

**An Interlocal Agreement between King County and  
the City of Issaquah for the Reciprocal Collection of  
Transportation Impact Fees**

**AUTHORITY**

THIS AGREEMENT is entered into pursuant to Chapter 39.34 RCW and RCW 82.02.050 through 82.02.100 between the City of Issaquah ("the City") and King County, a political subdivision of the State of Washington ("the County").

**RECITALS**

A. RCW 82.02.050 through 82.02.100 authorize counties and cities to impose impact fees on development activities as part of the financing for public facilities, including Transportation Facilities (as defined below).

B. The County and the City have each adopted a comprehensive plan meeting the standards of the Growth Management Act, Chapter 36.70A RCW, and have each adopted a transportation impact fee system that meets the standards of RCW 82.02.050 through 82.02.100.

C. The County's transportation impact fee system is referred to as its Mitigation Payment System ("MPS" or "the County System") and is codified at King County Code Chapters 14.65 and 14.75.

D. The City's transportation impact fee system ("the City System") is authorized by Issaquah Municipal Code Sections 18.15.010 through 18.15.120.

E. Developments in the unincorporated areas of the County may have an impact on City Transportation Facilities.

F. Developments in the City may have an impact on Transportation Facilities in the unincorporated areas of the County.

G. Developments should pay a proportionate share of the cost of Transportation Facilities needed to serve new growth and development.

H. Both the County and the City intend to collect fees for development traffic impacts on the other party's Transportation Facilities pursuant to an interlocal agreement.

I. The City and the County entered into a Master Transportation Financing Agreement dated June 10, 1996 ("MTFA") with the Sunset Interchange Foundation, the Grand Ridge Partnership, and the Glacier Ridge Partnership to coordinate, finance and construct certain transportation improvements ("the MTFA Improvements") in connection with the development of real property in the City owned by the Partnerships and referred to in the MTFA as "Grand Ridge." The MTFA Improvements are the Issaquah Bypass ("Bypass"), the South Plateau Access

Road - North Segment ("North SPAR"), the South Plateau Access Road - South Segment ("South SPAR") and the Revised I-90 Sunset Interchange ("Sunset Interchange"), and are more particularly described in the MTF A.

## AGREEMENT

NOW THEREFORE, the County and the City hereby agree:

1. Purposes of the Agreement.

(a) To include within the County System certain City Transportation Facilities for which the County will collect transportation impact fees from developments within the unincorporated areas of the County for transfer to the City.

(b) To include within the City System certain County Transportation Facilities for which the City will collect transportation impact fees from developments within the City for transfer to the County.

(c) To ensure that there is an equitable means to charge developments for their impacts on City and County Transportation Facilities.

(d) To define the procedure by which each party will assess, collect and transfer to the other party fees for traffic impacts to the receiving party's Transportation Facilities.

2. References.

(a) References in this Agreement to the County System shall mean the Mitigation Payment System, or MPS, established by the County for the imposition and collection of transportation impact fees codified at King County Code Chapters 14.65 and 14.75. References to King County Code Chapters 14.65 and 14.75 mean those chapters as they now exist or are hereafter amended.

(b) References in this Agreement to the City System shall mean the system established by the City for the imposition and collection of transportation impact fees as authorized by Issaquah Municipal Code Sections 18.15.010 through 18.15.120. References to Issaquah Municipal Code Sections 18.15.010 through 18.15.120 mean those sections as they now exist or are hereafter amended.

(c) References in this Agreement to RCW Sections 82.02.050 through 82.02.100 mean those sections as they now exist or are hereafter amended.

3. Definitions. In addition to the definitions contained elsewhere in the text of this Agreement, the following definitions apply.

(a) **County-Collected Fees:** Transportation impact fees that the County collects in accordance with this Agreement from developments in unincorporated King County that have traffic impacts on selected City Transportation Facilities.

(b) **City-Collected Fees:** Transportation impact fees that the City collects in accordance with this Agreement from developments in the City that have traffic impacts on selected County Transportation Facilities.

