact Fee Project List, impact fee schedule and fee revenue, which helps to fund the impact fee projects in the CIP. On November 25, Council passed Resolution No. 10557 adopting the 2026-2045 TFP.

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



Transportation Impact Fee Program

Chapter 22.16 of the BCC constitutes the City's Transportation Impact Fee Program and is enacted pursuant to Chapter 82.02 of the Revised Code of Washington (RCW). Per BCC Chapter 22.16, the impact fee project list consists of the transportation improvements in the TFP needed to provide vehicular capacity on City roadways, where the capacity needs are reasonably related in part or in whole to new development. Projects that meet these criteria for the Impact Fee Program are identified in the project list included in the recently adopted 2026-2045 TFP document. The impact fee project list is adopted by Council when it adopts the TFP.

Transportation Impact Fee Program Review

Pursuant to Chapter 22.16 of the BCC, concurrently with the development and adoption of an updated TFP, Transportation staff prepares an updated Transportation Impact Fee Program Report. This report analyzes the updated, cumulative cost of the Transportation Impact Fee Project List in the context of the forecast land use growth in the city during the TFP plan period. This land use growth is converted to new vehicle trips (Growth Trips), based on the specific trip generation characteristics of various land use categories as documented in the latest edition of the Institute of Traffic Engineers (ITE) Trip Generation Manual.

Since the latest Council adoption of the Transportation Impact Fee Rate Schedule in late 2022, there has been a new 12th Edition of the ITE Trip Generation Manual issued, effective August 2025. This new edition documents some modest changes to several of the trip generation rates for land use categories listed on the adopted Impact Fee Rate Schedule.

Every growth trip with at least one "trip end" (origin or destination) within Bellevue may be charged a fee for its impact on the transportation network – unless the specific development or portion thereof is exempt from the requirement per BCC 22.16.070 (e.g. Any development or portion thereof used

exclusively for affordable housing is exempt from paying impact fees). The Program Report calculates what the “Maximum Allowable” impact fee rate per growth trip can be. The actual impact fee rate charged to new development is set by the City Council when it adopts an impact fee rate schedule, but the rate may not exceed this maximum allowable amount.

A key finding within the updated 2025 Transportation Impact Fee Program Report is that the maximum allowable impact fee rate continues to significantly exceed the impact fee rate currently charged to new development, established by Ordinance 6688, adopted on November 21, 2022 (amended by Ordinance 6715 (a technical correction), adopted on January 9, 2023). Ordinance 6688, continuing past practice, authorized an annual administrative three percent increase to the fee rate, effective every January 1. The newly calculated Maximum Allowable Transportation Impact Fee rate is \$20,343 per trip. The currently adopted 2025 impact fee rate, effective through December 31, 2025, is \$7,946. Applying the annual administrative adjustment would bump the fee to \$8,185 per trip, effective January 1, 2026.

Due to the ITE Manual update, Council is presented with a new Transportation Impact Fee Rate Schedule Ordinance for adoption, to be effective January 1, 2026. Staff do not propose any change to the per trip impact fee rate charged under the current fee ordinance, inclusive of the annual administrative adjustment. The 2026 rate will remain \$8,185 per trip, and the 2027 rate will administratively increase to \$8,430 per trip.

POLICY & FISCAL IMPACTS

Policy Impact

Comprehensive Plan

Policy TR-121 of the Transportation Element of the Comprehensive Plan is an overarching transportation finance directive to seek broadly-based financing through a mix of funding sources to support the TFP and the CIP through proportional participation from the beneficiaries of the system, including new development.

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. BCC 22.16 allows for completed projects to be included in the Impact Fee Program, to the extent they have excess capacity that will serve new growth and development and provided no fee shall be imposed to make up for any system improvement deficiencies.

BCC 22.16 also specifies the calculation methodology for transportation impact fees, and that the documentation of this methodology shall be included in an updated transportation impact fee program report.

Fiscal Impact

The impact fee project list supports a maximum base per trip fee rate of \$20,343. Staff does not propose any change to the impact fee rates included in the adopted impact fee rate schedule, inclusive of the annual administrative adjustment of three percent, which results in a base per trip fee rate of \$8,185, to be effective January 1, 2026.

OPTIONS

1. Adopt the Ordinance approving the 2026 Transportation Impact Fee Rate Schedule to reflect updated Institute of Transportation Engineers (ITE) trip generation factors and a base fee rate of \$8,185 (Attachment A), to be effective January 1, 2026; retaining a fixed three percent indexing to be applied annually to the rate schedule beginning January 1, 2027; and repealing Ordinance Nos. 6688 and 6715.
2. Do not adopt the Ordinance and provide alternative direction to staff.

ATTACHMENTS

- A. 2026-2045 Transportation Impact Fee Project List
 - B. 2026-2045 Transportation Impact Fee Project Map
 - C. Ordinance No. 6688
 - D. Ordinance No. 6715
- Proposed Ordinance No. 6888

AVAILABLE IN COUNCIL LIBRARY

2025 Transportation Impact Fee Program Report
2026-2045 Transportation Facilities Plan