

ORDINANCE NO. 2004-299

AN ORDINANCE OF THE CITY OF NEWCASTLE, WASHINGTON, AMENDING SECTION 16.15.030 OF THE NEWCASTLE MUNICIPAL CODE, REVISING THE SCHEDULE OF TRAFFIC IMPACT FEES FOR THE CITY.

WHEREAS, the City has adopted Chapter 16.15 of the Newcastle Municipal Code ("NMC") which established traffic impact fees within the City; and

WHEREAS, when adopting Chapter 16.15 NMC, the City Council determined that new development will create additional demand and need for public facilities (public streets and roads) within the City, and found that new growth and development should pay a proportionate share of the cost of new public facilities needed to serve the new growth and development; and

WHEREAS, NMC 16.15.030(A) established a schedule of impact fees in the form of Attachment A for any applicant seeking a building permit from the City, or a certificate of occupancy permit if a building permit is not required; and

WHEREAS, the City Council desires to revise NMC 16.15.030 to update Attachment A, which contains the schedule for traffic impact fees; NOW THEREFORE,

THE CITY COUNCIL OF THE CITY OF NEWCASTLE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Amendment. Section 16.15.030(A) of the Newcastle Municipal Code is hereby amended to read as follows:

16.15.030 Assessment of impact fees.

A. The city shall collect impact fees in the amount established in the schedule in Attachment A, hereby incorporated by reference, from any applicant seeking a building permit from the city, or a certificate of occupancy permit if a building permit is not required.

Section 2. Public Inspection of Attachment A. The City Clerk is directed to have a copy of Attachment A, attached hereto and incorporated by reference, available for public inspection.

Section 3. Effective Date. This ordinance shall take effect five days after its publication.

PASSED BY THE CITY COUNCIL ON NOVEMBER 30, 2004.




John D. Dulcich, Mayor

ATTEST:

Laura Hathaway, City Clerk

APPROVED AS TO FORM:



Dawn L. Findlay, City Attorney

Date of Publication: December 5, 2004
Effective Date: December 10, 2004

Road Impact Fee Rate Calculations for City of Newcastle

Background

Impact fees are one-time charges paid by new development to reimburse local governments for the capital cost of public facilities that are needed to serve new development and the people who occupy or use the new development. Impact fee rates for new development are based on the type of land use: residential, retail, office, commercial, industrial, and other types of new construction.

Local governments charge impact fees for several reasons: 1) to obtain revenue to pay for some of the cost of new public facilities; 2) to implement a public policy that new development should pay a portion of the cost of facilities that it requires, and that existing development should not pay all of the cost of such facilities; and 3) to assure that adequate public facilities will be constructed to serve new development.

The Growth Management Act of 1990 created RCW 82.02.050 - 82.02.090 to authorize local governments in Washington to charge impact fees, and provide specific requirements for impact fees.

There are several important differences between impact fees and the mitigations or voluntary payments authorized by SEPA (the State Environmental Policy Act, RCW 43.21C). Two aspects of impact fees that are particularly noteworthy are: 1) the ability to charge for the cost of public facilities that are "system improvements" (i.e., that provide service to the community at large) as opposed to "project improvements" (which are "on-site" and provide service for a particular development); and 2) the ability to charge small-scale development their proportionate share, whereas SEPA exempts small developments.

Impact fees are also different than other forms of developer contributions or exactions, such as system development charges for water and sewer authorized for utilities (RCW 35.92 for municipalities, 56.16 for sewer districts, and 57.08 for water districts), local improvement districts or other special assessment districts, linkage fees, or land donations or fees in lieu of land.

Legal Requirements for Impact Fees

The following synopsis of the most significant requirements of the law includes citations to the Revised Code of Washington.

TYPES OF PUBLIC FACILITIES

Four types of public facilities can be the subject of impact fees: 1) public streets and roads; 2) publicly owned parks, open space and recreation facilities; 3) school facilities; and 4) fire protection facilities (in jurisdictions that are not part of a fire district). *RCW 82.02.050(2) and (4), and RCW 82.02.090(7)*.