(c) **City Project:** A growth-related (i) improvement on a City Transportation Facility or (ii) new City Transportation Facility, as described in the Capital Facilities Element of the City's Comprehensive Plan ("Plan") as adopted by Ordinance No. 2061, as such Plan may be updated from time to time, that the City proposes and the County selects for inclusion in the County's System pursuant to King County Code Chapters 14.65 and 14.75. The list of such City Projects is referred to as "the City Projects List".

(d) **County Project:** A growth-related (i) improvement on a County Transportation Facility or (ii) new County Transportation Facility, as described in the County MPS Project List, as such list may be updated from time to time, that the County proposes and the City selects for inclusion in the City's System pursuant to Issaquah Municipal Code Sections 18.15.010 through 18.15.120. The list of such County Projects is referred to as "the County Projects List".

(e) **Project Cost:** The estimated cost of constructing a County or City Project, including, but not limited to, the costs of design, right-of-way acquisition and construction.

(f) **Transportation Facilities:** Arterial roads, streets and intersections, sidewalks, curb and gutter, street and road lighting systems, and traffic signals. When they are part of a capacity improvement project, transit and high occupancy vehicle facilities and non-motorized facilities (i.e., for bicycles and pedestrians) are also included within the definition of Transportation Facilities.

4. City Responsibilities.

City Projects in the County System

(a) The City will give the County a list of proposed City Projects that meet the requirements for inclusion in the County System and that the City proposes for inclusion in the County System ("the Proposed City Projects List"). The initial Proposed City Projects List is an attachment (Exhibit A) to this Agreement.

(b) The City will update the Proposed City Projects List on a regular basis.

(c) The Proposed City Projects List will include total Project Cost in current year dollars, year of construction, existing p.m. peak hour capacity of the Transportation Facilities without the proposed City Project and the p.m. peak hour capacity that would be added to the Transportation Facility by the proposed City Project.

(d) The City will provide the County with developer transportation impact data.

(e) The City will expend or encumber the County-Collected Fees for City Transportation Facilities which are identified on the City Projects List and that will reasonably benefit the new development that paid such fees, in accordance with RCW 82.02.050 through 82.02.100, within six (6) years of the date when such fees were paid to the County. In the event the City does not so expend or encumber any such fees, the City will return such fees to the County, unless there exists an extraordinary and compelling reason for the fees to be held longer than six years. Such extraordinary or compelling reasons shall be identified in written findings by the City Council pursuant to RCW 82.02.070(3).

(f) The City will maintain its own payment tracking system for County-Collected Fees including appropriate notations to identify special situations such as appeals, refunds and exemptions.

(g) The City will inform the County of the appropriate staff contact and address for transfer of revenues or other official contacts.

#### County Projects in the City System

(h) The City will determine which of the County's Proposed Projects will be included in the City System, pursuant to Municipal Code Sections 18.15.010 through 18.15.120, and will collect impact fees from developments in the City that have an impact on such County Projects.

(i) The City will determine and collect the impact fees as described in Section 6(b). Collection of the fees may be deferred pursuant to an agreement among the County, City and developer. The County Executive or his or her delegee is authorized to enter into such an agreement for King County. The City Mayor or his or her delegee is authorized to enter into such an agreement for the City of Issaquah.

(j) The City will maintain its own impact fee accounts or funds as it deems appropriate for holding impact fee revenue prior to transfer to the County.

(k) The City will provide the County with the following information regarding the City-Collected Fee for each development in the City that pays such a fee: (1) development name; (2) street address; (3) permit application number; (4) King County Assessor's parcel number; (5) development location by zone number; (6) development type and size; for example, "single family residential – 10 units;" (7) the date the fee was paid to the City; and (8) any special notations as described in Section 5(f).

(l) The City will retain interest on City-Collected Fees while the revenues remain in the City's accounts. The City will not pay interest to the County on City-Collected Fees that are held prior to transfer.

(m) Administrative appeals of City-Collected Fees will be processed through the City System's appeal procedure.

(n) Refunds of City-Collected Fees will be made as follows:

(1) If a refund includes revenues that have not yet been transferred to the County, the refund (including interest) will be paid by the City out of such revenues and will be deducted from the revenues the City transfers to the County.

