

City of
Bellevue



Transportation Commission Study Session

DATE: December 5, 2024

TO: Chair Stash and Members of the Transportation Commission

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SUBJECT: Transportation Facilities Plan Update—Impact Fee Overview

DIRECTION REQUESTED

- Action (Future)
- Discussion/Direction
- Information

On December 12, staff will continue discussion of the Transportation Facilities Plan (TFP) update with the Transportation Commission. The primary topic for the December meeting will be the Transportation Impact Fee program which funds, in part, the cost of vehicular capacity projects needed to support the additional demand generated by new real estate development in the city. A subset of the projects included in the TFP are designated as Impact Fee Projects; staff will provide an overview of these projects, their function in the City’s Impact Fee program and the structure of the Impact Fee program. This information will be relevant to developing a proposed project list for the new 2026-2037 TFP. An additional topic will be an overview of the five projects listed in the current 2022-2033 TFP that involve adding access to regional highways or improving conditions at highway access points.

BACKGROUND

As detailed at the Commission meeting on September 12 and further discussed at the meeting on October 10, the Transportation Facilities Plan (TFP) is required and adopted pursuant to the Bellevue City Code ([Title 22, Development Code](#)). 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 12-year plan period. As described in the [2022-2033 TFP document](#), revenue sources include the Business and Occupation (B&O) tax, sales tax, Real Estate Excise Tax, state fuel tax, property tax (funds the [Transportation Levy](#)), external grants and Transportation Impact Fees. The city has also taken on debt to address part of the cost of several roadway projects in the Wilburton and BelRed areas. In July 2023, the City Council approved formation of a Transportation Benefit District, allowing the city to raise additional revenue via options that include an added increment of sales tax or an annual vehicle licensing surcharge (Ordinance No. 6748). However, the Transportation Benefit District remains dormant, as the Council has not acted to assume governance control of it or to impose taxes or fees to fund it.

INFORMATION

Impact Fees

At the Commission meeting staff will provide a high-level overview of the City's Transportation Impact Fee Program. Impact fees are a broad category of charges on new development assessed to pay for capital improvements (e.g., parks, schools, roads, etc.) necessitated by new development. Bellevue charges impact fees for transportation but does not impose impact fees for other needs (though some parts of Bellevue south of I-90 are in the boundaries of the Issaquah and Renton School Districts, which do have school impact fees). The transportation impact fees collected in Bellevue are used to fund part of the cost of improvements that add capacity to the transportation system needed to accommodate the travel demand added by new development.

Washington State law RCW 82.02.050 specifies that Transportation Impact Fees are to be spent on 'system improvements.' System improvements can include physical or operational changes to existing arterial roadways, as well as new arterial roadway connections. These are generally projects that add capacity (new streets, additional lanes, widening, signalization, etc.) and may be located some distance (even across town) from a new development project that generates trips and impact fee revenue.

The impact fee project list is composed of roadway capacity projects that have full implementation cost allocated in the City's 2022-2033 TFP (i.e., they are anticipated to be complete and open for use at the end of the plan period).

The impact fee project list includes 19 current TFP projects, totaling \$192.5 million (projects are highlighted orange in Attachment 1, the 2026-2037 Preliminary TFP Candidate Project List). The list also includes six completed impact fee projects from the prior two TFPs, the 2016-2027 and the 2019-2030 Plans (shown in Attachment 2, the 2022-2033 Impact Fee Projects map). Inclusion of these completed projects is allowed by city code and state law. This approach is used because the City incurred debt to pay for these six projects and the term of the debt will

continue through the 12-year TFP period. These completed projects, with a total cost of \$194.2 million, have unused vehicle capacity that will serve additional land use growth into the future. Overall, the impact fee project list includes total costs, including debt service costs, of \$386.7 million. For each project, the city uses the traffic model to determine the proportion of the project cost that can be counted as serving new development occurring in the city. (Only a portion of the cost of a project can be counted for the impact fee calculation; just those trips with an origin and/or destination at a new development in Bellevue.) The list of impact fee projects included in the 2022-2033 TFP, together with eligible debt charges for six completed Impact Fee projects (that still have excess capacity to serve new development), supports an impact fee amount of up to \$14,864 per added peak-period trip. The actual fee charged by the City in 2024 is \$7,715 per added peak-period trip; the fee amount is scheduled to increase by 3% in 2025, to \$7,946 (per Ordinance No. 6688, approved by City Council on November 21, 2022).

As noted above, the city's Impact Fee program currently focuses on demand for, and supply of, capacity for vehicular mobility. State law provides flexibility for transportation impact fees to support multiple modes of travel, and it is anticipated that at some point the City will move to develop a multimodal impact fee program. The timing of initiating any such work is not yet determined.

Regional Projects

The other topic of discussion for the meeting on December 12 will be the five projects in the 2022-2033 TFP that will, it is assumed, be largely implemented by the Washington State Department of Transportation (projects are highlighted blue in Attachment 1, the 2026-2037 Preliminary TFP Candidate Project List). These are projects at current or planned access points to regional highway facilities. The city has an interest in advancing these projects and in ensuring they mesh effectively with the city transportation system and integrate with the built and social environments in their vicinity. Including them in the City's adopted TFP establishes that they are a priority for the city. Typically, these projects are allocated a modest level of funding in the TFP (often, \$300K or \$500K). The funding allocation recognizes that some expenditure by the city in identifying and evaluating project concepts can be useful to advancing the projects and to ensuring they are scoped and designed to best suit the needs of the Bellevue community. By engaging on these "regional projects" in a proactive manner, the city is best able to support timely implementation and context-sensitive designs.

- **TFP-193:** I-405 SB off-ramp at NE 10th Street
- **TFP-211:** Northeast 6th Street extension—added access to/from 116th Avenue NE (HOV only)
- **TFP-217:** 124th Avenue NE at SR 520—added access to/from east
- **TFP-271:** Roundabouts on Coal Creek Parkway at 119th Avenue SE, I-405 ramps (NB & SB) and 120th Avenue SE

- **TFP-296:** I-405 SB on-ramp from 116th Avenue SE/Lake Hills Connector.

NEXT STEPS

Prior to the meeting on the 12th, please become acquainted with the Impact Fee projects shown on the attached map (Attachment 2) and detailed in the list (Attachment 1).

If you have questions or need additional information prior to the meeting, please contact Michael Ingram at (425) 452-4166 or mingram@bellevuewa.gov or Kristi Oosterveen at (425-452-4496) or koosterveen@bellevuewa.gov.

ATTACHMENTS

1. 2026-2037 Preliminary TFP Candidate Project List, with current status notes and impact fee projects indicated
2. Map of Impact Fee Projects
3. 2026-2037 TFP Update Timeline—DRAFT