TYPES OF IMPROVEMENTS

The public facilities that can be paid for by impact fees are "system improvements" (which are typically outside the development "and designed to provide service to service areas within the community at large" as provided in *RCW 82.02.050(9)*), as opposed to "project improvements" (which are typically provided by the developer on-site within the development or adjacent to the development "and designed to provide service for a particular development project and that are necessary for the use and convenience of the occupants or users of the project" as provided in *RCW 82.02.050(6)*).

CAPITAL FACILITIES PLANS

Impact fees must be expended on public facilities in a capital facilities plan (CFP) element (or used to reimburse the government for the unused capacity of existing facilities). The CFP must conform with the Growth Management Act of 1990, and must identify existing deficiencies in facility capacity for current development, capacity of existing facilities available for new development, and additional facility capacity needed for new development. *RCW 82.02.050(4), RCW 82.02.060(7), and RCW 82.02.070(2)*.

NEW VERSUS EXISTING FACILITIES

Impact fees can be charged for new public facilities (*RCW 82.02.060(1)(a)*), and for the unused capacity of existing public facilities (*RCW 82.02.060(7)*) subject to the proportionate share limitation described above.

BENEFIT TO DEVELOPMENT

Impact fees must be limited to system improvements that are reasonably related to, and which will benefit new development. *RCW 82.02.050(3)(a) and (c)*. Local

governments must establish reasonable service areas (one area, or more than one, as determined to be reasonable by the local government), and local governments must develop impact fee rate categories for various land uses. *RCW 82.02.060(6)*.

PROPORTIONATE SHARE

Impact fees cannot exceed the development's proportionate share of system improvements that are reasonably related to the new development. The impact fee amount shall be based on a formula (or other method of calculating the fee) that determines the proportionate share. *RCW 82.02.050(3)(b) and RCW 82.02.060(1)*.

REDUCTIONS OF IMPACT FEE AMOUNTS

Impact fees rates must be adjusted to account for other revenues that the development pays (if such payments are earmarked for or proratable to particular system improvements). *RCW 82.02.050(1)(c) and (2) and RCW 82.02.060(1)(b)* impact fees may be credited for the value of dedicated land, improvements or construction provided by the developer (if such facilities are in the adopted CFP and are required as a condition of development approval). *RCW 82.02.060(3)*.

EXEMPTIONS FROM IMPACT FEES

Local governments have the discretion to provide exemptions from impact fees for low-income housing and other "broad public purpose" development, but all such exemptions must be paid from public funds (other than impact fee accounts). *RCW 82.02.060(2)*.

DEVELOPER OPTIONS

Developers who are liable for impact fees can submit data and or/analysis to demonstrate that the impacts of the proposed development are less than the impacts calculated in this rate calculation. *RCW 82.02.060(5)*. Developers can pay impact fees under protest and appeal impact fee calculations. *RCW 82.02.060(4) and RCW 82.02.070(4) and (5)*. The developer can obtain a refund of the impact fees if the local government fails to expend the impact fee payments within 6 years, or terminates the impact fee requirement, or the developer does not proceed with the development (and creates no impacts). *RCW 82.02.080*.

ACCOUNTING REQUIREMENTS

The local government must separate the impact fees from other monies, expend the money on CFP projects within 6 years, and prepare annual reports of collections and expenditures. *RCW 82.02.070(1)-(3)*.

RESPONSIBILITY FOR PUBLIC FACILITIES

In general, local governments that are authorized to charge impact fees are responsible for specific public facilities for which they may charge such fees. In no case may a local government charge impact fees for private facilities, but it may charge impact fees for some public facilities that it does not administer if such facilities are "owned or operated by government entities" (RCW 82.02.090 (7)).

TIMING OF PAYMENT OF IMPACT FEES

Washington law does not specify the timing of payment of impact fees, therefore each local government can establish its own timing requirements. Impact fees are usually collected at the time the local government issues a permit or order allowing land to be developed.

Rate Calculations

The following tables present the results of the formulas and methodology used to calculate the road impact fees for the City of Newcastle.