(2) If a refund includes revenues that have already been transferred to the County, the County will not be responsible to refund these monies to the City. Instead, the City will pay the refund (including interest) and will deduct a like amount from future amounts that would otherwise be transferred to the County.

(3) If revenues that have not been transferred to the County, or that can reasonably be expected to be collected in the future, will not be sufficient to cover all or part of a refund (including interest), such as, for example, in the event this Agreement is terminated pursuant to Section 10, the County will be responsible for the shortfall.

(4) Refunds that are ordered by a court shall be paid as described in Section 7.

(5) The City will promptly notify the County of any refunds the City makes and the effect of such refunds on revenues to be transferred to the County.

(o) The City will transfer the City-Collected Fees to the County quarterly, unless both parties agree to transfer said fees more or less frequently.

## 5. County Responsibilities.

### County Projects in the City System

(a) The County will give the City a list of proposed County Projects that meet the requirements for inclusion in the City System and that the County proposes for inclusion in the City System ("the Proposed County Projects List"). The initial Proposed County Projects List is an attachment (Exhibit B) to this Agreement.

(b) The County will update the Proposed County Projects List on a regular basis.

(c) The Proposed County Projects List will include total Project Cost in current year dollars, year of construction, existing p.m. peak hour capacity of the Transportation Facility

without the proposed County Project and the p.m. peak hour capacity that would be added to the Transportation Facility by the proposed County Project.

(d) The County will provide the City with developer transportation impact data.

(e) The County will expend or encumber the City-Collected Fees for County Transportation Facilities which are identified on the County Projects List and that will reasonably benefit the new development that paid such fees, in accordance with RCW 82.02.050 through 82.02.100, within six (6) years of the date when such fees were paid to the City. In the event the County does not so expend or encumber any such fees, the County will return such fees to the City, unless there exists an extraordinary and compelling reason for the fees to be held longer than six years. Such extraordinary or compelling reasons shall be identified in written findings by the County Council pursuant to RCW 82.02.070(3).

(f) The County will maintain its own payment tracking system for City-Collected Fees including appropriate notations to identify special situations such as appeals, refunds and exemptions.

(g) The County will inform the City of the appropriate staff contact and address for transfer of revenues or other official contacts.

#### City Projects in the County System

(h) The County will determine by ordinance which of the City's Proposed Projects will be included in the County System, pursuant to King County Code Chapters 14.65 and 14.75, and will collect impact fees from developments in unincorporated King County that have an impact on such City Projects.

(i) The County will determine and collect the impact fees as described in Section 6(a). Collection of the fees may be deferred pursuant to an agreement among the County, City and developer. The County Executive or his or her delegee is authorized to enter into such an agreement for King County. The City Mayor or his or her delegee is authorized to enter into such an agreement for the City of Issaquah.

(j) The County will maintain its own impact fee accounts or funds as it deems appropriate for holding impact fee revenue prior to transfer to the City.

(k) The County will provide the City with the following information regarding the County-Collected Fee for each development in unincorporated King County that pays such a fee: (1) development name; (2) street address; (3) permit application number; (4) King County Assessor's parcel number; (5) development location by zone number; (6) total impact fee payment and amount apportioned to each party; (7) development type and size; for example, "single family residential – 10 units"; (8) the date the fee was paid to the County; and (9) any special notations as described in Section 4(f).

(l) The County will retain interest on County-Collected Fees while the revenues remain in the County's accounts. The County will not pay interest to the City on County-Collected Fees that are held prior to transfer.

(m) Administrative appeals of County-Collected Fees will be processed through the County System's appeal procedure.

(n) Refunds of County-Collected Fees will be made as follows:

(1) If a refund includes revenues that have not yet been transferred to the City, the refund (including interest) will be paid by the County out of such revenues and will be deducted from the revenues the County transfers to the City.

(2) If a refund includes revenues that have already been transferred to the City, the City will not be responsible to refund these monies to the County. Instead, the County will pay the refund (including interest) and will deduct a like amount from future amounts that would otherwise be transferred to the City.

(3) If revenues that have not been transferred to the City, or that can reasonably be expected to be collected in the future, will not be sufficient to cover all or part of a refund (including interest), such as, for example, in the event this Agreement is terminated pursuant to Section 10, the City will be responsible for the shortfall.

(4) Refunds that are ordered by a court shall be paid as described in Section 7.

(5) The County will promptly notify the City of any refunds the County makes and the effect of such refunds on revenues to be transferred to the City.

(o) The County will transfer the County-Collected Fees to the City quarterly, unless both parties agree to transfer said fees more or less frequently.

## 6. Determination and Collection of Fees.

(a) The County will determine impact fees for City Projects in the County System using the City methodology as described in Issaquah Municipal Code Sections 18.15.010 through 18.15.120 and using development impact data supplied by the County and the City.

(b) The City will determine impact fees for County Projects in the City System using the County methodology as described in King County Code Chapters 14.65 and 14.75 and development impact data supplied by the County and the City.

(c) The County will perform transportation modeling necessary for both the County's and City's determination of fees as described in Section 6(a) and (b).

(1) The County will make every reasonable effort to perform the modeling necessary for the City's determination of fees and provide the results to the City in an expeditious manner after the County's receipt from the City of the information specified in Section 4(k).

(2) The City will make every reasonable effort to provide the County with the information described in Section 4(a), (b) and (c) in an expeditious manner for the County to use in its determination of fees.

7. Litigation.

In the event of litigation, each party to this Agreement will be responsible at its sole expense for defending its own codes, ordinances and administrative decisions. If either party is ordered by the court to refund fees, the party in possession of such fees shall make such refund, and the party for whom the fees were collected shall pay any interest, costs, fees or expenses that may be ordered by the court in connection with such refund.

8. Exemptions.

(a) The City will not collect impact fees from a development within the City having an impact on County Transportation Facilities when that development is exempt from paying impact fees under City ordinances.

(b) The County will not collect impact fees from a development within unincorporated King County having an impact on City Transportation Facilities when that development is exempt from paying impact fees under the County Code.

9. Amendments.

This Agreement may be amended only by an instrument in writing duly executed by the parties hereto.

10. Termination.

This Agreement may be terminated upon 60 days written notification by either party. On the effective date of the termination, the City and the County will cease collecting fees for impacts on the other party's Transportation Facilities. Any fees that have previously been collected by one party for impacts on the other party's Transportation Facilities, but not yet transferred, will be transferred to the other party in accordance with this Agreement. Refunds (including interest) that cannot be covered by fees pending transfer will be paid by the party for whom the fees that are to be refunded were collected.

11. Indemnification and Hold Harmless.

Each party shall protect, defend, indemnify and save harmless the other party, its officers, officials, employees and agents from any and all costs, claims, judgments, and/or awards of damages arising out of or in any way resulting from the indemnifying party's own acts or omissions in carrying out the terms of this Agreement. In the event the indemnified party incurs any costs including attorney's fees to enforce the provisions of this section, all such costs and fees shall be recoverable from the indemnitor. This indemnification shall include, by way of example, but not by way of limitation or exclusion, a party's responsibility under Section 7 to refund any fees with interest which are determined by a court of competent jurisdiction to have been improperly paid. Provided, however, the parties shall be responsible for defending any claims or challenges to their own ordinances and administrative decisions, and all costs associated with such defense.

12. Sunset Interchange.

The County and the City shall collect impact fees from those developments within their jurisdictions that have impacts on the Sunset Interchange by means of separate agreements to be negotiated individually by the County and the City with the Washington State Department of Transportation.

13. No Third Party Rights.

Nothing contained herein is intended to, nor shall be construed to, create any rights in any third party, or to form the basis for any liability on the part of the City or the County, or their officials, employees, agents or representatives, to any third party.

14. Severability.

If any provision of this Agreement shall be held invalid, the remainder of the Agreement shall not be affected thereby if such remainder would then continue to serve the purposes and objectives of the parties.