A. COST OF ROAD PROJECTS

Table A lists the projects in the City's adopted Capital Facilities Plan that are eligible for impact fees because they provide capacity for trips generated by new development and they are not fully funded by other sources of funding. Column 2 is the total cost, columns 3-6 are funds from other sources, and column 7 is eligible for impact fees..

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Project	Total Cost	REET	Bond	Grant	Bellevue	Cost Eligible for Impact Fee
136 th Ave SE from SE 79 th to 135 th Ave SE	3,900,000	2,000,000				1,900,000
Signalize SE 69 th Way/129 th Ave SE	125,000					125,000
Signalize Lk WA Blvd/112 th Ave SE	150,000			112,500	18,750	18,750
Signalize SE 69 th Way/116 th Ave SE	125,000			93,750		31,250
112 th Ave SE from SE 64 th to SE 68 th	1,600,000		225,000	1,200,000		175,000
SE 68 th /69 th from 112 th Ave SE to 129 th Ave SE	6,700,000		1,025,000	5,025,000		650,000
Signalize SE 133 rd Ave SE /SE 72 nd Street	150,000					150,000
136 th from Newcastle-CC Road to SE 75 th Street	3,300,000					3,300,000
SE 84 th from SE 89 th to 118 th Ave SE	2,900,000					2,900,000
144 th PI SE from 136 th Ave SE to SE 87 th Street	3,200,000					3,200,000
144 th PI SE road extension to May Valley Road	3,300,000					3,300,000
SE 138 th Way from 135 th Ave SE to 140 th Ave SE	2,100,000					2,100,000
GRAND TOTAL	27,550,000	2,000,000	1,250,000	6,431,250	18,750	17,850,000

B. ADDITIONAL TRIPS IN NEWCASTLE: 2002 - 2022

Table B shows the growth in traffic during the p.m. peak hour in Newcastle between the baseline year (2002) and the planning horizon (2022).

From/To	(1)	(2)	(3)	(4)	(5)
		Puget Sound Region	City of Newcastle	Origins	Total Origins + Destinations Involving Newcastle
<i>Year 2002 Trips</i>					
Puget Sound Region		878,324	2,029		
City of Newcastle		1,240	178	1,418	
Destinations			2,207		_____
Year 2002 Trips					3,625
<i>Year 2022 Trips</i>					
Puget Sound Region		1,230,670	3,234		
City of Newcastle		2,978	1,350	4,328	
Destinations			4,584		_____
Year 2022 Trips					8,912
Additional Trips: 2022 minus 2002					=====
					5,287

C. COST PER GROWTH TRIP

Table C divides the eligible cost from Table A by the additional trips from Table B to calculate the cost per trip.

Total Cost of Added Road Capacity (Table A)	\$ 17,850,000
Total Growth Trips in Newcastle (Table B)	5,287
Cost per Growth Trip	\$ 3,376.21

D. IMPACT FEE RATE SCHEDULE

Table D lists typical land use categories that are subject to impact fees (column 1), the trip generation rates for each land use category (column 2), adjustments for trips generated and pass-by trips (columns 3 and 4), and the resulting net new trips (column 5). Column 6 lists the impact fee per unit of development that is calculated by multiplying the net new trip rate from column 5 times the cost per trip from Table C (repeated in the heading of column 6).