15. Non-Waiver.

Waiver of any breach of any provision of this Agreement shall not be deemed to be a waiver of any prior or subsequent breach, and shall not be construed to be a modification of this Agreement.

16. Exhibits.

The following exhibits are attached hereto:

- A. Proposed City Projects List.
- B. Proposed County Projects List.

17. Survival.

The provisions of this Agreement related to expenditure or encumbrance of fees, refunds, litigation, indemnification and hold harmless shall survive the termination of this Agreement.

18. Entire Agreement.

This Agreement contains the entire agreement of the parties and any representations or understandings, whether oral or written, not incorporated herein are excluded.

IN WITNESS WHEREOF, the City and the County have executed this Agreement effective as of the date last written below.

**King County**

By: [Signature]  
King County Executive

12-22-99  
Date

**City of Issaquah**

By: [Signature]  
Mayor of Issaquah

12-7-99  
Date

Approved as to form:

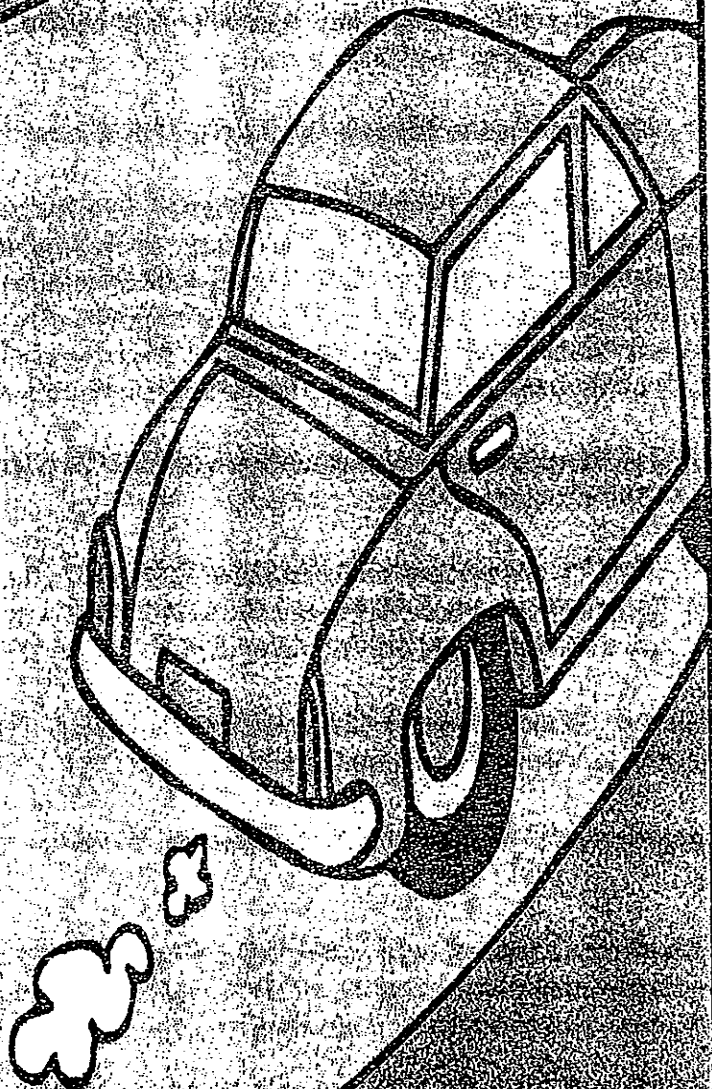
[Signature]  
Deputy Prosecuting Attorney

Approved as to form:

[Signature]  
City Attorney

**DRAFT**

**City of Issaquah and King County  
Proposed Mitigation Payment System  
Interlocal Agreement**



June 1997

EXHIBIT B

4235-B1

# DRAFT

City of Issaquah and King County

Mitigation Payment System Interlocal Agreement For Transportation

(December 1997)

## Questions and Answers

**Q: 1) What is the Interlocal MPS Program?**

A: The Mitigation Payment System Interlocal Agreement (Interlocal) is a program that provides a method for King County and the City of Issaquah to each collect fees for the traffic impacts of new development from one-jurisdiction on the other jurisdiction's transportation facilities.

**Q: 2) What is the Purpose of the MPS Program?**

A: The Interlocal is based on the principle that new development should pay a fair share of the roadway improvements necessary to accommodate the traffic increases it causes. Additionally, the impacts of development in one jurisdiction also impact the\* transportation facilities of other jurisdictions. Fees are proportional to the amount of new traffic that will be generated by the new development. These fees are combined with public funds to finance the needed transportation improvements in each jurisdiction.

**Q: 3) What is the Connection Between Issaquah's Local impact Fee Ordinance and the NIPS Program?**

A: The City of Issaquah adopted a local Transportation Impact Fee Ordinance (Ord. No.\* 2145) on February 18, 1997. As paraphrased from the Ordinance, the City Council identified the following goals:

- That adequate transportation facilities should be provided to serve the demand generated from new development.
- That the cost of new transportation facilities must be shared by the public and private sectors.
- A proportionate share of the expense of transportation facilities necessitated by the impacts of new development should be borne by applicants through the imposition of transportation impact fees.

King County also has a local transportation impact fee ordinance, as codified in King County Code Chapters 14.65 and 14.75 (Mitigation Payment System).

**Q: 4) What is the Authority for the Interlocal Agreement?**

A: Authority for the Interlocal comes from several sources, as follows:

- Interlocal agreements between governments are authorized by RCW 39-34.
- Impact fees are authorized by RCW 82.02.05 through 82.02.090.
- Grand Ridge Master Transportation Agreement (MTFA), Section 4.2.

**Q: 5) Who Will Pay the Interlocal MPS fees?**

A: Any one who engages in development activity in the City of Issaquah or unincorporated King County will be assessed an interlocal UPS fee if they meet the following criteria:

- They apply for a development permit to construct or expand a building or structure, or change the use of a building or structure or when they apply for a development permit to develop a subdivision or a short plat.
- Their development activity results in an increase in the number of peak hour vehicle trips.
- Their development activity is not specifically exempted by the Interlocal Agreement or local impact fee ordinances.

**Q: 6) Is Any Development Exempted from the MPS fees?**

A: Yes. Each jurisdiction will honor the exemptions of the other jurisdiction. Currently, King County exempts public schools and low-income housing. The City exempts affordable housing. These housing exemptions have differing definitions in the two jurisdictions. The important point is that whatever exemption applies in the permitting jurisdiction will also be applied in the other jurisdiction.

Examples

- "Affordable housing" development in Issaquah is exempt from Issaquah impact fees. Therefore, it will also be exempt from any Interlocal fees due to its potential impact to King County.
- "Low Income housing" development is exempt from impact fees in King County. Therefore, it will also be exempt from any Interlocal fees due to its potential impact in Issaquah.
- Public elementary and middle schools exempt from impact fees in both jurisdictions. Therefore, elementary and middle schools are also exempt from the Interlocal Impact fees.

**Q: 7) Who will determine the impacts to County roads from City development and impacts to City roads from County development?**

A: The County's transportation model can more easily incorporate the City than the converse. Therefore, it is proposed that the County's model be used to determine the traffic patterns and volumes for City development that impacts County roads and County development that impacts City roads.