(1)	(2)	(3)	(4)	(5)	(6)
ITE Land Use Category	P.M. Peak Traffic Trip Ends ¹	P.M. Peak Trips Generated ²	% Pass-by Trips ³	Net New Trips Per Unit of Measure	Impact Fee Per Unit @ \$3,376.21 per Trip
110 Light Industrial	0.98	0.49		0.49 1,000 sq ft	1.65 per sq ft
140 Manufacturing	0.74	0.37		0.37 1,000 sq ft	1.25 per sq ft
151 Mini-warehouse	0.26	0.13		0.13 1,000 sq ft	0.44 per sq ft
210 Single family house	1.01	0.51		0.51 dwelling	1,704.98 per dwelling
220 Apartment	0.62	0.31		0.31 dwelling	1,046.62 per dwelling
230 Condominium or Townhouse	0.52	0.26		0.26 dwelling	877.81 per dwelling
240 Mobile Home	0.59	0.30		0.30 dwelling	995.98 per dwelling
251 Senior adult housing-detached	0.26	0.13		0.13 dwelling	438.91 per dwelling
252 Senior adult housing-attached	0.11	0.06		0.06 dwelling	185.69 per dwelling
253 Congregate care facility	0.17	0.09		0.09 dwelling	286.98 per dwelling
254 Assisted living	0.22	0.11		0.11 dwelling	371.38 per dwelling
310 Hotel	0.59	0.30		0.30 room	995.98 per room
320 Motel	0.47	0.24		0.24 room	793.41 per room
430 Golf course	0.30	0.15		0.15 acre	506.43 per acre
522 Middle/junior high school	1.19	0.60		0.60 1,000 sq ft	2.01 per sq ft
530 High school	0.97	0.49		0.49 1,000 sq ft	1.64 per sq ft
560 Church	0.66	0.33		0.33 1,000 sq ft	1.11 per sq ft
565 Day care center	13.18	6.59		6.59 1,000 sq ft	22.25 per sq ft
610 Hospital	1.18	0.59		0.59 1,000 sq ft	1.99 per sq ft
620 Nursing home	0.22	0.11		0.22 bed	371.38 per bed
710 General Office	1.49	0.75		0.75 1,000 sq ft	2.52 per sq ft
720 Medical office	3.72	1.86		1.86 1,000 sq ft	6.28 per sq ft

¹ "Trip Generation", 7th Edition (2003), Institute of Transportation Engineers. "P.M. Peak" = 4-6 pm.

² ITE Trip Ends ÷ 2 = Trips Generated (excludes trips attracted).

³ Calculated by Henderson, Young & Company from data in "Trip Generation Handbook: An ITE Recommended Practice (2001), Institute of Transportation Engineers

(1)	(2)	(3)	(4)	(5)	(6)
ITE Land Use Category	P.M. Peak Traffic Trip Ends ¹	P.M. Peak Trips Generated ²	% Pass-by Trips ³	Net New Trips Per Unit of Measure	Impact Fee Per Unit @ \$3,376.21 per Trip
812 Building materials & lumber	4.49	2.25		2.25 1,000 sq ft	7.58 per sq ft
814 Specialty retail	2.71	1.36		1.36 1,000 sq ft	4.57 per sq ft
820 Shopping Center	3.75	1.88	34%	1.24 1,000 sq ft	4.18 per sq ft
850 Supermarket	10.45	5.23	36%	3.34 1,000 sq ft	11.29 per sq ft
851 Convenience market (24 hr)	52.41	26.21	61%	10.22 1,000 sq ft	34.50 per sq ft
890 Furniture store	0.46	0.23	53%	0.11 1,000 sq ft	0.36 per sq ft
896 Video rental	13.60	6.80		6.80 1,000 sq ft	22.96 per sq ft
911 Bank/Savings: walk-in	33.15	16.58		16.58 1,000 sq ft	55.96 per sq ft
912 Bank/Savings: drive-in	45.74	22.87	47%	12.12 1,000 sq ft	40.92 per sq ft
931 Restaurant: quality	7.49	3.75	44%	2.10 1,000 sq ft	7.08 per sq ft
932 Restaurant: sit-down	10.92	5.46	43%	3.11 1,000 sq ft	10.51 per sq ft
933 Fast food, no drive-thru	26.15	13.08	50%	6.54 1,000 sq ft	22.07 per sq ft
934 Fast food, with drive-thru	34.64	17.32	50%	8.66 1,000 sq ft	29.24 per sq ft
936 Drinking place	11.34	5.67		5.67 1,000 sq ft	19.14 per sq ft
943 Auto parts & service center	4.46	2.23	43%	1.27 1,000 sq ft	4.29 per sq ft
944 Service station	13.86	6.93	42%	4.02 per vfp ⁴	13,570.32 per vfp
947 Self-service car wash	5.54	2.77		2.77 wash stall	9,352.09 per wash stall

⁴ vfp = vehicle fueling position