- Q: 8) The County and the City have different technical methods (impact fee calculations). How will this be handled in the Interlocal?**
- A: Once the traffic patterns are determined through modeling, each jurisdiction will use its own methods to calculate the impact fees within its own borders. For instance, the impact fee of County development on City roads will be calculated using City methods. The impact fee of City development on County roads will be calculated using County methods (see Q&A No. 21 for more information).
- Q: 9) The County and the City have different definitions of "transportation facilities." The City includes non-motorized. The County does not. Is this a problem?**
- A: No. As with question (8), each jurisdiction will use its own methods within its borders.
- Q: 10) The King County MPS includes Washington State Department of Transportation (WSDOT). The Issaquah ordinance does not. Will King County collect on County development that impacts WSDOT projects in Issaquah?**
- A: Since the County has an interlocal agreement with WSDOT, it may collect impact fees for the impact of County development on WSDOT projects within the City.
- Q: 11) Will Issaquah collect on WSDOT projects impacted by City development in the City or in the County?**
- A: No. The City does not have an interlocal agreement with WSDOT and therefore, would not collect impact fees for these projects unless a separate interlocal agreement with WSDOT is established.
- Q: 12) The King County MPS includes other cities. The Issaquah ordinance does not. Will impact fees collected by Issaquah for impacts to King County transportation facilities include monies for the transportation facilities of other cities?**
- A: No. Issaquah does not have an interlocal agreement with any other city and therefore, would not collect impact fees for these projects unless a -separate interlocal agreement with other cities is established.
- Q: 13) Will impact fees collected by the County for impacts to Issaquah transportation facilities include monies for the transportation facilities of other cities?**
- A: No. The City does not have interlocal agreements with any other cities and would not collect impact fees for these projects unless separate interlocal agreements are established.

- Q: 14) The County charges an administrative fee of \$60 for all impact fee determinations. The City does not charge an administrative fee. How will this be handled?**
- A: Currently, the City does not charge an administrative fee for determining the impacts of City development on City roads. However, in-City development will need to be reviewed by King County for its impact to County roads. Therefore, if required by the County, the City may collect this fee and provide it to the County.
- Q: 15) County development applications that require individual modeling to determine impact fees (all non-residential development) are also charged a \$320 processing fee. Issaquah does not perform individual modeling and does not-charge a processing fee. How will this be handled?**
- A: For in-City development impacting City roads, no processing fee is charged because the City uses a look-up table to determine all fees. For in-City development impacting County roads (which must be determined by the County individually), the City may collect the County's processing fee and provide it to the County.
- Q: 16) How will collected revenues be handled?**
- A: Interlocal fees collected by one jurisdiction will be transferred to the other jurisdiction on a quarterly basis, unless both jurisdictions agree on some other time period.
- Q: 17) How will the money collected from the interlocal program be used?**
- A: The money collected from the Interlocal fees will be combined with public funds and used to pay for each jurisdiction's transportation improvement projects as identified in their respective capital facility plans.
- Q: 18) How does the MPS Interlocal program affect the Development Application Process?**
- A: The application process for the Interlocal program will be the same as for the local MPS programs of each jurisdiction. The difference for the City is that determination of the impact fee from Issaquah non-residential development on -County roads will require modeling by the County. This is anticipated to take one to two weeks to perform. The City will then add the County portion of the fee to the City portion to arrive at a final impact fee. Since the County will be doing all modeling runs, the process for development applicants will be the same as it is today; although some additional time may be required to determine the City portion of the total impact fee for County development. Since the fees are determined early in the permit process, and due at the time of building permit issuance, the Interlocal process is not expected to delay development review (see Figure I for a flowchart of application steps).
- Q: 19) Does the Interlocal Agreement provide for Appeals and Refunds?**
- A: Yes. Each jurisdiction will provide for informal and formal appeals, as well as adjustments to calculated fees for due cause, and refunds if developments do not proceed.

**Q: 20) Where Can Additional Assistance be Obtained?**

A: If you need additional information or assistance on the Interlocal MPS program, contact the following sources:

City of Issaquah  
Planning Department  
1775 12' Avenue NW  
(Park Plaza Building)

Phone: (425) 837-3080

King County  
Development and Environmental Services  
Building Services Office Information Counter  
3600 136th Place SE

Phone: (206) 296-8095

**Q: 21) How is the Transportation Modeling Process Used to Determine Impact Fees?**

A: In the City's Impact Fee system, new development mitigates its impacts on the transportation system of the City by payment of a fee which is based on the type and size of the land use; the additional vehicle miles of travel demand that the development adds to the City's arterial street system; and a proportionate cost per mile for capacity improvements necessary to serve the needs of growth. A computer model has been used to simulate P.M. peak hour traffic patterns throughout the City from individual Traffic Analysis Zones (TAZ's) (see Figure 2 for diagram of TAZ's). Anticipated traffic volumes from a proposed development are derived using trip generation rates from –the Institute of Transportation Engineers (TIE) or from local surveys if available and if determined to be more representative of local conditions. In the City's system, both residential and non-residential development has been modeled so that the fees for any development can be determined from fee schedules, once the development type, size, and location are known.

The final impact fee is the product of the development's ITE trip generation rate (or other authorized source); times the size of the development in dwelling units or square feet or non-residential area; times the modeled average trip length on City arterials from the TAZ where the development is located; times the average unfunded cost per mile for new capacity times the proportionate share for development (25% of total cost of all capacity improvements).

Example: For a single family residential development of 100 units in TAZ 142, the fee would be calculated as follows:

100 dwelling units X .84 (trip rate from ITE) X \$1,105. (Standard fee for TAZ 142)= \$92,820.

**King County Mitigation Payment System (MPS)**

In the King County MPS, fees are calculated to be proportional to the amount of increased peak hour traffic caused by the development and the cost of the roadway -improvement projects necessary to accommodate the \*increased traffic. A computer model is used to forecast traffic volume, simulate peak hour traffic flow and calculate the fair-share charge for the specified impact. The County uses over 400 Traffic Analysis Zones covering all of unincorporated King County to identify modeled traffic patterns and also road improvement projects that are included for partial funding through the MPS fees. This list is known as the Transportation Needs Report (TNR)

The model is a combination of a microcomputer traffic forecasting package and additional custom programs that perform the fair share calculations and other basic accounting functions necessary to operate and monitor the program. Anticipated traffic volumes from a proposed development are derived using trip generation rates from the ITE or from local surveys if available and if determined to be more representative of local conditions.

There are two different types of MPS fees; residential development and commercial development. Residential fees have been pre-calculated and reflect an average fee for similar residential development in **the same zone**. The single family residential fee schedule shows the fee by zone for one dwelling unit. This fee is then multiplied by the total dwelling units in the proposed development to get the total fee.

Example: For a single family residential development 100 dwellings in zone 269, the fee would be calculated as follows: 100 dwelling units X \$503. (Pre-calculated fee for zone 269) = \$50,300.

Fees for commercial development are obtained through a separate process that involves a special model run for each development. Special model runs and fee calculations for commercial development are done by the County's Transportation Planning Department staff.

### **City of Issaquah and King County Interlocal Impact Fee**

The Interlocal impact fee will be comprised of two parts; the fee assessed for impacts to the local jurisdiction and the fee for impacts to the other jurisdiction. Each jurisdiction will continue to calculate fees for impacts from development within its corporate limits under the methods adopted in their respective local ordinances. The other portion will be calculated as follows:

#### City Development Impacting County Roads

The impact of development within the City of Issaquah on County road projects will be determined using the County method. The County's forecasting model will include three zones within Issaquah. The model will simulate average traffic patterns from those zones. The higher the volume of simulated traffic from each zone that impacts an MPS project, the higher the fee will be. Residential development will have a pre-calculated per unit fee, while non-residential development will be calculated individually.

#### County Development Impacting City Roads

The impact of development within the County on City road projects will be determined using the City's method. The County model will calculate average vehicle-miles traveled (VMT) on the City's arterials from development in County zones. This travel will be multiplied by the City's standard fee rates for the type of development involved.

Example: A single family residential development in hypothetical County zone "A" produces a trip pattern through the City resulting in 1.0 VMT on City arterials. The fee would be calculated as follows:

1.0 VMT (County impact on City arterials) X \$1,316. (Cost per VMT) = \$1,316.

The fee for impact to the City from one single family dwelling in zone "A" in the County would be: \$1,316.

## **Residential VS. Commercial Development Fees**

In the City impact fee system, all standard fees have been pre-calculated. To determine the fee for any development, whether residential, retail or commercial, the information needed is the development's size, location and type.

In the County MPS system, residential fees are pre-calculated. Fees for commercial uses are obtained through a separate process that involves a special model run for each development. Therefore, Interlocal fees cannot be determined from a fee schedule. Model runs and fee calculations for commercial development will be done by Transportation Planning Staff of the King County Department of Transportation.